

2025 SENATE TRANSPORTATION

SB 2142

2025 SENATE STANDING COMMITTEE MINUTES

Transportation Committee Fort Totten Room, State Capitol

SB 2142 9:00 a.m.
1/17/2025

Relating to motor vehicle excise tax allocations; to provide a continuing appropriation; and to provide an effective date.

Members present: Chairman Clemens, Vice Chairwoman Cory, Senator Hogan, Senator Klein, Senator Paulson, Senator Rummel

9:00 a.m. Chairman Clemens called the meeting to order.

Discussion Topics:

- Details of allocation
- Mill limitations and details for townships
- Counties with unorganized townships

9:01 a.m. Senator Wanzek, District 29, introduced SB 2142, testified in favor and submitted testimony #29793.

9:33 a.m. Larry Syverson, Executive Director, North Dakota Township Officers Association, testified in favor and submitted testimony #29771.

9:40 a.m. Todd Weber, Vice President, NDTOA, testified in favor.

9:43 a.m. Tim Geinhart, Director, NDTOA District 6, testified in favor.

9:49 a.m. Brent Baldwin, President, Red River Valley Sugarbeet Growers Association, testified in favor and submitted testimony #29719.

9:54 a.m. Drew Courtney, Board Member, NDCGA, testified in favor and submitted testimony #29674.

9:56 a.m. Dustin Sherlock, President, North Dakota Soybean Growers Association, testified in favor.

10:01 a.m. Genny Dienstmann, Director of Operations, NDACo, testified in favor and submitted testimony #29670.

10:07 a.m. Daniel Schriock, Assistant County Engineer, Burleigh County Highway Department, testified in favor and submitted testimony #29635.

10:12 a.m. Loren Estad, Secretary Treasurer, Pembina County Officer's Association, testified in favor.

10:24 a.m. Peter Hanebutt, Director of Policy, North Dakota Farm Bureau, testified in favor.

10:24 a.m. Matt Gardner, Executive Director, NDLC, testified in favor.

10:29 a.m. Ryan Ellis, President, North Dakota Grain Growers Association, testified in favor and submitted testimony #29753.

10:32 a.m. Lance Gaebe, Policy Strategist, North Dakota's Farmers Union, testified in favor and submitted testimony #29757.

10:34 a.m. Thomas Beadle, State Treasurer, testified neutral.

10:37 a.m. Chad Orn, Deputy Director for Planning, NDDOT, testified neutral and submitted testimony #29599.

10:48 a.m. Russ Hanson, Executive Vice President, Association of General Contractors of ND, testified neutral.

Additional Testimony:

Parrell Grossman, Legislative Direction, North Dakota Soybeans Association, submitted written testimony in favor #29667.

Jesse Christianson, Stutsman County Road Dept., Interim Superintendent, submitted written testimony in favor #30740.

10:49 a.m. Chairman Clemens closed the hearing.

Chance Anderson, Committee Clerk

**Senate Bill No. 2142****Senate Transportation Committee**

Fort Totten Room | January 17, 2025, 9 a.m.

Chad M. Orn, Deputy Director for Planning

Good morning, Mr. Chairman and members of the Committee. My name is Chad M. Orn, Deputy Director for Planning for the North Dakota Department of Transportation (NDDOT). I am here to provide information as it relates to the Flexible Transportation Fund referenced in SB 2142.

Line 15 and 16 of page 3 of Senate Bill 1202 proposes to increase the funding going into the Flexible Transportation Fund (Flex Fund) from 50% to 75%. It would be 75% of 100% of the motor vehicle excise tax. I am here to provide information on the Flex Fund.

The Flexible Transportation Fund was established by the 68th Legislative Assembly (NDCC 24-02-37.3) and the current law laid out criteria to help determine eligibility for these funds. It was created in part to assist with road and bridge projects on and off the state system and work towards building a better-connected transportation system throughout the state. The Flex Fund has a dedicated set-aside of 25% of 50% of the motor vehicle excise tax dedicated to county and township road and bridge projects in non-oil producing counties. That amounts to about \$43 million per biennium. In addition to the set-aside, state law also required the NDDOT to establish criteria to distribute the funds.

As a result, the NDDOT established criteria and guidelines, created an application process and website, developed a scoring process, and stood up a committee to evaluate and score the applications. The committee had representation from the NDDOT, ND Department of Commerce, ND Township Officers Association, ND Association of Counties, ND League of Cities, ND Indian Affairs Commission, and the Greater ND Chamber.

Overall, we feel the process was a success as we received 165 applications totaling \$205.5 million in Flex Fund requests for the \$43 million set-aside. Forty-four (44) local entities were awarded projects through the set-aside. NDDOT also created a "partner allocation", where another \$44.1 million was awarded to those eligible for the set-aside plus cities, tribes, and oil producing counties and townships. We received another 97 eligible applications totaling \$225.2 million in Flex Fund dollar requests. Overall, \$87 million was awarded to 66 local entities from the 264 applications asking for \$423.3 million in Flex Fund dollars.

Having a process and guidelines helps to ensure things are fair and transparent for those requesting dollars for their needed projects, as often the dollars are not enough

to cover all the requested needs. The NDDOT is tasked to be the accountable party to independently lead the distribution of funds.

This concludes my testimony - I would be happy to answer any questions. Thank you.

Testimony Prepared for the
Senate Transportation Committee

January 17, 2025

By: Dan Schriock, Burleigh County Asst. Engineer



RE: Support of SB 2142 – Relating to township road and bridge sustainability funding

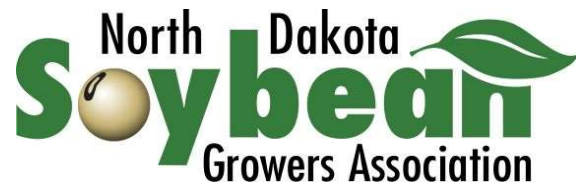
Chairman Clemens and Senate Transportation Committee members, thank you for the opportunity to provide testimony on SB 2142. I am Dan Schriock, Burleigh County Assistant Engineer, and I also serve on the legislative committee for the ND Association of County Engineers. I am here to support the bill, with an additional request on behalf of county highway departments.

