

July 2009

## HIGHWAY CONSTRUCTION FUNDING STUDY - BACKGROUND MEMORANDUM

Section 25 of 2009 Senate Bill No. 2012 (attached as [Appendix A](#)) provides for a Legislative Council study of options to match federal highway funds. This study was revised by the Legislative Council to provide for a study of general highway construction funding and was assigned to the Public Safety and Transportation Committee.

### HIGHWAY MAINTENANCE AND CONSTRUCTION

There are approximately 86,842 miles of roads in North Dakota, including roads in the state highway system, county roads, rural roads, and city streets. Of the total amount, 7,385 miles are part of the state highway system. Included in the state highway system are 2,727 miles of roads on the national highway system, including 571 miles of interstate roads. The table below summarizes the miles of roads in North Dakota:

State highway system	7,385
County roads	18,969
Other rural roads	56,621
City streets	3,867
<b>Total</b>	<b>86,842</b>

Maintenance and construction costs for roadways vary depending on roadway types and materials used. The table below summarizes the 2008 highway construction costs compared to 2004 costs:

	2008	2004
Interstate concrete paving (two lanes in one direction)	\$1,700,000	\$1,300,000
Two-lane road reconstruction (includes grading and asphalt surfacing)	\$985,000	\$675,000
Asphalt surface reconstruction (includes subgrade repair and resurfacing)	\$780,000	\$450,000
Three-inch asphalt overlay	\$350,000	\$150,000
Interstate seal coat	\$31,000	\$21,000
Non-interstate seal coat	\$28,000	\$16,000

### HIGHWAY FUNDING

Article X, Section 11, of the Constitution of North Dakota (attached as [Appendix B](#)) provides that revenue from gasoline and other motor fuels taxes and motor vehicle registration fees, except for those attributable to aviation, be used solely for the construction, reconstruction, repair, and maintenance of public highways and the payment of obligations related to those activities. Motor fuels taxes and

motor vehicle registration fees provide the majority of funds used for state highway purposes.

### Highway Tax Distribution Fund

The majority of funds received from motor fuels taxes and motor vehicle registration fees are deposited in the highway tax distribution fund for allocation to the state and political subdivisions. During the 2007-09 biennium, only the state highway fund, counties, and cities received distributions from the highway tax distribution fund. Rather than receiving a distribution from the highway tax distribution fund, the township highway aid fund received one cent per gallon of motor fuels taxes and the public transportation fund received \$3 of each motor vehicle registration fee. In Sections 17, 18, 19, 22, 23, and 26 of 2009 Senate Bill No. 2012 (see [Appendix A](#)), the Legislative Assembly provided for the following changes relating to the highway tax distribution fund:

- Provided that \$13 of each motor vehicle registration fee currently deposited in the highway fund be deposited in the highway tax distribution fund.
- Repealed North Dakota Century Code (NDCC) Section 39-04.2-03 that required an additional fee of \$3 to be charged for motor vehicle registrations for deposit in the public transportation fund. Section 39-04-19 was also amended to increase motor vehicle registration fees by \$3 to offset the decrease in fees resulting from the repeal of Section 39-04.2-03.
- Provided that the one cent per gallon of motor fuels taxes currently deposited in the township highway aid fund be deposited in the highway tax distribution fund and allowed the deposits to be refundable.
- Provided that the first \$5.5 million deposited in the highway tax distribution fund each biennium be transferred to the highway fund for administrative costs.
- Provided for the following changes in the highway tax distribution fund distribution formula:

	2007-09 Biennium	2009-11 Biennium
State highway fund	63.0%	61.3%
Counties	23.0%	21.5%
Cities	14.0%	13.0%
Township highway aid fund	0.0%	2.7%
Public transportation fund	0.0%	1.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

For the 2007-09 biennium, a total of \$381.5 million was distributed to the state highway fund, counties,

and cities from the highway tax distribution fund. For the 2009-11 biennium, a total of \$387.5 million is estimated to be distributed to the state highway fund, counties, cities, the township highway aid fund, and the public transportation fund from the highway tax distribution fund. The schedule below details the distributions to each:

<b>Summary of Funding Provided From the Highway Tax Distribution Fund to State and Political Subdivisions (Amounts Shown in Millions)</b>			
	<b>2007-09 Biennium - 2007 Legislative Forecast</b>	<b>2007-09 Biennium - Actual Distributions</b>	<b>2009-11 Biennium - Estimated Distributions</b>
State highway fund	\$203.5	\$240.3	\$239.7 <sup>3</sup>
Counties	74.4	89.9	82.1
Cities	45.3	51.3	49.7
Township highway aid fund	0 <sup>1</sup>	0 <sup>1</sup>	10.3
Public transportation fund	0 <sup>2</sup>	0 <sup>2</sup>	5.7
<b>Total</b>	<b>\$323.2</b>	<b>\$381.5</b>	<b>\$387.5</b>

<sup>1</sup>For the 2007-09 biennium, the township highway aid fund did not receive a distribution from the highway tax distribution fund. Instead, the fund received one cent per gallon of motor fuels taxes which are estimated to total \$10.2 million.

<sup>2</sup>For the 2007-09 biennium, the public transportation fund did not receive a distribution from the highway tax distribution fund. Instead, the fund received \$3 of each motor vehicle registration fee which is estimated to total \$4.7 million. The fund also received a \$1 million transfer from the highway fund.

<sup>3</sup>Includes \$5.5 million allocated from the fund for administrative costs.

The highway tax distribution fund also provides funding for other state agencies and programs. This funding is allocated prior to any distributions being made using the distribution funding formula. The table below summarizes the other state agencies and programs that receive funding from the highway tax distribution fund:

	<b>2007-09 Biennium Estimate</b>	<b>2009-11 Biennium Estimate</b>
Highway Patrol	\$4,200,000	\$4,500,000
Ethanol production incentive fund	3,200,000	3,400,000
Tribal fuel agreements	1,000,000	0
Motorboat program and safety account	200,000	200,000
State snowmobile fund	200,000	200,000
<b>Total</b>	<b>\$8,800,000</b>	<b>\$8,300,000</b>

Attached as [Appendix C](#) is detailed information regarding the distribution of motor fuels taxes and motor vehicle registration fees.

### Allocation of Motor Vehicle Excise Taxes

For the 2009-11 biennium, the Legislative Assembly, in Section 21 of 2009 Senate Bill No. 2012 (see Appendix A), provided that 25 percent of motor vehicle excise tax collections, after the allocation to the state aid distribution fund, be deposited in the highway fund rather than the general fund. This is

estimated to result in \$30.5 million of additional highway fund revenue during the 2009-11 biennium. Section 13 of 2007 House Bill No. 1012, attached as [Appendix D](#), provided that 10 percent of motor vehicle excise tax collections, after allocation to the state aid distribution fund, be deposited in the highway fund rather than the general fund for the 2007-09 biennium. Total estimated deposits in the highway fund for the 2007-09 biennium as a result of this provision are estimated to be \$12.6 million.

### 2007-09 Weather-Related Cost-Sharing

Section 3 of 2009 Senate Bill No. 2012 (see Appendix A) provides a 2007-09 appropriation of \$59.9 million from the general fund to the State Treasurer for weather-related cost-sharing distributions. Of the total appropriation, \$7.5 million is to be distributed to the state highway fund, \$41.4 million to counties and cities in accordance with the formula used to distribute funds to counties and cities under NDCC Section 54-27-19(2), \$10 million to townships in accordance with provisions used to distribute funds to townships under Section 54-27-19.1, and \$1 million to the public transportation fund to be distributed to public transit programs in accordance with Section 39-04.2-04.

### State Disaster Relief Fund

Section 4 of 2009 Senate Bill No. 2012 (see Appendix A) establishes a state disaster relief fund to provide funding for defraying the expenses of state disasters, including funds required to match federal funds for expenses associated with presidential-declared disasters in the state. Sections 5 through 8 of Senate Bill No. 2012 provide for a transfer of \$43 million from the general fund to the state disaster relief fund and the appropriation of the funding to the Adjutant General for emergency snow removal grants and emergency disaster relief grants.

### Emergency Snow Removal Grants

Up to \$20 million of the \$43 million appropriated from the state disaster relief fund to the Adjutant General may be used for emergency snow removal grants. A county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 50 percent of the costs incurred by the entity for the period January 2009 through March 2009 that exceeds 200 percent of the average costs incurred for these months in 2004 through 2008. Each entity requesting reimbursement is to submit the request in accordance with the rules developed by the Department of Emergency Services.

### Emergency Disaster Relief Grants

Up to \$23 million of the \$43 million appropriated from the state disaster relief fund to the Adjutant General may be used for emergency disaster relief grants. Any political subdivision receiving federal emergency relief funding relating to disasters

occurring from January 2009 to June 2009 may apply to the Department of Emergency Services for an emergency disaster relief grant of up to 50 percent of the local match required to receive the federal emergency relief funding. Each political subdivision requesting an emergency disaster relief grant is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services may provide up to \$13 million of emergency disaster relief grants and may seek Budget Section approval to distribute additional grants. Any funding not distributed to political subdivisions may be used to match federal disaster relief funds received for state purposes, subject to Budget Section approval. The Department of Emergency Services is to report to the Budget Section during the fourth quarter of calendar year 2009 and the third quarter of calendar year 2010 regarding emergency disaster relief grants awarded.

