

**2023 SENATE FINANCE AND TAXATION**

**SB 2329**

# **2023 SENATE STANDING COMMITTEE MINUTES**

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

SB 2329  
1/24/2023

Relating to allocations to non oil producing townships from the township highway aid fund and an allocation of motor vehicle excise tax collections to the township highway aid fund and to provide an effective date.

**9:29 AM Chairman Kannianen** opens hearing.

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

**Discussion Topics:**

- Excise Tax allocation
- Non-Oil townships
- Bill impact
- Township budget
- Mill levys

**9:29 AM Senator Wanzek** introduced Bill. #16372

**9:52 AM Senator Myrdal**, verbally in favor.

**9:55 AM Larry Syverson - Executive Secretary of the North Dakota Township Officers Association**, in favor. #16154, #18660

**10:03 AM Tim Geinert – NDTOA - Mikkelson Township Clerk Treasurer**, verbally in favor.

**10:09 AM Tom Wheeler - Supervisor of County Township Board**, verbally in favor.

**10:11 AM Matt Gardner – Director of Government affair at the greater ND Chamber**, verbally in favor.

**10:12 AM Todd Weber – ND Township Officers Association Vice Chairman**, verbally in favor.

**10:19 AM Aaron Burst - ND Association of Counties - Executive Director**, verbally in favor.

**10:21 AM Samantha Vangsness - ND Corn Growers Association**, verbally in favor. #16121

**10:22 AM Phill Murphy - ND Soybeans Growers Association - NDSGA**, verbally in favor.

**10:23 AM Dan Wogsland - ND Grain Growers Association - Executive Director**, in favor.  
#15835

**10:24 AM Matt Perdue - ND Farmers Union - Government Relations Director**, verbally in favor.

**10:26 AM Chairman Kannianen** adjourns hearing.

*Nathan Liesen, Committee Clerk*

# **2023 SENATE STANDING COMMITTEE MINUTES**

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

SB 2329  
2/1/2023

Relating to allocations to non-oil-producing townships from the township highway aid fund and an allocation of motor vehicle excise tax collections to the township highway aid fund; and to provide an effective date.

**2:37 PM Chairman Kannianen** opened the meeting.

Senators present: **Kannianen, Weber, Patten, Piepkorn, Rummel, Magrum**

**Discussion Topics:**

- Township needs
- Mill maximum
- Raising mills
- Excise tax

**2:56 PM Dee Wald – Taz Commissioners Office**, provided information to the committee. (no written testimony)

**2:58 PM Matt Gardner – ND League of Cities**, provided information. (no written testimony)

**3:00 PM Chairman Kannianen** adjourns meeting.

*Nathan Liesen, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee  
Fort Totten Room, State Capitol

SB 2329  
2/8/2023

Relating to allocations to non-oil-producing townships from the township highway aid fund and an allocation of motor vehicle excise tax collections to the township highway aid fund; and to provide an effective date.

**9:06 AM Chairman Kannianen** opens hearing.

Senator present: **Kannianen, Weber, Patten, Rummel, Piepkorn, Magrum.**

**Discussion Topics:**

- Amendment
- Excise tax distribution
- Tribal roads

**9:10 AM Brent Bogar, Senior Consultant for AE2S & Beyond**, explained the amendment. #19762

**9:14 AM Senator Weber** motioned to adopt an amendment LC 23.1000.01003.

**9:15 AM Senator Patten** seconded.

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

**9:22 AM Senator Weber** motioned a Do Pass as Amended.

**9:23 AM Senator Piepkorn** seconded.

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

**9:24 AM Senator Weber** will carry.

**9:25 AM Chairman Kannianen** adjourns meeting.

Senate Finance and Taxation Committee  
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*Nathan Liesen, Committee Clerk*

February 8, 2023

DR  
171  
2-8-2023

**PROPOSED AMENDMENTS TO SENATE BILL NO. 2329**

Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to a county highway aid fund;"

Page 1, line 2, remove "non-oil producing"

Page 1, line 11, remove "non-oil producing"

Page 1, line 12, remove "non-oil producing"

Page 2, remove lines 9 through 12

Page 3, after line 5, insert:

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

**County highway aid fund - Distribution.**

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

Page 3, line 12, after "54-27-19.1" insert ", twenty-five percent to the county highway aid fund under section 2 of this Act,"

Page 3, line 12, replace "seventy-five" with "the remaining fifty"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2329: Finance and Taxation Committee (Sen. Kannianen, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2329 was placed on the Sixth order on the calendar. This bill affects workforce development.

Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to a county highway aid fund;"

Page 1, line 2, remove "non-oil producing"

Page 1, line 11, remove "non-oil producing"

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Page 3, line 12, after "54-27-19.1" insert ", twenty-five percent to the county highway aid fund under section 2 of this Act."

