

**2021 HOUSE FINANCE AND TAXATION**

**HB 1381**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

HB 1381  
1/26/2021

A bill relating to notice requirements and relating to notice requirements and the engineer's report for special improvement districts.
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**Chairman Headland** opened the hearing at 9:01am.

<b>Representatives</b>	<b>Present</b>
Representative Craig Headland	P
Representative Vicky Steiner	P
Representative Dick Anderson	P
Representative Glenn Bosch	P
Representative Jason Dockter	P
Representative Sebastian Ertelt	AB
Representative Jay Fisher	P
Representative Patrick Hatlestad	P
Representative Zachary Ista	P
Representative Tom Kading	P
Representative Ben Koppelman	P
Representative Marvin E. Nelson	P
Representative Nathan Toman	P
Representative Wayne A. Trottier	P

### **Discussion Topics:**

- Notice requirements
- Transparency and communication

**Representative Schauer** introduced the bill (#3373).

**Roben Anderson, resident of West Fargo and serves on the West Fargo Special Assessment Commission**, testified in support (#2487).

**Elton Tufte, resident of West Fargo**, testified in support (#2626).

**Chairman Headland** closed the hearing at 9:13am.

**Representative Schauer** answered questions from the committee.

**Roben Anderson** answered questions from the committee.

**Representative B. Koppelman made a motion for a Do Pass.**

**Representative Fisher seconded the motion.**

**Roll call vote:**

<b>Representatives</b>	<b>Vote</b>
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	AB
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

**Motion carried 13-0-1**

**Representative Bosch will carry this bill to the floor.**

Meeting adjourned at 9:28am.

*Mary Brucker, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1381: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1381 was placed on the Eleventh order on the calendar.

Good Morning Chairman Headland and members of the House Finance and Taxation Committee!

My name is Austen Schauer, a representative from West Fargo, District 13.

**Special Assessment** legislation can be a battle as I'm sure you know.

There have been plenty of questions and disagreements from residents when it comes to Specials and Special Assessment Districts.

No bill will fix that.

However, it is our belief that **this** bill, House Bill 1381, will **help** by focusing on **transparency** and **communication** between leaders of cities and counties and the people they serve.

To the bill.

On page 1, lines 21 to 23, we have added:

**“An engineer’s report under this section also must include information describing how the special assessment district was created including any considerations as to which properties are determined to receive a benefit from the proposed improvement.”**

One of the great frustrations for homeowners (as well as commercial property owners) is the lack of information on the basic questions of **how the district was created and who will it benefit?**

This is not meant to open the “**pandora box**” of criticism, but at the same time, if a taxpayer is included in a Special Assessment District, they **should be given** an explanation.

On page 2, line 3, it says, **“Any notice under this section must be published on the city’s website.**

Further down on lines 7 to 9, it has been changed to say:

**“The city auditor shall cause the assessment list, which may not include the amount each lot, tract, or parcel is benefited by the improvement, to be published on the municipality’s website and once each week...”** etc.

This gives the City Auditor and city leaders flexibility on whether they want to make public the amount each parcel of property benefits by city-imposed improvements.

That’s it in a nutshell.

Again, the intent of **House Bill 1381**, is *transparency* and *communication*.

You will be hearing from **Roben Anderson**, a constituent in West Fargo who has been serving diligently on the city’s Special Assessment Task Force.

Thank you, Mr. Chairman. I will stand for any questions.

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

My name is Roben Anderson, I am a taxpayer, property owner and resident of West Fargo. I serve on the West Fargo Special Assessment Commission (SAC). I was appointed to the SAC in 2018. I got involved wanting to learn more about Special Assessments and if anything could be done to improve the process.

In my time on the SAC, I've heard from many residents about their experiences with Special Assessments. This past summer the City of West Fargo assessed properties for various special assessment projects. The public hearings provided a lot of insight into how people feel about the process. There were a couple key points that were made by many of the residents. Those points were transparency and communication.

I've had the opportunity the last few years to discuss special assessments with Representative Schauer and other legislators in West Fargo, and through those discussions, HB 1381 was born. The intent of this bill is to help provide greater transparency and improvement in communication.

First, addressing transparency, many people do not know how or why a special assessment district is formed. There are instances where your neighbor might not be in the assessment district, or someone across the street from you, but you perceive them to be benefitting from the project. It's not until after everything is complete and the project is being assessed that people typically learn why the districts were drawn the way they were. Adding the requirement, of how a special assessment district was created, and what considerations were used to determine the properties that would benefit from the project, increases the equity and transparency of the special assessment process.