### Total Highway Funding From State Sources

The table below details total highway funding provided to the state and political subdivisions from state funding sources for the 2007-09 and 2009-11 bienniums:

Summary of State Highway Funding Provided to State and Political Subdivisions (Amounts Shown in Millions)			
	2007-09 Statutory Funding <sup>1</sup>	Weather-Related Cost-Sharing and Disaster Funding	2009-11 Statutory Funding
State highway fund	\$234.3 <sup>1,2</sup>	\$7.5 <sup>3</sup>	\$274.8 <sup>1,5</sup>
Counties	74.4 <sup>1</sup>	26.4 <sup>3</sup>	82.1 <sup>1</sup>
Cities	45.3 <sup>1</sup>	15.0 <sup>3</sup>	49.7 <sup>1</sup>
Townships	10.2 <sup>1</sup>	10.0 <sup>3</sup>	10.3 <sup>1</sup>
Public transportation fund	5.7 <sup>1</sup>	1.0 <sup>3</sup>	5.7 <sup>1</sup>
Disaster relief funding		43.0 <sup>4</sup>	
<b>Total</b>	<b>\$369.9</b>	<b>\$102.9</b>	<b>\$422.6</b>

<sup>1</sup>Funding provided from the highway tax distribution fund.

<sup>2</sup>Includes \$18.2 million of motor vehicle registration fees deposited in the highway fund and \$12.6 million of motor vehicle excise taxes deposited in the highway fund.

<sup>3</sup>Funding of \$59.9 million from the general fund was appropriated by the 2009 Legislative Assembly to the State Treasurer for distribution to the state highway fund and political subdivisions for weather-related cost-sharing before June 30, 2009.

<sup>4</sup>Senate Bill No. 2012 (2009) provided a \$43 million transfer from the general fund to the state disaster relief fund before June 30, 2009, and appropriated the funds to the Adjutant General for disaster relief funding during the 2007-09 and 2009-11 bienniums.

<sup>5</sup>Includes a \$4.6 million transfer from the general fund to the highway fund for Devils Lake area highway projects and \$30.5 million of motor vehicle excise taxes deposited in the highway fund.

Attached as [Appendix E](#) is a memorandum detailing state highway funding provided to the state and political subdivisions in 2009 Senate Bill No. 2012, including a comparison to 2007-09 funding amounts.

### Federal Highway Funding

The state receives federal funding for the construction and maintenance of highways, emergency road repairs, safety projects, and other programs. For the 2009-11 biennium, the state is estimated to receive \$603.5 million of federal funding for transportation-related projects.

In addition to regular federal highway funding, the state is also anticipated to receive transportation funding through the American Recovery and Reinvestment Act of 2009. The 2009-11 legislative appropriations for the Department of Transportation include \$176,082,671 of federal fiscal stimulus funds for highway infrastructure projects (\$170,126,497) and grants to rural transit programs (\$5,956,174).

The schedule below details the amount of federal funding estimated to be received by the state for the 2007-09 and 2009-11 bienniums:

Estimated Federal Highway Funding (Amounts Shown in Millions)				
	2007-09 Biennium	2009-11 Biennium Regular Highway Funding	2009-11 Biennium Federal Fiscal Stimulus Funding	Total 2009-11 Funding
Federal Highway Administration funding	\$453.7	\$500.9	\$0	\$500.9
Emergency relief funds	2.5	33.7	0	33.7
Federal rail funds	8.6	2.3	0	2.3
National Highway Traffic Safety Administration	5.6	10.0	0	10.0
Federal transit funds	11.2	12.8	0	12.8
Funding for Devils Lake area projects	0	43.8	0	43.8
Federal fiscal stimulus funding - Highway infrastructure	0	0	170.1	170.1
Federal fiscal stimulus funding - Transit programs	0	0	6.0 <sup>1</sup>	6.0
<b>Total</b>	<b>\$481.6</b>	<b>\$603.5</b>	<b>\$176.1</b>	<b>\$779.6</b>

<sup>1</sup>Does not include \$5,041,000 of federal fiscal stimulus funding distributed directly to transit programs in metropolitan planning areas.

### OTHER RELATED RESPONSIBILITIES

The Legislative Council has assigned the following reports to the Public Safety and Transportation Committee relating to its study of highway construction funding:

- A report from the Tax Commissioner regarding information provided by counties, cities, and townships on funding and expenditures relating to transportation projects and programs. This report is provided pursuant to NDCC Section

54-27-26 which was enacted by the 2009 Legislative Assembly in Section 20 of Senate Bill No. 2012.

- A report from the Department of Transportation regarding the use of state, federal, emergency, and other highway funding pursuant to Section 11 of 2009 Senate Bill No. 2012. The Legislative Council directed the Public Safety and Transportation Committee to receive this report in addition to the Budget Section.

## PREVIOUS STUDIES

### 2007-08 Interim

The 2007-08 interim Transportation Committee studied highway funding and transportation infrastructure needs, including needs resulting from energy and economic activities in the state pursuant to Section 6 of 2007 House Bill No. 1012.

The committee learned certain income sources have been increased or implemented during the 2005-07 biennium to match federal funds. Senate Bill No. 2012 (2005) increased motor vehicle registration fees \$10, classified pickups as passenger motor vehicles but limited the increase due to this reclassification to one-half for the 2005-07 biennium, and deposited \$13 of each registration fee in the state highway fund. The bill increased motor vehicle fuel and special fuels tax rates from 21 cents to 23 cents per gallon. The bill allowed for grant or revenue anticipation financing for the Liberty Memorial Bridge improvement project and the United States Highway 2 project improvements. Although the bill would have redirected money collected as motor vehicle excise taxes from the general fund to the state highway fund, this transfer was vetoed by the Governor because the "diversion of funds increases the risk of an allotment, or could force the calling of a special session of the legislature to deal with future revenue requirements." Section 13 of House Bill No. 1012 (2007) transferred 10 percent of motor vehicle excise taxes to the state highway fund for the 2007-09 biennium to increase matching funds.

The committee was informed that the state is very dependent on federal highway revenue. Historically, North Dakota has received more than \$2 in federal funding for each \$1 that has been contributed to the federal highway trust fund. North Dakota received a combined total of about \$454 million in federal funding for the highway program in 2007. Ninety percent of the revenue supporting the federal highway trust fund comes from motor fuels taxes. During the 2007-09 biennium, about 53 percent of the department's total budget was from federal revenue and over 80 percent of the construction program is federally funded. The committee was informed the department uses federal aid to the largest extent possible; however, many needs are unmet, especially due to inflation. The committee was informed that the federal highway trust fund will have a \$4.3 billion shortfall by 2009.

The committee was informed that the transportation revenue package provided by the 2007

Legislative Assembly was producing the intended revenue levels. However, the state cannot depend on federal funds in the future and states will have to be more responsible for funding highway projects.

The committee received testimony on factors affecting road and bridge quality. Oil development has a negative impact on the highway system. It is estimated that up to 400 truckloads of equipment and material are required to set up and service a vertical well site and 600 truckloads are required for a horizontal well. The increased heavy truck traffic associated with the oil industry was unknown when roads and bridges were designed, and as a result these roads and bridges were not designed with the structural capacity to handle the impact.

The committee learned of the negative impact on the highway system of ethanol and biodiesel production. It is estimated that a 100-million-gallon ethanol plant could generate as many as 71,000 truckloads per year. The potential impact on the local road network is a major concern because the roads were not built to handle these truck volumes.

The committee was informed of the negative impact railroad abandonments have on the highway system. The loss of rail service has led to the development of subterminal elevators which can load 100-car unit trains. These subterminal elevators change the traffic patterns and increase traffic in certain areas.

The committee did not make any recommendations regarding its study of highway funding and transportation infrastructure needs.

### 2005-06 Interim

During the 2005-06 interim, the Legislative Council chairman directed a study of federal highway appropriations and state matching requirements. This study was assigned to the Transportation Committee. The committee reviewed federal highway appropriations, which were greatly affected by the passage of the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which the President signed into law on August 10, 2005. The Act provided funding through federal fiscal year 2009. The Act is a continuation of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21).

The 2005-06 interim Transportation Committee received information on state funding sources and alternatives. The committee reviewed the impact of increased motor fuel prices on the consumption of motor fuel, and the collection of motor fuels taxes. The motor vehicle fuels tax is applied on a gallon basis, so an increased price per gallon does not result in more or less tax, unless people drive more or less because of the price of fuel. However, there is a tendency for people to drive less when the cost of fuel is high.

The 2005-06 interim Transportation Committee monitored the increase in bid amounts for projects

due to the increase in prices for raw materials and labor. As a result of increased costs, \$24 million in construction projects originally scheduled for 2006 were delayed and the Department of Transportation anticipated that over \$91 million in projects for 2007 and 2008 would be scheduled at a later date.

The committee received information on the impact of not spending money on or delaying road construction projects. The committee was informed that every \$1 million spent on road construction creates 47.5 jobs and for every \$1 spent on preventative maintenance, \$4 to \$5 is saved in construction costs in the near future. In addition, national studies have demonstrated that every \$1 invested in transportation yields approximately \$5.40 in reduced delays, improved safety, and reduced vehicle operating costs.

In addition to studying highway funding, the 2005-06 interim Transportation Committee monitored certain infrastructure projects, including the Liberty Memorial Bridge project. The committee was informed that bridges are monitored on a monthly basis and are thoroughly inspected every two years. At that time, the department had 59 certified bridge inspectors to inspect approximately 5,300 bridges. Before 2006 the last thorough inspection of the Liberty Memorial Bridge was in late 2003 or early 2004, and there was no indication of damage at that time. In January 2006 the department discovered problems on the outside of the columns, and the outside flaws warranted further testing that revealed internal problems.

The 2005-06 interim Transportation Committee also received a report from the Upper Great Plains Transportation Institute on the outcome of the institute's study of how improvements to the transportation infrastructure of this state might enhance the business climate and the state's competitive position in economic development. Senate Bill No. 2018 (2005) provided a general fund appropriation of \$360,000 to the Upper Great Plains Transportation Institute to conduct this study. The study included the following recommendations:

- A preservation program that keeps pavement in good condition generates substantial economic benefits.
- Highway access to key industrial and agricultural facilities should be analyzed on a case-by-case basis.
- The benefits and costs of eliminating or mitigating spring load limits on key highway segments should be analyzed on a case-by-case basis; however, load limit elimination on highway segments serving key agricultural and manufacturing locations may be cost-effective.
- New mechanistic pavement analysis techniques offer potential for improved forecasting of pavement lives and may make it possible to shorten the durations of spring load restrictions in some cases and identify more cost-effective designs. As such, it is important to develop

data and input to fully utilize these advanced procedures.