In 2019, the North Dakota Legislature requested a study of the transportation infrastructure needs of all counties, townships, and tribes in the state. The Upper Great Plains Transportation Institute (UGPTI) at the North Dakota State University completed the 2024 Highway and Bridge Needs Study.

In Burleigh County alone the estimated cost for county and township unpaved roads, paved highways, and bridges for 2024-2043 is \$354 million. This includes approximately \$167 million for county gravel roads, \$180 million for county paved roads, and \$7 million for county bridges and minor structures. Much of which will be needed in the next 10 years.

Burleigh County and the other counties across North Dakota are in dire need for long term funding solutions to better plan and prioritize our local road and bridge projects. Increases in local funding through this bill are critical to provide the infrastructure necessary to haul goods and services across our transportation network, but also to provide safer roads to our traveling public.

Chairman Clemens and Committee Members, thank you for the opportunity to provide testimony and request your consideration to include counties in this funding bill.



SENATE BILL NO. 2142
TRANSPORTATION COMMITTEE
DAVID A. CLEMENS, CHAIR
TESTIMONY IN SUPPORT OF SENATE BILL 2020

Chairman Clemmons and members of the Senate Transportation Committee. My name is Parrell Grossman and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear in support of Senate Bill 2142.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota soybean farmers planted 6,600,000 acres of soybeans, producing over 245 million bushels of soybeans.

There are many valid and even compelling reasons for this legislature to enact this legislation to assist in funding road and bridges for townships. The need for improved and safe roads and bridges is critical. Many of these rural township roads are either in need of repairs, or the maintenance is expensive. Good roads and bridges are vital for farmers and rural communities.

The first area of concern is transportation of goods. Farmers need to transport their crops to the markets, processing plants or distribution centers. For farmers, these roads are always the first miles to get their crops to the market. Farmers need good roads for bringing in supplies. Farmers also rely on roads to receive essential inputs like seeds, fertilizers, livestock feed, and equipment.

These roads are important for access to services, including reaching healthcare, providing education, and providing emergency services. Good roads are crucial for accessing hospitals and clinics for rural residents, as well as for veterinarians for animal care. Rural students need to travel to schools, and teachers and other professionals need to commute to work. It might be an understatement to say that fire trucks, ambulances, and law enforcement vehicles need to reach rural areas quickly in case of emergencies.

Economic Development, just like in urban areas, is very important to rural areas. Well-maintained infrastructure makes rural areas more attractive to businesses,

potentially leading to job creation and economic growth. Most of these rural areas desperately need to increase their tax base to provide services and infrastructure to their residents.

There might even be opportunities for tourism in some of these rural areas. Rural North Dakota is a treasure trove of scenic beauty with interesting landscapes, clear skies with views of the stars, and an abundance of wildlife and sounds of nature. Good roads improve access to scenic areas, attracting tourists and boosting local economies.

Good roads in rural areas are important to quality of life. Roads facilitate social interaction and community building by allowing easier travel to visit friends, family, and attend community events. Good roads reduce isolation. For some, rural areas can often feel isolated. Good roads help connect people to the wider area and reduce feelings of remoteness.

Finally, safety demands good roads and bridges. Safety concerns dictate that we do everything reasonable possible to ensure safety. Roads or bridges that need improvement or replacement are the proverbial “just waiting for an accident to happen.” We have an obligation to our townships and rural North Dakota to ensure that does not happen.

These township roads were originally made for horse drawn carriages and now we have semi trucks on these roads. In addition, water drainage in many areas has been very damaging.

Local township funding simply is not sufficient to support the required improvements, and our rural areas definitely require financial assistance to resolve what quickly could become a crisis. The agricultural economy is hugely important and beneficial to all of North Dakota. These farmers need some better roads to cross these first miles to get their crops to market. It doesn't seem to be asking too much.

For the reasons stated the Association respectfully asks the Senate Transportation Committee to give Senate Bill 2142 a “Do Pass” recommendation.

Thank you for your consideration and I would be happy to address any questions.

Testimony Prepared for:
Senate Transportation Committee
January 17, 2025
By: Genny Dienstmann, NDACo



RE: Support of SB 2142
Township Road & Bridge Sustainability Fund

Chairman Clemens and Senate Transportation Committee Members, thank you for the opportunity to provide testimony for SB 2142. We support dedicated funding to townships and in addition, would appreciate consideration for dedicated funding for counties in this bill.

Infrastructure needs across our state are vast and costs associated with these needs continue to grow. Similar to townships, counties across North Dakota need long term, secure funding solutions to better plan and prioritize future transportation projects. Increases in state funding through this bill are key to help maintain our highway and bridge networks. Consistent long-term funding will allow counties and townships to effectively plan and construct projects that most efficiently utilize funding to extend the life of roads and bridges now and to help avoid larger costs for complete reconstruction in the future.

We also know that property tax relief and reform is a major priority for this session and if we have limits on property tax growth, these dedicated funding sources would be vital in moving forward local government infrastructure plans.

Chairman Clemens and Committee members, thank for time and consideration.



In Support of SB 2142
Senate Transportation
Testimony of Drew Courtney
January 17, 2025

Chairman Clemens and members of the Committee,

Thank you for the opportunity for the North Dakota Corn Growers Association to share our support of Senate Bill 2142.

For the record, my name is Drew Courtney. I farm near Oakes with my cousin, wife, and kids. I also serve on my township board. I am here today as a board member of the North Dakota Corn Growers Association, which is the voice of North Dakota corn producers, representing more than 13,000 growers across the state.

