



## HB 1012 BUDGET TESTIMONY

North Dakota Department of Transportation



NORTH  
**Dakota** | Transportation  
Be Legendary.

January 5, 2023

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NORTH  
**Dakota** | Transportation  
Be Legendary.

**MISSION**  
*Safely move people and goods.*

**VISION**  
North Dakota's transportation leader promoting  
safe ways, superior service & economic growth.

**VALUES | PRIDE**  
Professionalism | Respect | Integrity  
Dedication | Excellence

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# EXECUTIVE TEAM

NORTH  
**Dakota** | Transportation  
Be Legendary.

**Ron Henke**  
Director



**Matt Linneman**  
Deputy Director  
for Engineering



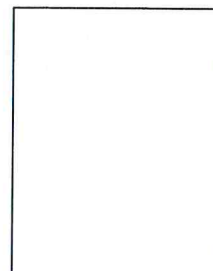
**Terra Miller-Bowley**  
Deputy Director  
for Administration



**Robin Rehborg**  
Deputy Director  
for Driver Safety



**Vacant**  
Deputy Director  
for Planning



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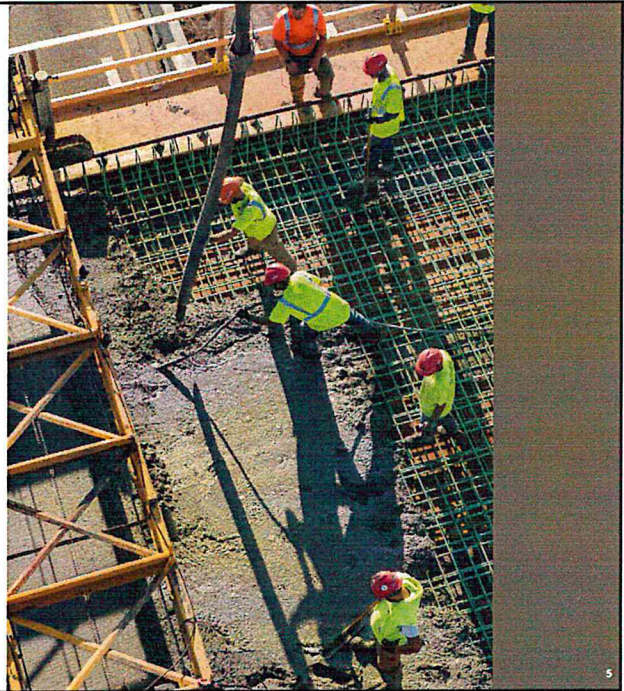
# THANK YOU



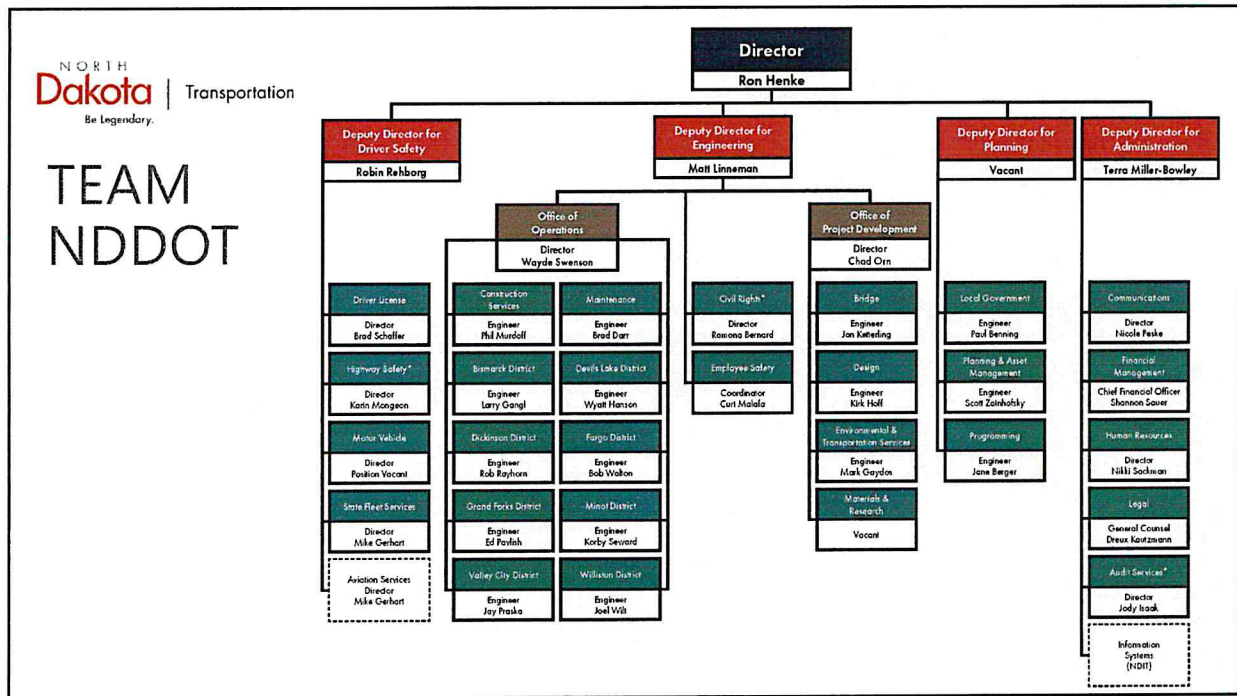
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# SUCCESS!

- Construction contracts totaling \$500M+
- 7,655 driver license online knowledge tests completed
- Completed major Motor Vehicle & Driver License System Upgrade to better serve customers (*Licensing Enterprise Gateway Endpoint for North Dakota | LEGEND*)
- \$224.5M in American Rescue Plan Act (ARPA) funds committed | \$105M spent
- \$35M bond for bridges has been committed | \$12.5M spent



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## AWARDS & ACCOLADES THIS BIENNIUM

- **ND ROADS – RANKED #1** - According to the *Reason Foundation*, North Dakota leads the nation in highway performance and cost effectiveness.
- **TEAM NDDOT** – Bismarck-Mandan Young Professionals Network 2022 Best Places to Work
- **BEULAH RETROFIT ROUNDABOUT** – America's Transportation Award for Best Use of Technology & Innovation
- **LONG X BRIDGE** – Regional American Association of Highway and Transportation Officials (AASHTO) Award
- **MOTOR VEHICLE & DRIVER LICENSE** – American Assoc. of Motor Vehicle Administrators (AAMVA) Reinventing the Customer Service Award
- **LOCAL GOVERNMENT** – Dakota Transit Association ND Friend of Transit Award
- **COMMUNICATIONS** – AASHTO Transportation Communications Award in the categories of external publication, event and crisis communications.
- **VISION ZERO** – AAMVA Public Affairs and Consumer Education Award

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NORTH  
**Dakota** | Transportation  
Be Legendary.

## STRATEGIC FOCUS AREAS

- Safety
- Innovation
- Assets
- Mobility
- Leadership



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## STRATEGIC FOCUS AREAS



**SAFETY** - Provide a safe and secure transportation system and workplace.



**INNOVATION** – Promote a culture of innovation to enhance external and internal services, products, and programs.



**ASSETS** – Preserve and enhance assets managed by the NDDOT.



**MOBILITY** – Work to improve access to our transportation systems through multi-modal solutions to enhance the movement of people and goods, having a positive impact on the quality of life and the economic wellbeing of North Dakotans.



**LEADERSHIP** – Position the NDDOT as a local, state, and nationally trusted leader. We value service, excellence and diversity and instilling a culture of leadership which expands the problem-solving capacity of our organization.

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## WHAT WE DO FOR NORTH DAKOTA



### Fleet Services

Purchases, manages, operates, maintains and disposes of the state's licensed motor vehicles (about 3,200 vehicles).



### Motor Vehicle & Driver License

Provides ID validation, licensing & driver record management, as well as vehicle title, registrations and license plates.



### Collaboration

The NDDOT partners with state agencies, local government, tribal nations, townships, etc. to ensure efficiency and effectiveness.



### Local Transportation Programs

Work with local governments, maintain the long-range transportation plan, manage grants and various programs.



### Construction & Maintenance

Facilitates construction projects (bid, contracts, etc.); also oversees the work to maintain roadways and remove snow.



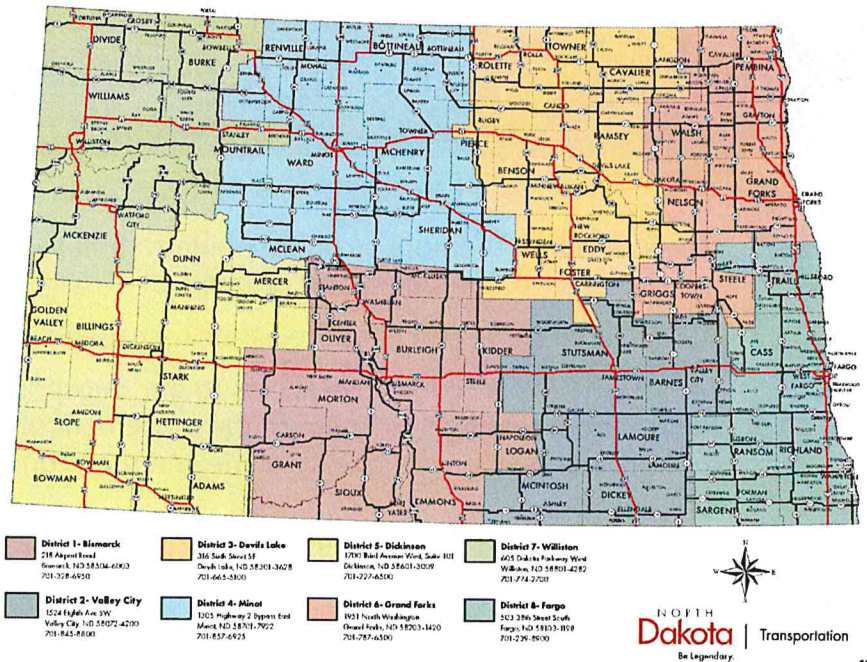
### Highway Safety

Coordinates Vision Zero, the strategy to reduce motor vehicle crash fatalities. The designated State Highway Safety Office.

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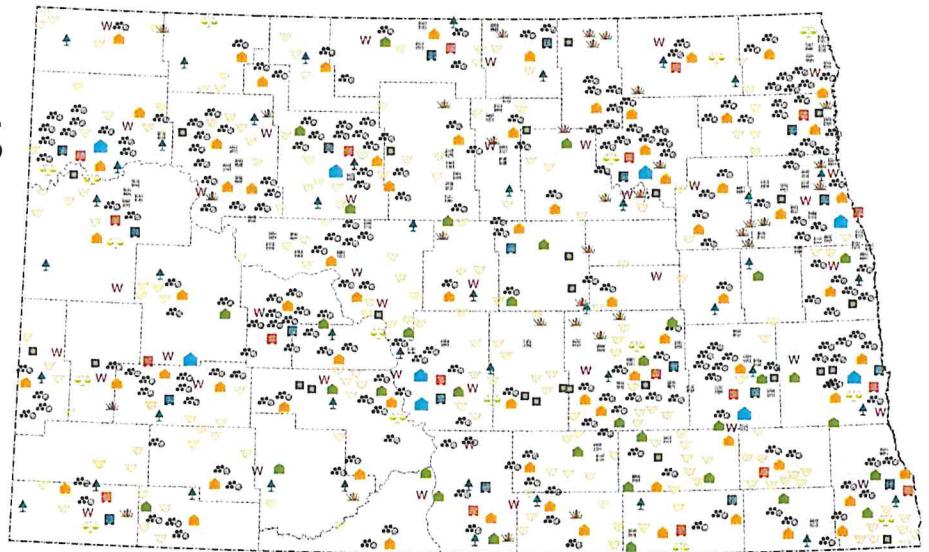


# NDDOT DISTRICTS



# NDDOT SUPPORT FACILITIES & ASSETS

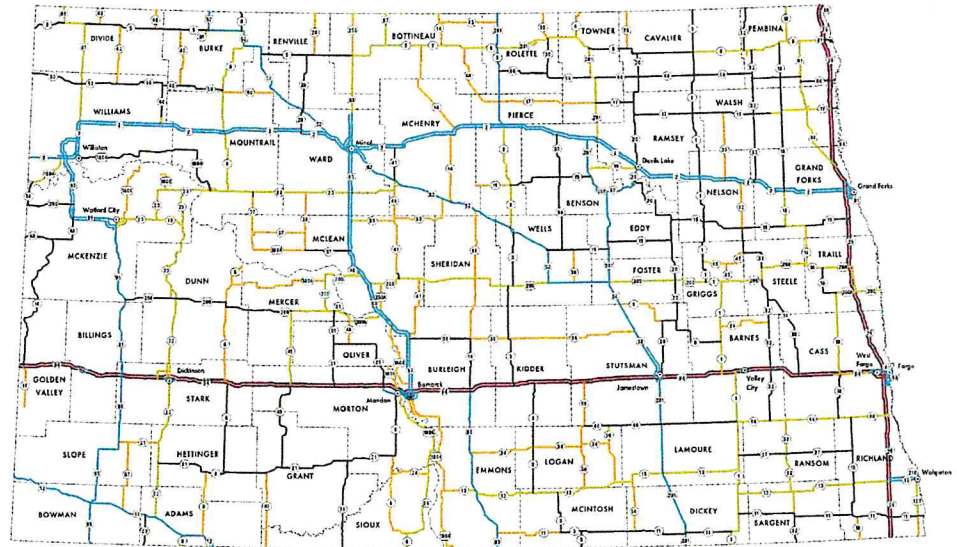
- DOT Offices
- MV Offices
- Drivers License Offices
- Maintenance Sections
- Satellite Buildings
- Vehicle Weighing Facilities
- Road Weather Stations
- DOT Communication Towers
- Rest Areas
- Storage Tanks
- Quarries/Pits
- Wetland Mitigation Sites
- Snow Fence Systems