- Selective case studies should be undertaken of highway load limits in counties so that a cost-effective analysis plan can be developed. A great deal of information must be developed in order to assess the benefits and costs of uniform county load limits.

The 2005-06 interim Transportation Committee received information on the taxation of coal, oil, and gas as a potential source of highway funding. The committee received testimony on present proceeds from the oil and gas gross production tax proceeds which are transferred to the oil and gas impact grant fund and are used for road repair and maintenance. The oil and gas impact grant fund is administered by the Energy Development Impact Office. The office provides financial assistance for basic governmental services to local units of government affected by energy activity. The state does not share in impact funding for state roads.

The committee did not make any recommendations regarding its study of federal highway funding and state matching requirements.

### 2001-02 Interim

During the 2001-02 interim, the Budget Committee on Government Administration studied highway construction and maintenance funding, including revenue sources and distribution formulas for the state, cities, and counties. The committee reviewed other states' methods of financing highway projects. The majority of states' highway revenue is generated from fuels taxes and motor vehicle registration fees. In addition, states generate additional funding for highways from a variety of other sources. The following schedule summarizes select revenue sources that are used for highway purposes in other states in addition to fuels taxes and registration fees:

Revenue Type	State
Sales tax - General	Arizona, Illinois, Kansas, Nevada, Utah, and Virginia
Motor vehicle excise tax	Iowa, Kansas, Michigan, Missouri, Nebraska, North Carolina, and South Dakota
Motor fuels sales tax	California, Georgia, and Michigan
Automobile parts sales tax	Michigan
Gaming tax	Colorado
Rental car tax	Florida, Hawaii, Iowa, South Dakota, and Utah
Severance tax	Arkansas, Kentucky, New Mexico, Oklahoma, Tennessee, and Wyoming
Corporate income tax	Maryland
Lubricating oil tax	Alabama, Mississippi, and Texas
Contractor tax	Mississippi

The 2001-02 interim Budget Committee on Government Administration reviewed information prepared by the Florida Department of Transportation regarding alternative transportation revenue sources. Alternative revenue sources identified include:

1. Vehicle miles of travel fees - An annual assessment based on the number of miles traveled in the preceding year.
2. Weight distance fees - An annual assessment based on factors, including miles driven and vehicle weight.
3. New vehicle or automobile parts sales tax - Taxes on new or used vehicle purchases or on sale of automobile parts.
4. Emissions fees - An annual fee based on a vehicle's emissions characteristics and on the annual number of miles traveled.
5. Highway right-of-way lease income - Collections from leases of highway right of way for fiber optic cables, cell phone towers, or other purposes.
6. Road-branding fee - A fee charged for naming a segment of a highway for an individual or business.

The committee recommended 2003 House Bill No. 1031 to authorize the director of the Department of Transportation to enter agreements with counties or cities for the cooperative or joint administration of an activity that will enhance the efficiency and effectiveness of the state highway system.

### **STUDY PLAN**

The following is a proposed study outline for the committee's consideration in its study of highway construction funding:

1. Receive and review information regarding sources of funding available for highway construction projects.
2. Receive and review information regarding the distribution of highway funds to the state and political subdivisions.
3. Receive and review information regarding the costs of maintaining and constructing highways.
4. Receive a report from the Tax Commissioner regarding information provided by counties, cities, and townships on funding and expenditures relating to transportation projects and programs.
5. Receive reports from the Department of Transportation regarding the use of state, federal, emergency, and other highway funding during the 2009-10 interim.
6. Receive testimony from other interested persons, including cities and counties, regarding the committee's study of highway construction funding.
7. Develop recommendations and any bill drafts necessary to implement the recommendations.
8. Prepare a final report for submission to the Legislative Council.

ATTACH:5

**Sixty-first Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 6, 2009**

SENATE BILL NO. 2012  
(Appropriations Committee)  
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of transportation; to provide an appropriation to the state treasurer; to provide for budget section reports; to provide for a state disaster relief fund; to create and enact a new section to chapter 24-01 and a new section to chapter 54-27 of the North Dakota Century Code, relating to the name of United States highway 85 and transportation funding reports; to amend and reenact sections 24-02-35.2, 24-02-44, 39-04-19, 54-27-19, 54-27-19.1, 57-40.3-10, 57-43.1-06, and 57-43.2-04.2 of the North Dakota Century Code, relating to authority to borrow for disasters, the proceeds from the sale of road materials, and the collection and distribution of highway funds; to repeal section 39-04.2-03 of the North Dakota Century Code, relating to the registration fee for the public transportation fund; to provide for transfers; to provide for legislative council studies; to provide an effective date; to provide an expiration date; and to declare an emergency.

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

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2009, and ending June 30, 2011, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$127,326,239	\$20,047,015	\$147,373,254
Operating expenses	174,697,663	14,107,351	188,805,014
Capital assets	548,721,098	113,267,450	661,988,548
Grants	<u>52,412,500</u>	<u>14,853,601</u>	<u>67,266,101</u>
Total special funds	\$903,157,500	\$162,275,417	\$1,065,432,917
Full-time equivalent positions	1,052.50	2.00	1,054.50

**SECTION 2. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the department of transportation, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Highway infrastructure	\$170,126,497
Grants to rural transit programs	<u>5,956,174</u>
Total federal funds	\$176,082,671

The department of transportation may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated under this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 3. APPROPRIATION - STATE TREASURER - WEATHER-RELATED COST-SHARING PROGRAM.** There is appropriated out of any moneys in the general fund in the state treasury attributable to motor vehicle excise tax collections during the 2007-09 biennium, not otherwise appropriated, the sum of \$59,900,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing weather-related cost-sharing funds, for the period beginning with the effective date of this Act and ending June 30, 2009. The state treasurer shall distribute the funds appropriated under this section before June 30, 2009, as follows:

1. Ten million dollars to townships in accordance with the formula used to distribute funds to townships under section 54-27-19.1, except that organized townships are not required to provide matching funds to receive distributions under this section.
2. Forty-one million four hundred thousand dollars to counties and cities in accordance with the formula used to distribute funds to counties and cities under subsection 2 of section 54-27-19.
3. Seven million five hundred thousand dollars to the state highway fund.
4. One million dollars to the public transportation fund to be distributed in accordance with section 39-04.2-04.

**SECTION 4. State disaster relief fund - Creation - Uses.** There is created in the state treasury a state disaster relief fund. Moneys in the fund are to be used subject to legislative appropriations for providing funding for defraying the expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential-declared disasters in the state. Any interest or other fund earnings must be deposited in the fund.

**SECTION 5. APPROPRIATION - TRANSFER.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$43,000,000, which the office of management and budget shall transfer to the state disaster relief fund during the period beginning with the effective date of this Act and ending June 30, 2009.

**SECTION 6. APPROPRIATION - ADJUTANT GENERAL - BUDGET SECTION APPROVAL.** There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$43,000,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing emergency relief funding, for the period beginning with the effective date of this Act and ending June 30, 2011. The adjutant general may use up to \$20,000,000 of the funds appropriated in this section for the purpose of providing emergency snow removal grants to counties, cities, and townships in accordance with section 7 of this Act. The adjutant general may use up to \$23,000,000 of the funds appropriated in this section for paying costs relating to the 2009 flood disaster, snow removal damage to roads, and other disasters in accordance with section 8 of this Act.

**SECTION 7. EMERGENCY SNOW REMOVAL GRANTS - GUIDELINES - BUDGET SECTION REPORT.** A county, township, or city may apply to the department of emergency services for an emergency snow removal grant for reimbursement of up to fifty percent of the costs incurred by the county, township, or city for the period January 2009 through March 2009 that exceeds two hundred percent of the average costs incurred for these months in 2004 through 2008.

Each county, township, or city requesting reimbursement under this section shall submit the request in accordance with rules developed by the department of emergency services. The department of emergency services shall distribute these grants prior to June 30, 2009, and shall report to the budget section regarding the grants awarded under this section.

**SECTION 8. EMERGENCY DISASTER RELIEF GRANTS - GUIDELINES - BUDGET SECTION REPORT - BUDGET SECTION APPROVAL.** A political subdivision receiving federal emergency relief funding relating to disasters occurring from January 2009 through June 2009 may apply to the department of emergency services for an emergency relief grant of up to fifty percent of the local match required to receive the federal emergency relief funding. Each political subdivision

requesting reimbursement under this section shall submit the request in accordance with rules developed by the department of emergency services. The department of emergency services may distribute up to \$13,000,000 of grants under this section. Any additional grant expenditures require budget section approval. The department of emergency services shall report to the budget section on grants awarded under this section in the fourth quarter of calendar year 2009 and the third quarter of calendar year 2010. Any funds provided for by the department of emergency services in this section which are not distributed to political subdivisions may be used to match federal disaster relief funds received for state purposes, subject to budget section approval.

**SECTION 9. APPROPRIATION - EXEMPTION.** There is appropriated out of any moneys in the state highway fund in the state treasury, not otherwise appropriated, the sum of \$7,500,000, or so much of the sum as may be necessary, and out of any moneys in the public transportation fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of transportation for highway projects and public transportation grants, for the period beginning with the effective date of this Act and ending June 30, 2009. Funds appropriated in this section are not subject to section 54-44.1-11 and any unexpended funds may be spent by the department of transportation during the biennium beginning July 1, 2009, and ending June 30, 2011.