NDSU's economic contribution analysis of North Dakota's agriculture industry places ag's annual contribution to the economy at \$31 billion and more than 110,000 jobs. This contribution depends on reliable public infrastructure. Growers need a good network of farm-to-market roads to efficiently transport their crops. Additionally, rural residents rely on sound roads and bridges to ensure public safety—firefighters, ambulances, and school buses travel these routes.

According to the Upper Great Plains Transportation Institute's 2024 report, infrastructure needs for county, township, and tribal roads and bridges total \$12.35 billion over the next 20 years. Unpaved roads make up more than half of that total. Addressing the backlog of deficient local roads and bridges is a policy priority for the

Corn Growers. As a township officer, I can also speak firsthand about our limited resources to maintain and repair local roads and bridges.

Our Association mission statement is “growing a healthy, profitable business climate for northern corn,” and well-maintained township roads and bridges are critical to help us meet that mission. We urge your support for SB 2142.

I will stand in response to any questions you may have. Thank you for your consideration.



1401 32nd Street SW • Fargo, ND 58103 • Phone: 701-239-4151 • Fax: 701-239-4276

email: information@rrvsga.com

January 17, 2025

Mr. Chairman and members of the Senate Transportation Committee,

I am Brent Baldwin, a farmer from Saint Thomas, North Dakota. Thank you for the opportunity to testify, I am representing the Red River Valley Sugarbeet Growers Association in support of Senate Bill 2142.

Our township roads and bridges are in a state of substantial need. You have already heard all the numbers on the number of road miles, number of bridges out, the number of challenges that excess water has presented, and I am here to share they are real.

Our townships run on a shoestring budget, often only having enough revenue to add a few loads of gravel while we cross our fingers and hope for dry winters, so we don't have to push snow. Many times, its farmers plowing the township roads on their own dime, not only for their own farm needs but also for those moving out to the countryside who are often un-prepared to plow a mile out to the nearest county highway.

During farm-work, we do our best to clean mud and dirt off equipment before moving fields, we maintain gravel roads to the best of our ability with box scrapers and many times we will pay for gravel to be applied on our dime.

Some may say the answer is to raise your mills, however often times we are already at the maximum allowed already. Just to give you an example from one of our farmsteads, we pay about \$2,676 a year on that residence and just \$251.44 of that goes to the township, this amount is not even enough for one load of gravel, and yet we have 57 miles in the township to maintain. As you have heard, a safe township road can cost up to \$14,000 per mile to gravel.

The township roads and bridges were built well over 100 years ago, and were designed for 100 bushels of wheat, now we are carrying far more than that, and the roads and bridges just can't handle it anymore. We need to figure this out to maintain our competitiveness on the global market for all our agriculture products.

There are many stories of when the fire and rescue or even your daily mail delivery gets delayed or completely prevented from getting to a residence after a blizzard or a two-inch rain. We need to make sure our township roads are safe for the public and maintained enough for agriculture products to be transported to market.

We strongly support this bill and encourage the committee to provide a DO PASS recommendation.

Thank you – I will stand for any questions.

Brent Baldwin – Farmer – Saint Thomas, North Dakota
President - Red River Valley Sugarbeet Growers Association



**North Dakota Grain Growers Association
Testimony in favor of SB 2142
Senate Transportation Committee
January 17, 2025**

Chairman Clemens, members of the Senate Transportation Committee; for the record my name is Ryan Ellis. I am a family farmer and rancher from Williston, North Dakota and I am also President of the North Dakota Grain Growers Association. I appear before you today in support of SB 2142. This forward-thinking legislation addresses critical infrastructure challenges faced by rural communities and ensures long-term support for road and bridge projects in non-oil-producing counties.

Importance of Senate Bill No. 2142 to North Dakota's Agriculture and Rural Communities

1. Rural Infrastructure Supports Agriculture:

- Grain producers depend on reliable township roads and bridges to transport crops to elevators, markets, and processing facilities.
- Many rural roads and bridges are aging or insufficiently maintained, creating logistical challenges that increase costs and reduce efficiency.

2. Equitable Allocation of Resources:

- By allocating funds based on the number of road miles in each township, the bill ensures that resources are distributed fairly and address the greatest needs.

3. Economic and Community Impact:

- Well-maintained roads and bridges are essential for supporting local economies, fostering rural development, and improving safety for residents, businesses, and emergency services.
- Strengthening infrastructure will help retain and attract families and businesses to rural communities.

Key Features of Senate Bill No. 2142

1. Township Road and Bridge Sustainability Fund:

- The creation of this fund provides a dedicated, ongoing source of funding for township road and bridge infrastructure projects, ensuring long-term sustainability.

- By using revenue from motor vehicle excise taxes, the fund supports infrastructure without requiring new taxes.

2. Eligibility Requirements to Ensure Accountability:

- Organized and unorganized townships must meet specific criteria to qualify for funding, such as maintaining roads, levying a minimum number of mills, and submitting annual certifications.
- This ensures that funds are allocated to townships actively investing in their infrastructure and committed to maintaining their assets.

3. Fair Distribution Model:

- Allocations are based on proportional road miles, ensuring that funding is distributed equitably across eligible townships.
- Non-oil-producing counties with unorganized townships are also included, ensuring no community is left behind.

4. Transparency and Oversight:

- Regular certifications and reporting requirements provide transparency and accountability, ensuring funds are used appropriately for infrastructure projects.

Broader Benefits of Senate Bill No. 2142

1. Support for Farmers and Rural Businesses:

- Reliable infrastructure reduces transportation costs and ensures timely delivery of crops to market, supporting profitability for grain producers.
- Improved roads and bridges benefit all rural industries, from agriculture to energy and small businesses.

2. Safety for Residents:

- Investing in infrastructure reduces accidents, improves road conditions, and enhances safety for rural families, school buses, and emergency services.

3. Strengthening Rural Communities:

- This legislation provides critical resources to rural areas, enhancing their ability to thrive economically and socially while addressing long-standing disparities in infrastructure funding.

