

Testimony of Kevin Klipfel  
Bismarck Parks and Recreation District  
To Senate Finance and Taxation Committee  
In Opposition to HB 1572  
March 18, 2025

Chairman Weber and Members of the Senate Finance and Taxation Committee, I am writing in opposition to HB 1572, specifically the changes in Section 1 related to park district use of General Obligation (GO) bonds. This change will negatively impact the constituents of Bismarck Parks and Recreation District, especially when it comes to completing small to mid-size projects in a timely and cost-effective manner.

Under existing law, park districts may issue GO bonds up to one percent of a district's assessed property value, which for Bismarck translates to a \$55.3 million debt limit. In addition, the Bismarck Board of Park Commissioners has adopted a policy that further limits our total debt to half of the district's assessed property value, which is \$27.7 million for 2025.

Currently, Bismarck Parks and Recreation District has \$10.3 million in general obligation debt. Prior to the issuance of the GO bond for this debt, local taxpayers had the ability to protest the bond through a 60-day protest period and no comments were received.

HB 1572 limits GO bonds to only \$15 million without a public vote. For a large community like Bismarck, \$15 million is a low threshold to require a vote for many essential park projects. This is especially true of projects when debt payments are covered through our annual budget without raising the mill levy, as was the case with the GO bonds noted above.

This low threshold of \$15 million will lead to delays and added costs for park district projects. Additionally, if the \$15 million ceiling remains unchanged, inflation will reduce the purchasing power of such bonds over time, making it more difficult to fund important community projects.

Instead of applying a one-size-fits-all approach, the current debt limit on a percentage of the assessed valuation of the park district's taxable property allows for flexibility while still maintaining local oversight through the protest period. This is the right approach for communities of all sizes throughout North Dakota.

Should Section 1 of HB 1572 move forward, we strongly recommend adjusting the \$15 million limit to at least \$30 million to reflect the diversity of community sizes and the capacity and needs of all park districts in North Dakota.

Please consider the significant limits this legislation will place on Bismarck Parks and Recreation District in meeting the needs of our growing community of Bismarck.

I strongly urge a do not pass recommendation on HB 1572. At a minimum, please amend the bill from \$15 million to \$30 million under Section 1. Thank you for your consideration.