

Testimony HB 1464
House Finance & Taxation Committee
February 1, 2021

Mr. Chairman and members of the House Finance & Taxation committee, my name is Russ Hanson of the Associated General Contractors of North Dakota. AGC of ND is a 400-member association which has been in existence since 1951. Our membership consists of all aspects of commercial construction - highway contractors, vertical contractors, civil/heavy, specialty contractors, subcontractors as well as material and equipment suppliers.

I appreciate the opportunity to present this testimony in support of HB 1464. We believe the funding source provided by HB 1464 is a true user fee. The user fees are designated for one purpose – the transportation programs. It has been since 2005 since this user fee was adjusted.

While there are other bills seeking to augment the reliance on federal highway funding, HB 1464 provides much needed state resources to augment the transportation funding which is essentially, currently, the federal program (plus state match) for the ND DOT after several biennium of one-time state funding. A transportation needs study indicate North Dakota transportation funding has a \$14.6 billion funding gap over the next 20 years with \$25.6 billion in needs versus \$10 billion in revenue with the current funding level. HB 1464 step in the right direction to provide much needed resources for transportation funding.

With the current federal transportation act expiring in 2021, there is much uncertainty of the next federal highway program, how it will be funded, and at what level. North Dakota is highly dependent on federal funding for our highway program with an 81% dependence on federal funding compared to a nationwide average of other states of 43% reliance on federal funding. HB 1464 shrinks the gap on federal reliance.

Thanks for the opportunity to comment on HB 1464. We respectfully request the committee issue a Do Pass Recommendation. If the committee has questions, I am happy to try to address them.