Conclusion

Senate Bill No. 2142 represents a vital investment in North Dakota's rural infrastructure and agricultural economy. By creating a sustainable funding mechanism for township road and bridge projects, this bill supports the long-term needs of rural communities and ensures that grain producers and other rural industries can operate efficiently and safely.

The NDGGA strongly encourages the members of this legislative assembly to pass this essential bill to secure the future of rural infrastructure and strengthen North Dakota's agricultural backbone.



Contact:

Lance Gaebe, Policy Strategist

lgaebe@ndfu.org 701 391-5571

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

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.

Support of SB2142

Senate Transportation Committee

January 17, 2025

Good morning, Chairman Clemens and Committee members.

I am Larry Syverson from Mayville. I grow soybeans on my farm in Traill County. I am the Chairman of the Board of Supervisors for Roseville Township in Traill County and the Executive Director of the North Dakota Township Officers Association. NDTOA represents 6,000 Township Officers serving more than 1,400 dues-paying member townships.

I was reminded yesterday that in 2023, agriculture was computed to have a 30.8 billion dollar impact on North Dakota's economy. That takes a lot of product; that product takes a lot of trucks. We all know that the products of agriculture come from the dirt. The first mile in that trip from the dirt of North Dakota's fields to the grocery store shelves and coolers is most likely on a township road.

It is not one-way traffic on those roads either, tons of inputs are needed. Seed, fertilizer, chemicals, feed for livestock, and all kinds of equipment need to be delivered. The last mile for most of those inputs is also a township road. Trips for other goods and services add to the traffic, and that traffic takes a toll.

The problem with township roads is that, almost without exception, they are gravel roads. Gravel spread on top of a poorly built base made of the top-soil from the ditch pushed up into a grade. These roads might be ok for lightweight traffic in dry conditions, but they are not standing up to modern use. A truck does not even need to be overloaded to have an effect on such a road.

Townships do not treat all roads the same; they have their own priority list. Some roads get the greatest attention while others get little or none, depending on use and need. There are some 54,000 miles of township roads in the state that are certified as maintained miles. But there are also thousands of miles of roads that may have been abandoned because of disuse or

never built up because of lack of need or topography and might only exist as prairie trails. There is no accounting of the unimproved or abandoned roads; they are just not included in the certified list. Of the listed maintained roads, some are used less than average, others are used more than average, and each receives the appropriate level of maintenance. You are going to be given some cost-per-mile figures, please remember that these are average figures. Some roads will require a bit less and other more impacted roads will need a lot more.

Roads that bear the brunt of the load may need to be reconstructed with the necessary, proper compaction and soil stabilizers and then built up as truck routes. This will be very expensive, but these routes will become the local corridors of the state's transportation system.

How do we handle the cost? Townships have a minimal self-funding ability; their property tax levy is limited to 18 mills. With a special election, a township might be able to raise its limit to 36 mills, which would be good for a maximum of five years. The likelihood of some form of property tax caps coming out of this session could make increasing the township levy challenging to accomplish.

Since the beginning of the current oil boom, the legislature has helped the townships with several one-time grants, which were very helpful and for which townships are very grateful. But those payments run out and are not at all predictable. There have been two funds set up to help townships on a more continuing, predictable, and hopefully permanent basis. The County and Township Infrastructure Fund (Prairie Dog) and a fund from the legacy earnings stream. The townships are very grateful for these infusions of welcome funds as we struggle to overcome decades of underfunding roads. We hope to build on this.

Our goal in SB2142 is to achieve a predictable fund that will be significant enough to overcome decades of underfunding and undermaintenance.

As I am in the building all the time and available to answer your questions, I will let those who traveled to be here today testify now. I want to introduce two members of the NDTOA

Board of Directors to speak further on behalf of the association. Todd Weber is the NDTOA Vice President; he will be followed by Tim Geinert, the NDTOA District 6 Director.

I thank them for driving in to testify today. I also thank the others in the room who are here to support dependable, budgetable funding for townships.

Chairman Clemens and committee members, thank you for this opportunity to testify today. Please give SB2142 your favorable consideration. This concludes my prepared statement. I will try to answer any questions you might have.

SB 2142

Testimony – SB 2142 – ND STATE SENATOR TERRY M WANZEK- District 29

SB 2142 is a Big Ask. But there is a Big Need.

- Most ND's wealth is produced in rural ND. Our major industries, Energy, Agriculture and tourism depend heavily on a system of good roads and bridges. They are vital to getting our inputs to the production sites, whether that's an oil well or a corn field, and also for delivering our production commodities efficiently to market. The condition of our rural infrastructure is impactful to the success of our major industries. The economy that this state, ND depends on, runs on rural roads.
- The ask is not a number grabbed out of nowhere. The ND legislature funds a rural infrastructure needs based study by the Upper Great Plains Transportation Institute-that is updated biennially . The ask is based on data generated by engineering experts in this field, not by just any random source. What purpose do we, this body, have in funding this study if we do not take heed to its findings?
- This bill is funded by ND's Motor Vehicle Excise Tax. Why the Motor Vehicle Excise Tax? This tax has a history of going back and forth between Transportation needs and the General Fund. I feel its time to dedicate the MVET to Transportation needs to fund our state's road infrastructure. Just like the Gas or fuel Tax and the motor vehicle registration funds go to the highway distribution fund. MVET is a tax on motor vehicles. Where do we operate motor vehicles? On our roads. There is a connection. We have already taken half of the MVET and appropriated last session to the NDDOT, placing it into the popular flexible fund. This tax can offset some of the SIIF funds in the DOT budget, if necessary.
- This bill will move the other half of the MVET from the general fund to 2 different funds. The end result will be 75% of the MVET will go to the NDDOT Flexible fund. The remaining 25% of the MVET will go to a new fund, the Township Road and Bridge Sustainable fund administered by the State Treasury. The state treasure will allocate the Township Road and Bridge Sustainable Fund to non-oil Counties who will distribute the funds to townships based on a prorated share of certified road miles compared to total state certified road miles. The 75% appropriated to the NDDOT flexible fund are flexible discretionary funds and can also be used in collaborative projects with political subdivisions.(Counties and Cities)
- This bill will provide funds of approximately \$85 million to the townships based on road miles or needs and \$85 million to the NDDOT Flexible fund. That results is an estimate of \$85 million/54000 or \$1574 support per mile. The UGPTI needs study for unpaved and paved roads needs is approximately \$15534/mile needs.

