

**Testimony HB 1382**  
**House Finance & Taxation Committee**  
**February 5, 2025**

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 North Dakota's largest commercial construction 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 1382. We believe the funding source provided by HB 1382 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. Even with the modest increase proposed in this legislation, our state fuel tax would remain below our neighboring state's fuel tax rates and below the national average of \$.33 cents per gallon a quick Google search provided.

While there are other bills seeking to augment Transportation funding, HB 1382 provides needed state resources to add to the transportation funding from a variety of sources but, our transportation funding is still heavily reliant on federal funds. Several years ago, The Upper Great Plains Transportation Institute conducted a study indicating billions of funding shortfall of the current funding revenues verses the needs over the next 10 years.

With the current federal transportation act expiring in a couple of years, there is much uncertainty about 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. The stakeholders are appreciative of the proactive steps the Legislature has utilized to ease the federal funding reliance through creating the Flexible Transportation Fund using 50% of the Motor Vehicle Excise Tax as a funding source as well as the Legacy Fund Earnings infused for transportation funding - HB 1382 helps further shrink the gap on federal reliance.

Thanks for the opportunity to comment on HB 1382. We respectfully request the committee issue a Do Pass Recommendation. If the committee has questions, I am happy to try to address them.