

**Testimony To The  
INTERIM PUBLIC SAFETY AND TRANSPORTATION COMMITTEE  
Prepared January 14, 2010 by the  
North Dakota Association of Counties**

**CONCERNING HIGHWAY CONSTRUCTION FUNDING**

Thank you Chairman O'Connell and committee members for the opportunity to testify regarding highway construction funding. County officials appreciate the committee's interest, as adequately funding our transportation infrastructure is so critically important to continued economic growth throughout the entire state.

While our Association is supportive of all proposals to enhance transportation funding at the state and local level, we would particularly urge the committee to recommend introduction of bill draft 10104.02, to use the proceeds of the motor vehicle excise tax for our state's entire transportation system. While possibly not the only means of addressing our state's infrastructure needs, this proposal has at least five advantages that argue for its inclusion in the 2011 legislative discussion. These advantages include:

1. This funding source would not require an increase in taxes,
2. This funding source is truly a "user fee", directly related to transportation and its costs,
3. Prior to the tax referrals 1989 and subsequent general fund shortfall, a significant portion of the motor vehicle excise tax was deposited in the State Highway Distribution Fund – so this would be a restoration of highway funds diverted during more difficult economic times,
4. This funding source is on-going and has historically grown – providing a possible hedge against the rather flat revenues from motor fuels taxes, and
5. This is a significant source of funding that would, assuming a 2011-2013 excise tax revenue level of \$120 million, produce the following enhancements to our state's transportation system:

State Highways \$ 73.56 Million

County Roads \$ 26.40 Million

City Streets \$ 15.00 Million

Township Roads \$ 3.24 Million

Transit \$ 1.80 Million

Again, we sincerely thank you for taking the time to study this important issue, and we hope a long-term solution to our entire state's transportation infrastructure needs can be advanced.