

**FIRST ENGROSSMENT**

**ENGROSSED HOUSE BILL NO. 1382**

Introduced by

Representatives Hagert, Brandenburg, Headland, Novak, Stemen, Weisz, Wagner, Nelson

Senators Myrdal, Wanzek, Weber, Klein

1 A BILL for an Act to create and enact a new section to chapter 54-27 of the North Dakota  
2 Century Code, relating to the creation of the city, county, and township road fund; to amend and  
3 reenact subsection 1 of section 39-04-19.2, section 54-27-19, subsection 1 of section  
4 57-43.1-02, and subsection 1 of section 57-43.2-02 of the North Dakota Century Code, relating  
5 to the electric and plug-in hybrid vehicle road use fee, the tax imposed on motor vehicle and  
6 special fuels, and the highway tax distribution fund; and to provide an effective date.

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

8 **SECTION 1. AMENDMENT.** Subsection 1 of section 39-04-19.2 of the North Dakota  
9 Century Code is amended and reenacted as follows:

- 10 1. In addition to all other fees required under this chapter for registration of a motor  
11 vehicle, the department shall collect at the beginning of each annual registration  
12 period:
- 13 a. An electric vehicle road use fee of ~~one hundred twenty~~one hundred-fifty dollars  
14 for each electric vehicle registered.
- 15 b. A plug-in hybrid vehicle road use fee of ~~fifty~~sixty dollars for each plug-in hybrid  
16 vehicle registered.
- 17 c. An electric motorcycle road use fee of ~~twenty~~five dollars for each electric  
18 motorcycle registered.

19 **SECTION 2. AMENDMENT.** Section 54-27-19 of the North Dakota Century Code is  
20 amended and reenacted as follows:

**54-27-19. Highway tax distribution fund - State treasurer to make allocation to state, counties, and cities.**

A highway tax distribution fund is created as a special fund in the state treasury ~~into which must be deposited~~. Except as provided in section 3 of this Act, all the moneys available by law from collections of motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes must be deposited in the fund. The state treasurer shall transfer the first five million five hundred thousand dollars per biennium from the highway tax distribution fund to the state highway fund for the purpose of providing administrative assistance to other transferees. After the transfer of the first five million five hundred thousand dollars, any moneys in the highway tax distribution fund must be allocated and transferred monthly by the state treasurer, as follows:

1. Sixty-one and three-tenths percent must be transferred monthly to the state department of transportation and placed in a state highway fund.
2. Two and seven-tenths percent must be transferred monthly to the township highway fund.
3. One and five-tenths percent must be transferred monthly to the public transportation fund.
4. Thirty-four and five-tenths percent must be allocated to the counties of this state in proportion to the number of vehicle registrations credited to each county. Each county must be credited with the certificates of title of vehicles registered by residents of the county. The state treasurer shall compute and distribute the counties' share monthly after deducting the incorporated cities' share. All the moneys received by the counties from the highway tax distribution fund must be set aside in a separate fund called the "highway tax distribution fund" and must be appropriated and applied solely for highway purposes in accordance with section 11 of article X of the Constitution of North Dakota. The state treasurer shall compute and distribute monthly the sums allocated to the incorporated cities within each county according to the formulas in this subsection using the incorporated cities' populations as determined by the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to the census.

- 1           a. For counties having no cities with a population of ten thousand or more, twenty-  
2           seven percent of the total county allocation must be distributed to all of the  
3           incorporated cities within the county on a countywide per capita basis. The  
4           remaining county allocation amount must be transferred into the county highway  
5           tax distribution fund.
- 6           b. For each county having a city with a population of ten thousand or more, the  
7           amount transferred each month into the county highway tax distribution fund  
8           must be the difference between the amount allocated to that county pursuant to  
9           this subsection and the total amount allocated and distributed to the incorporated  
10          cities in that county as computed according to the following formula:
  - 11          (1) A statewide per capita average as determined by calculating twenty-seven  
12          percent of the amount allocated to all of the counties under this subsection  
13          divided by the total population of all of the incorporated cities in the state.
  - 14          (2) The share distributed to each city in the county having a population of less  
15          than one thousand must be determined by multiplying the population of that  
16          city by the product of 1.50 times the statewide per capita average computed  
17          under paragraph 1.
  - 18          (3) The share distributed to each city in the county having a population of one  
19          thousand to four thousand nine hundred ninety-nine, inclusive, must be  
20          determined by multiplying the population of that city by the product of 1.25  
21          times the statewide per capita average computed under paragraph 1.
  - 22          (4) The share distributed to each city in the county having a population of five  
23          thousand or more must be determined by multiplying the population of that  
24          city by the statewide per capita average for all such cities, which per capita  
25          average must be computed as follows: the total of the shares computed  
26          under paragraphs 2 and 3 for all cities in the state having a population of  
27          less than five thousand must be subtracted from the total incorporated cities'  
28          share in the state as computed under paragraph 1 and the balance  
29          remaining must then be divided by the total population of all cities of five  
30          thousand or more in the state.

- 1        5. The moneys allocated to the incorporated cities must be distributed to them monthly  
2        by the state treasurer and must be deposited by the cities in a separate fund and may  
3        only be used in accordance with section 11 of article X of the Constitution of North  
4        Dakota and an incorporated city may use the fund for the construction, reconstruction,  
5        repair, and maintenance of public highways within or outside the city pursuant to an  
6        agreement entered into between the city and any other political subdivision as  
7        authorized by section 54-40-08.

8        **SECTION 3.** A new section to chapter 54-27 of the North Dakota Century Code is created  
9        and enacted as follows:

10       **City, county, and township road fund.**

- 11       1. There is created in the state treasury the city, county, and township road fund. The  
12       fund consists of three cents per gallon [3.79 liters] of the tax assessed under  
13       subsection 1 of section 57-43.1-02 and subsection 1 of section 57-43.2-02.  
14       2. The state treasurer shall allocate and distribute two-thirds of moneys in the fund to  
15       non-oil-producing counties and cities in non-oil-producing counties for the purpose of  
16       funding road infrastructure using the highway tax distribution fund formula established  
17       in subsection 4 of section 54-27-19.  
18       3. The state treasurer shall allocate one-third of moneys in the fund to non-oil-producing  
19       counties for the benefit of organized and unorganized townships in non-oil-producing  
20       counties for township road and bridge purposes using the formula established in  
21       section 54-27-19.4.  
22       4. For purposes of this section, "non-oil-producing county" means a county that received  
23       no allocation of funding or a total allocation of less than five million dollars under  
24       subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal  
25       year before the start of each biennium.

26       **SECTION 4. AMENDMENT.** Subsection 1 of section 57-43.1-02 of the North Dakota  
27       Century Code is amended and reenacted as follows:

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

30       **SECTION 5. AMENDMENT.** Subsection 1 of section 57-43.2-02 of the North Dakota  
31       Century Code is amended and reenacted as follows:

- 1        1.    Except as otherwise provided in this chapter, an excise tax of ~~twenty-three~~twenty-six  
2            cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or  
3            used in this state. For the purpose of determining the tax upon compressed natural  
4            gas and liquefied natural gas under this section, one hundred twenty cubic feet [3.40  
5            cubic meters] of compressed natural gas, and one and seven-tenths gallons [6.44  
6            liters] of liquefied natural gas is equal to one gallon [3.79 liters] of other special fuel.

7        **SECTION 6. EFFECTIVE DATE.** Sections 4 and 5 of this Act are effective for taxable  
8        events occurring after June 30, 2025.