# HIGHWAY CLASSIFICATION SYSTEM

- Interstate
- Interregional
- State Corridor
- District Corridor
- District Collector



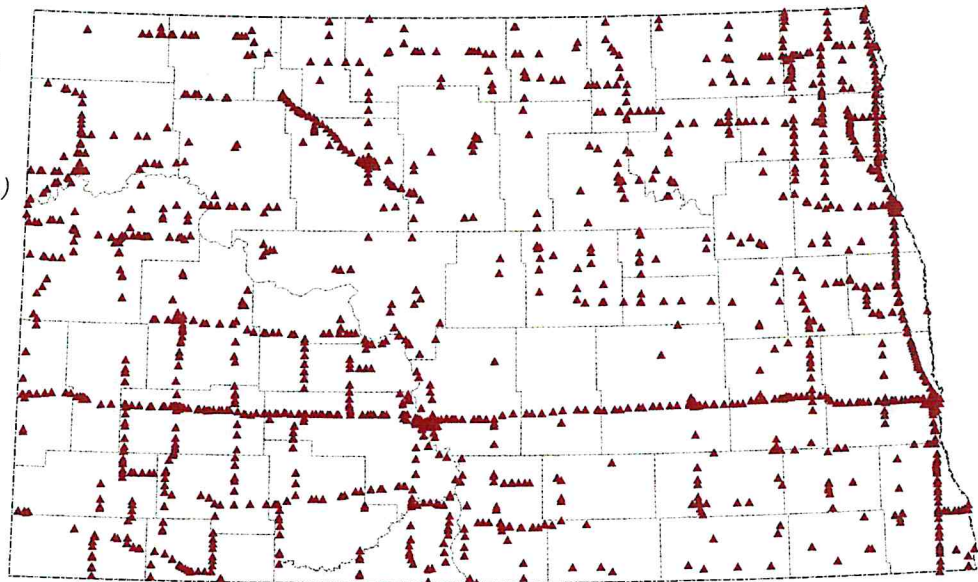
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# STATE BRIDGE INFRASTRUCTURE

- ▲ State Bridges  
1,724

*Total Bridges  
(county, city, etc.)  
4,837*



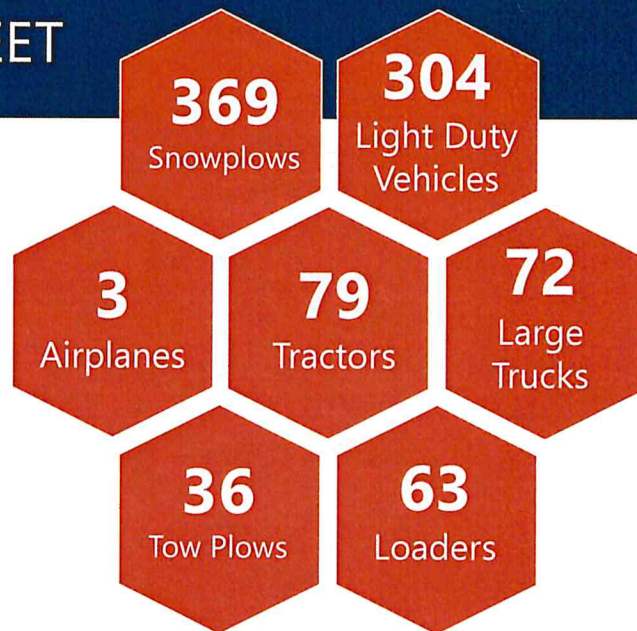
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## EQUIPMENT & FLEET

**1,518 TOTAL**  
PIECES OF EQUIPMENT

- Located in all 8 districts across North Dakota.
- Includes equipment for pavement preservation which saves the state money and has a high return on investment.



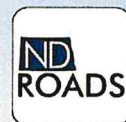
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## SNOW AND ICE CONTROL

- Cost - \$23.6M per year
- Statewide operations 5 a.m. – 7 p.m. daily
- Lane miles – 17,800
- State funded – not eligible for federal reimbursement

Know before you go.  
Download the ND  
Roads app!



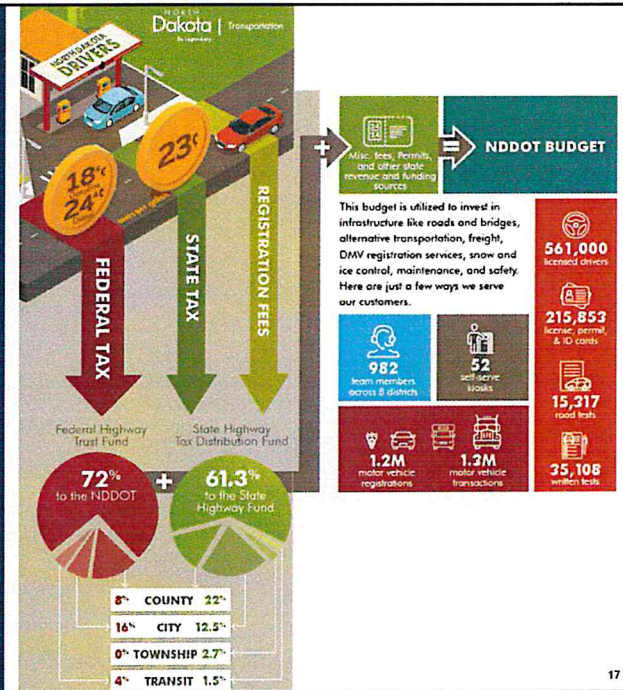
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# HOW ARE WE FUNDED?

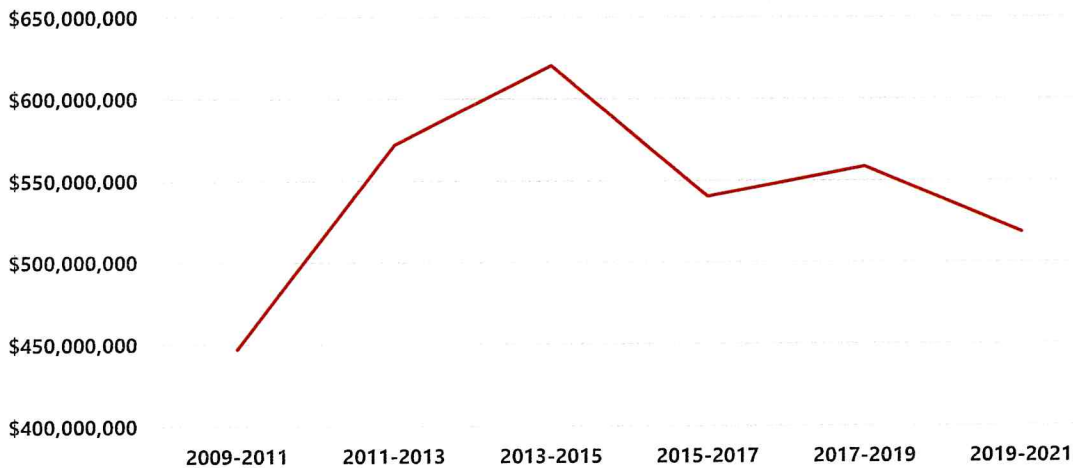
*BOTH FEDERAL AND STATE DOLLARS FUND THE NDDOT.*

- It all starts with the fuel tax. For each gallon of gas purchased, 18.4 cents goes to the Federal Highway Trust Fund and 23 cents to the State Highway Tax Distribution Fund.
- From there, both funds distribute dollars to county, city, township, transit entities, and the largest portion being directed to fund the NDDOT.
- This allows us to fund the majority of our budget.



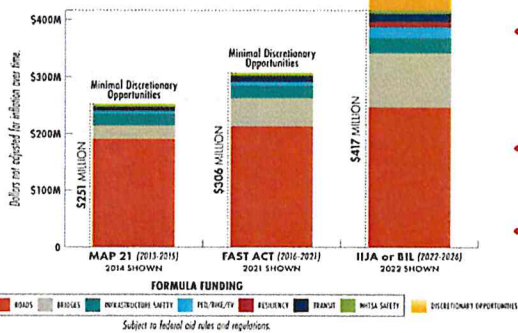
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# DECLINING STATE TRANSPORTATION REVENUES



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# INFRASTRUCTURE INVESTMENT & JOBS ACT (IIJA) \$1.2 TRILLION



- Includes a 30% increase in total federal formula funding for the next 5 years.
- Funding amounts designated for roads is similar to previous bills. There is a 15% increase in roadway funding which is about equal to the inflation.
- The \$1.2T IIJA funding includes other items like power and grid, broadband, ports and waterways, airports, water infrastructure, and resiliency. This funding is not accessible by the NDDOT.
- Greatest increase in funding is for bridge work, as well as resources for pedestrian/bike, and electric vehicle charging stations.
- Increases much needed funding for transit and highway safety programs.
- Includes historic amount of funding for competitive discretionary programs; award success and the funding timing are unknown.

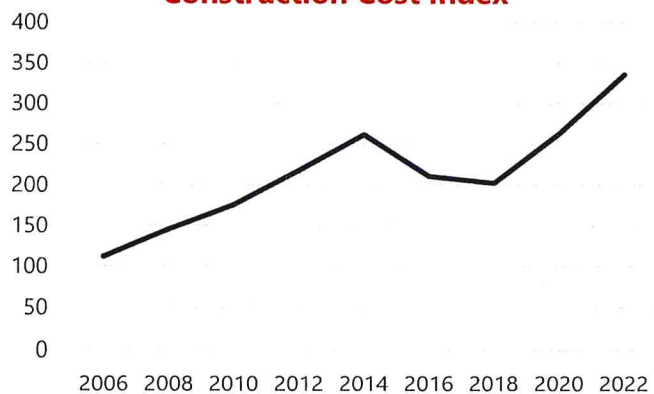
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## INCREASE IN CONSTRUCTION COSTS



- Construction costs increased 26% from 2021 to 2022.
- Projections for 2023 range from 4%-14%.
  - Will likely be around 7%.

### Construction Cost Index

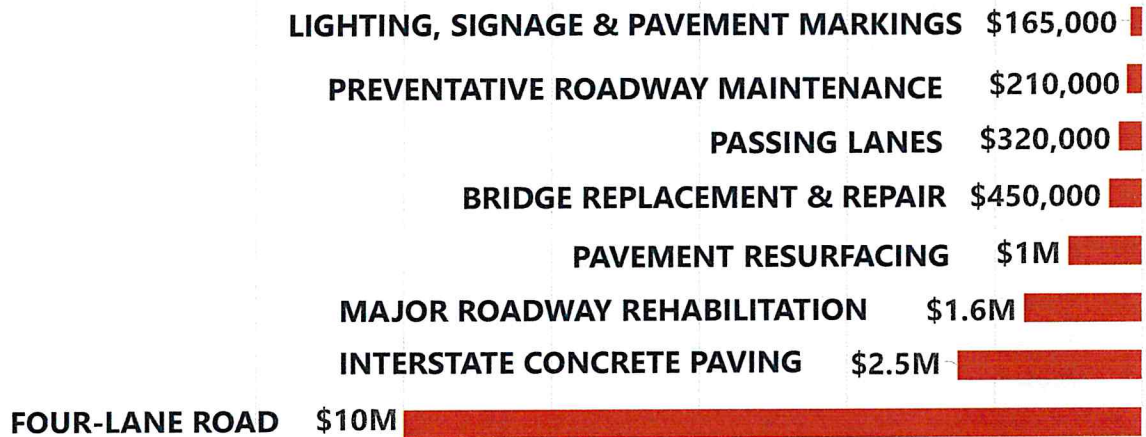


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## TRANSPORTATION SYSTEM COSTS

*Per Mile*



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## DISCRETIONARY FUNDING

- **Awarded** \$134.7M
- **Applied** \$522M
- **Awaiting** award announcement \$350M+

(As of Dec. 20)

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## DISCRETIONARY FUNDING

- **August Redistribution \$62M**
- **Better Utilizing Investments to Leverage Development (BUILD) Grant** (Awarded Sept. 2020) 15 grade-raise locations in the prairie pothole region of central ND to reduce risk of highway flooding. **\$22M**
- **INFRA Grants** (Awarded June 2021) US Highway 52 Passing Lane Project, Carrington to E. Jct. ND 5. The first segment was constructed in 2022. Two segments will be constructed in 2023. **\$16.75M**
- **Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant** (Awarded Nov. 2021) Statewide Transportation Management Center and I-29 SMART Corridor planning. **\$550,000**

