

**2023 SENATE FINANCE AND TAXATION**

**SB 2178**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2178  
1/17/2023

Relating to township special road fund limitations.

**10:45 AM Vice Chairman Weber** opened hearing.

Senators Present: **Kannianen, Weber, Magrum, Patten, Rummel, Piepkorn.**

### Discussion Topics:

- Township budget
- Road upgrade costs
- Township roads
- Road closures
- Funding
- Emergency services

**10:45 AM Senator Kannianen** introduced bill. #13591

**10:49 AM Larry A. Syverson North Dakota Township Officers Association**, testified in favor. #13792 #13793

**10:57 AM Wyatt Goettel, State Township Board**, testified in favor. #13922

**11:07 AM Tom Wheeler Ray ND, Equality Township, ND Township Officers District 1**, verbally testified in favor.

**11:28 Matt Perdue, North Dakota Farmers Union**, testified in favor. #13684

**11:31 AM Chairman Kannianen** closed the hearing.

**11:31 AM Senator Magrum** moved a Do Pass on SB 2178.

**11:31 AM Senator Piepkorn** seconded.

Roll call taken.

| Senators                  | Vote |
|---------------------------|------|
| Senator Jordan Kannianen  | Y    |
| Senator Mark F. Weber     | Y    |
| Senator Jeffery J. Magrum | Y    |
| Senator Dale Patten       | Y    |
| Senator Merrill Piepkorn  | Y    |
| Senator Dean Rummel       | Y    |

Motion passed. 6-0-0

**11:32 AM Senator Magrum** will carry.

**Additional written testimony:**

**Nick J. West.** #13261

**Philip M Murphy.** #13209

**11:33 AA Chairman Kannianen** adjourned the meeting.

*Nathan Liesen, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2178: Finance and Taxation Committee (Sen. Kannianen, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2178 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

**2023 HOUSE POLITICAL SUBDIVISIONS**

**SB 2178**

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Room JW327B, State Capitol

SB 2178  
3/2/2023

Relating to township special road fund limitations

10:10 AM Chairman Longmuir opened the hearing. Members present: Chairman Longmuir, Vice Chairman Fegley, Rep. Hatlestad, Rep. Heilman, Rep. Holle, Rep. Jonas, Rep. Klemin, Rep. Motschenbacher, Rep. Ostlie, Rep. Rios, Rep. Toman, Rep. Warrey, Rep. Davis, and Rep. Hager.

### Discussion Topics:

- Special road costs.
- Increasing costs.
- Increasing limits.
- Providing township flexibility.

Senator Kannianen: Introduced the bill. Referenced testimony #22362

Larry Syverson, Executive Secretary of ND Township Officers Association:  
Testimony #21690, #21691

Wyatt Goettel: Referenced Testimony #21955

Matt Perdue, ND Farmers Union: Testimony #21663

Phil Murray, ND Growers Association: Referenced Testimony #21956

The hearing closed at 10:36 AM.

Delores Shimek, Committee Clerk

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Room JW327B, State Capitol

SB 2178  
3/2/2023

Relating to township special road fund limitations

1:03 PM Chairman Longmuir opened the meeting. Members present: Chairman Longmuir, Vice Chairman Fegley, Rep. Hatlestad, Rep. Heilman, Rep. Holle, Rep. Jonas, Rep. Klemin, Rep. Motschenbacher, Rep. Rios, Rep. Toman, Rep. Warrey, Rep. Davis. Absent: Rep. Ostlie and Rep. Hager

### Discussion Topics:

- Committee action.

Rep. Worrey moved a Do Pass;  
Seconded by Rep. Rios

| Representatives                    | Vote |
|------------------------------------|------|
| Representative Donald W. Longmuir  | Y    |
| Representative Clayton Fegley      | Y    |
| Representative Jayme Davis         | Y    |
| Representative LaurieBeth Hager    | A    |
| Representative Patrick Hatlestad   | Y    |
| Representative Matt Heilman        | Y    |
| Representative Dawson Holle        | Y    |
| Representative Jim Jonas           | Y    |
| Representative Lawrence R. Klemin  | Y    |
| Representative Mike Motschenbacher | Y    |
| Representative Mitch Ostlie        | A    |
| Representative Nico Rios           | Y    |
| Representative Nathan Toman        | Y    |
| Representative Jonathan Warrey     | Y    |

Roll call vote: 12 Yes 0 No 2 Absent Rep. Fegley is carrier

Meeting closed at 1:07 PM.

Delores Shimek, Committee Clerk

**REPORT OF STANDING COMMITTEE**

**SB 2178: Political Subdivisions Committee (Rep. Longmuir, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2178 was placed on the Fourteenth order on the calendar.



**TESTIMONY**

**SB 2178**

Testimony in favor of 2178, 68<sup>th</sup> session

My name is Phil Murphy representing the ND Soybean Growers Association. The NDSGA recognizes the importance of our transportation infrastructure including the critical role of township roads. Without the ability to maintain those roads, our industry would not be possible. We support the ability, especially in the western part of our state in this instance, for townships to build funds sufficient to do their job. Please support 2178. Thank you for your consideration.