**SECTION 10. APPROPRIATION - TRANSFER - STATE HIGHWAY FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,600,000, which the office of management and budget shall transfer to the state highway fund for the purpose of defraying the expenses of highway projects in the Devils Lake area, for the biennium beginning July 1, 2009, and ending June 30, 2011.

**SECTION 11. USE OF HIGHWAY FUNDING - REPORT TO THE BUDGET SECTION.** The department of transportation shall coordinate with the department of emergency services to compile information regarding the use of state, federal, emergency, and other highway funding by the department of transportation, counties, cities, and townships during the period beginning with the effective date of this Act and ending June 30, 2011. The department of transportation shall provide periodic reports to the budget section regarding the use of funds during the 2009-10 interim.

**SECTION 12. HIGHWAY FUNDING - ONE-TIME FUNDING.** Any highway funding received by the state, counties, cities, and townships in excess of the amounts received through distributions from the highway tax distribution fund under section 54-27-19 or existing federal highway aid programs is considered one-time funding for the biennium beginning July 1, 2009, and ending June 30, 2011.

**SECTION 13. LINE ITEM TRANSFERS.** The director of the department of transportation may transfer between the operating and capital assets line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget and report to the legislative council any transfers made pursuant to this section.

**SECTION 14.** A new section to chapter 24-01 of the North Dakota Century Code is created and enacted as follows:

**Theodore Roosevelt expressway - United States highway 85.** Notwithstanding any previous designation, the department shall designate United States highway 85 from the South Dakota border to the junction of United States highway 2 and United States highway 2 from the Montana border to the junction of United States highway 85 as the Theodore Roosevelt expressway and at a minimum shall place signs along the highway designating that name and may use any appropriate signs donated to the department.

**SECTION 15. AMENDMENT.** Section 24-02-35.2 of the North Dakota Century Code is amended and reenacted as follows:

**24-02-35.2. Deposit of sale proceeds - Continuing appropriation.** The proceeds from any sale of road materials made under section 24-02-35.1 must be deposited in the department of transportation fund. An amount not to exceed the total sum of the sales under section 24-02-35.1, but

not to exceed ~~two hundred thousand~~ one million dollars a year, may be withdrawn upon voucher of the department for purchasing road materials. All moneys deposited in the fund pursuant to this section are hereby appropriated to the department for the purposes of this section.

**SECTION 16. AMENDMENT.** Section 24-02-44 of the North Dakota Century Code is amended and reenacted as follows:

**24-02-44. Authority to borrow funds for a disaster - Appropriation.** The department of transportation, subject to the approval of the emergency commission, may borrow moneys from the Bank of North Dakota to advance and match federal emergency relief funds. Any moneys borrowed from the Bank of North Dakota pursuant to this section are appropriated. ~~If it appears to the department of transportation that at the end of the biennium the amount available to repay the amount borrowed plus interest is insufficient to totally repay the Bank of North Dakota, the department of transportation shall request from the legislative assembly a deficiency appropriation from the state highway fund sufficient for the repayment of the amount borrowed plus interest.~~

**SECTION 17. AMENDMENT.** Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-19. Motor vehicle registration fees and mile tax.** Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years	
Less than 3,200	<del>\$70</del> <u>\$73</u>	<del>\$62</del> <u>\$65</u>	<del>\$54</del> <u>\$57</u>	<u>\$46</u>	<u>\$49</u>
3,200 - 4,499	<del>90</del> <u>93</u>	<del>78</del> <u>81</u>	<del>66</del> <u>69</u>	<u>54</u>	<u>57</u>
4,500 - 4,999	<del>108</del> <u>111</u>	<del>94</del> <u>94</u>	<del>76</del> <u>79</u>	<u>60</u>	<u>63</u>
5,000 - 5,999	<del>130</del> <u>142</u>	<del>117</del> <u>120</u>	<del>95</del> <u>98</u>	<u>73</u>	<u>76</u>
6,000 - 6,999	<del>172</del> <u>175</u>	<del>143</del> <u>146</u>	<del>114</del> <u>117</u>	<u>86</u>	<u>89</u>
7,000 - 7,999	<del>205</del> <u>208</u>	<del>169</del> <u>172</u>	<del>134</del> <u>137</u>	<u>99</u>	<u>102</u>
8,000 - 8,999	<del>238</del> <u>241</u>	<del>196</del> <u>199</u>	<del>154</del> <u>157</u>	<u>112</u>	<u>115</u>
9,000 and over	<del>274</del> <u>274</u>	<del>222</del> <u>225</u>	<del>174</del> <u>177</u>	<u>125</u>	<u>128</u>

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

A pickup truck is subject to registration at the rates prescribed for other vehicles under this subdivision by applying the shipping weight of the vehicle to the fee schedule. At a minimum, the registered gross weight displayed on the registration card for a pickup truck must be twice the shipping weight of the vehicle. Unless otherwise exempted by this chapter, the owner of a pickup truck shall request the

registered gross weight of the pickup truck be increased to ensure the registered gross weight is sufficient to include the total weight of the vehicle and any load transported on or by the vehicle. For purposes of this subdivision, a pickup truck is a motor vehicle with a manufacturer's gross vehicle weight rating of less than eleven thousand five hundred pounds [5216.31 kilograms], with an unladen weight of less than eight thousand pounds [3628.74 kilograms], and which is equipped with an open box-type bed not exceeding nine feet [2.74 meters] in length.

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under this subsection or subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	<del>\$68</del> <u>\$71</u>	<del>\$55</del> <u>\$58</u>	<del>\$50</del> <u>\$53</u>	<del>\$47</del> <u>\$50</u>	<del>\$46</del> <u>\$49</u>
4,001 - 6,000	<del>73</del> <u>76</u>	<del>60</del> <u>63</u>	<del>54</del> <u>57</u>	<del>48</del> <u>51</u>	<del>47</del> <u>50</u>
6,001 - 8,000	<del>78</del> <u>81</u>	<del>65</del> <u>68</u>	<del>58</del> <u>61</u>	<del>49</del> <u>52</u>	<del>48</del> <u>51</u>
8,001 - 10,000	<del>83</del> <u>86</u>	<del>70</del> <u>73</u>	<del>62</del> <u>65</u>	<del>54</del> <u>54</u>	<del>50</del> <u>53</u>
10,001 - 12,000	<del>88</del> <u>91</u>	<del>75</del> <u>78</u>	<del>66</del> <u>69</u>	<del>53</del> <u>56</u>	<del>52</del> <u>55</u>
12,001 - 14,000	<del>93</del> <u>96</u>	<del>80</del> <u>83</u>	<del>70</del> <u>73</u>	<del>56</del> <u>59</u>	<del>55</del> <u>58</u>
14,001 - 16,000	<del>98</del> <u>101</u>	<del>85</del> <u>88</u>	<del>74</del> <u>77</u>	<del>59</del> <u>62</u>	<del>58</del> <u>61</u>
16,001 - 18,000	<del>403</del> <u>106</u>	<del>90</del> <u>93</u>	<del>78</del> <u>81</u>	<del>64</del> <u>64</u>	<del>60</del> <u>63</u>
18,001 - 20,000	<del>406</del> <u>109</u>	<del>93</del> <u>96</u>	<del>80</del> <u>83</u>	<del>62</del> <u>65</u>	<del>64</del> <u>64</u>

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	<del>\$136</del> <u>\$139</u>	<del>\$110</del> <u>\$113</u>	<del>\$97</del> <u>\$100</u>
22,001 - 26,000	<del>488</del> <u>191</u>	<del>458</del> <u>161</u>	<del>442</del> <u>145</u>
26,001 - 30,000	<del>249</del> <u>252</u>	<del>207</del> <u>210</u>	<del>185</del> <u>188</u>
30,001 - 34,000	<del>315</del> <u>318</u>	<del>260</del> <u>263</u>	<del>232</del> <u>235</u>
34,001 - 38,000	<del>376</del> <u>379</u>	<del>300</del> <u>312</u>	<del>275</del> <u>278</u>
38,001 - 42,000	<del>437</del> <u>440</u>	<del>358</del> <u>361</u>	<del>317</del> <u>320</u>
42,001 - 46,000	<del>498</del> <u>501</u>	<del>406</del> <u>409</u>	<del>360</del> <u>363</u>
46,001 - 50,000	<del>559</del> <u>562</u>	<del>455</del> <u>458</u>	<del>403</del> <u>406</u>
50,001 - 54,000	<del>620</del> <u>632</u>	<del>513</del> <u>516</u>	<del>454</del> <u>457</u>
54,001 - 58,000	<del>690</del> <u>693</u>	<del>562</del> <u>565</u>	<del>497</del> <u>500</u>
58,001 - 62,000	<del>752</del> <u>755</u>	<del>611</del> <u>614</u>	<del>540</del> <u>543</u>
62,001 - 66,000	<del>812</del> <u>815</u>	<del>659</del> <u>662</u>	<del>583</del> <u>586</u>
66,001 - 70,000	<del>873</del> <u>876</u>	<del>708</del> <u>711</u>	<del>625</del> <u>628</u>
70,001 - 74,000	<del>934</del> <u>937</u>	<del>757</del> <u>760</u>	<del>668</del> <u>671</u>
74,001 - 78,000	<del>995</del> <u>998</u>	<del>806</del> <u>809</u>	<del>711</del> <u>714</u>
78,001 - 82,000	<del>1,056</del> <u>1,059</u>	<del>855</del> <u>858</u>	<del>754</del> <u>757</u>
82,001 - 86,000	<del>1,117</del> <u>1,182</u>	<del>904</del> <u>963</u>	<del>801</del> <u>844</u>
86,001 - 90,000	<del>1,178</del> <u>1,304</u>	<del>953</del> <u>1,067</u>	<del>848</del> <u>931</u>
90,001 - 94,000	<del>1,239</del> <u>1,426</u>	<del>1,002</del> <u>1,172</u>	<del>895</del> <u>1,018</u>
94,001 - 98,000	<del>1,300</del> <u>1,548</u>	<del>1,051</del> <u>1,277</u>	<del>942</del> <u>1,106</u>
98,001 - 102,000	<del>1,361</del> <u>1,670</u>	<del>1,100</del> <u>1,381</u>	<del>989</del> <u>1,193</u>
102,001 - 105,500	<del>1,422</del> <u>1,792</u>	<del>1,149</del> <u>1,486</u>	<del>1,036</del> <u>1,280</u>