A couple examples of recent projects where a description like this would be useful are an arterial road reconstruction project and an upcoming storm sewer improvement project. Concerning the arterial road reconstruction project, there were properties just to the north of where the project and assessment district ended that could have been included in the assessment district. These properties were not and was not clear why until the question was asked during SAC public meetings that there may be a future project that would cover the north side of that district and city leaders didn't want to assess properties for multiple projects if it can be helped. Other questions were raised concerning the eastern boundary to the project as well. Having a description as to why the district was created how it was, would be helpful to inform the public and those in the assessment district.

With storm sewer districts, your neighbor may not be assessed when you are. Given the slope of the land, or pipes, or other things not always visible to the naked eye or commonly known outside of the city's engineering office, one may think that they aren't being assessed in an equitable manner. Including a brief description would allow for greater transparency and be a proactive approach to addressing the questions raised and contribute to the equity of the assessment.

This addition would help property owners answer the questions: "who will benefit, and why?" with greater clarity earlier in the process.

Second, regarding communication. I heard many people raise the issue that notifications of projects are only in newspapers. While there is an element of letters that get sent out in the mail, those sometimes get missed, or discarded, or read and forgotten. Having notices published to the governing body's website increases the audience to which the governing body is communicating with. Unfortunately, we've seen a decline in newspaper subscriptions, and many people are getting their information online,

and if they're anything like me, they don't like going to a newspaper's website because there is a paywall, or you're inundated with ads. In my experience, I much rather prefer to go directly to the City of West Fargo's website and get information. Having the information on the website allows for greater communication from the governing body as well, by way of alerts that are sent out when new content is posted (such as agendas or RFP's) and the ability to share on social media which is people's largest source of information.

Special Assessments get talked about a lot, and in depth. While I believe there is a lot more room for improvement to be made, I believe that this bill addresses a couple areas that are easy and cost-effective to address. I'm not asking for anyone to reinvent the wheel with the special assessment process, or add any crazy requirements, but I am asking you for a DO PASS recommendation on HB 1381.

Thank you for your time and your service to the state and the residents of North Dakota.

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

My name is Elton Tufte, I am a resident of West Fargo and own property within the city limits of West Fargo. Since moving to here, from Sioux Falls SD in 2017, special assessments have been a much talked about topic among property owners. Most agree the issues of concern are a lack of timely communication of information and the lack of transparency in the way districts are created as well as how the benefits and assessments are determined. The suggested changes in the processes will hopefully create a level of trust in the way the overall assessment process work.

I have been involved in a couple of Districts where assessments were levied against my property. I am certainly not opposed to paying Special Assessments when there is a benefit to be realized. There were homes in my development that were proven to receive no benefit, and yet received rather substantial assessments only because they were in the District.

Given more transparency and more timely sharing of information, discussions could have been had early in the process and likely adjustments could have been made before the assessments were in front of the commission and on track to be approved. Many property owners get a last minute surprise when they see a newspaper notice of a Special Assessment levied against their property with no prior knowledge of a need, benefit or cost of the project. Providing property owners with early knowledge of projects, including details, would allow the opportunity for them to understand the details and possibly share information early in the project that would lead to discussions about concerns/errors that could be addressed or further explained.

In order to respect your time, I will refrain from sharing redundant information and just say, I have read the testimony from Roben Anderson and I am in agreement with his statements in support of the changes and improvements to the process.

Please vote to support HB 1381.

Thank you for your dedication and commitment to the citizens of North Dakota.

Respectfully,  
Elton Tufte

**2021 SENATE POLITICAL SUBDIVISIONS**

**HB 1381**

# 2021 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Sakakawea, State Capitol

HB 1381  
3/11/2021

A BILL for an Act to create and enact a new subsection to section 40-23-10 of the North Dakota Century Code, relating to notice requirements; to amend and reenact sections 40-22-10 and 40-23.1-08 of the North Dakota Century Code, relating to notice requirements and the engineer's report for special improvement districts.

**Chairman Burckhard** opened the hearing on HB 1381 at 8:30 a.m. Members present: Burckhard, Anderson, Lee, Larson, Kannianen, Oban, Heitkamp.