- While townships appreciate the one time funding and Prairie Dog funding over the past few years from the State Legislature, there is no certainty or continuity in funding to count on and plan ahead with. This bill's action is intended to provide more sustainability and a bit of certainty in funding allowing forward planning.
- I understand it's a big ask and realistically I know we are not going to fund the rural infrastructure at 100% of the UGPTI. I also understand this bill is a work in progress. It is an effort to put the issue in front of the ND Legislature to discuss and seek solutions and point out that our infrastructure needs are valuable and important to our State's Economy!



Infrastructure Needs: North Dakota's County, Township and Tribal Roads and Bridges: 2024-2043

Report to the North Dakota Legislative Assembly

October 2024

Executive Summary

This report is the response to the North Dakota Legislature's request for a study of the transportation infrastructure needs of all counties, townships and tribes in the state.

In 2019, the North Dakota Legislature advanced HB 1066 which had a provision for funding distributions to non-oil producing counties based on the most recent version of this study. HB 1066 also stated: "If the data compiled by the upper great plains transportation institute includes more than one twenty-year estimate for the total needs of each county, the state treasurer shall use an average of the twenty-year estimates for each County."

In this report, the Upper Great Plains Transportation Institute (UGPTI) estimated infrastructure needs using the most current production forecasts, traffic estimates, and roadway inventory and condition data available. Agricultural- and oil-related traffic are modeled in detail at the sub-county level. Oil-related traffic is predicted for individual spacing units, whereas agricultural production is estimated at the township level.

A significant data collection effort provides the most complete and current data on the condition of the state's county and township roadway system. In 2023, UGPTI acquired a portable road profiler to collect pavement condition data which replaced smartphone-based accelerometer condition assessment. Traffic counts were collected on the county and township road system across the entire state since 2021. The effort was a combination of additional counts requested of NDDOT along with vehicle classifications conducted by NDSU-UGPTI students and a consultant. The data was used to calibrate a statewide travel demand model, which was used to forecast future traffic levels. The GRIT (Geographic Roadway Inventory Tool) was used to gather and verify county roadway inventory information such as base thickness, pavement age, and pavement thickness, directly from local road authorities.

An enhanced county-level survey was developed to assess unpaved roadway component costs such as blading, gravel purchasing, hauling, and placement costs for each of the 53 counties in North Dakota. Training on how to accurately complete the survey was provided to counties via a live and recorded webinar. A secondary analysis of survey results was performed to identify significant variations from county to county by region within the state.

The bridge analysis underwent significant changes to accommodate the FHWA discontinuation of the bridge sufficiency rating (SR) in the previous study. In recent years, states have been developing a replacement index that fits their jurisdictions. The 2022 study advanced a new Bridge Needs Target (BNT) through use of a county expert panel. The analysis routine used the BNT for the first time in that study. Additionally, the North Dakota Department of Transportation (NDDOT) added consultant resources to the load rating of non-state bridges which resulted in more local bridges with a reduced load rating. In addition to major structures included in the National Bridge Inventory data, UGPTI estimated the needs for minor structures (less than 20 feet in span) which were not previously included due to data limitations.

For traffic forecasting, the UGPTI developed a travel demand model (TDM) for the entire state. The TDM network includes the origins of key inputs to the oil production process (e.g., fresh water, sand, scoria, gravel, and pipe), destinations for crude oil and saltwater shipments, and the capacities of each

source or destination. The origins of movements on the highway network include railroad stations where sand, pipe, and other inputs are transferred from rail to truck. The destinations of crude oil shipments include refineries and railroad and pipeline transfer facilities. In the model, the estimated capacities of transfer sites are expressed in throughput volumes per day, while the capacities of material sources are expressed in quantities of supplies available during a given time period. Similarly, an agricultural sub model was developed to model truck movements of agricultural production across the state from farms to elevators and processors. The nine largest commodities by volume were modeled explicitly as part of TDM process.

Using the TDM, inputs and products are routed to and from wells to minimize time and/or cost, subject to available supplies and capacities. A comparable model is used to predict the trips of each crop produced in each township to elevators and/or processing plants, subject to the demands of these facilities. When all trips have been routed, the individual movements over each road segment are summed to yield the total truck trips per year. Using truck characteristics and typical weights, these trips are converted to equivalent single axle loads (ESALs) and trips per day. These two factors, in conjunction with the condition ratings and structural characteristics of roads, are used to estimate the improvements and maintenance expenditures needed for the expected traffic. While the focus is on agricultural- and oil-related activities, other movements (such as farm inputs and shipments of manufactured goods) are also included in the analysis.

Total Statewide Needs

As shown in Tables E and F, the combined estimate of infrastructure needs for all county, township and tribal roads and bridges is \$12.35 billion over the next 20 years. Unpaved road funding needs make up approximately 56% of the total. If averaged over the next 20 years, the annualized infrastructure need is equivalent to \$618 million per year.

The values shown in Tables E and F do not include the infrastructure needs of Forest Service roads or city streets within municipal areas. The infrastructure needs of Indian Reservation roads are included for the paved roads and presented separately in the report.

