

**HOUSE BILL NO. 1458**

Introduced by

Representatives Weisz, Hawken

Senator Trenbeath

1 A BILL for an Act to create and enact a new section 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.** A new section to chapter 24-02 of the North Dakota Century Code is  
7 created and enacted as follows:

8 **Transportation funding plan - Continuing appropriation - Grant or revenue**  
9 **anticipation financing.**

- 10 1. The department shall transfer from the state highway fund to the following funds  
11 the following amounts each biennium for the bienniums beginning in 2005 through  
12 the biennium ending in 2013.
- 13 a. Fifty-seven million five hundred thousand dollars to the highway performance  
14 classification fund that is appropriated on a continuing basis for expenditures  
15 in accordance with the highway performance classification system adopted by  
16 the director. The system must classify highways on the ability of each  
17 highway to support the transportation needs of this state as determined by the  
18 director.
- 19 b. Two million five hundred thousand dollars to the state freight rail improvement  
20 program fund that is appropriated on a continuing basis for the director to  
21 provide grants and loans in amounts determined by the director based on the  
22 improvement to the overall transportation infrastructure of this state,  
23 especially the highways, and on the need of the applicant.
- 24 c. Three million dollars to the public transportation fund.

- 1           d. Nine million five hundred thousand dollars to a special economic development  
2           transportation fund that is appropriated on a continuing basis for the director  
3           to provide matching grants to political subdivisions in amounts determined by  
4           the director; however, the match must be at least ten percent of the total  
5           amount of the project. The director shall provide matching grants for  
6           transportation-related projects that promote economic development by  
7           improving the transportation infrastructure of this state.
- 8           2. The funding provided by this section is in addition to other funding and the projects  
9           are in addition to other projects provided for by law. Any shortfall in funding must  
10           be provided by grant or revenue anticipation financing. The department may  
11           arrange with any state-owned or private financing agency or underwriter, including  
12           the Bank of North Dakota, grant or revenue anticipation financing determined  
13           through the issuance of evidences of indebtedness on terms and conditions as  
14           determined by the department in the event that construction funds on hand are  
15           insufficient to meet current obligations or in order to achieve cost-savings or  
16           efficiencies in road construction. The department may refund the evidences of  
17           indebtedness from time to time as often as advantageous. Evidences of  
18           indebtedness may be sold at a public or private sale, must mature not more that  
19           fifteen years from their date or dates, and the proceeds of the sale may be invested  
20           on terms and conditions as may be determined. Grant or revenue anticipation  
21           financing may be in amounts no larger than can be repaid from moneys known or  
22           reasonably anticipated to be due and forthcoming. Grant or revenue anticipation  
23           financing may not be used in anticipation of increased federal-aid highway grants  
24           or increased state highway use revenue funds and the financing may not be  
25           obligated for road construction that cannot be financed from known sources of  
26           grants or revenue. The department may pledge any federal-aid grants received or  
27           to be received for debt service and related trustee in trust payment to holders of  
28           the evidences of indebtedness. The department may also pledge any biennially  
29           appropriated revenues for debt service on the evidences of indebtedness directly  
30           to a trustee in trust for payment to holders of the evidences of indebtedness. Any  
31           evidences of indebtedness issued under this section are not general obligations or

1           debt of the state, the department, or any public officer or employee of the  
2           department or this state. The principal of and interest on the evidences of  
3           indebtedness are limited obligations payable solely from grants or revenues  
4           received or to be received by the department. The department may capitalize from  
5           proceeds of the evidences of indebtedness all expenses incidental to issuing the  
6           evidences of indebtedness, including any reserves for payment of the evidences of  
7           indebtedness.

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

10           **57-43.1-02. Tax imposed on motor vehicle fuels.**

- 11           1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-four cents  
12           per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
- 13           2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle  
14           fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on  
15           direct sales of motor vehicle fuel to a consumer.
- 16           3. The tax imposed by this section does not apply on a sale by a supplier to another  
17           supplier, on a sale by a supplier to a distributor, on a sale by a distributor to  
18           another distributor, on an export, or on a sale to an exempt consumer.
- 19           4. The person required to remit the tax imposed by this section shall pass the tax on  
20           to the retailer and to the consumer. A retailer who paid the tax to the supplier or  
21           distributor shall pass the tax on to the consumer.
- 22           5. The person required to remit the tax imposed by this section shall pay the tax to  
23           the commissioner by the twenty-fifth day of the calendar month after the month  
24           during which the motor vehicle fuel was sold or used by the person. When the  
25           twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday,  
26           the due date is the first working day after the Saturday, Sunday, or legal holiday.  
27           When payment is made by mail, the payment is timely if the envelope containing  
28           the payment is postmarked by the United States postal service or other postal  
29           carrier service before midnight of the due date.
- 30           6. The commissioner shall pay over all of the money received during each calendar  
31           month to the state treasurer.