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## DISCRETIONARY FUNDING

- **RAISE - Tribal Safety Bundle (Standing Rock and MHA)** (Awarded Aug. 2022) This project will provide safety improvements at multiple locations along ND 24, ND 23, and ND 73. **\$19.5M**
- **Department of Defense Community Infrastructure Pipe Replace** (Awarded Sept. 2022) Improves truck/freight weight carrying capacity at Brooks Junction (US 52 and US 2). **\$2.85M**
- **Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant** (Awarded June 2022) Rail replacement from Oakes to Independence (Red River Valley and Western Short Line Railroad). The project is expected to be constructed in 2024. **\$6.7M**

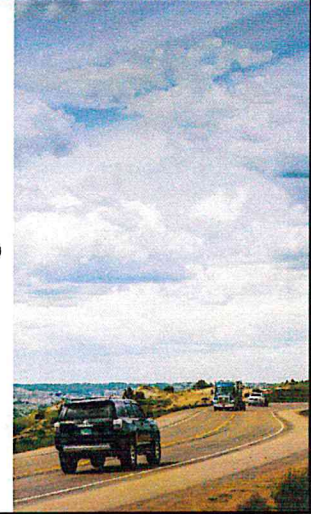
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## DISCRETIONARY FUNDING

- **Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Grant** (*Awarded Aug. 2022*) For electric vehicle charging stations. **\$1.5M**
- **Federal Highway Administration Climate Challenge**  
Process for selecting type of pavement. **\$240,000**
  - Technical training on the Life-cycle Assessment Pave tool to evaluate greenhouse gas impacts of existing construction
  - Technical assistance to develop the scope of a university study
  - Perform university study to include greenhouse gas impacts in future grant



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## EQUIPMENT BACKLOG & BUILDING NEEDS

**EQUIPMENT** | **\$32M** in equipment backlog

- There is a replacement schedule for all equipment and a base fleet inventory for all districts
- Experiencing supply chain issues and costs have increased 20-25% since last biennium

**DISTRICT/SECTION BUILDINGS** | **\$33M** new  
**\$15.5M** maintenance deficiencies

- **Capital Improvement Plan** – proactive approach that identifies capital projects based on (future) needs, necessities, and priorities within the DOT

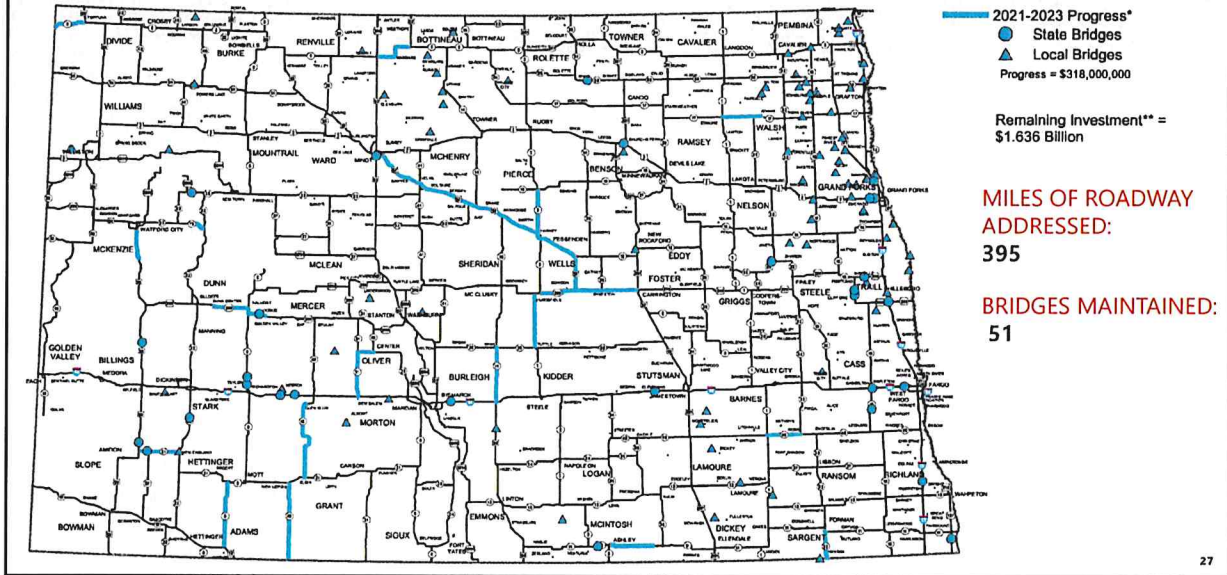


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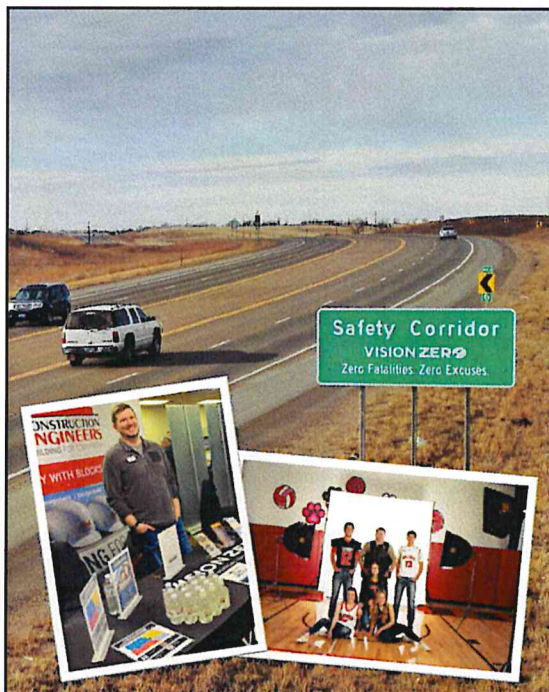
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# 10-YEAR INFRASTRUCTURE PLAN

## 2021-2023 PROGRESS



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## VISION ZERO

Zero fatalities. Zero excuses.

- **Mission:** Eliminate motor vehicle crash fatalities and serious injuries in ND.
- **2022: 100 fatalities**  
2021: 101 fatalities
- Motor vehicle crashes are largely preventable if everyone takes personal responsibility.
- **Vision Zero Schools** – 6 schools engaged (Kidder Cty., Flasher, Wing, Oakes, Killdeer, Des Lacs/Burlington).
- **Regional Coordinators** – Four across the state, extends the work of Vision Zero into the heart of the community.

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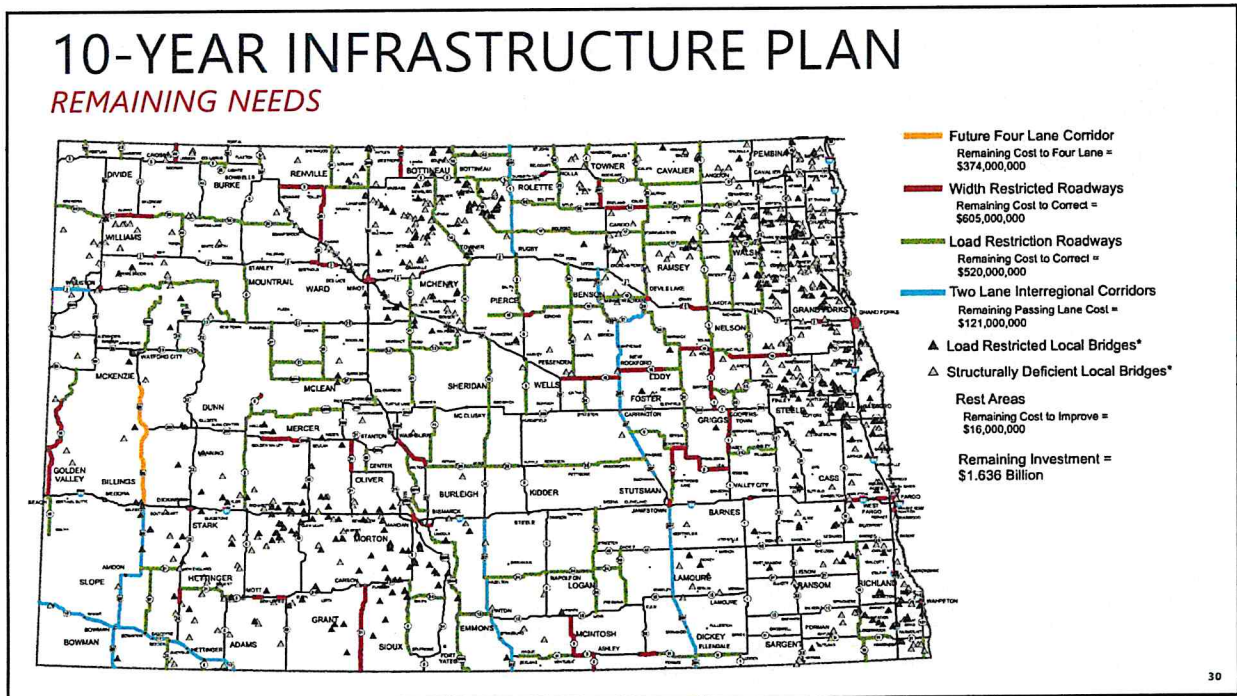





2023-2025

BUDGET REQUEST

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### KEY PRIORITY

## MEET THE NEEDS OF NORTH DAKOTANS

- NDDOT is currently one of the smallest DOTs in the country. We have optimized our processes, procedures, and use of outside contracted services to achieve award winning efficiencies, unification of services, introduced new technology, and do more with fewer people (-98 FTEs since 2016).
- Infrastructure Investment and Jobs Act (IIJA) established new project demands, new funding opportunities, and expanded our existing workload (+30%).
- In addition to stopping certain tasks and transferring more tasks to consultants/contractors - some limited, additional staffing resources are needed to continue service and meet expectations of citizens, the legislature, and other agencies.

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### KEY PRIORITY

## RE-ESTABLISH BASIC OPERATIONAL BUDGET

- ND prioritized construction over operations for the last several biennia.
- This has also led to a reduction in operational focus (buildings and equipment), services to citizens, safety programs, workforce retention/recruitment, as well as reduced chances to leverage funding and saying "yes" to emerging opportunities.



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## FEDERAL AID PROGRAM

- Funding used to construct and maintain roadways and bridges on the state highway system.
- Federal aid formula funding is distributed based off a formula determined by Congress and is favorable to rural states.
- Used to fund our 10-year Infrastructure Plan.

**BUDGET REQUEST: \$174M** (\$100M General Funding / \$74M SIIF)

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### KEY PRIORITY

## INCREASE FLEXIBILITY

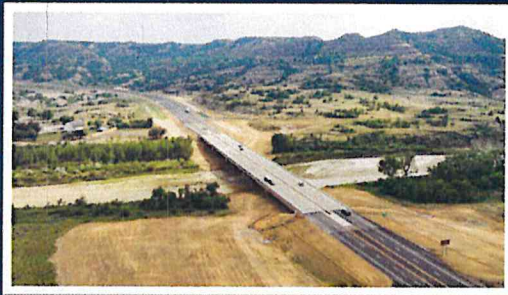
- Improve timely response to unanticipated local government needs, economic development support, federal grant wins, and other federal/state funding needs.
- Transition state funding policies away from "federal-connected only" policies to state transportation funding with some federal support.
- Focusing on federal discretionary and state flexible fund.



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## FEDERAL AND STATE DISCRETIONARY PROGRAM



- Discretionary funding is larger than it has ever been.
- Funds additional transportation needs in North Dakota.
- Without additional state resources, the department will not be able to accept discretionary dollars.
- Allows flexibility.

