

**Testimony of  
Lance Gaebe  
North Dakota Farmers Union  
Senate Transportation Committee  
Hearing on SB 2142  
January 17, 2025**

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Chairman Clemens and members of the committee, my name is Lance Gaebe, and I am testifying on behalf of North Dakota Farmers Union (NDFU) members. Thank you for the opportunity to share our support for Senate Bill No. 2142.

Among NDFU members' priorities is increased funding for rural roads and bridges. The Upper Great Plains Transportation Institute estimates the state's rural roads and bridges will require \$12 billion over the next 20 years. We appreciate the legislature's previous efforts to address those needs. However, without significant, routine investments, we will continue to fall behind. SB 2142 is an important step toward addressing that backlog.

NDFU supports allocating the motor for township road funding. SB 2142 would reallocate revenues from the motor vehicle excise tax, distributing 25 percent to the township road and bridge sustainability fund and 75 percent to the flexible transportation fund. The legislation will provide about \$86 million each biennium to non-oil-producing townships to address their infrastructure needs. The flexible transportation fund would also receive an increase of \$86 million.

I do want to draw your attention to one aspect of the bill that requires townships to levy at least 18 mills to receive funding (page 2, starting on line 14). We want to note that property tax bills the Legislature is considering propose caps on political subdivisions' ability to increase property tax revenues. This cap will likely prevent many townships who currently levy 18 mills from increasing their mill levy. Increase limits may also cause townships to reduce mills below 18 mills at times, due to valuation increases. We encourage the committee to carefully consider how to reconcile the good intent of this provision with budgetary caps.

SB 2142 provides a sustainable and consistent funding mechanism for township roads and bridges. Having a strong network of township roads is critical to farmers' and ranchers' ability to access the market.

NDFU urges a "DO PASS" recommendation. I will stand for any questions.