

Testimony to the  
**Interim Senate Appropriations Committee**  
October 19, 2021  
By the North Dakota Association of Counties



## **RE: American Rescue Plan Act Funding**

Chairman Holmberg and Committee Members, thank you for the opportunity to address the interests of county government in this important work. Clearly North Dakota has an historical opportunity to invest in our state's citizens and economy. Counties and county officials are very supportive of your efforts to identify the priorities that will result in the most benefit to both, without creating an ongoing financial burden to taxpayers.

As this committee is aware, local road and bridge infrastructure is the greatest cost for county government and, importantly, their property taxpayers. Widespread improvements to local road infrastructure have only been recently made when the State Legislature has found it possible to dedicate one-time allocations specifically to address the \$9 billion, 20-year road investment need identified by UGPTI Local Roads Study.

Operation Prairie Dog failed to materialize for counties and townships this biennium, additionally, the 2021 Legislature decided not to provide direct local road funding. The legislative decision was based in part on the belief that counties and cities would be receiving their own direct ARPA allocations for infrastructure. Unfortunately, we have since learned, for many counties, road and bridge investments are ineligible, as those counties without significant direct oil revenue cannot demonstrate the "loss of revenue" necessary.

For these reasons, county officials were very pleased to see the leadership bill draft includes \$100 million dedicated to county bridge infrastructure. We are also very appreciative of the proposals by individual legislators that highlight the needs of our local roads. In particular, we would like to thank Senators Luick and Wanzek as well as Representatives Nathe, Thomas, Pyle and Ertelt. Our county members are especially supportive of concepts utilizing the Operation Prairie Dog distribution mechanism as it is directly based on need and has already been vetted and approved by the Legislature.

As you consider these proposals, it is significant for us to note that deficient county bridges are clearly a critical safety and statewide economic issue. It's also important to point out that our bridge infrastructure is rather unevenly

distributed across the state, (as the attached map indicates), while every county has road construction needs. Therefore, a dedication of ARPA funds only for bridges may not spread the funds as widely, and since many contractors specialize in dirt moving, paving, or bridge construction, limiting funds to bridges may make it difficult to find sufficient bridge contractors to deploy these funds as quickly as the legislature desires.

In the House hearing, there was discussion of requiring a local match to access these funds. While that may be appropriate, the House discussion of a 50-50 match would be challenging for many smaller counties that have seen their share of the highway distribution fund decline and would need to rely largely on property taxes to fund a match.

As counties were very hopeful that Prairie Dog funds would have become available, most have construction plans ready and therefore they are poised to put ARPA funds to work. We believe that an appropriation which delivers funding specifically for local road infrastructure would produce the significant citizen and economic benefits desired and would be a very visible benefit to our state's taxpayers.