**BUDGET REQUEST: \$226.3M** (SIIF Funding)

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## NEW FLEXIBLE TRANSPORTATION FUND

- Establish a new, more flexible fund to:
  - Improve transportation infrastructure off the state highway system, including within townships
  - Provide match for federal funding
  - Provide for support costs including staffing, facilities, and operational expenditures
  - Provide sustainable flexibility to augment traditional funding and deliver projects of significance in a timely manner
- In the last year alone, the NDDOT was asked to fund more than \$2B in requests not currently in the State Transportation Improvement Program

**BUDGET REQUEST: \$140M**  
(General funding and motor vehicle excise tax)

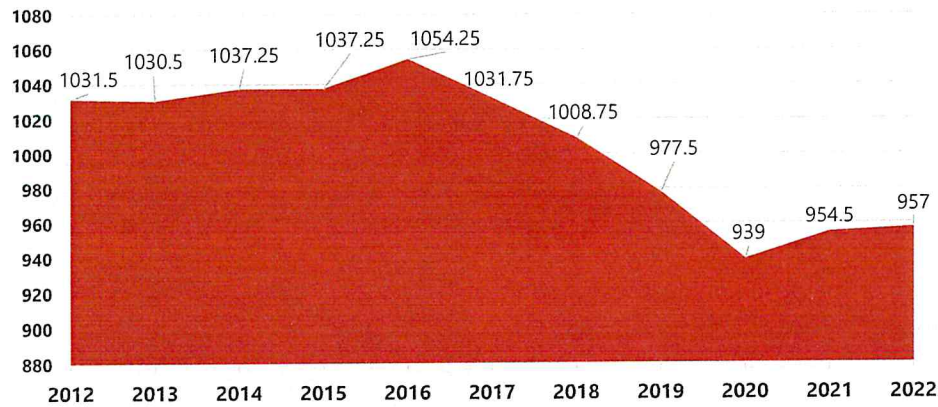
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## TEAM NDDOT WORKFORCE

### FULL TIME ACTUAL EMPLOYEE COUNT | 10 Year Look



**982**  
FTEs

**12.4%**  
Turnover  
Ratio

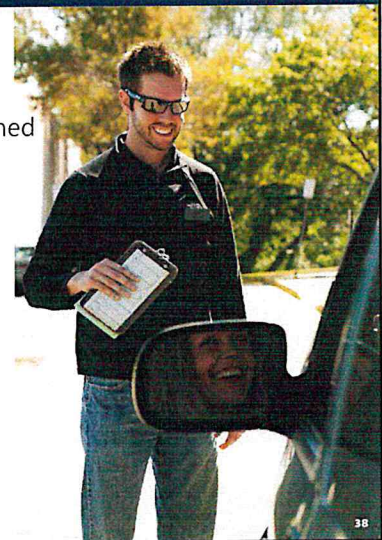
**29**  
FTEs  
Requested

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## FULL TIME EMPLOYEE (FTE) REQUEST

- 4 International Fuel Tax Agreement (IFTA)/International Registration Plan (IRP) Auditors
  - Meet regulatory compliance requirements and avoid being sanctioned
- 3 Financial Staff
  - Meet federal aid accounting and reporting requirements
  - Meet increased procurement demands
  - Assistant division director for succession planning
- 14 Operators for Snow and Ice Control
  - Allows for extended hours of service
- 8 Driver License Examiners
  - Allows for reprioritizing existing temporary staff needs
  - Reduce temporary turnovers, hiring and training



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# LARGE IT PROJECT REQUESTS

## Construction and Materials Management System (RIMS)

- Currently approved project in progress that requires additional funding

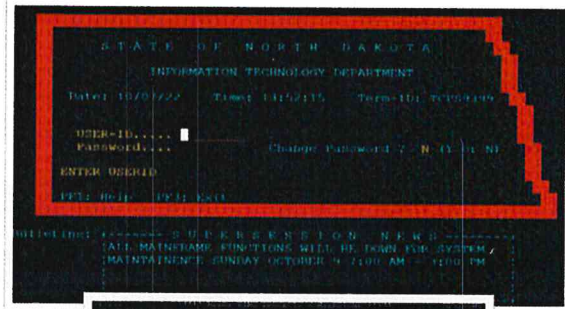
## ETS Continuum Upgrade (Door Security System)

- Current security hardware and software are outdated and will no longer be supported

## AVL

- Allows the NDDOT to track and the public to see all 369 snowplows

**BUDGET REQUEST: \$9.2M** (General Funding)



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# 2023-25 EXECUTIVE BUDGET RECOMMENDATION

Object/Revenue		2021-23 Biennium Appropriations	2023-25 Base Budget Recommended	2023-25 Optional Budget Changes Recommended	2023-25 Total Budget Recommended
Description	Code				
		2,249,534,084	932,782,909	1,424,977,662	2,376,161,670
<b>TOTAL BY APPROPRIATIONS ORGS</b>		<b>2,249,534,084</b>	<b>932,782,909</b>	<b>1,424,977,662</b>	<b>2,376,161,670</b>
Salaries and Wages	80110	204,109,585	214,013,309	5,801,241	238,215,649
Operating Expenses	80130	280,548,188	253,017,962	83,057,856	336,075,818
Capital Improvements	80150	1,227,431,344	405,696,035	1,275,483,610	1,681,179,645
Construction Carryover	80151	-	-	-	-
COVID19 - Capital Assets	80152	317,000,000	-	-	-
HB 1015 Discretionary Match	80153	100,000,000	-	-	-
Enhanced State Highway Invest	80155	-	-	-	-
Grants	80160	118,085,610	60,055,603	60,634,955	120,690,558
Short Line Railroad Program	80162	-	-	-	-
COVID-19 Transportation Grants	80164	-	-	-	-
Grants to Township	80167	750,000	-	-	-
COVID19 - Grants	80168	1,609,357	-	-	-
<b>TOTAL BY OBJECT SERIES</b>		<b>2,249,534,084</b>	<b>932,782,909</b>	<b>1,424,977,662</b>	<b>2,376,161,670</b>
General	GEN	-	-	134,125,000	134,125,000
Federal	FED	1,355,876,156	347,057,090	870,051,421	1,219,302,445
Special	SPEC	893,657,928	585,725,819	420,801,241	1,022,734,225
<b>TOTAL BY FUNDS</b>		<b>2,249,534,084</b>	<b>932,782,909</b>	<b>1,424,977,662</b>	<b>2,376,161,670</b>
Full Time Equivalent Positions			982	29	1011

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# HB 1012 REQUESTED AMENDMENTS



The following sections are NDCC 54-44.1-11 exemptions which continue state and federal funding appropriated in the 21 – 23 biennium:

**SECTION 4. EXEMPTION – EMERGENCY ROAD REPAIR GRANTS.** Section 54-44.1-11 does not apply to the \$750,000 in section 4 of chapter 40 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purpose of providing grants to townships for emergency township road repairs.

**SECTION 5. EXEMPTION – TRANSPORTATION GRANTS.** Section 54-44.1-11 does not apply to the \$1,609,357 in subdivision 10 of section 2 of chapter 28 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purpose of COVID-19 grants.

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**SECTION 6. EXEMPTION – DISCRETIONARY MATCH.** Section 54-44.1-11 does not apply to the \$100,000,000 in section 13, subsection 2, of chapter 15 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purpose of matching federal discretionary funds.

**SECTION 7. EXEMPTION – INFRASTRUCTURE PROJECTS.** Section 54-44.1-11 does not apply to the \$100,000,000 in section 13, subsection 3, of chapter 15 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purpose of defraying the expenses of road and bridge construction projects.

**SECTION 8. EXEMPTION – INFRASTRUCTURE PROJECTS.** Section 54-44.1-11 does not apply to the \$55,000,000 in section 5 of chapter 15 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purpose of road and bridge projects.

**SECTION 9. EXEMPTION – INFRASTRUCTURE PROJECTS.** Section 54-44.1-11 does not apply to the \$70,000,000 in section 10 of chapter 80 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purpose of state highway bridge projects and for matching federal funds for state highway projects.

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**SECTION 10. EXEMPTION – INFRASTRUCTURE PROJECTS.** Section 54-44.1-11 does not apply to the \$317,000,000 in section 7 of chapter 548 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purpose of road and bridge projects.

**SECTION 11. EXEMPTION – TRANSPORTATION GRANTS.** Section 54-44.1-11 does not apply to the \$61,700,060 in subdivision 10 of section 1 of chapter 27 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purpose of COVID-19 surface transportation grants.

**SECTION 12. EXEMPTION – INFORMATION TECHNOLOGY PROJECTS.** Section 54-44.1-11 does not apply to the \$13,660,000 in the operating expenses line item relating to the information technology projects in section 1 of chapter 40 of the 2021 Session Laws and any unexpended funds must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the construction and materials management system, traffic counting and data estimating and analysis program, and the website drupal uplift.

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The following section provides a contingent loan authorization to match federal funding that may become available during the next biennium:

**SECTION 13. CONTINGENT LOAN AUTHORIZATION – CONTINGENT APPROPRIATION – HIGHWAY IMPROVEMENT PROJECTS.** The department of transportation may borrow from the Bank of North Dakota, \$50,000,000, or so much of the sum as may be necessary, to match \$50,000,000 of federal funds that may become available, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds borrowed under this section from the Bank of North Dakota and the federal funds are appropriated to the department of transportation. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

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The following sections fulfill the Executive Recommendation by allocating strategic investment and improvements funds to the NDDOT and authorizing the construction of a rest area:

**SECTION 14. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income and the capital assets line items in section 1 of this Act include the sum of \$300,000,000 from the strategic investment and improvements fund for infrastructure projects and matching federal formula and discretionary grants.

**SECTION 15. CONSTRUCTION OF REST AREA AND VISITOR CENTER.** Notwithstanding any other provision of law, the director of the department of transportation may expend moneys from the state highway fund or any moneys within the limits of the legislative appropriations for the purpose of constructing a rest area and visitor center in western North Dakota, for the biennium beginning July 1, 2023, and ending June 30, 2025.

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The following section allows the NDDOT to utilize bond proceeds for state highway road and bridge projects by amending 2021 session law:

**SECTION 16. AMENDMENT.** Section 10 of chapter 80 of the 2021 Session Laws is amended and reenacted as follows:

**SECTION 10. APPROPRIATION - HIGHWAY FUND - ~~CONTINGENT TRANSFER~~.** There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of transportation for state highway road and state highway bridge projects and for matching federal funds that may become available, for the biennium beginning July 1, 2021, and ending June 30, 2023. Of the \$70,000,000, \$35,000,000 is designated for state highway bridge projects, and \$35,000,000 is designated for matching federal funds that may become available for state highway projects in excess of the federal funds appropriated to the department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the director of the department of transportation shall certify to the office of management and budget the amount of funding committed to matching excess federal funds from the \$35,000,000 provided under this section. If the amount committed is less than \$35,000,000, the office of management and budget shall transfer any uncommitted amounts to the infrastructure revolving loan fund under section 6-09-49.

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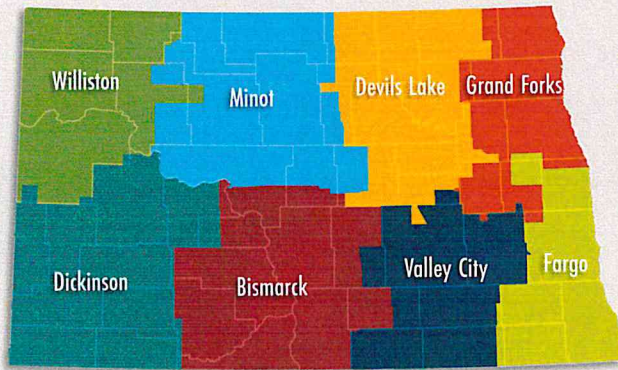
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Object/Revenue	2021-23 Biennium Appropriations	2023-25 Base Budget Recommended	2023-25 Optional Budget Changes Recommended	2023-25 Total Budget Recommended
Description	Code			
<b>TOTAL BY APPROPRIATIONS ORGS</b>		2,249,534,084	932,782,909	1,424,977,662
		<b>2,249,534,084</b>	<b>932,782,909</b>	<b>1,424,977,662</b>
Salaries and Wages	80110	204,109,585	214,013,309	5,801,241
Operating Expenses	80130	280,548,188	253,017,962	83,057,856
Capital Improvements	80150	1,227,431,344	405,696,035	1,275,483,610
Construction Carryover	80151	-	-	-
COVID19 - Capital Assets	80152	317,000,000	-	-
HB 1015 Discretionary Match	80153	100,000,000	-	-
Enhanced State Highway Invest	80155	-	-	-
Grants	80160	118,085,610	60,055,603	60,634,955
Short Line Railroad Program	80162	-	-	-
COVID-19 Transportation Grants	80164	-	-	-
Grants to Township	80167	750,000	-	-
COVID19 - Grants	80168	1,609,357	-	-
<b>TOTAL BY OBJECT SERIES</b>		<b>2,249,534,084</b>	<b>932,782,909</b>	<b>1,424,977,662</b>
General	GEN	-	-	134,125,000
Federal	FED	1,355,876,156	347,057,090	870,051,421
Special	SPEC	893,657,928	585,725,819	420,801,241
<b>TOTAL BY FUNDS</b>		<b>2,249,534,084</b>	<b>932,782,909</b>	<b>1,424,977,662</b>
Full Time Equivalent Positions			982	29
				1011
				40





## WHO WE ARE



District Map

**982**

**Full-Time Team Members**

**39**

**Temporary Team Members**

**8**

**Districts**

## WHAT WE'RE ABOUT

### Mission:

Safely move people and goods.

### Vision:

North Dakota's transportation leader promoting safe ways, superior service and economic growth.

### Values:

Professionalism | Respect | Integrity | Dedication | Excellence

### Goals/Objectives:

*Safety* - Provide a safe and secure transportation system and workplace.

*Innovation* - Enhance external and internal services, products and programs.

*Assets* - Preserve and enhance assets managed by NDDOT.

*Mobility* - Improve access to our transportation system through multi-modal solutions that enhance the movement of people and goods, having a positive impact on the quality of life and the economic well-being of North Dakotans.

*Leadership* - A local, state and nationally trusted leader. We value service, excellence, diversity and instilling a culture of leadership.

## WHAT WE DO



### Highway Safety

Coordinates Vision Zero, the strategy to reduce motor vehicle crash fatalities. Is the designated State Highway Safety Office.



### Construction & Maintenance

Facilitates construction projects (bid, contracts, etc.); also oversees the work to maintain roadways and remove snow.



### Motor Vehicle & Driver License

Provides ID validation, licensing & driver record management, as well as vehicle title, registrations and license plates.



### Local Transportation Programs

Work with local governments, maintain the long-range transportation plan, manage grants and various programs.



