

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2329

Introduced by

Senators Wanzek, Myrdal, Weber

Representatives Brandenburg, Headland, Thomas

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 county highway aid fund; to amend and reenact sections 54-27-19.1
3 and 57-40.3-10 of the North Dakota Century Code, relating to allocations to townships from the
4 township highway aid fund and an allocation of motor vehicle excise tax collections to the
5 township highway aid fund; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 54-27-19.1 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **54-27-19.1. Township highway aid fund - Distribution.**

10 1. a. From the moneys allocated from the motor vehicle excise tax under section
11 57-40.3-10, the state treasurer, at least quarterly, shall allocate the moneys to
12 counties based on the length of township roads in each county compared to the
13 length of all township roads in all the counties. The county treasurer shall allocate
14 the funds received to the organized townships in the county based on the length
15 of township roads in each organized township compared to the length of all
16 township roads in the county. The funds received must be deposited in the
17 township road and bridge fund and used for highway and bridge purposes. If a
18 county does not have organized townships, or has some organized and some
19 unorganized townships, the county shall retain a pro rata portion of the funds
20 received based on the length of roads in unorganized townships compared to the
21 length of township roads in organized townships in the county. Moneys retained
22 by a county for the benefit of unorganized townships under this subsection must
23 be deposited in the county road and bridge fund.

1 **b.** If an organized township is not levying at least eighteen mills for general
2 purposes, the tax commissioner shall direct the state treasurer to withhold a
3 portion of the organized township's allocation under this subsection until the tax
4 commissioner certifies to the state treasurer that the organized township is
5 levying at least eighteen mills for general purposes. The portion to be withheld
6 must be proportional to the difference between eighteen mills and the number of
7 mills levied by the organized township relative to eighteen mills. The amount
8 withheld must be retained in the township highway aid fund and must be paid to
9 the organized township after the tax commissioner certifies that the organized
10 township is levying at least eighteen mills for general purposes.

11 **2.** From the moneys transferred from the highway tax distribution fund under section
12 54-27-19, the state treasurer, at least quarterly, shall no less than quarterly allocate
13 and distribute all the moneys in the township highway aid fund to the counties of the
14 state based on the length of township roads in each county compared to the length of
15 all township roads in the state. To receive any funds under this ~~section~~subsection,
16 organized townships must provide fifty percent matching funds. The county treasurer
17 shall allocate the funds received to the organized townships in the county which
18 provide fifty percent matching funds based on the length of township roads in each of
19 those organized townships compared to the length of all township roads in the county.
20 The funds received must be deposited in the township road and bridge fund and used
21 for highway and bridge purposes. If a county does not have organized townships, or
22 has some organized and some unorganized townships, the county shall retain a pro
23 rata portion of the funds received based on the length of roads in unorganized
24 townships compared to the length of township roads in organized townships in the
25 county. Moneys retained by a county for the benefit of unorganized townships under
26 this ~~section~~subsection must be deposited in the county road and bridge fund. Moneys
27 retained by the county treasurer due to the failure of organized townships to provide
28 required matching funds must be returned to the state treasurer who shall deposit the
29 funds in the highway tax distribution fund.

30 **3.** The board of county commissioners shall certify to the state treasurer any change in
31 township road mileage when a change occurs and shall, by July first of each

1 even-numbered year, certify the total number of township road mileage in each of the
2 county's organized and unorganized townships. The state treasurer shall prescribe the
3 form and manner by which the certification is made.

4 **SECTION 2.** A new section to chapter 54-27 of the North Dakota Century Code is created
5 and enacted as follows:

6 **County highway aid fund - Distribution.**

7 From the moneys allocated from the motor vehicle excise tax under section 57-40.3-10, the
8 state treasurer, at least quarterly, shall allocate the moneys to eligible counties based on the
9 most recent data compiled by the upper great plains transportation institute regarding North
10 Dakota's county, township, and tribal road and bridge infrastructure needs. The distribution to
11 each eligible county must be proportional to each eligible county's total estimated road and
12 bridge investment needs relative to the combined total estimated road and bridge investment
13 needs of all the eligible counties. The total estimated road and bridge investment needs for
14 each eligible county is the twenty-year estimate for unpaved and paved road and bridge needs
15 as identified by the upper great plains transportation institute. If the data compiled by the upper
16 great plains transportation institute includes more than one twenty-year estimate for the total
17 needs of each eligible county, the state treasurer shall use an average of the twenty-year
18 estimates for each county. Funding distributed under this section must be used for the
19 construction of new unpaved and paved road and bridge infrastructure or for the maintenance,
20 repair, or replacement of existing unpaved and paved road and bridge infrastructure. For
21 purposes of this section, "eligible county" means a county that received no allocation of funding
22 or a total allocation of less than fifteen million dollars under subsection 2 of section 57-51-15 in
23 the most recently completed even-numbered fiscal year before the start of each biennium.

24 **SECTION 3. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **57-40.3-10. Transfer of revenue.**

27 All moneys collected and received under this chapter must be transmitted monthly by the
28 director of the department of transportation to the state treasurer ~~to be transferred and credited~~
29 ~~to,~~ and the state treasurer shall allocate twenty-five percent to the township highway aid fund
30 under section 54-27-19.1, twenty-five percent to the county highway aid fund under section 2 of
31 this Act, and the remaining fifty percent to the general fund.

1 **SECTION 4. EFFECTIVE DATE.** This Act is effective for motor vehicle excise tax
2 collections transmitted to the state treasurer after July 31, 2023.