



Testimony on SB 2275
Presented to the Senate Finance and Taxation Committee
Prepared by Tina Fisk, West Fargo City Administrator
Jan. 24, 2023

1 Chairman Kannianen and members of the Senate Finance and Taxation
2 Committee,

3 Please accept this testimony from the City of West Fargo urging a Strong
4 **DO PASS** on SB 2275.

5 The bill's proposed change to oil and gas extraction tax distribution will
6 give cities across the state access to needed infrastructure funding much faster
7 and more efficiently than is currently available. The sooner cities are able to
8 attain this funding, the sooner we can complete projects that directly impact
9 safety, development, and quality of life for our residents.

10 In our capital improvement plan, West Fargo has planned for \$208 million
11 in necessary infrastructure projects from 2023-2027. Reliable funding for projects
12 is critical in order for leaders to plan and maximize grant funding. Of particular
13 concern in West Fargo is \$75 million of work that will take place in West Fargo's
14 core area, which encompasses our oldest neighborhoods and West Fargo's
15 primary affordable housing stock. A 2019 infrastructure study identified that
16 these neighborhoods contain streets and sewer systems in need of major
17 rehabilitation. In many cases, this infrastructure has not been rehabbed since its
18 installation in the 1950s, '60s, or '70s. Its revitalization is important to ensure

19 residents have safe roads, safe water and that these neighborhoods remain
20 livable for years to come.

21 This type of revitalization is costly. Based on our current funding policy,
22 about \$40 million of those core area projects would be funded through special
23 assessments. The passage of this bill and more efficient distribution of oil and gas
24 tax would allow us to remove some of the financial responsibility that would be
25 placed directly on property owners in the core area.

26 For example, the reconstruction work needed in West Fargo's Westwood
27 neighborhood to bring streets, water, sanitary and storm sewer systems to
28 current standards could place \$50,000 in special assessments on a single
29 property. On average, this equates to an additional \$3,905 due annually or \$325
30 per month. Some of these existing homeowners simply do not have the means
31 to add large increases to their expenses in the form of special assessments. We
32 are currently heavily weighing the decision to move forward without additional
33 funding secured. However, this risks catastrophic failures that can affect health
34 and sanitation as well as rising construction costs due to inflation.

35 This is why it is so vital that we have access to additional funding sources,
36 such as Prairie Dog funds for these projects. Westwood is just one of five areas
37 currently in critical need, a list that will only grow as infrastructure ages across
38 our city.

39 Again, we ask for a DO PASS on SB 2275 to provide more timely distribution
40 of oil and gas extraction tax to cities for critical infrastructure funding.

41 Tina Fisk, City Administrator

42 City of West Fargo