



House Finance and Taxation

HB 1389

January 29, 2025

Representative Craig Headland, Chair

Summary:

- The City of Bismarck **supports** an infrastructure fee as an option for counties and cities and the flexibility this bill would provide political subdivisions to use the same authority they have to pay for special assessments to pay for an infrastructure fee.

Testimony:

Chairman Headland and Members of the House Finance and Taxation Committee:

On behalf of the City of Bismarck, I am Jason Tomanek, City Administrator and today I offer testimony in support of HB 1389.

The City of Bismarck has analyzed the use of an infrastructure fee to replace the practice of using special assessments specifically for street maintenance activities. This analysis started in 2017 with the convening of a community Special Assessment Task Force that analyzed policies relating to infrastructure funding.

In 2021, during the 67th Legislative Assembly, HB 1419 was passed into law which created a framework for counties and cities to levy and collect an "infrastructure fee" to replace special assessments for the payment of infrastructure maintenance costs through a utility bill.

The City of Bismarck reconvened the Special Assessment Task Force from July 2021 through August 2022 to discuss the framework of an infrastructure fee to replace street maintenance special assessments. Through outreach activities, local political subdivisions brought forward concerns relating to their current ability to levy separate mills to pay for special assessment related costs that would not be allowed under current law for an infrastructure fee. Without the separate mil levy, the infrastructure fee may adversely affect state aid levels and general fund mil levy.

In 2023, during the 68th Legislative Assembly, HB 1237 would have allowed local political subdivisions to use the same levy authority used to pay special assessments to also pay for an infrastructure fee. The House Political Subdivision Committee had a do pass recommendation and the bill passed the House 76-17. The Senate Finance and Taxation Committee did not provide a recommendation and the bill failed in the Senate 11-35.

The City of Bismarck supports HB 1389 as it would allow school districts, park districts, cities, counties, and townships to use the same authority they have in state law to pay for special assessments to be used for an infrastructure fee.

Respectfully,

Jason Tomanek, City Administrator
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