Testimony Prepared for the  
**Senate Finance & Taxation Committee**

January 17, 2023

By: Nick West PE, Township Supervisor & Grand Forks  
County Engineer



**RE: Support for SB 2178 – Relating to township special road fund limitations**

Chairman Kannianen and members of the Senate Finance & Taxation Committee members, thank you for the opportunity to provide testimony on SB 2178. I am Nick West, the Grand Forks County Engineer, a Township Supervisor and a member of the legislative committee for the ND Association of County Engineers (NDACE). I would offer support for the bill as proposed.

Townships have limited revenue options and are responsible for a significant number of miles of roadway. Often times the projects required to maintain or upgrade the roads exceed \$100,000. Most townships total revenue for a year is less than \$100,000, and with the limited revenue options it requires the Township Board to save money for many years in order to complete those larger projects. Having the ability to save up to \$500,000 would greatly increase the ability of a Township to do a special larger project. The current limitation makes larger projects impossible for a Township.

The last few years our economy has seen a large increase in inflation. Anytime an exact dollar amount is used in law, it would be prudent to adjust those numbers for inflation periodically.

Chairman Kannianen and committee members, please support this bill as written.

Thank you for your time and service to ND.

Testimony for SB 2178

Senator Jordan Kannianen, District 4

This bill proposes to increase the cap on the amount of funds allowed to be kept in a Township special road fund from \$100,000 to \$500,000.

The short story is that \$100,000 doesn't go very far anymore for the maintenance and repair of township roads. This issue is especially true for Townships in the Bakken, where maintenance and repair costs are continuous and sometimes steep to support the oil and gas industry.

Production tax in lieu of payments are a tremendous help to townships in western North Dakota, and townships need the ability to place these funds in the special road fund and save up for projects that cost a lot more than \$100,000.

Once funds are placed in this special fund by the Board of Supervisors they can only be used for road purposes, such as gravel, road construction, and snow removal.

I ask for the support of townships, and the ability to have more flexibility with their road funding, by considering a Do Pass recommendation on SB 2178.

Thank you.



Contact:  
**Matt Perdue, Lobbyist**  
[mperdue@ndfu.org](mailto:mperdue@ndfu.org) | 701.641.3303

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**Testimony of  
Matt Perdue  
North Dakota Farmers Union  
Before the  
Senate Finance and Taxation Committee  
January 17, 2023**

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Mr. Chairman and members of the committee,

Thank you for the opportunity to testify in support of Senate Bill No. 2178. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's members.

During NDFU's most recent annual convention, our members adopted a special order of business outlining our priorities for this legislative session. Included in that list of priorities is funding for rural roads and bridges. Having a strong network of township and county roads is critical to farmers' and ranchers' ability to access the market.

The rural landscape has evolved significantly since many of our township roads and bridges were first built. Gone are the days of single axle trucks and two-wheel drive tractors. Our rural roads are also experiencing increased use from the state's energy industry and added stress from flooding. While maintaining our roads is important, so too are special projects to widen, improve or replace sections of township roads and bridges. Those projects are often costly.

SB 2178 provides townships with the flexibility they need to reserve funds for special projects. One hundred thousand dollars often falls far short of the cost of an improvement project. Increasing the special road fund cap to \$500,000 will allow townships to address those needs. The bill also will improve townships' access to state and federal matching funds. Ultimately, the bill will improve the transportation system for all rural road users.

We urge a "Do Pass" recommendation on SB 2178. Thank you for hearing my testimony. I look forward to answering any questions.

Transcribed from a handwritten note:

1-10-13

Equality Township, Williams County

Estimated cost to resurface 1 mile of gravel road, 3 inches (deep) X 30' (wide)

|   |                  |
|---|------------------|
| 1467 yards of gravel @ \$12/yard        | \$17,604         |
| 1467 yards of gravel hauling @ \$6/yard | \$8,802          |
| Water Truck 20 hours @ \$130/hour       | \$2,600          |
| 10 Loads of Water X 6,000 gal/load      | \$600            |
| Blade Work 32 hours X \$200             | \$6,400          |
| <b>(TOTAL) 1 Mile</b>                   | <b>\$36,006</b>  |
| <br>                                    |                  |
| <b>(PROJECT) X 6 Miles</b>              | <b>\$216,036</b> |

Paul Weyrauch

Chairman of Equality Township

Board of Supervisors

Presented by Larry Syverson, North Dakota Township Officers Association

Support SB 2178

Senate Finance and Taxation Committee

January 17, 2023

Good morning, Chairman Kannianen and Committee members.

I am Larry Syverson from Mayville, I am the Chairman of the Board of Supervisors for Roseville Township in Traill County, and I am also the Executive Secretary of the North Dakota Township Officers Association. NDTOA represents nearly 6,000 Township Officers that serve in more than 1,100 dues paying member townships.

The purpose of the special road fund is to allow a township to save up to do larger more costly road projects. The reason the special road fund is needed is that without it the laws concerning the township budget require using any general fund, cash in hand, no matter what the source, first, before the budgeted expenses can be put on the levy for the coming year.

