



Testimony - HB 1382

March 24, 2025 - Senate Finance and Tax Committee

Chairman Weber and Members of the Senate Finance and Tax Committee:

For the record, I'm Mike Rud, President of the North Dakota Petroleum Marketers and ND Retail Association. On behalf of over 650 retail convenience stores NDPMA proudly represents, as well another 500 retail outlets the NDRA proudly serves, our joint association members stand before you urging a **"DO NOT PASS" recommendation on the gas tax portion of HB 1382.**

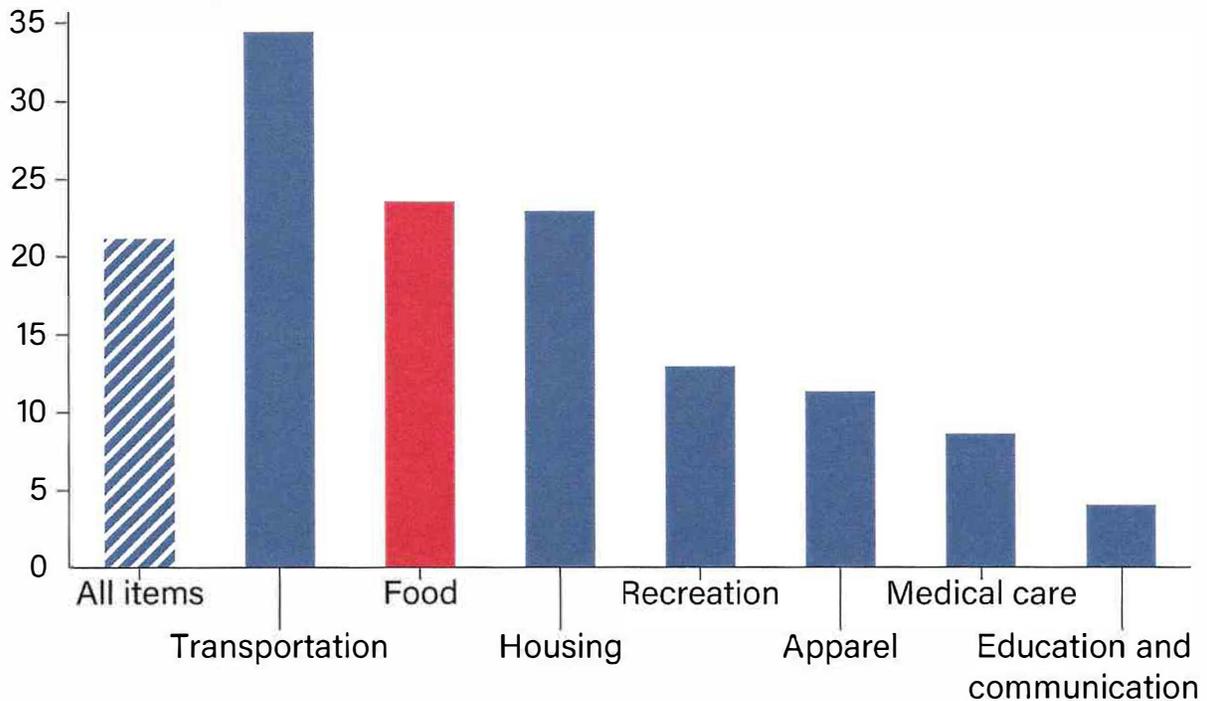
The associations I represent certainly understand the value of a good transportation network. Those testifying in opposition before me did a great job covering key points as to why the gas tax portion of this bill is certainly not needed. I want to tell you why NDRA thinks this money needs to stay in the hands of the ND consumer.

Mr. Chairman and Committee members, you can call this portion of the bill a user fee if you like, but you are just trying to put lipstick on a pig. **This is a \$42M consumer tax on the driving public.** It's just that simple. With all due respect to the state's governing bodies, I highly doubt any members of the 69th Legislative Assembly knocked on doors with the pledge to raise their constituent's taxes.

With inflationary numbers remaining at levels we haven't seen since the late 1970's, this is not the time for any consumer tax increases.

