

Fifty-ninth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1458

Introduced by

Representatives Weisz, Hawken

Senator Trenbeath

1 A BILL for an Act to create and enact two new sections to chapter 24-02 of the North Dakota  
2 Century Code, relating to transportation funding; and to amend and reenact section 57-43.1-02  
3 of the North Dakota Century Code, relating to motor vehicles fuels tax; and to provide a  
4 continuing appropriation.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** Two new sections to chapter 24-02 of the North Dakota Century Code are  
7 created and enacted as follows:

8 **Special economic development transportation fund committee.** The special  
9 economic development transportation fund committee consists of one member of the senate  
10 and one member of the house of representatives appointed by the chairman of the legislative  
11 council; the director of the department of commerce; the director of the department of  
12 transportation; a representative of the North Dakota league of cities; and a representative of the  
13 North Dakota association of counties. The director of the department of transportation is  
14 chairman of the committee. The department of transportation shall solicit projects that qualify  
15 for grants from the special economic development transportation fund. If the total cost of the  
16 projects submitted to the department is greater than fifty percent of the funds available from the  
17 fund, the chairman may call a meeting of the committee at which the committee shall  
18 recommend projects for selection.

19 **Transportation funding plan - Continuing appropriation - Grant or revenue**  
20 **anticipation financing.**

21 1. The department shall transfer from the state highway fund to the following funds  
22 the following amounts each biennium for the bienniums beginning in 2005 through  
23 the biennium ending in 2013.

- a. Fifty-seven million five hundred thousand dollars to the highway performance classification fund that is appropriated on a continuing basis for expenditures in accordance with the highway performance classification system adopted by the director. The system must classify highways on the ability of each highway to support the transportation needs of this state as determined by the director.
  - b. Five million dollars to the state freight rail improvement program fund that is appropriated on a continuing basis for the director to provide grants and loans in amounts determined by the director based on the improvement to the overall transportation infrastructure of this state, especially the highways, and on the need of the applicant.
  - c. Three million dollars to the public transportation fund.
  - d. Nine million five hundred thousand dollars to a special economic development transportation fund that is appropriated on a continuing basis for the director to provide matching grants to political subdivisions in amounts determined by the director; however, the match must be at least ten percent of the total amount of the project. The director may use a portion of the fund for improvements to high-priority corridors on the city and county systems that have been identified as a result of the cooperative planning effort between the department, counties, and cities within each department district that results in the state highway performance classification system. The director shall provide matching grants for transportation-related projects that promote economic development by improving the transportation infrastructure of this state.
2. The funding provided by this section is in addition to other funding and the projects are in addition to other projects provided for by law. Any shortfall in funding must be provided by grant or revenue anticipation financing. The department may arrange with any state-owned or private financing agency or underwriter, including the Bank of North Dakota, grant or revenue anticipation financing determined through the issuance of evidences of indebtedness on terms and conditions as determined by the department in the event that construction funds on hand are

insufficient to meet current obligations or in order to achieve cost-savings or efficiencies in road construction. The department may refund the evidences of indebtedness from time to time as often as advantageous. Evidences of indebtedness may be sold at a public or private sale, must mature not more than fifteen years from their date or dates, and the proceeds of the sale may be invested on terms and conditions as may be determined. Grant or revenue anticipation financing may be in amounts no larger than can be repaid from moneys known or reasonably anticipated to be due and forthcoming. Grant or revenue anticipation financing may not be used in anticipation of increased federal-aid highway grants or increased state highway use revenue funds and the financing may not be obligated for road construction that cannot be financed from known sources of grants or revenue. The department may pledge any federal-aid grants received or to be received for debt service and related trustee in trust payment to holders of the evidences of indebtedness. The department may also pledge any biennially appropriated revenues for debt service on the evidences of indebtedness directly to a trustee in trust for payment to holders of the evidences of indebtedness. Any evidences of indebtedness issued under this section are not general obligations or debt of the state, the department, or any public officer or employee of the department or this state. The principal of and interest on the evidences of indebtedness are limited obligations payable solely from grants or revenues received or to be received by the department. The department may capitalize from proceeds of the evidences of indebtedness all expenses incidental to issuing the evidences of indebtedness, including any reserves for payment of the evidences of indebtedness.

**SECTION 3. AMENDMENT.** Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-02. Tax imposed on motor vehicle fuels.**

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-four cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.

- 1           2.   A supplier or distributor shall remit the tax imposed by this section on motor vehicle  
2           fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on  
3           direct sales of motor vehicle fuel to a consumer.
- 4           3.   The tax imposed by this section does not apply on a sale by a supplier to another  
5           supplier, on a sale by a supplier to a distributor, on a sale by a distributor to  
6           another distributor, on an export, or on a sale to an exempt consumer.
- 7           4.   The person required to remit the tax imposed by this section shall pass the tax on  
8           to the retailer and to the consumer. A retailer who paid the tax to the supplier or  
9           distributor shall pass the tax on to the consumer.
- 10          5.   The person required to remit the tax imposed by this section shall pay the tax to  
11          the commissioner by the twenty-fifth day of the calendar month after the month  
12          during which the motor vehicle fuel was sold or used by the person. When the  
13          twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal  
14          holiday, the due date is the first working day after the Saturday, Sunday, or legal  
15          holiday. When payment is made by mail, the payment is timely if the envelope  
16          containing the payment is postmarked by the United States postal service or other  
17          postal carrier service before midnight of the due date.
- 18          6.   The commissioner shall pay over all of the money received during each calendar  
19          month to the state treasurer.