

**SENATE FINANCE AND TAX COMMITTEE
March 22, 2021 – 10:00 AM – Fort Totten**

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

HB1464

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 on how fuel taxes are distributed.

HB1464 proposes to raise the motor vehicle fuel tax from twenty-three cents to twenty-six cents per gallon on all motor vehicles fuel and all special fuel sold or used in the state.

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%).

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