**57-15-31. Determination of levy.**

1. The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes must be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:
  - a. The available surplus consisting of the free and unencumbered cash balance; .
  - b. Estimated revenues from sources other than direct property taxes;
  - c. The total estimated collections from tax levies for previous years;
  - d. Expenditures that must be made from bond sources;
  - e. The amount of distributions received from an economic growth increment pool under section 57-15-61; and
  - f. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
2. Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

**57-15-19. Township tax levies.**

The electors of each township have power at the annual meeting to vote to raise such sums of money for the repair and construction of roads and bridges, and for all township charges and necessary expenses as they deem expedient, within the limitations prescribed in section 57-15-20, and on the fourth Tuesday in March, or within ten days thereafter, of each year, the board of supervisors of each civil township shall levy annual taxes for the ensuing year, as voted at the annual township meeting, and the tax levy must be limited by the amount voted to be raised at such annual meeting. The electors at such annual meeting may direct the expenditure of the road tax, or a part of it, in an adjoining township under the joint direction of the boards of supervisors of the townships interested and furnishing such funds.

**57-15-20. Township general fund levy - Approval of increased general fund levy authority.**

The general fund levy in a civil township, exclusive of levies to pay interest on any bonded debt and to provide a sinking fund to pay and discharge the principal of bonded debt at maturity, may not exceed the amount produced by a levy of eighteen mills on the dollar of the taxable valuation of property in the township. Upon approval of a majority of electors of the township voting on the question, a civil township general fund levy may be increased by an additional amount not to exceed the amount produced by a levy of eighteen mills on the dollar of the taxable valuation of property in the township. The increased levy under this section may be made only if notice of the question of the approval of such levy has been included with or upon the notice of the annual meeting provided for in section 58-04-01. An excess levy approved by electors of a township under chapter 57-17 before January 1, 2015, may continue to be imposed for five taxable years or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval by electors of increased levy authority under this section may not be effective for more than five taxable years.

**57-15-20.1. Excess levies in townships - Authorization for more than one year.**

The board of township supervisors may submit the question of authorizing an excess levy for not to exceed a total of five years, provided the notice of election and the ballot upon which the authorization for the excess levy is submitted both contain the specific years for which such authorization is sought. Upon approval by the voters as provided in section 57-17-05, such excess levy may be levied for the years specified in the ballot.



- Because of 57-15-31 a township has no savings ability except as provided under 57-15-19.2.
- SB 2178 does not allow a township any higher mill levy authority than set by 57-15-20.
- The township general fund includes funds not from property tax
  - Township Road Milage payments (about \$125 per mile per year)
  - Oil and Gas Tax Distributions
  - Prairie Dog Payments or One-Time Funding from state.
- 57-15-19.2 was last amended in 2015, increasing the limit from \$30,000 to \$100,000 and adding snow removal as an allowed use. (64<sup>th</sup> SB 2195)
- Even in 2015 the \$100,000 limit was insufficient in western townships because of high costs.

SB 2178 is not an ask for any more state funds, or a new tax, it just allows the electors of a township the ability to continue the levy they have approved by vote so a sufficient fund can be built to complete needed road work. Township electors and officers are very conservative by nature and are reluctant to put the township in debt; they want cash in hand before spending it. That is hard to do when a regrade and gravel job might cost several hundred thousand dollars.

I will be followed by Township Officers that have traveled here today to give you examples of the high costs of road work in their townships

Chairman Kannianen and Committee Members, that concludes my prepared testimony. On behalf of the membership of NDTOA, I ask that you give SB 2178 your favorable recommendation and I will try to answer any questions.

STAVE TOWNSHIP  
 T157 North, Range 88 West 5th P.M.  
 FEMA Project DR-4128-ND 2013  
 PA-08-ND-4128-PW#00103(0)