### Collaboration

The NDDOT partners with state agencies, local government, tribal nations, townships, etc. to ensure efficiency and effectiveness.



### Fleet Service

Purchases, manages, operates, maintains and disposes of the state's licensed motor vehicles (about 3,200 vehicles).

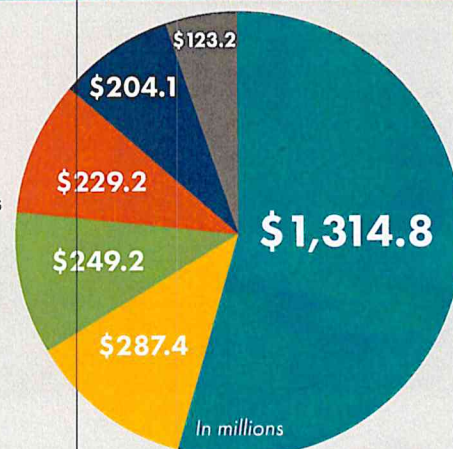


## HOW WE DO IT

2021-2023 BIENNIAL BUDGET

# \$2.4 BILLION

- General Funds: **\$100M**
- Federal Funds: **\$1.46B**
- Special Funds: **\$848M**



## RECENT SUCCESS

### Expanded & Improved Services

- 7,655 online knowledge tests completed
- **95%** positive Motor Vehicle feedback based on over **244K** customer responses
- Launched the *ND Transportation Conference*

### Focus on Highway Safety

- ND Sober Ride program – 1,350 rides given since the start of the program
- Vision Zero Schools program – Six schools participating
- Highway Safety Corridors – Fourth corridor added in October 2022

### Improved Infrastructure

- Completed construction contracts totaling over **\$808M** last biennium
- Completed major Motor Vehicle and Driver License systems integration
- Received **\$134.7M** in discretionary grant funding, **\$522M** requested (as of Dec. 20, 2022)



## LEARN MORE



**NDDOT Biennial Report**  
(2019-2021)



**NDDOT Long Range Transportation Plan**



**VISION ZERO**  
Zero fatalities. Zero excuses.

## STAY CONNECTED

facebook.com/nddot

youtube.com/user/NDDOTOnline

instagram.com/northdakotadot/

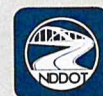
dot.nd.gov/govdelivery/landing.htm

twitter.com/NorthDakotaDOT

dot.nd.gov



ND Roads and ND Drive Apps





## North Dakota's transportation system is a tremendous asset.

The system was built by our parents and grandparents who understood that investing in transportation was important for them and for the future. After generations of investment, the system now has a replacement value of \$14.2 billion. Today, the North Dakota Department of Transportation (NDDOT) is charged with determining how we will invest to ensure that it continues to be an asset for decades to come.

## OUR SYSTEM AND COSTS TO MAINTAIN

**106,103**  
miles of roadway

### FOR EACH MILE

**\$2.5M** interstate concrete paving  
**\$1.6M** major roadway reconstruction  
**\$1.0M** pavement resurfacing  
**\$210K** preventive maintenance

IN 2022

**209**

construction projects completed

**\$564M** project investments

**4,831**  
bridges  
**\$450K**  
for each bridge  
replacement  
and repair

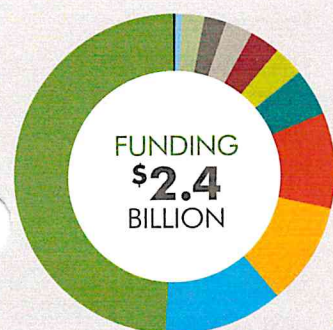
**369**  
snowplows  
36 tow plows, 14 rotary snow  
blowers, 63 payloaders and  
16 motor graders

**\$23.6M** snow and ice control each winter

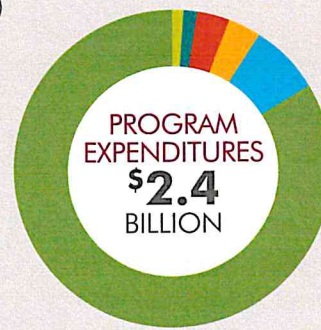
**8**  
North Dakota  
DOT districts

## FUNDING SOURCES AND PROGRAM EXPENDITURES

2021-2023 BIENNIAL BUDGET



**0.2%** Unmanned Aircraft System Program (SB 2018)  
**0.8%** Misc. H/W Fund Revenue  
**2.1%** Borrowing (SB 2012 Section 6)  
**2.4%** Local Government Reimbursements  
**2.8%** Fleet Revenue  
**2.9%** Bonding (HB 1431)  
**3.2%** License, Fees, Permits  
**4.6%** Motor Vehicle Revenue  
**9.7%** Fuel Taxes  
**10.4%** One-Time Non-Recurring State Funds  
**12.0%** COVID-19 & American Rescue Plan Act  
**48.9%** Federal Revenue



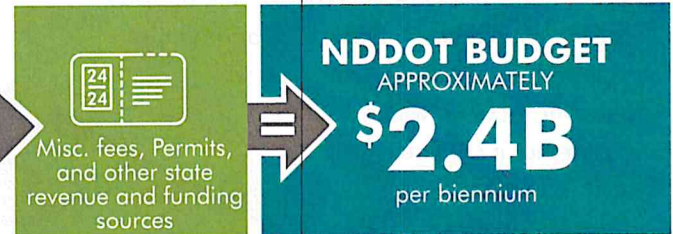
**1.3%** Driver License  
**1.4%** Motor Vehicle  
**3.3%** Administrative  
**3.3%** State Fleet  
**7.3%** Maintenance  
**83.4%** Highway



## HOW ARE WE FUNDED?

Both Federal and State dollars fund the NDDOT.

It all starts with the fuel tax. For each gallon of gas you purchase, 18.4 cents goes to the Federal Highway Trust Fund and 23 cents to the State Highway Tax Distribution Fund. From there, both funds distribute dollars to county, city, township, transit entities, and the largest portion being directed to fund the NDDOT. This allows us to fund the majority of our \$1.9 billion dollar budget.



This budget is utilized to invest in infrastructure like roads and bridges, alternative transportation, freight, DMV registration services, snow and ice control, maintenance, and safety. Here are just a few ways we serve our customers.



## Performance, budget, & the 1¢ fuel tax.

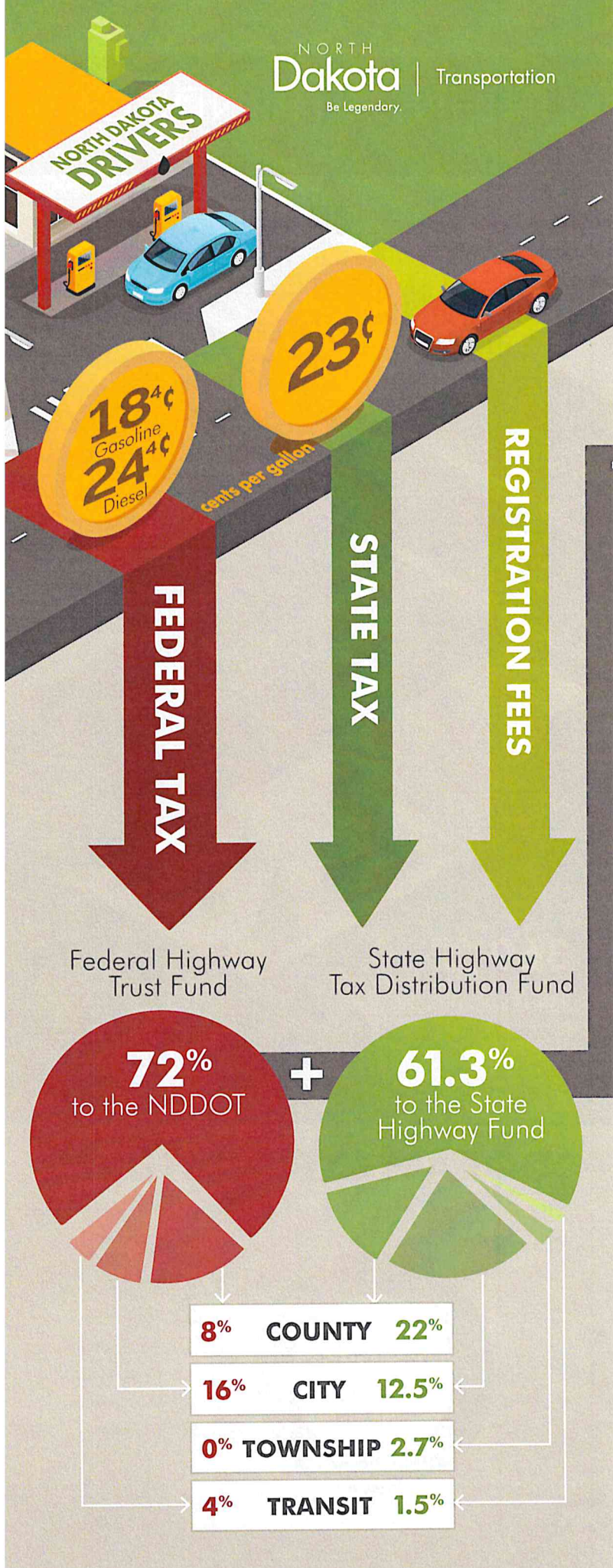
The NDDOT is ranked #1 in the country for performance and cost effectiveness by the Reason

Foundation. It also employs one of the smallest staffs of all state DOTs. While that frugality has served us well, we are anticipating a funding shortfall of \$4.4 billion over the next 20 years.

**1¢ of fuel tax generates**

STATE	\$4,100,000
COUNTY	\$1,470,000
CITY	\$840,000
TOWNSHIP	\$180,000
TRANSIT	\$100,000

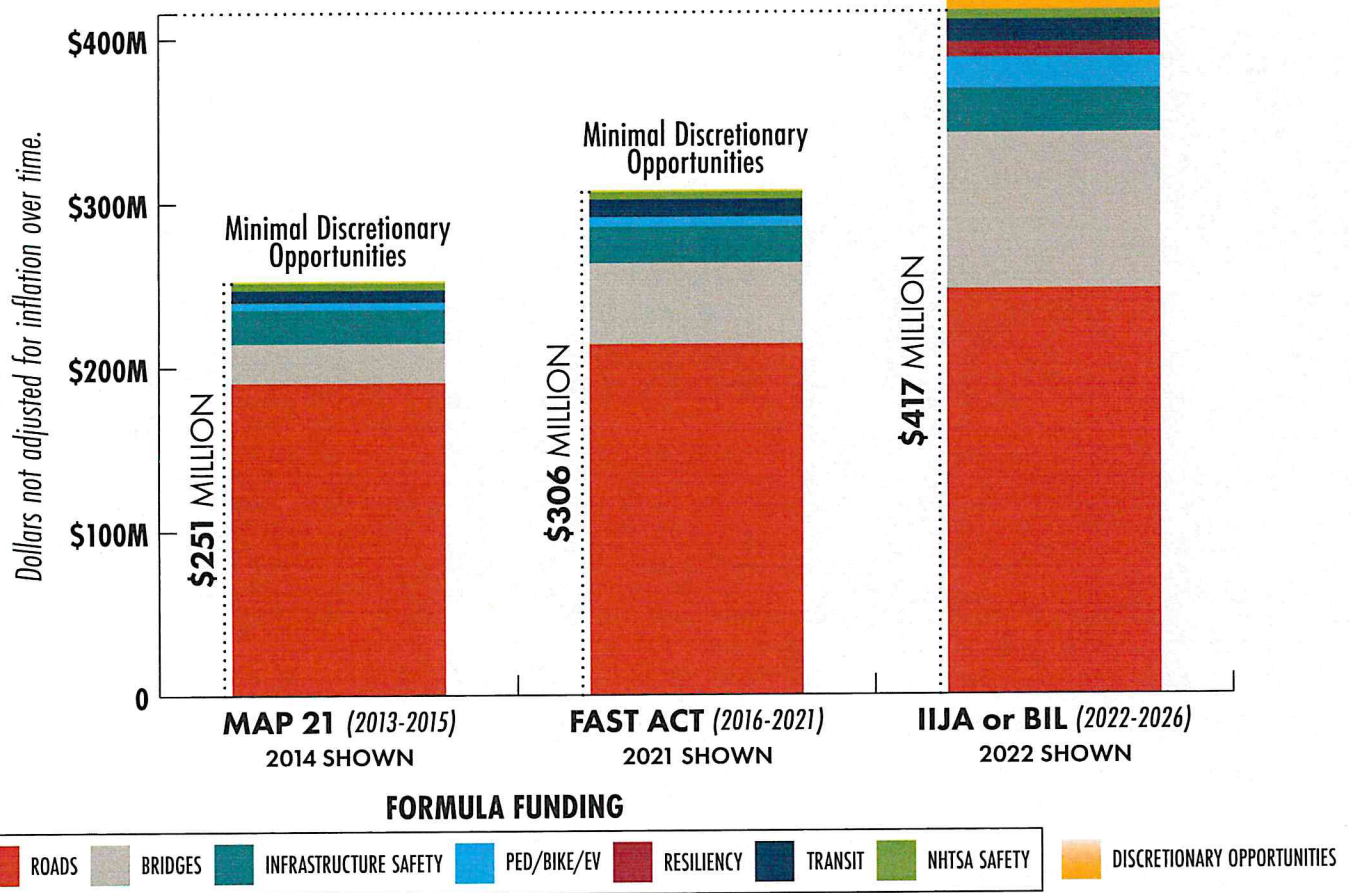
Based on FY2021 revenue, 1¢ of state motor fuel tax will generate about \$6.7 million annually.