- c. ~~Notwithstanding the fees provided by subdivision a of subsection 2, only one half of the increase in registration fees, rounded up to the nearest dollar, resulting from the reclassification of pickup trucks in 2005 from subdivision b of subsection 2 to subdivision a of subsection 2 is effective from July 1, 2005, through June 30, 2007.~~
- d. Motorcycles, fifteen dollars.
3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
  4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
  5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years	
20,001 - 22,000	<del>\$108</del> <u>\$111</u>	<del>\$94</del> <u>\$97</u>	<del>\$80</del> <u>\$83</u>	<del>\$62</del> <u>\$65</u>	
22,001 - 24,000	<del>113</del> <u>116</u>	<del>98</del> <u>101</u>	<del>83</del> <u>86</u>	<del>64</del> <u>67</u>	
24,001 - 26,000	<del>124</del> <u>124</u>	<del>104</del> <u>107</u>	<del>87</del> <u>90</u>	<del>66</del> <u>69</u>	
26,001 - 28,000	<del>132</del> <u>135</u>	<del>112</del> <u>115</u>	<del>93</del> <u>96</u>	<del>70</del> <u>73</u>	
28,001 - 30,000	<del>144</del> <u>144</u>	<del>120</del> <u>123</u>	<del>99</del> <u>102</u>	<del>74</del> <u>77</u>	
30,001 - 32,000	<del>156</del> <u>159</u>	<del>133</del> <u>136</u>	<del>110</del> <u>113</u>	<del>83</del> <u>86</u>	
32,001 - 34,000	<del>166</del> <u>169</u>	<del>144</del> <u>144</u>	<del>116</del> <u>119</u>	<del>87</del> <u>90</u>	
34,001 - 36,000	<del>176</del> <u>179</u>	<del>140</del> <u>152</u>	<del>122</del> <u>125</u>	<del>94</del> <u>94</u>	
36,001 - 38,000	<del>186</del> <u>189</u>	<del>157</del> <u>160</u>	<del>128</del> <u>131</u>	<del>95</del> <u>98</u>	
38,001 - 40,000	<del>196</del> <u>199</u>	<del>166</del> <u>168</u>	<del>134</del> <u>137</u>	<del>99</del> <u>102</u>	
40,001 - 42,000	<del>206</del> <u>209</u>	<del>173</del> <u>176</u>	<del>140</del> <u>143</u>	<del>103</del> <u>106</u>	
42,001 - 44,000	<del>216</del> <u>219</u>	<del>184</del> <u>184</u>	<del>146</del> <u>149</u>	<del>107</del> <u>110</u>	
44,001 - 46,000	<del>226</del> <u>229</u>	<del>180</del> <u>192</u>	<del>152</del> <u>155</u>	<del>111</del> <u>114</u>	
46,001 - 48,000	<del>236</del> <u>239</u>	<del>197</del> <u>200</u>	<del>158</del> <u>161</u>	<del>115</del> <u>118</u>	

48,001 - 50,000	<del>246</del> <u>249</u>	<del>206</del> <u>208</u>	<del>164</del> <u>167</u>	<del>149</del> <u>122</u>
50,001 - 52,000	<del>266</del> <u>269</u>	<del>223</del> <u>226</u>	<del>180</del> <u>183</u>	<del>133</del> <u>136</u>
52,001 - 54,000	<del>276</del> <u>279</u>	<del>234</del> <u>234</u>	<del>186</del> <u>189</u>	<del>137</del> <u>140</u>
54,001 - 56,000	<del>286</del> <u>289</u>	<del>239</del> <u>242</u>	<del>192</del> <u>195</u>	<del>144</del> <u>144</u>
56,001 - 58,000	<del>296</del> <u>299</u>	<del>247</del> <u>250</u>	<del>198</del> <u>201</u>	<del>145</del> <u>148</u>
58,001 - 60,000	<del>306</del> <u>309</u>	<del>255</del> <u>258</u>	<del>204</del> <u>207</u>	<del>149</del> <u>152</u>
60,001 - 62,000	<del>316</del> <u>319</u>	<del>263</del> <u>266</u>	<del>210</del> <u>213</u>	<del>153</del> <u>156</u>
62,001 - 64,000	<del>326</del> <u>329</u>	<del>274</del> <u>274</u>	<del>216</del> <u>219</u>	<del>157</del> <u>160</u>
64,001 - 66,000	<del>336</del> <u>339</u>	<del>279</del> <u>282</u>	<del>222</del> <u>225</u>	<del>164</del> <u>164</u>
66,001 - 68,000	<del>346</del> <u>349</u>	<del>287</del> <u>290</u>	<del>228</del> <u>231</u>	<del>166</del> <u>168</u>
68,001 - 70,000	<del>356</del> <u>359</u>	<del>295</del> <u>298</u>	<del>234</del> <u>237</u>	<del>169</del> <u>172</u>
70,001 - 72,000	<del>366</del> <u>369</u>	<del>303</del> <u>306</u>	<del>240</del> <u>243</u>	<del>173</del> <u>176</u>
72,001 - 74,000	<del>376</del> <u>379</u>	<del>311</del> <u>314</u>	<del>246</del> <u>249</u>	<del>177</del> <u>180</u>
74,001 - 76,000	<del>386</del> <u>389</u>	<del>319</del> <u>322</u>	<del>252</del> <u>255</u>	<del>184</del> <u>184</u>
76,001 - 78,000	<del>396</del> <u>399</u>	<del>327</del> <u>330</u>	<del>258</del> <u>261</u>	<del>186</del> <u>188</u>
78,001 - 80,000	<del>406</del> <u>409</u>	<del>335</del> <u>338</u>	<del>264</del> <u>267</u>	<del>189</del> <u>192</u>
80,001 - 82,000	<del>416</del> <u>419</u>	<del>343</del> <u>346</u>	<del>270</del> <u>273</u>	<del>193</del> <u>196</u>
82,001 - 84,000	<del>426</del> <u>429</u>	<del>355</del> <u>368</u>	<del>313</del> <u>316</u>	<del>269</del> <u>272</u>
84,001 - 86,000	<del>446</del> <u>449</u>	<del>382</del> <u>385</u>	<del>327</del> <u>330</u>	<del>284</del> <u>284</u>
86,001 - 88,000	<del>466</del> <u>469</u>	<del>399</del> <u>402</u>	<del>344</del> <u>344</u>	<del>293</del> <u>296</u>
88,001 - 90,000	<del>486</del> <u>489</u>	<del>416</del> <u>419</u>	<del>355</del> <u>358</u>	<del>305</del> <u>308</u>
90,001 - 92,000	<del>506</del> <u>509</u>	<del>433</del> <u>436</u>	<del>369</del> <u>372</u>	<del>317</del> <u>320</u>
92,001 - 94,000	<del>526</del> <u>529</u>	<del>450</del> <u>453</u>	<del>383</del> <u>386</u>	<del>329</del> <u>332</u>
94,001 - 96,000	<del>546</del> <u>549</u>	<del>467</del> <u>470</u>	<del>397</del> <u>400</u>	<del>344</del> <u>344</u>
96,001 - 98,000	<del>566</del> <u>569</u>	<del>484</del> <u>487</u>	<del>411</del> <u>414</u>	<del>353</del> <u>356</u>
98,001 - 100,000	<del>586</del> <u>589</u>	<del>504</del> <u>504</u>	<del>425</del> <u>428</u>	<del>365</del> <u>368</u>
100,001 - 102,000	<del>606</del> <u>609</u>	<del>518</del> <u>521</u>	<del>439</del> <u>442</u>	<del>377</del> <u>380</u>
102,001 - 104,000	<del>626</del> <u>629</u>	<del>535</del> <u>538</u>	<del>453</del> <u>456</u>	<del>389</del> <u>392</u>
104,001 - 105,500	<del>646</del> <u>649</u>	<del>552</del> <u>555</u>	<del>467</del> <u>470</u>	<del>404</del> <u>404</u>

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. ~~Thirteen dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.~~

**SECTION 18. AMENDMENT.** Section 54-27-19 of the North Dakota Century Code is amended and reenacted as follows:

**54-27-19. Highway tax distribution fund - State treasurer to make allocation to state, counties, and cities.** A highway tax distribution fund is created as a special fund in the state treasury into which must be deposited the moneys available by law from collections of motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes. Any The state treasurer shall transfer the first five million five hundred thousand dollars per biennium from the highway tax distribution fund to the state highway fund for the purpose of providing administrative assistance to other transferees. After the transfer of the first five million five hundred thousand dollars, any moneys in the highway tax distribution fund must be allocated and transferred monthly by the state treasurer, as follows:

1. ~~Sixty three~~ Sixty-one and three-tenths percent of such moneys must be transferred monthly to the state department of transportation and placed in a state highway fund.
2. ~~Thirty seven~~ Two and seven-tenths percent must be transferred monthly to the township highway fund.
3. One and five-tenths percent must be transferred monthly to the public transportation fund.

