



WESTERN DAKOTA ENERGY ASSOCIATION

February 1, 2021

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Testimony of:

Geoff Simon, Lobbyist #144
in support of HB 1464
House Finance and Taxation Committee

Chairman Headland and Committee members:

On behalf of the city, county and school district members of the Western Dakota Energy Association, we wish to express our support for House Bill 1464 to generate additional revenue for North Dakota roads and bridges through an increase in the user fee on gasoline and other motor fuels. This is usually referred to as a tax, but unless you're only using gasoline in your snowblower or lawnmower, it should be considered a user fee to support the transportation infrastructure that we all need and use.

The need for additional revenue has been well-documented through the latest County, Township and Tribal Roads and Bridges needs study prepared by the Upper Great Plains Transportation Institute. The [study](#) shows that political subdivisions will need \$6.14 billion to build and maintain unpaved roads over the next 20 years. The same study shows a need of \$2.67 billion for paved roads, and about \$500 million for county and township bridges from 2021-2040. And we're all familiar with the studies regarding road maintenance that show the longer repairs are delayed, the more it costs to get the roads back in good shape.

Quality transportation infrastructure is essential to the movement of commerce, and there is no place that is more evident than in the oil-producing counties of western North Dakota. Counties in the heart of the Bakken typically spend more than half of their annual budget improving and maintaining roads, which are constantly pounded by heavy truck traffic. Drilling activity has slowed, but the industry is still producing 1.2 million barrels of oil per day, and that generates a lot of traffic. A [study](#) we conducted a few years ago of the four major producing counties showed that \$987 million was invested in road projects in the four counties between 2010 and 2017. The Upper Great Plains study showed additional need of \$1.58 billion in Dunn, McKenzie, Mountrail and Williams Counties by 2036.

The beauty of a user fee on motor fuels is that it's not just paid by North Dakota citizens. Every driver who uses our roads and fuels up in the state contributes to the sizable cost of maintaining our transportation infrastructure. The 23-cent per gallon fee in North Dakota is currently lower than all our neighboring states. Montana is at 32.75 cents, South Dakota is at 30 cents, Minnesota is at 28.6 cents and Wyoming's rate is 24 cents per gallon.

Please support HB 1464 to provide a little additional revenue to help keep up with our growing infrastructure needs. Thank you for the opportunity to submit testimony.

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