Table E: Summary of All Road and Bridge Investment and Maintenance Needs for Counties, Townships and Tribal Areas in North Dakota (Millions of 2024 Dollars)

Period	Statewide
2024-2025	\$1,471.70
2026-2027	\$1,578.57
2028-2029	\$1,481.77
2030-2031	\$1,435.49
2032-2033	\$1,391.95
2034-2043	\$5,030.32
2024-2043	\$12,359.78

2024-25 \$1,471,700,000 ÷ 5400 miles = \$27,253
 1464 organized townships
 611 unorganized townships
 2075 total townships
 X .56
 \$15534.21/mile
 Unpaved road needs per biennium

Table F: Summary of All Road and Bridge Investment and Maintenance Needs for Counties, Townships and Tribal Areas in North Dakota (Millions of 2024 Dollars)

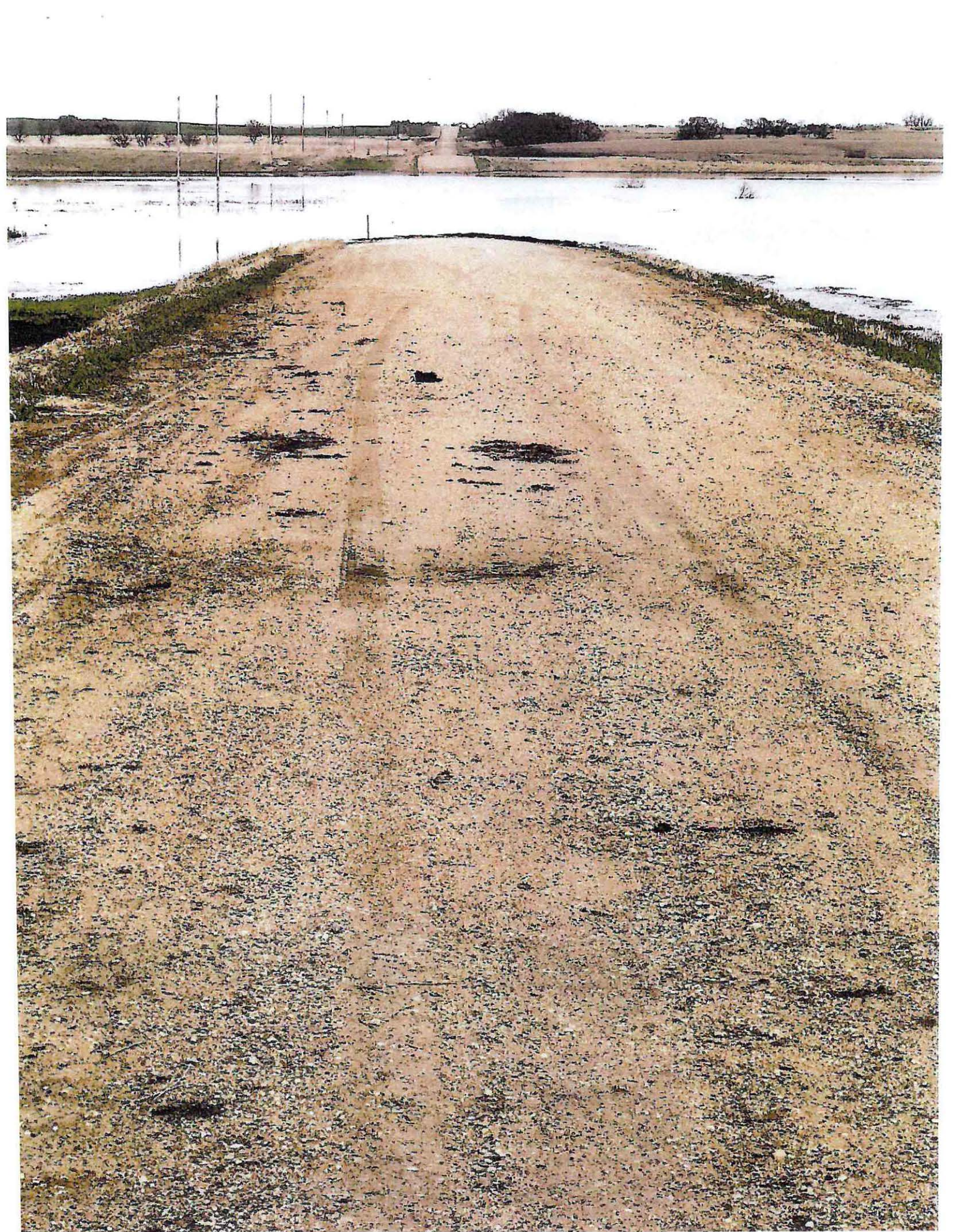
Period	Unpaved	Paved	Bridges	Minor Structures	Total
2024-2025	\$707.88	\$433.82	\$178.94	\$151.06	\$1,471.70
2026-2027	\$694.93	\$523.64	\$178.94	\$151.06	\$1,578.57
2028-2029	\$714.99	\$436.78	\$178.94	\$151.06	\$1,481.77
2030-2031	\$716.56	\$388.93	\$178.94	\$151.06	\$1,435.49
2032-2033	\$693.38	\$368.57	\$178.94	\$151.06	\$1,391.95
2034-2043	\$3,443.71	\$1,344.44	\$192.45	\$49.72	\$5,030.32
2024-2043	\$6,971.45	\$3,496.17	\$1,087.16	\$805.00	\$12,359.78

General Comparison with Recent Studies

The 20-year cost estimate for unpaved/gravel roads increased by \$425 million or 6.5% from the previous study. These increases are driven by increases in aggregate hauling cost and regional increases in aggregate unit prices. This increase is consistent with prior studies.