Improved Project Request

COMPLETED PROJECTS

| Grade Raise                 | Project 1<br>Wink Grade (Site 4-S) |              | Project 2<br>Gandrud Grade (11-S) |              | Project 3<br>Terry Stave Grade (10-S) |              |
|-----------------------------|------------------------------------|--------------|-----------------------------------|--------------|---------------------------------------|--------------|
|                             | Length                             | Width        | Length                            | Width        | Length                                | Width        |
| Length                      | 975 ft                             |              | 1350 ft                           |              | 735 ft                                |              |
| Width                       | 22 ft                              |              | 22 ft                             |              | 22 ft                                 |              |
| Height of existing road     | 5.5 ft                             |              | 4 ft                              |              | 5.3 ft                                |              |
| Raise                       | 1 ft                               |              | 1 ft                              |              | 1 ft                                  |              |
| Slope 1 Length              | 13 ft                              |              | 10 ft                             |              | 18.9 ft                               |              |
| Slope Ratio                 | 2                                  |              | 2                                 |              | 3                                     |              |
| Existing Slope              | 8 ft                               |              | 8 ft                              |              | 8 ft                                  |              |
| Finish Surface Gravel Depth | 0.5 ft                             |              | 0.5 ft                            |              | 0.5 ft                                |              |
| Ft^3/Yd                     | 27                                 |              | 27                                |              | 27                                    |              |
| Cost Pit Run                | \$ 20.00 yd                        |              | \$ 20.00 yd                       |              | \$ 20.00 yd                           |              |
| Cost Gravel                 | \$ 24.00 yd                        |              | \$ 24.00 yd                       |              | \$ 24.00 yd                           |              |
| Cost Rip Rap                | \$ 61.00 yd                        |              | \$ 61.00 yd                       |              | \$ 61.00 yd                           |              |
| Yards/Load                  | 20 yd                              |              | 20 yd                             |              | 20 yd                                 |              |
| Pit Run Surface             | 794 yds                            | 40.00 loads  | 1100.00 yds                       | 55.00 loads  | 598.89 yds                            | 30.00 loads  |
| Pit Run Slopes              | 2289 yds                           | 115.00 loads | 1750.00 yds                       | 88.00 loads  | 2431.01 yds                           | 122.00 loads |
| Pit Run Each Side           | 1144 yds                           | 58.00 loads  | 875.00 yds                        | 44.00 loads  | 1215.51 yds                           | 61.00 loads  |
| Pit Run Total               | 3083 yds                           | \$ 61,659.72 | 2850 yds                          | \$ 57,000.00 | 3030 yds                              | \$ 60,598.03 |
| Gravel                      | 397 yds                            | 20 loads     | 550 yds                           | 28 loads     | 299 yds                               | 15 loads     |
| Gravel Total                | \$ 9,533.33                        |              | \$ 13,200.00                      |              | \$ 7,186.67                           |              |
| Rip Rap Each Slope          | 235 yds                            | 11.74 loads  | 250 yds                           | 12.50 loads  | 257 yds                               | 12.86 loads  |
| Rip Rap Total               | 469 yds                            | 23.47 loads  | 500 yds                           | 25.00 loads  | 515 yds                               | 25.73 loads  |
|                             | \$ 28,636.11                       |              | \$ 30,500.00                      |              | \$ 31,384.50                          |              |
| <b>Sub Total</b>            | <b>\$ 99,829.17</b>                |              | <b>\$ 100,700.00</b>              |              | <b>\$ 99,169.19</b>                   |              |
| <b>Total</b>                | <b>\$ 299,698.36</b>               |              |                                   |              |                                       |              |

Improved Project Request

NOT COMPLETED

| Grade Raise                 | Project 4<br>East Quigly Grade (7-S) |               | Project 5<br>Midbow Grade (8-S) |               | Project 6<br>Alvstad Grade (14-S) |               |
|-----------------------------|--------------------------------------|---------------|---------------------------------|---------------|-----------------------------------|---------------|
|                             | Length                               | Width         | Length                          | Width         | Length                            | Width         |
| Length                      | 875 ft                               |               | 750 ft                          |               | 900 ft                            |               |
| Width                       | 22 ft                                |               | 22 ft                           |               | 22 ft                             |               |
| Height of existing road     | 5 ft                                 |               | 5 ft                            |               | 5 ft                              |               |
| Raise                       | 3 ft                                 |               | 1 ft                            |               | 2 ft                              |               |
| Slope 1 Length              | 24 ft                                |               | 18 ft                           |               | 21 ft                             |               |
| Slope Ratio                 | 3                                    |               | 3                               |               | 3                                 |               |
| Existing Slope              | 4 ft                                 |               | 4 ft                            |               | 4 ft                              |               |
| Finish Surface Gravel Depth | 0.5 ft                               |               | 0.5 ft                          |               | 0.5 ft                            |               |
| Ft^3/Yd                     | 27                                   |               | 27                              |               | 27                                |               |
| Cost Pit Run                | \$ 30.00 yd                          |               | \$ 20.00 yd                     |               | \$ 30.00 yd                       |               |
| Cost Gravel                 | \$ 24.00 yd                          |               | \$ 24.00 yd                     |               | \$ 24.00 yd                       |               |
| Cost Rip Rap                | \$ 61.00 yd                          |               | \$ 61.00 yd                     |               | \$ 61.00 yd                       |               |
| Yards/Load                  | 20 yd                                |               | 20 yd                           |               | 20 yd                             |               |
| Pit Run Surface             | 2140.00 yds                          | 107.00 loads  | 620.00 yds                      | 31.00 loads   | 1480.00 yds                       | 74.00 loads   |
| Pit Run Slopes              | 6240.00 yds                          | 312.00 loads  | 3000.00 yds                     | 150.00 loads  | 4900.00 yds                       | 245.00 loads  |
| Pit Run Each Side           | 3120.00 yds                          | 156.00 loads  | 1500.00 yds                     | 75.00 loads   | 2450.00 yds                       | 123.00 loads  |
| Pit Run Total               | 8380 yds                             | \$ 251,400.00 | 3620 yds                        | \$ 72,400.00  | 6380 yds                          | \$ 191,400.00 |
| Gravel                      | 360 yds                              | 18 loads      | 320 yds                         | 16 loads      | 380 yds                           | 19 loads      |
| Gravel Total                |                                      | \$ 8,640.00   |                                 | \$ 7,680.00   |                                   | \$ 9,120.00   |
| Rip Rap Each Slope          | 800 yds                              | 40 loads      | 500 yds                         | 25 loads      | 700 yds                           | 35 loads      |
| Rip Rap Total               | 1600 yds                             | 80 loads      | 1000 yds                        | 50 loads      | 1400 yds                          | 70 loads      |
|                             |                                      | \$ 97,600.00  |                                 | \$ 61,000.00  |                                   | \$ 85,400.00  |
| <b>Sub Total</b>            |                                      | \$ 357,640.00 |                                 | \$ 141,080.00 |                                   | \$ 285,920.00 |
| <b>Total</b>                |                                      | \$ 784,640.00 |                                 |               |                                   |               |