Price change for major Consumer Price Index (CPI) categories, 2020-24

Percent change



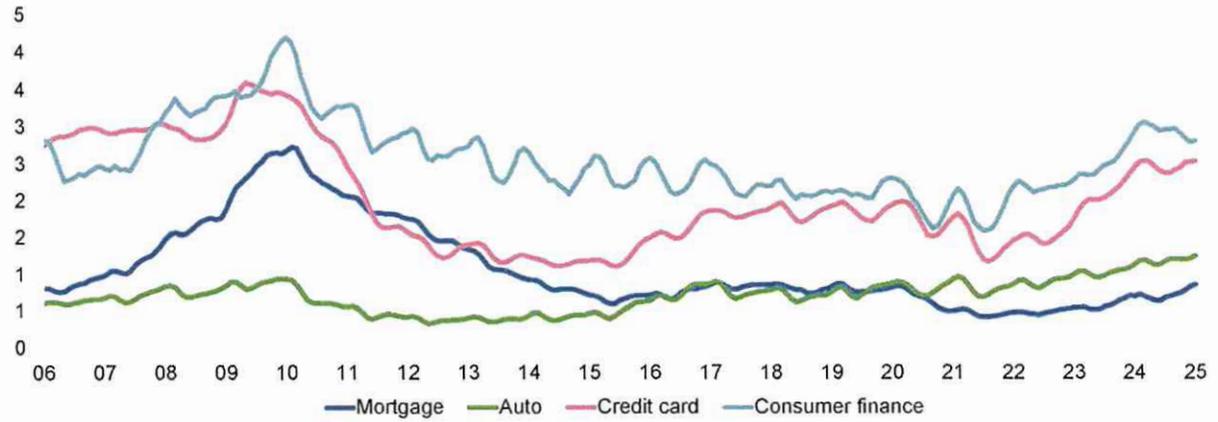
Source: USDA, Economic Research Service using U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index data.

Just last week, I was in an agency bill hearing where the agency director said he had a scared and anxious citizen come into the office and ask, “What should I do? Should I pay the rent? Should I buy food for my family? Should I pay the utility bills? I can’t do them all.”

Mr. Chairman and Committee members, it’s safe to say this ND resident is not alone. Data taken from the most recent legislative economic forecast from Moody’s Analytics should be more cause for concern when it comes to citizen wallets being stretched.

Borrowers Have Come Under Stress

North Dakota delinquency rate, 60+ days, % of balances, 3-mo MA



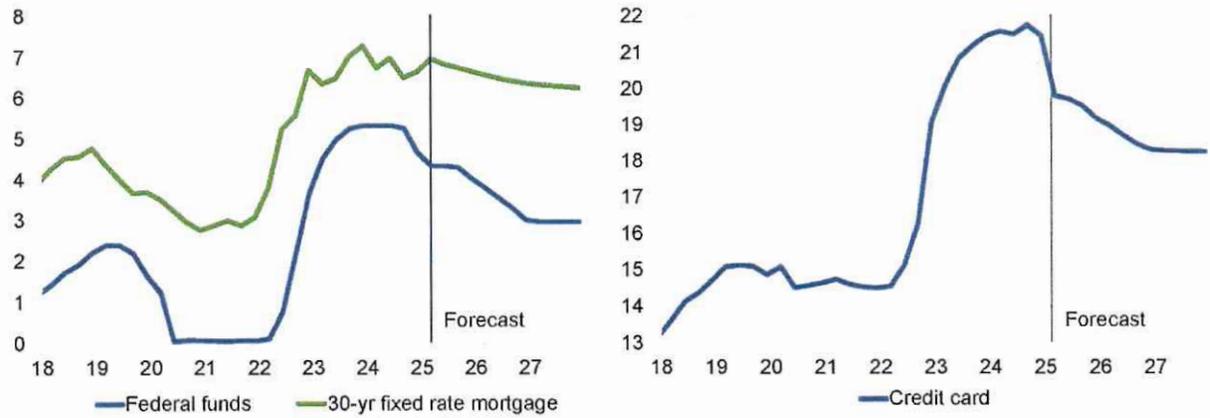
Sources: Equifax, Moody's Analytics

Moody's Analytics

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Interest Rates Will Remain Restrictive

Interest rates, %



Sources: Federal Reserve, Freddie Mac, Moody's Analytics

Moody's Analytics

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Chairman Weber and committee members, the past few legislative bodies have done a great job providing good long-term solutions for road and infrastructure maintenance and development at all levels of government. The work done in the Senate in the first half of the session strengthened those efforts.

Senator Bekkedahl said in testimony on SB 2363, the proposed DOT budget for the next biennium has in it the following:

- \$130M for counties
- \$56M for townships
- \$38M for cities

The Senator said this \$224M figure represents an 83% increase over the past biennium. I've even heard rumors of an amendment to boost the municipal and township buckets associated with the Prairie Dog Bill. These buckets currently provide \$230M dollars total per biennium.

Given all this good work and information, is now really the time to hit the traveling public with a \$42M gas tax increase? This committee and the entire Senate needs to ask itself: Is this money truly needed during the next biennium? If some members of the general public are drowning financially right now, shouldn't we throw them a life preserver instead of an anchor?

You take that same 42-million-dollar projection and keep it in consumer pockets it churns through the economy 4-5 times and generates upwards of \$200 million.

Do the right thing for your constituents in ND. Give a DO NOT PASS recommendation on the gas tax portion of HB 1382.