

Testimony Prepared for the
House Finance & Taxation

March 14, 2023

By: Daniel Schriock PE, Burleigh County Assistant Engineer



RE: Opposition for SB 2367 – Relating to the allocation of the state share of oil and gas taxes

Chairman Headland and House Finance & Taxation Committee Members, thank you for the opportunity to provide testimony on SB 2367. I am Daniel Schriock, the Assistant County Engineer for Burleigh County, and I also serve on the legislative committee for the ND Association of County Engineers. I would like to share some of the concerns our members have on SB 2367 and the impacts that it will have when it comes to consistent funding for County Road and Bridge Programs.

Transportation funding at the county level is one of the more difficult things to budget for when it comes to counties. Differences in County Highway budgets verses what other entities and departments do is that instead of budgeting by calculating expenses first and determine how much money is needed, Highway Departments must instead calculate the revenues first and determine how much money we will have to work with for a given year. We then take out salaries and fixed costs that are beyond our control such as fuel and operating expenses and what is left goes to our yearly roadway maintenance and construction projects.

The “3 legged stool” county highway departments use to define their budget consists of local property taxes, gas tax revenue (which has remained fairly level since 2013), and federal project allocations. Some other varying forms of funding have been the one-time State funding bills, which we’ve been very grateful for in being able to move projects forward. Although one time funding is beneficial, it is difficult to budget for because the funds are not a consistent stream of revenue that counties can depend on.

When HB 1066 “Operation Prairie Dog” (OPD) bill was introduced in 2019, it gave the non-oil producing counties hope for a consistent funding system to address our ever-increasing demand for road and bridge projects. It was encouraging to receive the first deposit from OPD earlier this year. With that said, including an

additional \$170M to buckets ahead of the County and Township buckets, it will likely delay the funds or possibly cause more shortfalls of the County and Township buckets from filling at all.

Chairman Headland and committee members, I would like to thank you for your time in allowing me to share some concerns on how increases in size to the buckets ahead of the OPD buckets can delay much needed funding for our local transportation systems.