STAVE TOWNSHIP  
Mountrail County  
T157 North, Range 88 West 5th P.M.  
29 miles of Gravel Roads

| Road Data                            |                   | Project 1 - Road Reconstruct        |                      | Project 2 - Gravel 1 mi    |       | Project 3 - Gravel 10 mi |                     |      |                      |
|--------------------------------------|-------------------|-------------------------------------|----------------------|----------------------------|-------|--------------------------|---------------------|------|----------------------|
|                                      |                   | 66th Ave; 1/2 mi N & S from 69th St |                      | 65 th Ave; 71st St to 72nd |       |                          |                     |      |                      |
| Length                               | 5280              | ft                                  |                      | 5280                       | ft    |                          | 52800               | ft   |                      |
| Width                                | 22                | ft                                  |                      | 22                         | ft    |                          | 22                  | ft   |                      |
| Height of existing road              | 0.5               | ft                                  |                      | 4                          | ft    |                          | 5.3                 | ft   |                      |
| Raise                                | 1                 | ft                                  |                      | 0                          | ft    |                          | 0                   | ft   |                      |
| Slope Length                         | 3                 | ft                                  |                      | 0                          | ft    |                          | 0                   | ft   |                      |
| Existing Slope                       | 8                 | ft                                  |                      | 0                          | ft    |                          | 0                   | ft   |                      |
| Finish Surface Gravel Depth          | 0.5               | ft                                  |                      | 0.25                       | ft    |                          | 0.25                | ft   |                      |
| Cost Pit Run                         | \$ 20.00          | yd                                  |                      | \$ 20.00                   | yd    |                          | \$ 20.00            | yd   |                      |
| Cost Gravel                          | \$ 24.00          | yd                                  |                      | \$ 24.00                   | yd    |                          | \$ 24.00            | yd   |                      |
| Yards/Load                           | 20                | yd                                  |                      | 20                         | yd    |                          | 20                  | yd   |                      |
| Materials Only<br>Estimate Delivered | Pit Run Surface   | 4302                                | yds                  | 216.00                     | loads | 0.00                     | yds                 | 0.00 | loads                |
|                                      | Pit Run Slopes    | 660                                 | yds                  | 33.00                      | loads | 0.00                     | yds                 | 0.00 | loads                |
|                                      | Pit Run Each Side | 330                                 | yds                  | 17.00                      | loads | 0.00                     | yds                 | 0.00 | loads                |
|                                      | Total Pit Run     | 4962                                | yds                  | \$ 99,244.44               |       | 0                        | yds                 | \$ - |                      |
|                                      | Gravel            | 2151                                | yds                  | 108                        | loads | 1076                     | yds                 | 54   | loads                |
|                                      |                   |                                     | \$ 51,626.67         |                            |       |                          | \$ 25,813.33        |      | \$ 258,133.33        |
| <b>Sub Total</b>                     |                   |                                     | <b>\$ 150,871.11</b> |                            |       |                          | <b>\$ 25,813.33</b> |      | <b>\$ 258,133.33</b> |
| <b>Total</b>                         |                   |                                     | <b>\$ 434,817.78</b> |                            |       |                          |                     |      |                      |



Contact:  
**Matt Perdue, Lobbyist**  
[mperdue@ndfu.org](mailto:mperdue@ndfu.org) | 701.641.3303

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**Testimony of  
Matt Perdue  
North Dakota Farmers Union  
Before the  
House Political Subdivisions  
March 2, 2023**

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Mr. Chairman and members of the committee,

Thank you for the opportunity to testify in support of Senate Bill No. 2178. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's members.

During NDFU's most recent annual convention, our members adopted a special order of business outlining our priorities for this legislative session. Included in that list of priorities is funding for rural roads and bridges. Having a strong network of township and county roads is critical to farmers' and ranchers' ability to access the market.

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We urge a "Do Pass" recommendation on SB 2178. Thank you for hearing my testimony. I look forward to answering any questions.

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| <b>(TOTAL) 1 Mile</b>                   | <b>\$36,006</b>  |
| <br>                                    |                  |
| <b>(PROJECT) X 6 Miles</b>              | <b>\$216,036</b> |

Paul Weyrauch

Chairman of Equality Township

Board of Supervisors

Presented by Larry Syverson, North Dakota Township Officers Association

Support SB 2178

House Political Subdivisions Committee

March 2, 2023

Good morning, Chairman Longmuir and Committee members.

I am Larry Syverson from Mayville, I am the Chairman of the Board of Supervisors for Roseville Township in Traill County, and I am also the Executive Secretary of the North Dakota Township Officers Association. NDTOA represents nearly 6,000 Township Officers that serve in more than 1,100 dues paying member townships.