4. ~~Thirty-four and five-tenths percent of such moneys~~ must be allocated to the counties of this state in proportion to the number of motor vehicle registrations credited to each county. Each county must be credited with the certificates of title of all motor vehicles registered by residents of ~~such the~~ county. The state treasurer shall compute and distribute the counties' share monthly after deducting the incorporated cities' share. All the moneys received by the counties from the highway tax distribution fund must be set aside in a separate fund called the "highway tax distribution fund" and must be appropriated and applied solely for highway purposes in accordance with section 11 of article X of the Constitution of North Dakota. The state treasurer shall compute and distribute monthly the sums allocated to the incorporated cities within each county according to the formula in this subsection on the basis of the per capita population of all of the incorporated cities situated within each county as determined by the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to ~~such the~~ census. ~~Provided, however, that~~ However, in each county having a city with a population of ten thousand or more, the amount transferred each month into the county highway tax distribution fund must be the difference between the amount allocated to that county pursuant to this subsection and the total amount allocated and distributed to the incorporated cities in that county as computed according to the following formula:

- a. A statewide per capita average as determined by calculating twenty-seven percent of the amount allocated to all of the counties under this subsection divided by the total population of all of the incorporated cities in the state.
- b. The share distributed to each city in the county having a population of less than one thousand must be determined by multiplying the population of that city by the product of 1.50 times the statewide per capita average computed under subdivision a.
- c. The share distributed to each city in the county having a population of one thousand to four thousand nine hundred ninety-nine, inclusive, must be determined by multiplying the population of that city by the product of 1.25 times the statewide per capita average computed under subdivision a.
- d. The share distributed to each city in the county having a population of five thousand or more must be determined by multiplying the population of that city by the statewide per capita average for all such cities, which per capita average must be computed as follows: the total of the shares computed under subdivisions b and c for all cities in the state having a population of less than five thousand must be subtracted from the total incorporated cities' share in the state as computed under subdivision a and the balance remaining must then be divided by the total population of all cities of five thousand or more in the state.

The moneys allocated to the incorporated cities must be distributed to them monthly by the state treasurer and must be deposited by the cities in a separate fund and may only be used in accordance with section 11 of article X of the Constitution of North Dakota; ~~provided, that any and an~~ incorporated city may use ~~such the~~ fund for the construction, reconstruction, repair, and maintenance of public highways within or outside ~~such the~~ city pursuant to an agreement entered into between the city and any other political subdivision as authorized by section 54-40-08.

**SECTION 19. AMENDMENT.** Section 54-27-19.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-27-19.1. Township highway aid fund - Distribution.** ~~Notwithstanding any other provision of law, one cent per gallon [3.79 liters] of the tax imposed by sections 57-43.1-02 and 57-43.2-02 may not be refunded and the proceeds must be distributed as provided in this section. The tax commissioner shall transfer the proceeds of one cent per gallon [3.79 liters] of the tax imposed by sections 57-43.1-02 and 57-43.2-02 to the state treasurer who shall deposit the proceeds in a township~~

~~highway aid fund in the state treasury.~~ The state treasurer shall no less than quarterly allocate and distribute all moneys in the township highway aid fund to the counties of the state based on the length of township roads in each county compared to the length of all township roads in the state. To receive any funds under this section, organized townships ~~shall~~ must provide fifty percent matching funds. The county treasurer shall allocate the funds received to the organized townships in the county which provide fifty percent matching funds based on the length of township roads in each ~~such of those~~ organized ~~township~~ townships compared to the length of all township roads in the county. The funds received must be deposited in the township road and bridge fund and used for highway and bridge purposes. If a county ~~has no~~ does not have organized townships, or has some organized and some unorganized townships, the county shall retain a pro rata portion of the funds received based on the length of roads in unorganized townships compared to the length of township roads in organized townships in the county. Moneys retained by a county for the benefit of unorganized townships under this section must be deposited in the county road and bridge fund. Moneys retained by the county treasurer due to the failure of organized townships to provide required matching funds must be returned to the state treasurer who shall deposit the funds in the highway tax distribution fund. The board of county commissioners shall certify to the state treasurer any change in township road mileage when a change occurs and shall, by July first of each even-numbered year, certify the total number of township road mileage in each of the county's organized and unorganized townships. The state treasurer shall prescribe the form and manner by which the certification is made.

**SECTION 20.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

**Report on transportation funding and expenditures.** Each county, city, and township shall provide to the tax commissioner an annual report on funding and expenditures relating to transportation projects and programs. The report must be provided within ninety days after the close of a calendar year. The report must contain by fund the beginning balance, revenues by major source, expenditures by major category, the ending balance, and any other information requested by the tax commissioner.

**SECTION 21. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

**57-40.3-10. (Effective through June 30, 2009 2011) Transfer of revenue.** All moneys collected and received under this chapter after moneys are deposited in the state aid distribution fund under section 57-39.2-26.1 must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited as follows:

1. ~~For~~ Twenty-five percent to the highway fund.
2. ~~Ninety~~ Seventy-five percent to the state general fund.

**(Effective after June 30, 2009 2011) Transfer of revenue.** All moneys collected and received under this chapter must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited to the general fund.

**SECTION 22. AMENDMENT.** Section 57-43.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-06. Refund to prevent taxation by multiple jurisdictions.** Any person to whom motor vehicle fuel is sold on which the tax imposed by this chapter has been paid, who thereafter removes the fuel from this state for sale or resale in another state or to a state which requires payment of a tax upon the use of the fuel in that state, must be granted a refund of the tax that was paid pursuant to this chapter. The refund may be granted only upon application to the commissioner in the manner prescribed by the commissioner and must include proof that fuel for sale or resale in another state was reported to the taxing agency of that state, or in the case of a consumer, proof of payment of the tax imposed by the other state. ~~The refund may not be reduced by the one-cent per gallon [3.70 liters] tax designated for the township highway aid fund.~~ A claim for refund under this section must be

made within one year from the date the fuel was removed to another state for sale, resale, or use in another state.

**SECTION 23. AMENDMENT.** Section 57-43.2-04.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-04.2. Refund to prevent taxation by multiple jurisdictions.** Any person to whom special fuel is sold on which the tax imposed by this chapter has been paid, who thereafter removes the fuel from this state for sale or resale in another state or to a state that requires payment of a tax upon the use of the fuel in that state, must be granted a refund of the tax that was paid pursuant to this chapter. The refund may be granted only upon application to the commissioner in the manner prescribed by the commissioner and must include proof that fuel for sale or resale in another state was reported to the taxing agency of that state, or in the case of a consumer, proof of payment of the tax imposed by the other state. ~~The refund may not be reduced by the one cent per gallon (3.79 liters) tax designated for the township highway aid fund.~~ A claim for refund under this section must be made within one year from the date the fuel was removed to another state for sale, resale, or use in another state.

**SECTION 24. LEGISLATIVE COUNCIL STUDY - FARGO DISTRICT OFFICE SITE.** During the 2009-10 interim, the legislative council shall consider studying the feasibility and desirability of relocating the Fargo district office facility. The study, if conducted, must include a review of the estimated value of the current site property, the best use of the current property, and potential locations for a new district office facility. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

**SECTION 25. LEGISLATIVE COUNCIL STUDY - FEDERAL TRANSPORTATION MATCHING FUNDS.** During the 2009-10 interim, the legislative council shall consider studying the potential options for matching federal highway construction funding. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

**SECTION 26. REPEAL.** Section 39-04.2-03 of the North Dakota Century Code is repealed.

**SECTION 27. EMERGENCY.** Sections 2, 3, 4, 5, 6, 7, 8, and 9 of this Act are declared to be an emergency measure.

**Section 8.** The legislative assembly shall pass all laws necessary to carry out the provisions of this article.

**Section 9.** The legislative assembly may provide for the levy of a tax upon lands within the state for the purpose of creating a fund to insure the owners of growing crops against losses by hail. The legislative assembly may classify lands within the state, and divide the state into districts on such basis as shall seem just and necessary, and may vary the tax rates in such districts in accordance with the risk, in order to secure an equitable distribution of the burden of the tax among the owners of such lands.

**Section 10.**

1. Upon the adoption of this amendment to the Constitution of the State of North Dakota there shall be annually levied by the state of North Dakota one mill upon all of the taxable property within the state of North Dakota which, when collected, shall be covered into the state treasury of the state of North Dakota and placed to the credit of the North Dakota state medical center at the university of North Dakota; said fund shall be expended as the legislature shall direct for the development and maintenance necessary to the efficient operation of the said North Dakota state medical center.
2. This amendment shall be self-executing, but legislation may be enacted to facilitate its operation.

**Section 11.** Revenue from gasoline and other motor fuel excise and license taxation, motor vehicle registration and license taxes, except revenue from aviation gasoline and unclaimed aviation motor fuel refunds and other aviation motor fuel excise and license taxation used by aircraft, after deduction of cost of administration and collection authorized by legislative appropriation only, and statutory refunds, shall be appropriated and used solely for construction, reconstruction, repair and maintenance of public highways, and the payment of obligations incurred in the construction, reconstruction, repair and maintenance of public highways.