**IIJA is the transportation bill, but there are a few details that might surprise you.**

- It includes a 30% increase in total federal formula funding for the next 5 years.
- Funding amounts designated for roads is similar to previous bills. There is a 15% increase in roadway funding which is about equal to the inflation.
- The \$1.2 trillion IIJA funding package includes other funding for items such as power and grid, broadband, ports and waterways, airports, water infrastructure, and resiliency. This funding is not accessible by the NDDOT.
- Greatest increase in funding is for bridge work, as well as additional resources for pedestrian/bike and electric vehicle charging stations.
- Increases much needed funding for transit and highway safety programs.
- Includes historic amount of funding for discretionary programs which are competitive; the award success and funding timing are unknown.



*Subject to federal aid rules and regulations.*

**WANT TO FIND OUT MORE?**

To find out more information about the Infrastructure Investment and Jobs Act (IIJA), click or scan the QR code or go to: [www.fhwa.dot.gov/bipartisan-infrastructure-law](http://www.fhwa.dot.gov/bipartisan-infrastructure-law).







## DISCRETIONARY FUNDING

**\$134.7M**

**Awarded**

**\$522M**

**Applied for**

**+\$350M**

**Awaiting**  
AWARD ANNOUNCEMENT

**\$226M**

**Anticipated**  
**Match Required**  
2023-2025 BIENNIUM

## BREAKDOWN

### August Redistribution: **\$62M**

**Better Utilizing Investments to Leverage Development (BUILD) Grant** (Awarded Sept. 2020): 15 grade-raise locations in the prairie pothole region of central ND to reduce risk of highway flooding. **\$22M**

**INFRA Grants** (Awarded June 2021): US Highway 52 Passing Lane Project, Carrington to E. Jct. ND 5. The first segment was constructed in 2022. Two segments will be constructed in 2023. **\$16.75M**

*Note: Dollar amounts listed represent grants awarded, not total project costs.*

**Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant** (Awarded Nov. 2021): Statewide Transportation Management Center and I-29 SMART Corridor planning. **\$550K**

**RAISE - Tribal Safety Bundle (Standing Rock and MHA)** (Awarded Aug. 2022): This project will provide safety improvements at multiple locations along ND 24, ND 23, and ND 73. **\$19.5M**

**Department of Defense Community Infrastructure Pipe Replace** (Awarded Sept. 2022): Improves truck/freight weight carrying capacity at Brooks Junction (US 52 and US 2). **\$2.85M**

**Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant** (Awarded June 2022): Rail replacement from Oakes to Independence (Red River Valley and Western Short Line Railroad). The project is expected to be constructed 2024. **\$6.7M**

**Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Grant** (Awarded Aug. 2022): For electric vehicle charging stations. **\$1.5M**

**Federal Highway Administration Climate Challenge: Sustainable pavements evaluation process.** **\$240K**

## NEW! FLEXIBLE TRANSPORTATION FUND

- **Establish a new, more flexible state transportation fund to:**
  - » Improve transportation infrastructure off the state highway system, including within townships
  - » Provide match for federal funding
  - » Provide for support costs including staffing, facilities, and operational expenditures
  - » Provide sustainable flexibility to augment traditional funding and deliver projects of significance in a timely manner
- **In the last year, NDDOT was asked to fund more than **\$2B** in requests not currently in the State Transportation Improvement Plan.**





# VISION ZERO

Zero fatalities. Zero excuses.

Vision Zero is North Dakota's traffic safety initiative to end motor vehicle fatalities and serious injuries on our roads.

**Vision:** Establish a culture of personal responsibility where motor vehicle fatalities and serious injuries are recognized as preventable and not tolerated.

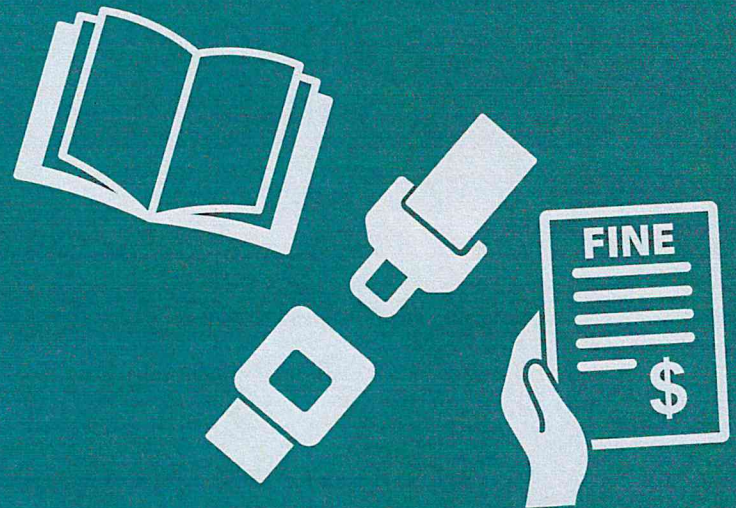
**Mission:** Eliminate motor vehicle fatalities and serious injuries caused by motor vehicle crashes in North Dakota.

## "E" STRATEGIES

The North Dakota Vision Zero Plan identifies partners and "E" strategies to meet the Vision Zero goal.

**Education** – All North Dakota road users should know that they can save their lives and the lives of others from motor vehicle crashes by taking personal responsibility.

**Environment** – Strengthening traffic safety policies and laws such as mandating seat belt use for all vehicle occupants at all times, increasing fines associated with speed violations, etc. changes driver and passenger behavior and reduces injury and fatality crashes.



**Enforcement** – Regular enforcement of traffic safety laws deters unsafe drivers and occupant behavior.

**Engineering** – State and local North Dakota roads are designed, constructed and maintained with safety as a priority.

**Emergency Medical Services** – Crash victims are transported to an appropriate level of health care for their injuries in the shortest amount of time possible.





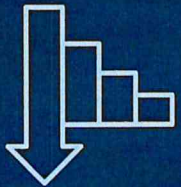
# PERSONAL RESPONSIBILITY

Motor vehicle crash fatalities in North Dakota can be reduced if every driver and vehicle occupant takes personal responsibility. This means:

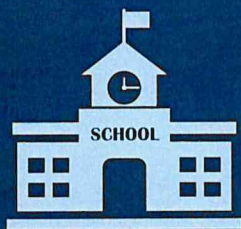


- Buckling up and transporting children in child passenger safety seats appropriate for the child's age, height and weight.
- Driving distraction-free.
- Driving sober (not under the influence of alcohol and/or drugs).
- Obeying all posted speed limits and driving according to road conditions.

## SUCCESSES



**LOWEST FATALITY  
NUMBERS IN ~15 YEARS**



- Since the launch of Vision Zero in 2018, vehicle fatalities have been on a steady decline across the state. North Dakota ended 2020 and 2021 with a total of 100 and 101 motor vehicle crash fatalities respectively. These are the lowest fatality numbers in about 15 years.
- Added four regional Vision Zero Coordinators who work to implement Vision Zero strategies at the community level.
- Continued to convene Vision Zero Priority Emphasis Area (PEA) teams comprised of expert stakeholders to advance the strategies within the Vision Zero Plan. The Occupant Protection PEA was nearly successful with passing a Primary Seat Belt law (PBL) through the 2021 North Dakota legislature. The PBL bill was defeated by only three votes.
- Continued to grow the ND Sober Ride program by providing nearly 1,300 sober rides since the program launched in early 2021.
- Added six schools to Vision Zero Schools, a peer-to-peer program that allows students the opportunity to become traffic safety advocates.

## STAY CONNECTED



VisionZeroND



@VisionZeroND



VisionZeroNorthDakota



dottrafficgrp@nd.gov



VisionZero.ND.gov



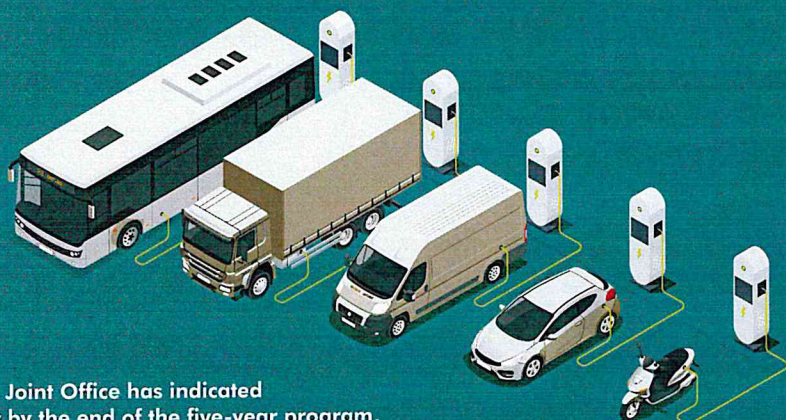
search "Vision Zero ND"



**VISION ZERO**  
Zero fatalities. Zero excuses.



## NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM OVERVIEW



The Joint Office has indicated that by the end of the five-year program, all interstates should be fully built out.



### Basic Requirements of the Charging Infrastructure



Located no more than one mile from an alternative fuel corridor (AFC)



Support up to four vehicles charging at 150kw simultaneously



Open to all vehicle makes (non-proprietary)



Maximum 50 miles between charging stations

The Bipartisan Infrastructure Law (BIL) passed in 2021 has funding available for the development of electric vehicle (EV) infrastructure. As part of the BIL, the National Electric Vehicle Infrastructure Formula Program distributes five billion dollars (\$5B) over the next five years (FY 2022-2026) to state departments of transportation for the development of DC fast charging (DCFC) infrastructure. This infrastructure is intended to serve long distance EV travel along alternative fuel corridors (AFCs).

In order to access NEVI funds, North Dakota was required to submit a plan by August 1, 2022 demonstrating how the network will be completed to meet requirements set by the U.S. Department of Energy and U.S. Department of Transportation's Joint Office for EV Infrastructure Deployment. The Joint Office has indicated that by the end of the five-year program, all interstates should be fully built out. The remainder of the funding can be dedicated to other priority corridors as identified by each state.

### A Note on Alternative Fuel Corridors

Alternative Fuel Corridors, or AFCs, is a program run by the Federal Highway Administration (FHWA) that establishes a network of corridors that serve travel using alternative fuels. These corridors serve more than just electric vehicles and may include other fuel types such as propane, compressed natural gas (CNG) or hydrogen (H2). States nominate corridors to FHWA, and work to develop the fueling infrastructure to meet the criteria by each fuel type. In relation to the NEVI program, program funding must be dedicated towards building out existing AFCs. If additional corridors are nominated as AFCs, they must be built out as NEVI-compliant corridors before funding can be used outside of the AFC corridors.

### North Dakota's NEVI Plan



North Dakota will receive \$25.9 million in funding from the NEVI Formula Program



The state's first phase of NEVI will be dedicated to building chargers along North Dakota's AFCs, I-94 and I-29.



The later phase will be focused on building chargers throughout the state for more local, community-level charging needs.





## Location

### Where will NEVI-funded charging infrastructure be located?

Under federal law it is not legal to sell power from highway right of way (including rest areas), making these areas unsuitable for charger locations. North Dakota DOT is anticipating that infrastructure will be built on private sites within one mile of the Alternative Fuel Corridors, through strong partnerships with the private sector to host, operate, and maintain the charging locations.



## Funding

### How much funding is North Dakota receiving under NEVI?

North Dakota is set to receive \$25,952,484 over the five funding years (FY2022-2026). The grant program will fund up to 80 percent of EV charging infrastructure with a required 20 percent non-federal match, which can include private dollars.



## Ownership And Operation

### Who will own and operate the charging infrastructure?

Funding will be awarded to contractors who will build the charging stations. North Dakota DOT does not intend to own or operate those charging stations.



## Payment

### Who will be paying for the energy costs of electric vehicle charger use?

Electric vehicle drivers will pay for the electricity they use at charging stations.



## Participation

### Is it necessary that North Dakota participate in NEVI?

This is a federal requirement. The North Dakota DOT is responsible for the planning of the infrastructure and distribution of funding within the state for the NEVI program. All 50 states and US territories have submitted plans and will receive funding for the program.