The purpose of the special road fund is to allow a township to save up to do larger more costly road projects. The reason the special road fund is needed is that without it the laws concerning the township budget require using any general fund, cash in hand, no matter what the source, first, before the budgeted expenses can be put on the levy for the coming year.

**57-15-31. Determination of levy.**

1. The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes must be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:
  - a. The available surplus consisting of the free and unencumbered cash balance; .
  - b. Estimated revenues from sources other than direct property taxes;
  - c. The total estimated collections from tax levies for previous years;
  - d. Expenditures that must be made from bond sources;
  - e. The amount of distributions received from an economic growth increment pool under section 57-15-61; and
  - f. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
2. Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

**57-15-19. Township tax levies.**

The electors of each township have power at the annual meeting to vote to raise such sums of money for the repair and construction of roads and bridges, and for all township charges and necessary expenses as they deem expedient, within the limitations prescribed in section 57-15-20, and on the fourth Tuesday in March, or within ten days thereafter, of each year, the board of supervisors of each civil township shall levy annual taxes for the ensuing year, as voted at the annual township meeting, and the tax levy must be limited by the amount voted to be raised at such annual meeting. The electors at such annual meeting may direct the expenditure of the road tax, or a part of it, in an adjoining township under the joint direction of the boards of supervisors of the townships interested and furnishing such funds.

**57-15-19.2. Township supervisors authority to transfer funds into special road fund -**

**Limitations - Use.** The board of supervisors, at the time of the annual township meeting, upon resolution, may transfer or set aside a part or all of any funds into a special road fund, which fund must be separate and distinct from all other funds. The special road fund may not exceed the sum of one hundred thousand dollars for any one congressional township. The special road fund may be expended, at the option of the board of supervisors, for the purpose of road construction, graveling, snow removal, or surfacing.

**57-15-20. Township general fund levy - Approval of increased general fund levy authority.**

The general fund levy in a civil township, exclusive of levies to pay interest on any bonded debt and to provide a sinking fund to pay and discharge the principal of bonded debt at maturity, may not exceed the amount produced by a levy of eighteen mills on the dollar of the taxable valuation of property in the township. Upon approval of a majority of electors of the township voting on the question, a civil township general fund levy may be increased by an additional amount not to exceed the amount produced by a levy of eighteen mills on the dollar of the taxable valuation of property in the township. The increased levy under this section may be made only if notice of the question of the approval of such levy has been included with or upon the notice of the annual meeting provided for in section 58-04-01. An excess levy approved by electors of a township under chapter 57-17 before January 1, 2015, may continue to be imposed for five taxable years or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015,



approval by electors of increased levy authority under this section may not be effective for more than five taxable years.

**57-15-20.1. Excess levies in townships - Authorization for more than one year.**

The board of township supervisors may submit the question of authorizing an excess levy for not to exceed a total of five years, provided the notice of election and the ballot upon which the authorization for the excess levy is submitted both contain the specific years for which such authorization is sought. Upon approval by the voters as provided in section 57-17-05, such excess levy may be levied for the years specified in the ballot.

- Because of 57-15-31 a township has no savings ability except as provided under 57-15-19.2.
- SB 2178 does not allow a township any higher mill levy authority than set by 57-15-20.
- The township general fund includes funds not from property tax
  - Township Road Milage payments (about \$125 per mile per year)
  - Oil and Gas Tax Distributions
  - Prairie Dog Payments or One-Time Funding from state.
- 57-15-19.2 was last amended in 2015, increasing the limit from \$30,000 to \$100,000 and adding snow removal as an allowed use. (64<sup>th</sup> SB 2195)
- Even in 2015 the \$100,000 limit was insufficient in western townships because of high costs.

SB 2178 is not an ask for any more state funds, or a new tax, it just allows the electors of a township the ability to continue the levy they have approved by vote so a sufficient fund can be built to complete needed road work. Township electors and officers are very conservative by nature and are reluctant to put the township in debt; they want cash in hand before spending it. That is hard to do when a regrade and gravel job might cost several hundred thousand dollars.

I will be followed by Township Officers that have traveled here today to give you examples of the high costs of road work in their townships

Chairman Longmuir and Committee Members, that concludes my prepared testimony. On behalf of the membership of NDTOA, I ask that you give SB 2178 your favorable recommendation and I will try to answer any questions.