The 20-year cost estimate for paved roads increased by \$248 million or 7.6% from the previous study. Much of the increase is because of inflation of construction and maintenance costs for pavements but also due to routine pavement deterioration since the last study. Figure B presents the percentage of paved miles statewide by condition from 2019 to 2024. Significant investments in paved road improvements occurred in the mid-2010s resulting in a larger proportion of miles in the good category. Because of routine pavement deterioration, the percentage of miles in the good category fell from









Stutsman County Road Department

1508 4th Street NW

Jamestown, North Dakota 58401

Office: 701-252-9040, Fax: 701-252-0250

Email: jchristianson@stutsmancounty.gov



Chairman Clemens and Senate Transportation Committee Members thank you for the opportunity to provide testimony for SB 2142. We support dedicated funding to townships and in addition, would appreciate consideration for dedicated funding for counties in this bill.

Stutsman County and other counties across North Dakota are in dire need for long term funding solutions to better plan and prioritize our local road and bridge projects. Increase in local fundings through this bill are critical to provide the infrastructure necessary to haul goods and services across our transportation network, but also to provide safer roads to our traveling public.

Investing in infrastructure reduces accidents, improves road conditions, and enhances safety for rural families, schools' buses and emergency services. Senate Bill 2142 represents a vital investment in North Dakotas rural infrastructure. By creating sustainable mechanisms for township roads and bridge projects.

Stutsman County Road Dept
Interim Superintendent
Jesse Christianson

2025 SENATE STANDING COMMITTEE MINUTES

Transportation Committee Fort Totten Room, State Capitol

SB 2142 11:10 a.m.
1/17/2025

Relating to motor vehicle excise tax allocations; to provide a continuing appropriation; and to provide an effective date.
--

11:10 a.m. Chairman Clemens opened the hearing.

Members present: Chairman Clemens, Vice Chairwoman Cory, Senator Hogan, Senator Klein, Senator Paulson, Senator Rummel

Discussion Topics:

- Limitation on mills for townships and counties

11:14 a.m. Chairman Clemens adjourned the meeting.

Chance Anderson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Transportation Committee Fort Totten Room, State Capitol

SB 2142
1/23/2025

Relating to motor vehicle excise tax allocations; to provide a continuing appropriation; and to provide an effective date.

10:07 a.m. Chairman Clemens opened the hearing

Members present: Chairman Clemens, Vice Chairwoman Cory, Senator Hogan, Senator Klein, Senator Paulson, Senator Rummel

Discussion Topics:

- Mill rate limitations
- Unorganized townships receiving allocations
- Percentages allocated to townships and counties
- Non-oil producing counties

10:07 a.m. Senator Rummel provided updates to the committee regarding township mill levy rates and structures.

10:19 a.m. Senator Paulson provided update regarding amendment progress from the Office of ND State Treasurer.

10:46 a.m. Chairman Clemens closed the meeting.

Chance Anderson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Transportation Committee Fort Totten Room, State Capitol

SB 2142
1/30/2025

Relating to motor vehicle excise tax allocations; to provide a continuing appropriation; and to provide an effective date.
--

9:35 a.m. Chairman Clemens opened the hearing.

Members present: Chairman Clemens, Vice Chairwoman Cory, Senator Hogan, Senator Klein, Senator Paulson, Senator Rummel

Discussion Topics:

- Current township funding
- Viability of levying additional mills to meet threshold to obtain allocation

9:47 a.m. Chairman Clemens closed the hearing.

Chance Anderson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Transportation Committee Fort Totten Room, State Capitol

SB 2142
2/6/2025

Relating to motor vehicle excise tax allocations; to provide a continuing appropriation; and to provide an effective date.

2:07 p.m. Chairman Clemens opened the hearing.

Members present: Chairman Clemens, Vice Chairwoman Cory, Senator Hogan, Senator Klein, Senator Paulson, Senator Rummel

Discussion Topics:

- Qualifications of receiving allocated funds
- Amendment regarding allocating funds to flex fund

2:07 p.m. Larry Syverson, Executive Director, North Dakota Township Officers Association, testified neutral.

2:22 p.m. Senator Rummel moved Amendment LC#25.0818.01001.

2:22 p.m. Senator Klein seconded the motion.

Senators	Vote
Senator David A. Clemens	Y
Senator Claire Cory	Y
Senator Kathy Hogan	Y
Senator Jerry Klein	Y
Senator Bob Paulson	Y
Senator Dean Rummel	Y

Motion passed 6-0-0.

2:22 p.m. Senator Rummel moved a Do Pass as Amended and Rerefer to Appropriations.

2:22 p.m. Senator Klein seconded the motion.

Senators	Vote
Senator David A. Clemens	Y
Senator Claire Cory	Y
Senator Kathy Hogan	Y
Senator Jerry Klein	Y
Senator Bob Paulson	Y
Senator Dean Rummel	Y

Senate Transportation Committee
SB 2142
February 6, 2025
Page 2

Motion passed 6-0-0.

Senator Rummel will carry the bill.

2:25 p.m. Chairman Clemens closed the hearing.

Chance Anderson, Committee Clerk

RS
1 of 3

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2142

Introduced by

Senators Wanzek, Thomas, Weber

Representatives Brandenburg, Headland, Schreiber-Beck

1 A BILL for an Act ~~to create and enact a new section to chapter 54-27 of the North Dakota~~
2 ~~Century Code, relating to a township road and bridge sustainability fund;~~ to amend and reenact
3 section 57-40.3-10 of the North Dakota Century Code, relating to motor vehicle excise tax
4 allocations; ~~to provide a continuing appropriation;~~ and to provide an effective date.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 ~~SECTION 1. A new section to chapter 54-27 of the North Dakota Century Code is created~~
7 ~~and enacted as follows:~~

8 ~~Township road and bridge sustainability fund - State treasurer - Continuing~~
9 ~~appropriation.~~

10 ~~1. There is created a township road and bridge sustainability fund in the state treasury.~~

11 ~~The fund consists of all revenue deposited in the fund under section 57-40.3-10. All~~
12 ~~moneys in the fund are appropriated to the state treasurer on a continuing basis for~~
13 ~~allocations to townships located in non-oil producing counties for road and bridge~~
14 ~~infrastructure projects under this section.~~