## Energy Stance

### Where does North Dakota stand when it comes to electric vehicle use?

The North Dakota DOT is energy-agnostic. Our approach is to:

- Comply with Federal programs when applicable
- Tap federal funding when available
- Save taxpayer dollars when possible
- Prepare for shifts in industry direction and consumer preferences



# ELECTRIC VEHICLES AND MOTOR FUEL TAX REVENUE

## REVENUE



### Data from 2019



Vehicle Miles Traveled  
**9,859,000,000**



Tax Rate  
**\$0.23/Gal**  
(both unleaded and diesel)



Fuel Sold  
**762,000,000 Gal**  
(both unleaded and diesel)



MFT Revenue Collected  
**\$175,260,000**



Licensed Drivers  
**559,887**  
(561,000 current)



Registered Vehicles  
Passenger **466,248**  
Pickup **279,837**  
Truck **89,746**  
**Total 835,831**

As electric vehicle (EV) use continues to grow in North Dakota, the state must consider how to address the impact on the state's motor fuel tax (MFT) revenue. Because EVs do not require gasoline to operate, they do not contribute to the MFT that helps fund North Dakota's transportation system. North Dakota currently charges an annual \$120 registration fee for fully-electric EVs, \$50 for plug-in hybrid EVs, and \$20 for fully-electric motorcycles in addition to the typical annual registration fees (see N.D.C.C. § 39-04-19.2)

## What does the average vehicle currently generate in MFT?

North Dakota DOT conducted a study based on historic state travel data and vehicle registration data to estimate the average contribution of MFT from different vehicle categories. Data from 2019 was used as the base.

Using a cell phone validated travel demand model, the impacts to current MFT from out of state drivers was estimated. Because fuel can currently be purchased out of state for miles driven within North Dakota, the state's total VMT is not an accurate representation of the revenue generated from in-state driving. It is estimated that 94.63% of Commercial Truck VMT are paying MFT and 97.51% of Passenger VMT are paying MFT.

Using a combination of the cell phone validated travel demand model and data from NDDOT, the average mileage driven per year, gallons of fuel consumed per year, MFT collected per vehicle per year, and total MFT collected by vehicle class were estimated.



## Fuel Consumption and Revenue by Vehicle Class

The estimates indicate that the average passenger vehicle generates \$104 per year in MFT, while the average commercial truck generates \$1,090. The actual contribution by vehicle will differ based on mileage driven and the vehicle's fuel efficiency, with less efficient vehicles contributing more MFT for every mile driven.

With a \$120 EV registration fee in place, the state collects \$16 more per year on average through the EV supplemental registration fee than the average MFT.

However, the \$120 registration fee is substantially less than the \$1,090 estimated revenue collected from commercial trucks. While the use of batteries or hydrogen for commercial vehicles may be years away, their relative effects on revenue will be substantially higher per vehicle than that of passenger vehicles. It should also be mentioned that commercial interstate trucking is highly regulated and subject to interstate agreements such as IFTA and IRP that will impact how fees are assessed and collected from these carriers.

### Passenger/Pickup

**9,947**

Avg VMT/ Reg. Veh.

**22.00**

MPG (Assumed)

**452**

Gal./Year

**\$104**

MFT/Year

**\$77,589,523**

MFT/Year/Class



### Commercial Truck

**23,701**

Avg VMT/ Reg. Veh.

**5.00**

MPG (Assumed)

**4740**

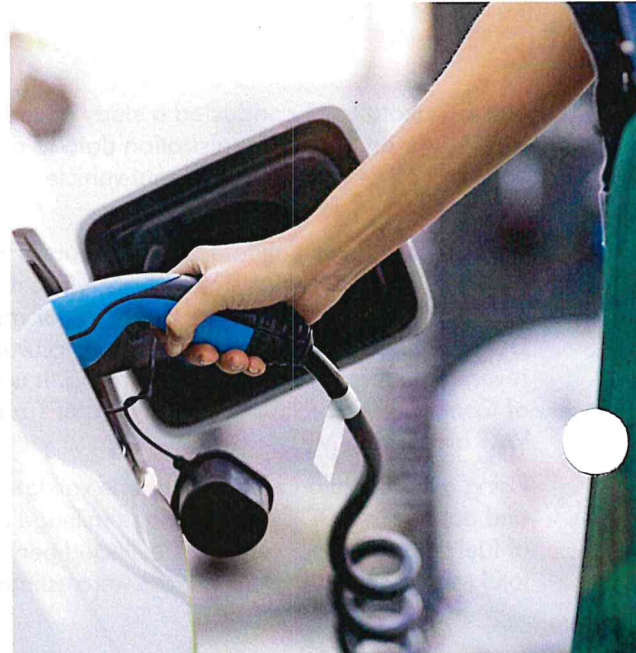
Gal./Year

**\$1,090**

MFT/Year

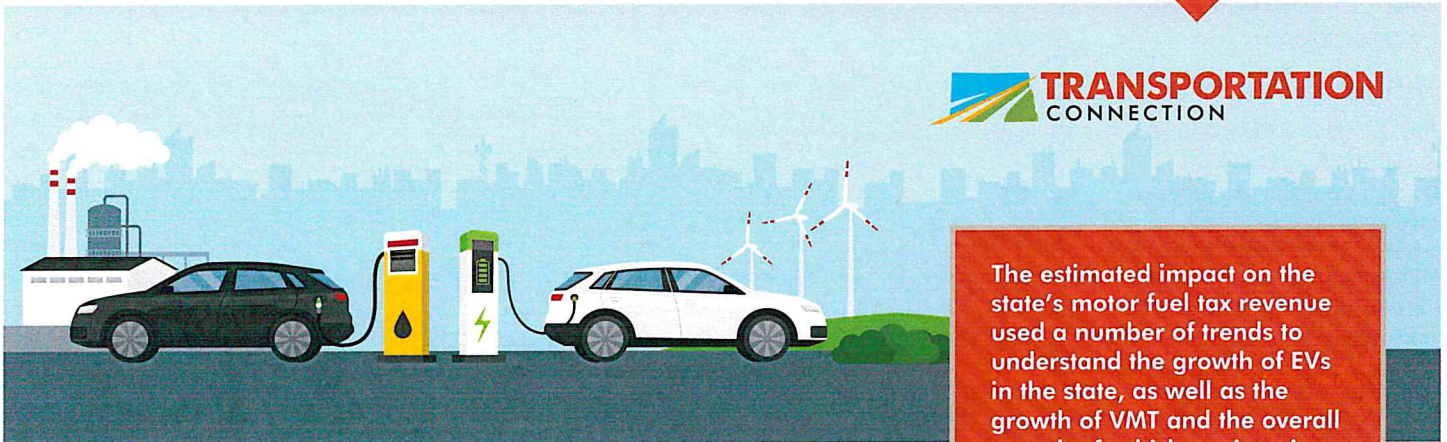
**\$97,844,335**

MFT/Year/Class





## HOW WILL EVs IMPACT MOTOR FUEL TAX REVENUE?

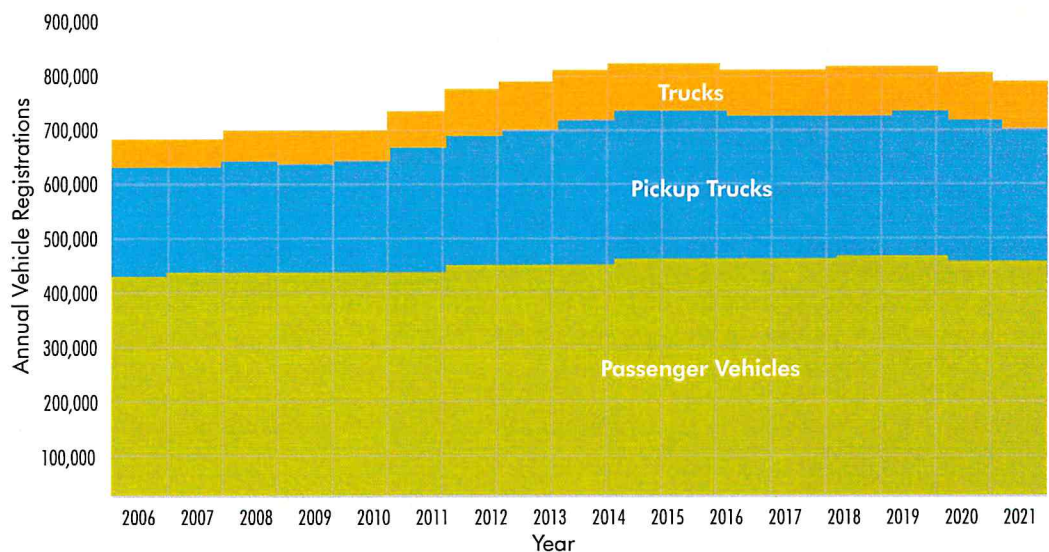


**TRANSPORTATION**  
CONNECTION

The estimated impact on the state's motor fuel tax revenue used a number of trends to understand the growth of EVs in the state, as well as the growth of VMT and the overall growth of vehicle registrations.

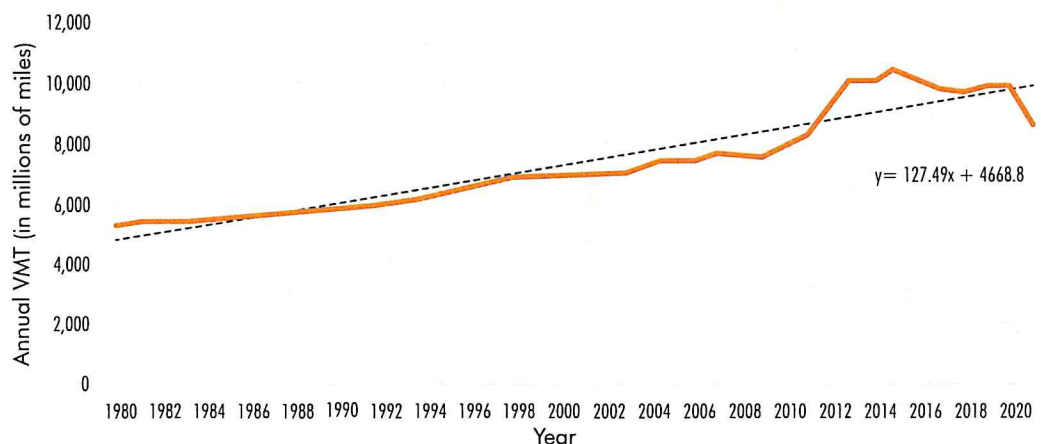
### Annual Vehicle Registration

This chart shows the trends of vehicle registrations within North Dakota back to 2006 for passenger vehicles, pickup trucks, and commercial trucks. Overall, the state has averaged an additional 10,259 vehicle registrations per year. This number also accounts for the transfer of vehicles which would count the registration of the same vehicle twice.



### Annual Vehicle Miles Traveled (VMT)

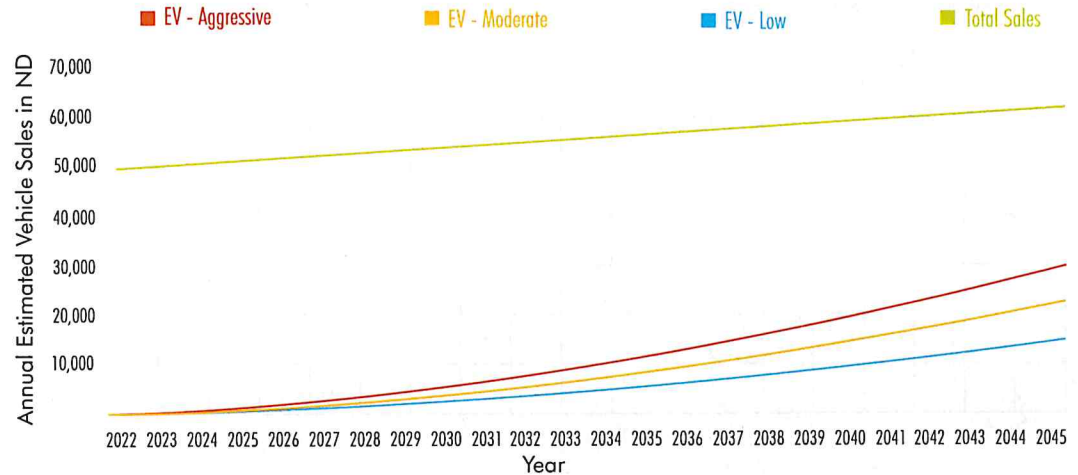
This chart shows the growth of annual vehicles miles traveled (VMT), which shows a growth of 127 million miles per year on average since 1980.





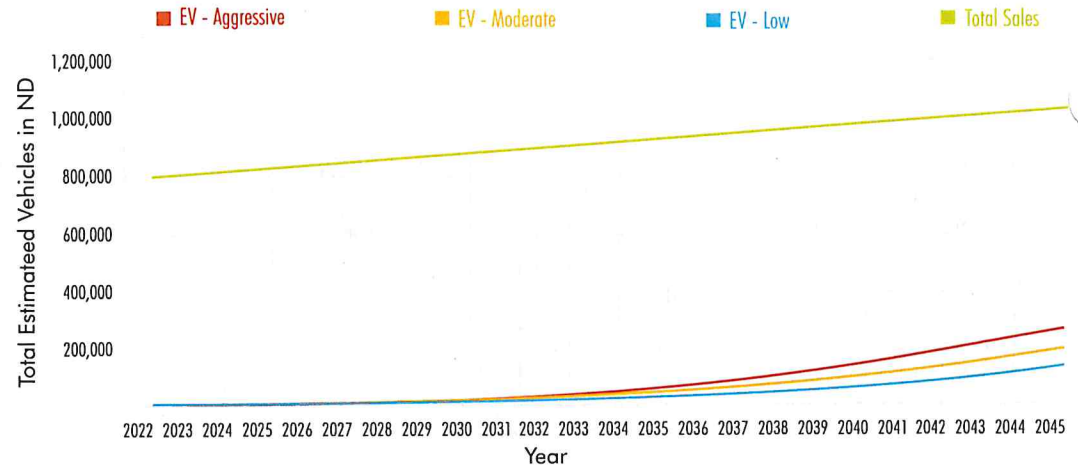
## ND Vehicle Sales Projection

This chart shows the estimated growth of EVs within North Dakota, assuming an aggressive, moderate, and low adoptions scenario. The national average of EV adoption was assumed to be the most aggressive North Dakota would experience, moderate growth is 75%, and low growth is 50% of the national average.



