North Dakota Department of Transportation
Terra Miller Bowley, Deputy Director for Administration

HB1464

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Mr. Chairman, members of the committee, my name is Terra Miller Bowley and I am the Deputy Director for Administration for the North Dakota Department of Transportation (Department). I am here today to provide information related to the fiscal impact of HB1464.

HB1464 proposes to raise the motor vehicle fuel tax from twenty-three cents to twenty-five cents per gallon through June 30, 2022 and from twenty-five cents to twenty-seven cents per gallon thereafter.

Motor vehicle fuel taxes, once collected, are deposited into the Highway Tax Distribution Fund. The allocation of monies from the Highway Tax Distribution fund is governed by NDCC §54-27-19 and is as follows:

- Sixty-one and three-tenths percent (61.3%) is transferred to the state department of transportation and placed in a state highway fund.
- Two and seven-tenths percent (2.7%) is transferred to the township highway fund.
- One and five-tenths percent (1.5%) is transferred to the public transportation fund.
- Thirty-four and five-tenths percent (34.5%) is allocated to counties and cities.
  - The amount allocated to counties is based on the number of vehicle registrations credited to each county. Counties receive approximately twenty-two percent (22%).
  - The amount allocated to cities is based on population. Cities receive approximately twelve and five-tenths percent (12.5%).

A one cent increase in motor vehicle fuel tax results in an additional $7.3 million deposited each year into the Highway Tax Distribution Fund.

If passed as currently written, HB1464 would result in additional funding in the amount of:
- $26.9 million to the North Dakota Department of Transportation
- $1.2 million to townships
- $600,000 to the public transportation fund
- $9.6 million to counties
- $5.5 million to cities

Thank you for your time today and I would be happy to answer any questions you may have.