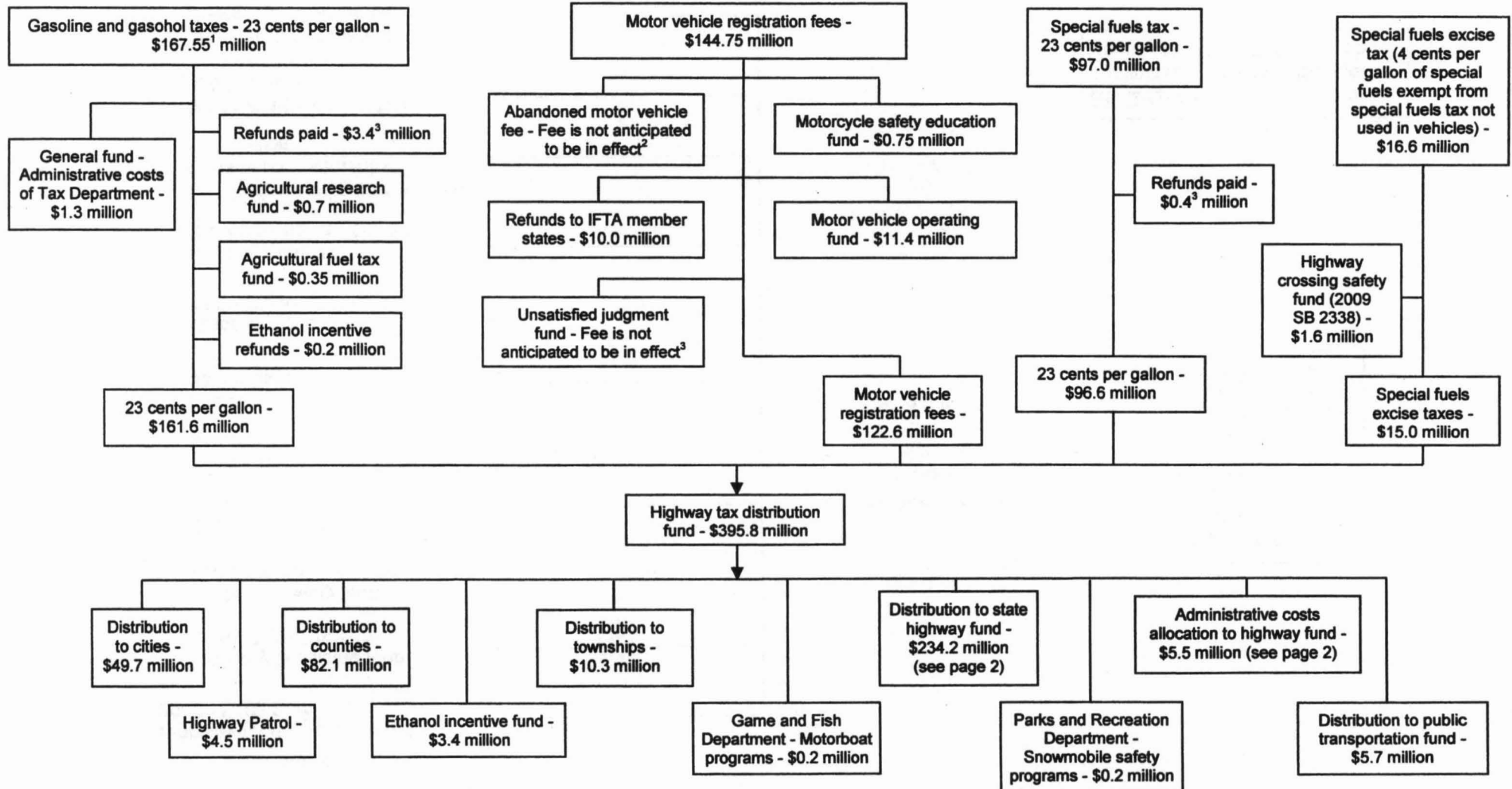
**Section 12.**

1. All public moneys, from whatever source derived, shall be paid over monthly by the public official, employee, agent, director, manager, board, bureau, or institution of the state receiving the same, to the state treasurer, and deposited by him to the credit of the state, and shall be paid out and disbursed only pursuant to appropriation first made by the legislature; provided, however, that there is hereby appropriated the necessary funds required in the financial transactions of the Bank of North Dakota, and required for the payment of losses, duly approved, payable from the state hail insurance fund, state bonding fund, and state fire and tornado fund, and required for the payment of compensation to injured employees or death claims, duly approved, payable from the workmen's compensation fund, and required for authorized investments made by the board of university and school lands, and required for the financial operations of the state mill and elevator association, and required for the payment of interest and principal of bonds and other fixed obligations of the state, and required for payments required by law to be paid to beneficiaries of the teachers' insurance and retirement fund, and required for refunds made under the provisions of the Retail Sales Tax Act, and the State Income Tax Law, and the State Gasoline Tax Law, and the Estate and Succession Tax Law, and the income of any state institution derived from permanent trust funds, and the funds allocated under the law to the state highway department and the various counties for the construction, reconstruction, and maintenance of public roads.

This constitutional amendment shall not be construed to apply to fees and moneys received in connection with the licensing and organization of physicians and surgeons, pharmacists, dentists, osteopaths, optometrists, embalmers, barbers, lawyers, veterinarians, nurses, chiropractors, accountants, architects, hairdressers,

## HIGHWAY TAX DISTRIBUTION FUND

### Sources and Uses of Funds 2009-11 Biennium

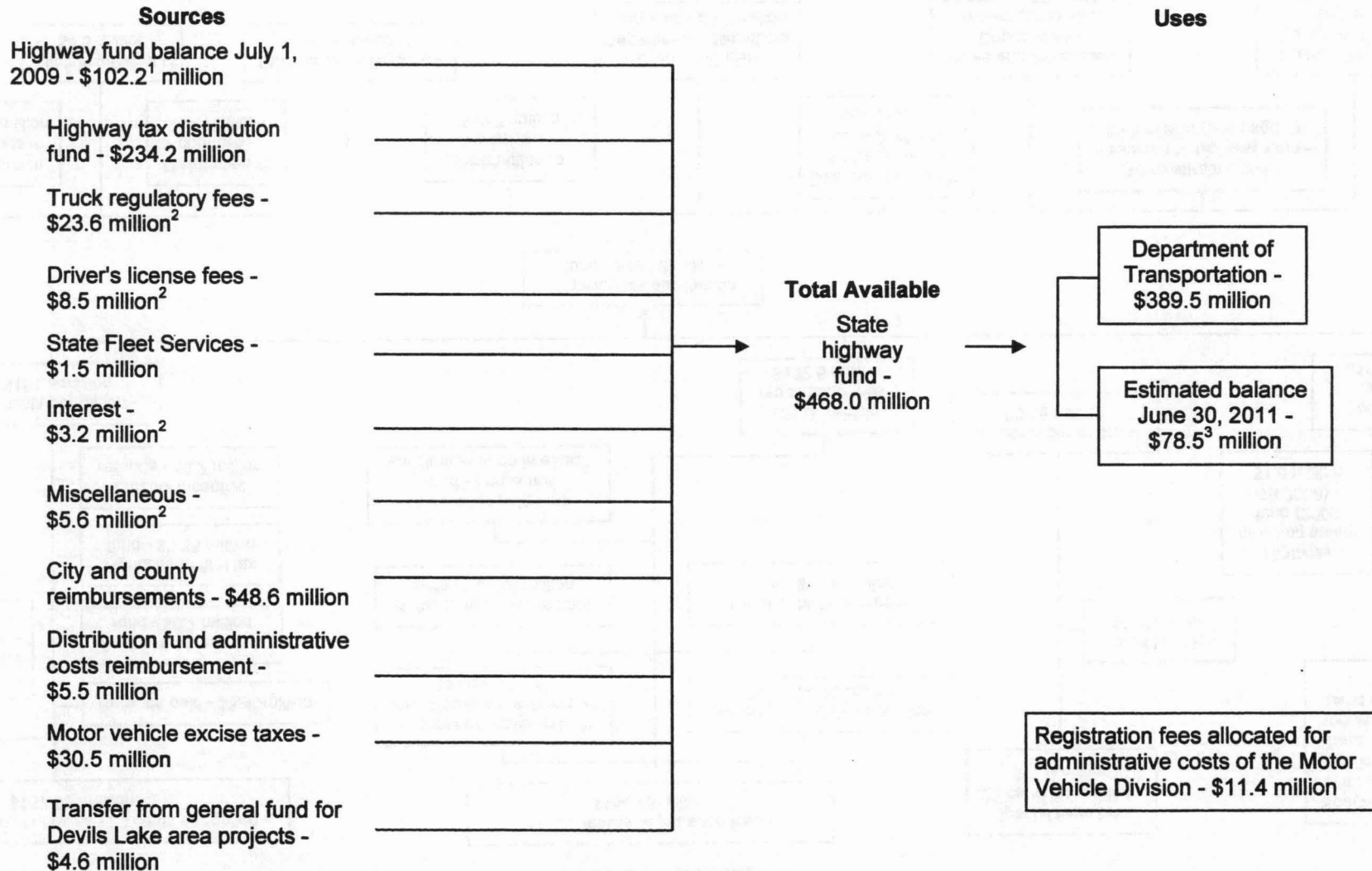


<sup>1</sup>Senate Bill No. 2012 (2009) amends North Dakota Century Code Section 54-27-19.1 to remove the provision that precludes fuel tax refunds from amounts deposited in the township highway aid fund. Therefore, net collections from gasoline, gasohol, and special fuels taxes are anticipated to be reduced by approximately \$600,000.

<sup>2</sup>The abandoned motor vehicle fee of \$2 on each initial North Dakota vehicle title is imposed only if the balance in the abandoned motor vehicle fund is \$100,000 or less. The fee is suspended when the fund balance is \$250,000 or more.

<sup>3</sup>An additional \$1 fee is imposed on motor vehicle registrations for a period of one year if the balance in the unsatisfied judgment fund is less than \$150,000. The fee is suspended for the following year if the balance in the fund is \$150,000 or more on July 1.

**STATE HIGHWAY FUND  
Sources and Uses of Funds  
2009-11 Biennium Estimates**



<sup>1</sup>The July 1, 2009, balance does not reflect amounts to be paid from the fund for 2009 construction season project commitments.

<sup>2</sup>"Nondedicated" highway revenues total \$40.9 million.

<sup>3</sup>Although the June 30, 2011, balance is estimated to be \$78.5 million, highway project commitments for the 2011 construction season will be paid from this amount.

~~eighteen thousand three hundred dollars~~ a base amount of four-tenths of one percent of the appropriation for the program plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census. Each year the director shall increase or decrease the one dollar and fifty cents per capita amount in order to distribute all funds appropriated for the biennium. If there are multiple transportation providers in one county, then the base amount of ~~eighteen thousand three hundred dollars~~ must be divided equally among the providers and the additional per capita amount must be based upon the percentage of elderly and handicapped ridership provided by each transportation provider within the county.