## ND Vehicle Makeup Projection

This chart shows the impact on the total number of vehicles in North Dakota. While EV sales are projected to grow, so too is the growth of the overall number of vehicles. The number of EVs in North Dakota will lag behind vehicle sales, as vehicles purchased today may last 15 years. As of December 1, 2022 there are 537 EVs registered in North Dakota.



## Annual Impact On Revenue Due To EV Adoption

On average, North Dakota collects more money per EV through its EV fee than it receives from the MFT generated by the average registered vehicle. Under the following assumptions, EV's net effect on road fee collections (including MFT and EV registration fees) has been calculated in the table below and the following annual registration fee assumptions have been used for the estimate:



**Passenger: \$120**



**Pickup: \$120**



**Commercial Truck: \$1,090**  
(estimated to be revenue-neutral)

	Aggressive EV Adoption	Moderate EV Adoption	Low EV Adoption
<b>2030</b>	+\$279k	+\$210k	+\$142k
<b>2045</b>	+\$4.1M	+\$3.1M	+\$2.0M



## WHAT OPTIONS DOES NORTH DAKOTA HAVE TO SUPPLEMENT THE LOSS IN MOTOR FUEL TAX?



As EV purchases increase, most states are considering options to replace lost motor fuel tax revenues.

## Implemented Fee Collection Approaches Throughout the U.S. in 2022

### Mileage Based Fee

#### Oregon and Utah

OBD-II device, In-Vehicle Telematics, Annual odometer check (can be visual inspection during registration or captured via smartphone).

**Benefits:** Proportional to road usage. Captures actual EV driving.

**Drawbacks:** Does not capture out of state driving. Can be difficult/expensive to collect. Privacy concerns.

### Electric Vehicle Registration Supplemental Fee

#### 31 States

Fee paid during vehicle registration.

**Benefits:** Easy to collect.

**Drawbacks:** May charge drivers more or less than actual vehicle use. Does not capture out of state driving.

### Electric Vehicle Registration Fee By Weight

#### Oklahoma and Michigan

Fee paid during vehicle registration.

**Benefits:** Easy to collect. Fees determined by vehicle weight recognize the efficiency differences between lighter and heavier vehicles.

**Drawbacks:** May charge drivers more or less than actual vehicle use.

### Electricity Fee (per kWh) For Public Chargers

#### Kentucky

Wholesale from EVSE provider.

**Benefits:** Captures out of state driving.

**Drawbacks:** Double taxation for in-state drivers who already pay registration fee. Only captures public charging, not private charging.

## Additional Fee Collection Approaches to Consider

Further EV fee approaches can be explored and customized to determine the best fit for North Dakota's priorities as EV adoption is anticipated to grow. Those options can be combined to provide flexibility. For example, Utah issues a supplemental registration fee for EV drivers but allows users to opt into a mileage-based fee that caps out at the original EV supplemental fee.

Depending on the fee structure, states may experience a net increase in revenue from their EV fees. Some states are using a portion of the EV supplemental funding for the deployment of electric vehicle infrastructure. This allocation has the potential to cover the 20% non-federal match in funding required for NEVI charging deployment projects. Alabama dedicates 25% of its EV fee revenue to the Rebuild Alabama Fund, which funds electric vehicle charging infrastructure until EV registrations exceed 4% of total vehicle registrations.



### Peg Fees To Inflation

Inflation can erode the effectiveness of any fee or tax. Some states have pegged their EV fees to inflation, allowing an annual increase of the fee without annual legislation needed for the increase.



### Fees Can Be Tiered

Many states have tiered fees for hybrids, plug-in hybrids, and full battery electric vehicles differently. This approach recognizes that fees are not "one size fits all" and can be adjusted as needed.



### Approaches Can Be Combined































Approaches do not need to be a singular solution. North Dakota can explore a combination of approaches such as vehicle registration fees and consumption fees that are calibrated to replace any offset in motor fuel tax collection.



## Electric Vehicle Fees by State (2022)

Though flat supplemental registration fees are most common in the application, some states are exploring additional fee mechanisms based on miles traveled, vehicle weight, electricity consumption, etc. Data was obtained October, 2022 and may be subject to change.

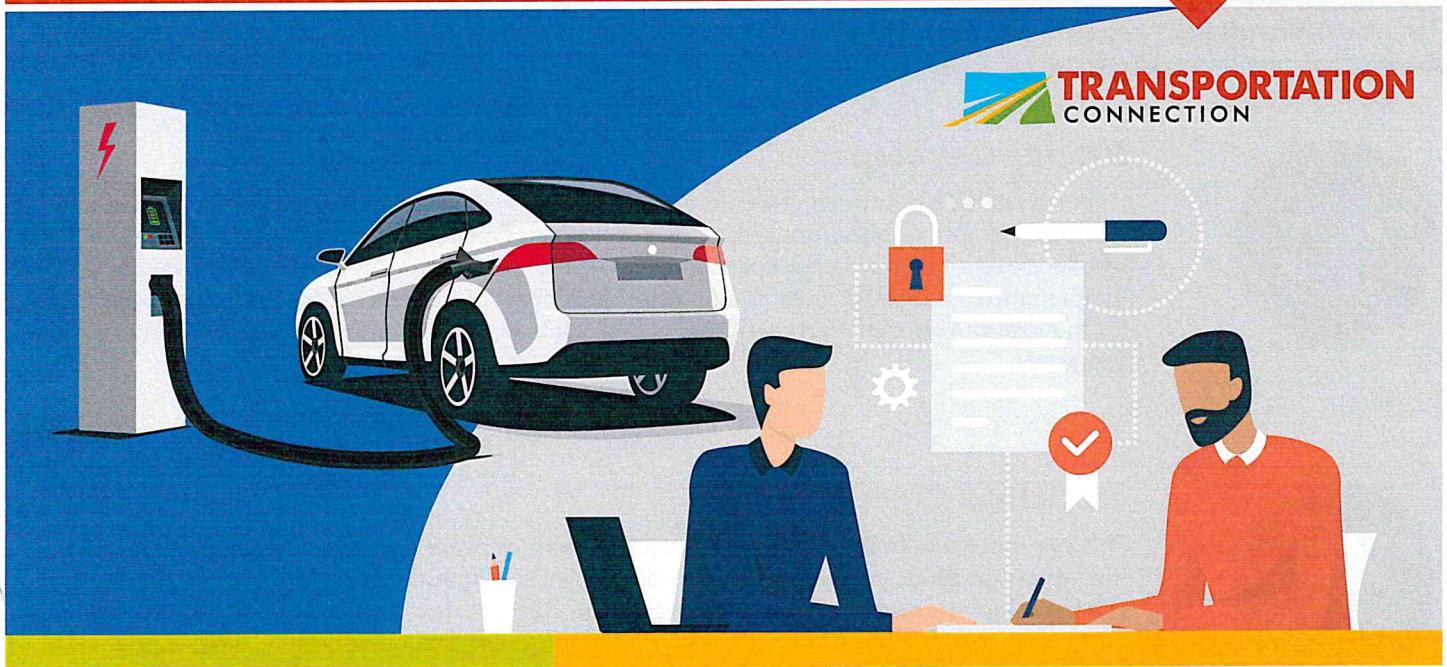
BEV = Battery Electric Vehicle PHEV = Plug-In Electric Vehicle HEV = Hybrid Electric Vehicle AFV = Alternative Fuel Vehicle

 <b>Alabama</b> \$200 BEV \$100 PHEV Annual Fee	 <b>Louisiana</b> \$110 BEV \$60 PHEV, HEV Annual Fee	 <b>Oregon</b> \$110 EV Annual Fee
 <b>Arkansas</b> \$200 EV \$100 Hybrid EV Annual Fee	 <b>Michigan</b> \$135 BEV <8,000 lbs. \$47.50 PHEV <8,000 lbs. \$235 BEV >8,000 lbs. \$117.50 >8,000 lbs. Annual Fee	 <b>S. Carolina</b> \$120 AFV \$60 PHEV, HEV Biennial Fee
 <b>California</b> \$100 BEV Annual Fee	 <b>Minnesota</b> \$75 BEV Annual Fee	 <b>S. Dakota</b> \$50 BEV Annual Registration Fee
 <b>Colorado</b> \$50 BEV, PHEV Annual Fee	 <b>Mississippi</b> \$150 BEV \$75 PHEV, HEV Annual Fee	 <b>Tennessee</b> \$100 EV Annual Fee
 <b>Georgia</b> \$212.78 non-commercial AFVs Annual Fee	 <b>Missouri</b> \$75 Passenger AFV \$37.50 PHEV Annual Fee	 <b>Utah</b> \$90 BEV, AFV \$39 PHEV \$15 HEV Annual Consumer Indexed Fee
 <b>Hawaii</b> \$50 EV Annual Surcharge	 <b>N. Carolina</b> \$130 BEV, PHEV Annual Fee	 <b>Virginia</b> \$64 AFV (Non-Hybrid) Annual License Tax
 <b>Idaho</b> \$140 BEV \$75 PHEV Annual Fee	 <b>N. Dakota</b> \$120 EV \$50 PHEV \$20 EV Motorcycle Annual Road Use Fee	 <b>W. Virginia</b> \$200 EV \$100 PHEV, HEV Annual Fee
 <b>Illinois</b> \$100 EV Annual Fee	 <b>Ohio</b> \$200 BEV, PHEV \$100 HEV Annual Fee	 <b>Wisconsin</b> \$75 PHEV, HEV \$100 BEV Annual Fee
 <b>Indiana</b> \$150 BEV \$50 PHEV, HEV Annual Inflation-Indexed Fee	 <b>Oklahoma</b> \$110/\$82 Under 6000 lbs. BEV/PHEV (Class 1) \$158/\$118 6000-10000 lbs. BEV/PHEV (Class 2) \$363/\$272 10000-26000 lbs. BEV/PHEV (Class 3-6) \$2250/\$1687 Over 26000 lbs. BEV/PHEV (Class 7-8) Annual License Fee by Weight	 <b>Wyoming</b> \$200 BEV, PHEV Annual Fee
 <b>Iowa</b> \$65 BEV \$32 PHEV Annual Fee		 <b>Washington</b> \$150 BEV \$75 PHEV, HEV Annual Fee
 <b>Kansas</b> \$100 EV \$50 PHEV, HEV Annual Fee		



# CONTRACTING

## WHAT ARE THE CONTRACTING OPTIONS TO IMPLEMENT THE NEVI PROGRAM?



**TRANSPORTATION**  
CONNECTION

The North Dakota DOT (NDDOT) is in the process of reviewing state laws to determine which contracting mechanisms are currently permissible and which will need legislation passed to be considered. NDDOT would prefer to enter into agreements with third party businesses to provide operation and maintenance of charging infrastructure and sites, and ultimately to delegate ownership to those same parties.



### Grant Program

Rather than procure the contractors and manage all of the work themselves, the DOT could instead award one or more grants to other entities to take on that role. The DOT would establish the goals and objectives for the EV program based on the federal requirements and release a notice of funding opportunity for one or more entities to procure design, construction, and operations and maintenance for a statewide EV charging network.



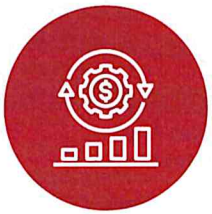
### Traditional Design-Bid-Build Contracting Approach

The North Dakota Department of Transportation typically uses Design-Bid-Build (DBB) for its infrastructure projects. Though DBB is normally a low bid process driven primarily by price, it is possible to set a high bar for experience and qualifications that would guarantee a level of EV charging expertise for a winning proposer. DBB steps could include the procurement of design services, procurement of construction and installation services, procurement of operations and maintenance services, and long-term ownership.



## EV Design-Build-Finance-Operate Maintain or DBFOM

The unique aspects of EV charging also provide the opportunity for an alternative delivery model tailored more specifically to developing an EV system. There are at least two potential ways to approach this effort:



### Master Developer

Under a DBFOM approach, it would be possible for the developer to group the project by corridor segment or geographic area and serve as a "master developer" that manages multiple smaller design-build projects. Each small contractor could be responsible for operations and maintenance, or it could revert to the master developer. The developer would retain responsibility for the overall financial approach, and would retain ownership of the chargers at the end of the program.



### Franchise Operator

This approach would result in the developer serving as more of a franchise operator, securing final plans and bids from contractors to design, install, operate, maintain, and own stations within major corridors or geographic areas. The DBFOM developer would be responsible for managing the overall system and developing the agreements, including financial agreements, with the smaller franchisees. Once the franchise operator takes on ownership, NDDOT would no longer have responsibility for the charging system.