Wayne Coethel

Improved Project Request

COMPLETED PROJECTS

| Grade Raise                 | Project 1<br>Wink Grade (Site 4-S) |               | Project 2<br>Gandrud Grade (11-S) |               | Project 3<br>Terry Stave Grade (10-S) |              |
|-----------------------------|------------------------------------|---------------|-----------------------------------|---------------|---------------------------------------|--------------|
|                             |                                    |               |                                   |               |                                       |              |
| Length                      | 975                                | ft            | 1350                              | ft            | 735                                   | ft           |
| Width                       | 22                                 | ft            | 22                                | ft            | 22                                    | ft           |
| Height of existing road     | 5.5                                | ft            | 4                                 | ft            | 5.3                                   | ft           |
| Raise                       | 1                                  | ft            | 1                                 | ft            | 1                                     | ft           |
| Slope 1 Length              | 13                                 | ft            | 10                                | ft            | 18.9                                  | ft           |
| Slope Ratio                 | 2                                  |               | 2                                 |               | 3                                     |              |
| Existing Slope              | 8                                  | ft            | 8                                 | ft            | 8                                     | ft           |
| Finish Surface Gravel Depth | 0.5                                | ft            | 0.5                               | ft            | 0.5                                   | ft           |
| Ft^3/Yd                     | 27                                 |               | 27                                |               | 27                                    |              |
| Cost Pit Run                | \$ 20.00                           | yd            | \$ 20.00                          | yd            | \$ 20.00                              | yd           |
| Cost Gravel                 | \$ 24.00                           | yd            | \$ 24.00                          | yd            | \$ 24.00                              | yd           |
| Cost Rip Rap                | \$ 61.00                           | yd            | \$ 61.00                          | yd            | \$ 61.00                              | yd           |
| Yards/Load                  | 20                                 | yd            | 20                                | yd            | 20                                    | yd           |
| Pit Run Surface             | 794                                | yds           | 1100.00                           | yds           | 598.89                                | yds          |
| Pit Run Slopes              | 2289                               | yds           | 1750.00                           | yds           | 2431.01                               | yds          |
| Pit Run Each Side           | 1144                               | yds           | 875.00                            | yds           | 1215.51                               | yds          |
| Pit Run Total               | 3083                               | yds           | 2850                              | yds           | 3030                                  | yds          |
|                             |                                    | \$ 61,659.72  |                                   | \$ 57,000.00  |                                       | \$ 60,598.03 |
| Gravel                      | 397                                | yds           | 550                               | yds           | 299                                   | yds          |
| Gravel Total                |                                    | \$ 9,533.33   |                                   | \$ 13,200.00  |                                       | \$ 7,186.67  |
| Rip Rap Each Slope          | 235                                | yds           | 250                               | yds           | 257                                   | yds          |
| Rip Rap Total               | 469                                | yds           | 500                               | yds           | 515                                   | yds          |
|                             |                                    | \$ 28,636.11  |                                   | \$ 30,500.00  |                                       | \$ 31,384.50 |
| <b>Sub Total</b>            |                                    | \$ 99,829.17  |                                   | \$ 100,700.00 |                                       | \$ 99,169.19 |
| <b>Total</b>                |                                    | \$ 299,698.36 |                                   |               |                                       |              |

Improved Project Request

NOT COMPLETED

| Grade Raise                 | Project 4<br>East Quigly Grade (7-5) |                      | Project 5<br>Midbow Grade (8-5) |                      | Project 6<br>Alvstad Grade (14-5) |                      |
|-----------------------------|--------------------------------------|----------------------|---------------------------------|----------------------|-----------------------------------|----------------------|
|                             | Length                               | 875 ft               |                                 | 750 ft               |                                   | 900 ft               |
| Width                       | 22 ft                                |                      | 22 ft                           |                      | 22 ft                             |                      |
| Height of existing road     | 5 ft                                 |                      | 5 ft                            |                      | 5 ft                              |                      |
| Raise                       | 3 ft                                 |                      | 1 ft                            |                      | 2 ft                              |                      |
| Slope 1 Length              | 24 ft                                |                      | 18 ft                           |                      | 21 ft                             |                      |
| Slope Ratio                 | 3                                    |                      | 3                               |                      | 3                                 |                      |
| Existing Slope              | 4 ft                                 |                      | 4 ft                            |                      | 4 ft                              |                      |
| Finish Surface Gravel Depth | 0.5 ft                               |                      | 0.5 ft                          |                      | 0.5 ft                            |                      |
| Ft^3/Yd                     | 27                                   |                      | 27                              |                      | 27                                |                      |
| Cost Pit Run                | \$ 30.00 yd                          |                      | \$ 20.00 yd                     |                      | \$ 30.00 yd                       |                      |
| Cost Gravel                 | \$ 24.00 yd                          |                      | \$ 24.00 yd                     |                      | \$ 24.00 yd                       |                      |
| Cost Rip Rap                | \$ 61.00 yd                          |                      | \$ 61.00 yd                     |                      | \$ 61.00 yd                       |                      |
| Yards/Load                  | 20 yd                                |                      | 20 yd                           |                      | 20 yd                             |                      |
| Pit Run Surface             | 2140.00 yds                          | 107.00 loads         | 620.00 yds                      | 31.00 loads          | 1480.00 yds                       | 74.00 loads          |
| Pit Run Slopes              | 6240.00 yds                          | 312.00 loads         | 3000.00 yds                     | 150.00 loads         | 4900.00 yds                       | 245.00 loads         |
| Pit Run Each Side           | 3120.00 yds                          | 156.00 loads         | 1500.00 yds                     | 75.00 loads          | 2450.00 yds                       | 123.00 loads         |
| Pit Run Total               | 8380 yds                             | \$ 251,400.00        | 3620 yds                        | \$ 72,400.00         | 6380 yds                          | \$ 191,400.00        |
| Gravel                      | 360 yds                              | 18 loads             | 320 yds                         | 16 loads             | 380 yds                           | 19 loads             |
| Gravel Total                |                                      | \$ 8,640.00          |                                 | \$ 7,680.00          |                                   | \$ 9,120.00          |
| Rip Rap Each Slope          | 800 yds                              | 40 loads             | 500 yds                         | 25 loads             | 700 yds                           | 35 loads             |
| Rip Rap Total               | 1600 yds                             | 80 loads             | 1000 yds                        | 50 loads             | 1400 yds                          | 70 loads             |
|                             |                                      | \$ 97,600.00         |                                 | \$ 61,000.00         |                                   | \$ 85,400.00         |
| <b>Sub Total</b>            |                                      | <b>\$ 357,640.00</b> |                                 | <b>\$ 141,080.00</b> |                                   | <b>\$ 285,920.00</b> |
| <b>Total</b>                |                                      | <b>\$ 784,640.00</b> |                                 |                      |                                   |                      |