### Discussion Topics:

- Public website notice
- Determination of storm sewer districts
- Assessment timeline

**[8:30] Representative Austen Schauer, District 13.** Introduced HB 1381 and provided testimony #7692 in favor.

**[8:40] Roben Anderson, West Fargo Special Assessment Commission.** Provided testimony #7561 in favor.

**[8:51] Senator Lee** moves **DO PASS**.

**[8:51] Senator Anderson** seconded.

Senators	Vote
Senator Randy A. Burckhard	Y
Senator Howard C. Anderson, Jr.	Y
Senator Jason G. Heitkamp	Y
Senator Jordan Kannianen	n/a
Senator Diane Larson	Y
Senator Judy Lee	Y
Senator Erin Oban	Y

The motion passed 6-0-1

**Senator Lee** will carry HB 1381.

**Chairman Burckhard** holds vote open for **Senator Kannianen**.

**Please note: Senator Kannianen voted YEA at 9:02 am. Final vote total 7-0-0.**

**Additional written testimony:** N/A

**Chairman Burckhard** closed the hearing on HB 1381 at 8:50 a.m.

*Patricia Lahr, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1381: Political Subdivisions Committee (Sen. Burckhard, Chairman)** recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1381 was placed on the Fourteenth order on the calendar.

Good Morning Mr. Chairman and members of the Senate Political Subdivisions Committee.

My name is Austen Schauer, a House representative from West Fargo, District 13.

Special Assessment legislation can be a battle as I'm sure you know.

There have been plenty of questions and disagreements and sometimes anger from residents when it comes to Specials and Special Assessment Districts.

No bill will fix that.

However, it is our belief that *this* bill, **HB 1381**, will *help* by focusing on **transparency** and **communication** between leaders of cities and counties and the people they serve.

To the bill.

On page 1, lines 21 to 23, we have added:

**“An engineer’s report under this section also must include information describing how the special assessment district was created including any considerations as to which properties are determined to receive a benefit from the proposed improvement.”**

One of the great frustrations for homeowners (as well as commercial property owners) is the lack of information on the basic question of, *“how the district was created and who will benefit?”*

This is not meant to open the *“pandora box”* of criticism, but at the same time, if a taxpayer is included in a Special Assessment District, we *should be given* an explanation.

On page 2, line 3, it says, **“Any notice under this section must be published on the city’s website.”**

Further down on line 7, we've changed the words "shall not" to "may not."

Beginning on line 7, it reads, "**The city auditor shall cause the assessment list, which *may not* include the amount each lot, tract, or parcel is benefited by the improvement, to be published on the municipality's website and once each week...**" etc.

This gives the City Auditor and City Leaders *flexibility* on whether they want to make public the amount each parcel of property benefits by city-imposed improvements.

That's it in a nutshell.

Again, the intent of **House Bill 1381** is **transparency and communication.**

You will be hearing from **Roben Anderson**, a constituent in West Fargo who has been serving diligently on the city's Special Assessment Task Force.

Thank you, Mr. Chairman and Committee members.

I will stand for questions.

Chairman Burckhard and Members of the Senate Political Subdivisions Committee,

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The Engineer's Report is a document in the process that is provided to the City Commission prior to final approval of the project, before work begins. This addition to the Engineer's Report would help property owners answer the questions: "who will benefit, and why?" with greater clarity earlier in the process.

Second, regarding communication. I heard many people raise the issue that notifications of projects are only in newspapers. While there is an element of letters that get sent out in the mail, those sometimes get missed, discarded, or read and forgotten. Having notices published to the governing body's website

increases the audience to which the governing body is communicating with. Unfortunately, we've seen a decline in newspaper subscriptions, and many people are getting their information online, and if they're anything like me, they don't like going to a newspaper's website because there is a paywall, or you're inundated with ads. In my experience, I prefer to go directly to the City of West Fargo's website and get information. Having the information on the website allows for greater communication from the governing body as well, by way of alerts that are sent out when new content is posted (such as agendas or RFP's) and the ability to share on social media which is people's largest source of information.

Special Assessments get talked about a lot, and in depth. While I believe there is a lot more room for improvement to be made, I believe that this bill addresses a couple areas that are easy and cost-effective to address. I am requesting that the committee is aligned with the House Finance and Taxation Committee (13-0-1 Do Pass Recommendation) and the House Assembly (Unanimous Approval) and I am asking you for a DO PASS recommendation on HB 1381.

Thank you for your time and your service to the state and the residents of North Dakota.