15 ~~2. To be eligible for an allocation under this section:~~

16 ~~a. An organized township located in a non-oil producing county shall submit an~~
17 ~~annual certification to the state treasurer in the form and manner prescribed by~~
18 ~~the state treasurer regarding the number of township road miles in the township~~
19 ~~as of December thirty first of the prior year, the balance of the township's general~~

- 1 ~~fund as of December thirty first of the prior year, and the total number of mills~~
2 ~~levied by the township under section 57-15-20 in the prior taxable year.~~
- 3 ~~b. A non-oil producing county with unorganized townships shall submit an annual~~
4 ~~certification to the state treasurer in the form and manner prescribed by the state~~
5 ~~treasurer regarding the number of township road miles in all the unorganized~~
6 ~~townships within the county as of December thirty first of the prior year.~~
- 7 ~~3. At least quarterly, the state treasurer shall distribute the moneys in the fund to~~
8 ~~non-oil producing counties for the benefit of eligible organized and unorganized~~
9 ~~townships located within each non-oil producing county for road and bridge~~
10 ~~infrastructure projects.~~
- 11 ~~a. The distribution to each non-oil producing county is the sum of the allocations for~~
12 ~~each eligible organized or unorganized township within the county.~~
- 13 ~~b. The allocation to each eligible organized or unorganized township located in a~~
14 ~~non-oil producing county must be proportional to the township's road miles~~
15 ~~relative to the total township road miles of all the eligible townships. When~~
16 ~~processing the allocations during each fiscal year, the state treasurer shall~~
17 ~~exclude the following from the allocation:~~
- 18 ~~(1) An organized township that did not maintain any township roads as of~~
19 ~~December thirty first of the prior year, had a general fund balance exceeding~~
20 ~~one hundred thousand dollars as of December thirty first of the prior year,~~
21 ~~was not levying at least eighteen mills under section 57-15-20 in the prior~~
22 ~~taxable year, or did not properly submit the annual certification required~~
23 ~~under subsection 2.~~
- 24 ~~(2) An unorganized township for which a non-oil producing county did not~~
25 ~~maintain any township roads as of December thirty first of the prior year or~~
26 ~~did not properly submit the annual certification required under subsection 2.~~
- 27 ~~c. The amount allocated to organized townships under this subsection must be paid~~
28 ~~by the county treasurer to each organized township, and the amount allocated to~~
29 ~~unorganized townships under this subsection must be credited by the county~~
30 ~~treasurer to a special fund for unorganized township roads.~~

1 ~~d. The allocations under this section must be used for road and bridge infrastructure~~
2 ~~projects.~~

3 ~~4. For purposes of this section:~~

4 ~~a. "Non-oil-producing county" means a county that received no allocation of funding~~
5 ~~or a total allocation of less than five million dollars under subsection 2 of section~~
6 ~~57-51-15 in the most recently completed even-numbered fiscal year before the~~
7 ~~start of each biennium.~~

8 ~~b. "Road and bridge infrastructure projects" means projects associated with the~~
9 ~~construction of new unpaved and paved road and bridge infrastructure or~~
10 ~~associated with the maintenance, repair, or replacement of existing unpaved and~~
11 ~~paved road and bridge infrastructure.~~

12 **SECTION 1. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **57-40.3-10. Transfer of revenue.**

15 After the deposits under sections 57-39.2-26.1, 57-39.2-26.2, and 57-39.2-26.3, moneys
16 collected and received under this chapter must be deposited monthly in the state treasury and
17 allocated as follows:

18 ~~1. FiftyTwenty five percent to the general township road and bridge sustainability fund~~
19 ~~under section 2 of this Act; and~~

20 ~~2. The remaining fiftyseventy five percent to the flexible transportation fund under section~~
21 ~~24-02-37.3.~~

22 **SECTION 2. EFFECTIVE DATE.** Section 21 of this Act is effective for motor vehicle excise
23 tax collections transmitted to the state treasurer after July 31, 2025.

**REPORT OF STANDING COMMITTEE
SB 2142**

Transportation Committee (Sen. Clemens, Chairman) recommends **AMENDMENTS** ([25.0818.01001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2142 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2025 SENATE APPROPRIATIONS

SB 2142

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2142
2/12/2025

A BILL for an Act to amend and reenact section 57-40.3-10 of the North Dakota Century Code, relating to motor vehicle excise tax allocations; and to provide an effective date.

8:35 a.m. Chairman Wanzek called the meeting to order.

Members Present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Motor Vehicle Excise Tax Allocations into DOT Budget

8:36 a.m. Chairman Wanzek introduced the bill and opened discussion.

8:41 a.m. Chairman Wanzek closed the hearing.

Elizabeth Reiten for Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2142
2/18/2025

A BILL for an Act to amend and reenact section 57-40.3-10 of the North Dakota Century Code, relating to motor vehicle excise tax allocations; and to provide an effective date.

10:44 a.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Bill necessity
- SB 2012 impact

10:45 a.m. Senator Erbele moved a Do Not Pass for SB 2142. 10:45 a.m. Senator Dwyer seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0.

Senator Wanzek will carry the bill.

10:47 a.m. Chairman Wanzek closed hearing.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2142
2/19/2025

A BILL for an Act to amend and reenact section 57-40.3-10 of the North Dakota Century Code, relating to motor vehicle excise tax allocations; and to provide an effective date.

4:16 p.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Committee Action

4:16 p.m. Senator Wanzek introduced the bill.

4:17 p.m. Senator moved a Do Not Pass.

4:17 p.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

Senator Wanzek will carry the bill.

4:18 p.m. Chairman Bekkedahl closed the hearing.

Senate Appropriations Committee

SB 2142

02/19/2025

Page 2

Elizabeth Reiten, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2142 ([25.0818.02000](#))**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO NOT PASS** (16 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2142 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.