3. ~~Unless otherwise provided by law, any moneys remaining in the fund at the end of each biennium must be retained in the public transportation fund for redistribution.~~

**SECTION 11. AMENDMENT.** Section 39-29-10 of the North Dakota Century Code is amended and reenacted as follows:

**39-29-10. Operation by persons under age sixteen.** Except as otherwise provided in this section, ~~a person~~ an individual under sixteen years of age who is not in possession of a valid operator's license or permit to operate an ~~all-terrain off-highway~~ vehicle may not, except upon the lands of the ~~person's individual's~~ parent or guardian or as a participant in an organized sporting event that involves the use of off-highway vehicles, operate an ~~all-terrain off-highway~~ vehicle. ~~A person~~ An individual at least twelve years of age may operate an ~~all-terrain off-highway~~ vehicle if the ~~person~~ individual has completed an ~~all-terrain off-highway~~ vehicle safety training course prescribed by the director of the parks and recreation department ~~and~~, has received the appropriate ~~all-terrain off-highway~~ vehicle safety certificate issued by the director of the department of transportation. The failure of an operator to exhibit an ~~all-terrain off-highway~~ vehicle safety certificate on demand to any official authorized to enforce this chapter is presumptive evidence that that person does not hold ~~such~~ a certificate. Fees collected from each ~~person~~ individual receiving certification must be deposited in the ~~all-terrain off-highway~~ vehicle trail tax fund for ~~all-terrain off-highway~~ vehicle safety education and training programs.

**SECTION 12.** The new subsection to section 57-40.3-04 of the North Dakota Century Code, as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

A motor vehicle acquired at any location within this state by an individual who ~~resides within the boundaries of any reservation in this state and who~~ is an enrolled member of a federally recognized Indian tribe.

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

**57-40.3-10. Transfer of revenue.** All moneys collected and received under this chapter after moneys are deposited in the state aid distribution fund under section 57-39.2-26.1 must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited ~~to the general fund~~. as follows:

1. Ten percent to the highway fund.
2. Ninety percent to the state general fund.

**SECTION 14. TRANSFER.** The director of the department of transportation shall transfer the sum of \$1,000,000 from the highway fund to the public transportation fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 15. EXPIRATION DATE.** Section 13 of this Act is effective through June 30, 2009, and after that date is ineffective.

July 2009

**ESTIMATED STATE HIGHWAY FUNDING PROVIDED IN 2009 SENATE BILL NO. 2012**

The schedule below summarizes estimated state highway funding provided to the state and political subdivisions for the 2007-09 and 2009-11 bienniums:

Summary of State Highway Funding Provided to the State and Political Subdivisions (Amounts Shown in Millions)						
	2007-09 Statutory Funding <sup>1</sup>	Weather-Related Cost-Sharing and Disaster Funding	2009-11 Statutory Funding	Total Weather-Related Funding, Disaster Funding, and 2009-11 Statutory Funding	Increase From 2007-09 Statutory Funding	Percentage Increase From 2007-09 Statutory Funding
State highway fund	\$234.3 <sup>1,2</sup>	\$7.5 <sup>3</sup>	\$274.8 <sup>1,5</sup>	\$282.3	\$48.0	20.5%
Counties	74.4 <sup>1</sup>	26.4 <sup>3</sup>	82.1 <sup>1</sup>	108.5	34.1	45.8%
Cities	45.3 <sup>1</sup>	15.0 <sup>3</sup>	49.7 <sup>1</sup>	64.7	19.4	42.8%
Townships	10.2 <sup>1</sup>	10.0 <sup>3</sup>	10.3 <sup>1</sup>	20.3	10.1	99.0%
Public transportation fund	5.7 <sup>1</sup>	1.0 <sup>3</sup>	5.7 <sup>1</sup>	6.7	1.0	17.5%
Disaster relief funding		43.0 <sup>4</sup>		43.0	43.0	N/A
<b>Total</b>	<b>\$369.9</b>	<b>\$102.9</b>	<b>\$422.6</b>	<b>\$525.5</b>	<b>\$155.6</b>	<b>42.1%</b>

<sup>1</sup>Funding provided from the highway tax distribution fund.

<sup>2</sup>Includes \$18.2 million of motor vehicle registration fees deposited in the highway fund and \$12.6 million of motor vehicle excise taxes deposited in the highway fund.

<sup>3</sup>Funding of \$59.9 million from the general fund was appropriated by the 2009 Legislative Assembly to the State Treasurer for distribution to the state highway fund and political subdivisions for weather-related cost-sharing before June 30, 2009.

<sup>4</sup>Senate Bill No. 2012 provided a \$43 million transfer from the general fund to the state disaster relief fund before June 30, 2009, and appropriated the funds to the Adjutant General for disaster relief funding during the 2007-09 and 2009-11 bienniums.

<sup>5</sup>Includes a \$4.6 million transfer from the general fund to the highway fund for Devils Lake area highway projects and \$30.5 million of motor vehicle excise taxes deposited in the highway fund.

The schedule below details estimated highway funding provided to the state and political subdivisions for the 2007-09 and 2009-11 bienniums:

Detail of State Highway Funding Provided to the State and Political Subdivisions (Amounts Shown in Millions)									
	Statutory 2007-09 Distributions From Highway Tax Distribution Fund	Other Statutory Allocations <sup>2,3,4</sup>	Total 2007-09 Statutory Funding	2007-09 Weather- Related Cost-Sharing	2007-09 and 2009-11 Disaster Relief Funding	Statutory 2009-11 Distributions From Highway Tax Distribution Fund	Deposit 25 Percent of Motor Vehicle Excise Tax in State Highway Fund	Funding From the General Fund for Devils Lake Highway Projects	Total 2009-11 Funding
Total revenues subject to distribution	\$323.2	\$46.7	\$369.9	\$59.9	\$43.0	\$387.5 <sup>5</sup>	\$30.5	\$4.6	\$422.6
Distributions to:									
State highway fund <sup>1,2</sup>	\$203.5	\$30.8	\$234.3	\$7.5 <sup>6</sup>		\$239.7	\$30.5	\$4.6	\$274.8
Counties <sup>1</sup>	74.4		74.4	26.4 <sup>6</sup>		82.1			82.1
Cities <sup>1</sup>	45.3		45.3	15.0 <sup>6</sup>		49.7			49.7
Townships <sup>3</sup>		10.2	10.2	10.0 <sup>6</sup>		10.3			10.3
Public transportation fund <sup>4</sup>		5.7	5.7	1.0 <sup>6</sup>		5.7			5.7
Disaster relief funding					\$43.0 <sup>7</sup>				
<b>Total distributions</b>	<b>\$323.2</b>	<b>\$46.7</b>	<b>\$369.9</b>	<b>\$59.9</b>	<b>\$43.0</b>	<b>\$387.5</b>	<b>\$30.5</b>	<b>\$4.6</b>	<b>\$422.6</b>

<sup>1</sup>Senate Bill No. 2012 provides the following changes in distribution amounts from the highway tax distribution fund:

	Highway Tax Distribution Fund Rates	
	Current (2007-09)	Senate Bill No. 2012 (2009-11)
State highway fund	63%	61.30%
Counties	23%	21.50%
Cities	14%	13.00%
Townships	0%	2.70%
Transit programs	0%	1.50%
	100%	100.00%

<sup>2</sup>North Dakota Century Code (NDCC) Section 39-04-19 provides that \$13 of each motor vehicle registration fee is deposited directly in the state highway fund. Senate Bill No. 2012 provides that these collections be deposited in the highway tax distribution fund beginning in the 2009-11 biennium. Revenue from the \$13 fee is estimated to generate \$18.2 million for the 2007-09 biennium and \$20 million for the 2009-11 biennium. Section 57-40.3-10 provided for the deposit of 10 percent of motor vehicle excise taxes in the highway funding during the 2007-09 biennium which is estimated to total \$12.6 million. Senate Bill No. 2012 provides that \$5.5 million be transferred from the highway tax distribution fund to the state highway fund each biennium for administrative costs.

<sup>3</sup>North Dakota Century Code Section 54-27-19.1 provided that collections from one cent per gallon of motor vehicle fuels taxes be deposited in the township highway aid fund. Senate Bill No. 2012 removes the one cent per gallon distribution to the township highway aid fund, deposits these funds in the highway tax distribution fund, and provides that townships receive a percentage of all funds available for distribution in the highway tax distribution fund.

<sup>4</sup>The 2007-09 legislative appropriation provided the public transportation fund with \$4.7 million from collections from \$3 of each motor vehicle registration fee and a \$1 million transfer from the highway fund. Senate Bill No. 2012 deposits collections from \$3 of each motor vehicle registration fee in the highway tax distribution fund and provides the public transportation fund with a percentage distribution of all funds available for distribution in the highway tax distribution fund.

<sup>5</sup>Senate Bill No. 2012 amends NDCC Section 54-27-19.1 to remove the provision that precludes fuel tax refunds from amounts deposited in the township highway aid fund. Therefore, net collections from gasoline, gasohol, and special fuels taxes are anticipated to be reduced by approximately \$600,000.

<sup>6</sup>Funding from the general fund of \$59.9 million was appropriated to the State Treasurer for disbursement to the state highway fund and political subdivisions for weather-related cost-sharing during the 2007-09 biennium.

<sup>7</sup>Funding of \$43 million is transferred to a state disaster relief fund which is appropriated to the Adjutant General for disaster relief funding. Of the total amount, \$20 million is to be used for 2007-09 emergency snow removal grants for up to 50 percent of the costs exceeding 200 percent of the average for political subdivisions. The remaining \$23 million is to be used during the 2009-11 biennium to provide grants to political subdivisions for up to 50 percent of the local matching costs to receive federal emergency relief aid related to January through June 2009 disasters and for the state share of disaster-related costs.