STAVE TOWNSHIP  
Mountrail County  
T157 North, Range 88 West 5th P.M.  
29 miles of Gravel Roads

| Road Data                         |                   | Project 1 - Road Reconstruct        |              | Project 2 - Gravel 1 mi    |            | Project 3 - Gravel 10 mi |            |
|-----------------------------------|-------------------|-------------------------------------|--------------|----------------------------|------------|--------------------------|------------|
|                                   |                   | 66th Ave; 1/2 mi N & S from 69th St |              | 65 th Ave; 71st St to 72nd |            |                          |            |
| Length                            | 5280 ft           |                                     |              | 5280 ft                    |            | .52800 ft                |            |
| Width                             | 22 ft             |                                     |              | 22 ft                      |            | 22 ft                    |            |
| Height of existing road           | 0.5 ft            |                                     |              | 4 ft                       |            | 5.3 ft                   |            |
| Raise                             | 1 ft              |                                     |              | 0 ft                       |            | 0 ft                     |            |
| Slope Length                      | 3 ft              |                                     |              | 0 ft                       |            | 0 ft                     |            |
| Existing Slope                    | 8 ft              |                                     |              | 0 ft                       |            | 0 ft                     |            |
| Finish Surface Gravel Depth       | 0.5 ft            |                                     |              | 0.25 ft                    |            | 0.25 ft                  |            |
| Cost Pit Run                      | \$ 20.00 yd       |                                     |              | \$ 20.00 yd                |            | \$ 20.00 yd              |            |
| Cost Gravel                       | \$ 24.00 yd       |                                     |              | \$ 24.00 yd                |            | \$ 24.00 yd              |            |
| Yards/Load                        | 20 yd             |                                     |              | 20 yd                      |            | 20 yd                    |            |
| Materials Only Estimate Delivered | Pit Run Surface   | 4302 yds                            | 216.00 loads | 0.00 yds                   | 0.00 loads | 0.00 yds                 | 0.00 loads |
|                                   | Pit Run Slopes    | 660 yds                             | 33.00 loads  | 0.00 yds                   | 0.00 loads | 0.00 yds                 | 0.00 loads |
|                                   | Pit Run Each Side | 330 yds                             | 17.00 loads  | 0.00 yds                   | 0.00 loads | 0.00 yds                 | 0.00 loads |
|                                   | Total Pit Run     | 4962 yds                            | \$ 99,244.44 | 0 yds                      | \$ -       | 0 yds                    | \$ -       |
|                                   | Gravel            | 2151 yds                            | 108 loads    | 1076 yds                   | 54 loads   | 10756 yds                | 538 loads  |
|                                   |                   | \$ 51,626.67                        |              | \$ 25,813.33               |            | \$ 258,133.33            |            |
| <b>Sub Total</b>                  |                   | <b>\$ 150,871.11</b>                |              | <b>\$ 25,813.33</b>        |            | <b>\$ 258,133.33</b>     |            |
| <b>Total</b>                      |                   | <b>\$ 434,817.78</b>                |              |                            |            |                          |            |

Testimony in favor of 2178, 68<sup>th</sup> session

My name is Phil Murphy representing the ND Soybean Growers Association. The NDSGA recognizes the importance of our transportation infrastructure including the critical role of township roads. Without the ability to maintain those roads, our industry would not be possible. We support the ability, especially in the western part of our state in this instance, for townships to build funds sufficient to do their job. Please support 2178. Thank you for your consideration.

Testimony for SB 2178

Senator Jordan Kannianen, District 4

This bill proposes to increase the cap on the amount of funds allowed to be kept in a Township special road fund from \$100,000 to \$500,000.

The short story is that \$100,000 doesn't go very far anymore for the maintenance and repair of township roads. This issue is especially true for Townships in the Bakken, where maintenance and repair costs are continuous and sometimes steep to support the oil and gas industry.

Production tax in lieu of payments are a tremendous help to townships in western North Dakota, and townships need the ability to place these funds in the special road fund and save up for projects that cost a lot more than \$100,000.

Once funds are placed in this special fund by the Board of Supervisors they can only be used for road purposes, such as gravel, road construction, and snow removal.

I ask for the support of townships, and the ability to have more flexibility with their road funding, by considering a Do Pass recommendation on SB 2178.

Thank you.