Page 3, line 12, replace "seventy-five" with "the remaining fifty"

Renumber accordingly

**2023 SENATE APPROPRIATIONS**

**SB 2329**

# **2023 SENATE STANDING COMMITTEE MINUTES**

**Appropriations Committee**  
Roughrider Room, State Capitol

SB 2329  
2/16/2023

A BILL for an Act relating to a county highway aid fund; relating to allocations to townships from the township highway aid fund and an allocation of motor vehicle excise tax collections to the township highway aid fund and the county highway aid fund; and to provide an effective date.

10:04 AM Chairman Bekkedahl opened the hearing on SB 2329.

Members present : Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

**Discussion Topics:**

- County highway funds
- Township allocations

10:04 AM Senator Wanzek introduced the bill, testimony # 20996

10:50 AM Chairman Bekkedahl closed the hearing.

*Kathleen Hall, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

SB 2329  
2/17/2023

A BILL for an Act relating to a county highway aid fund; relating to allocations to townships from the township highway aid fund and an allocation of motor vehicle excise tax collections to the township highway aid fund and the county highway aid fund; and to provide an effective date.

11:02 AM Chairman Bekkedahl opened the meeting on SB 2329.

Members present : Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Matherm.

**Discussion Topics:**

- Motor vehicle excise tax
- Township highway funds
- Amendment proposed

11:03 AM Senator Wanzek explained proposed amendment 23.1000.02001, testimony # 21092

11:04 AM Adam Mathiak, Legislative Council, explained the amendment language, no written testimony

11:05 AM Senator Wanzek moved to adopt amendment LC 23.1000.02001.  
Senator Vedaa seconded the motion.

11:09 AM Committee discussion

11:13 AM Senator Wanzek moved to amend his amendment from 50% to 25% and remove some additions wording.  
Senator Rust seconded the motion

Senators	Vote
Senator Brad Bekkedahl	N
Senator Karen K. Krebsbach	N
Senator Randy A. Burckhard	N
Senator Kyle Davison	N
Senator Dick Dever	N
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	N
Senator Tim Matherm	N
Senator Scott Meyer	Y

Senate Appropriations Committee

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Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 9-7-0

11:21 AM Senator Wanzek moved DO PASS AS AMENDED,  
Senator Vedaa seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	N
Senator Karen K. Krebsbach	N
Senator Randy A. Burckhard	N
Senator Kyle Davison	N
Senator Dick Dever	N
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Matherm	N
Senator Scott Meyer	Y
Senator Jim P. Roers	N
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 9-7-0

Senator Wanzek will carry the bill.

11:30 AM Chairman Bekkedahl closed the meeting.

*Kathleen Hall, Committee Clerk*

DR

1/1

2-20-23

### PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2329

Page 1, line 5, after "fund" insert "and the county highway aid fund"

Page 3, line 8, remove "eligible"

Page 3, line 11, remove the first "eligible"

Page 3, line 11, remove the second "eligible"

Page 3, line 13, remove "the eligible"

Page 3, line 14, remove "eligible"

Page 3, line 17, remove "eligible"

Page 3, line 20, remove "For"

Page 3, remove lines 21 through 23

Page 3, line 29, replace "twenty-five" with "twelve and one-half"

Page 3, line 30, replace "twenty-five" with "twelve and one-half"

Page 3, line 31, replace "fifty" with "seventy-five"

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Removes an eligibility requirement for allocations to counties from a newly created county highway aid fund allowing all counties to receive an allocation.
- Decreases the motor vehicle excise tax revenue allocated to the township highway aid fund and a newly created county highway aid fund to provide 12.5 percent to each with the remaining 75 percent of the tax revenue allocated to the general fund.

**REPORT OF STANDING COMMITTEE**

**SB 2329, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2329 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 5, after "fund" insert "and the county highway aid fund"

Page 3, line 8, remove "eligible"

Page 3, line 11, remove the first "eligible"

Page 3, line 11, remove the second "eligible"

Page 3, line 13, remove "the eligible"

Page 3, line 14, remove "eligible"

Page 3, line 17, remove "eligible"

Page 3, line 20, remove "For"

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Renumber accordingly

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This amendment:

- Removes an eligibility requirement for allocations to counties from a newly created county highway aid fund allowing all counties to receive an allocation.
- Decreases the motor vehicle excise tax revenue allocated to the township highway aid fund and a newly created county highway aid fund to provide 12.5 percent to each with the remaining 75 percent of the tax revenue allocated to the general fund.

**2023 HOUSE FINANCE AND TAXATION**

**SB 2329**

# **2023 HOUSE STANDING COMMITTEE MINUTES**

**Finance and Taxation Committee**  
Room JW327E, State Capitol

SB 2329  
3/14/2023

A bill relating to a county highway aid fund and relating to allocations to townships from the township highway aid fund and an allocation of motor vehicle excise tax collections to the township highway aid fund and the county highway aid fund.

**Chairman Headland** opened the hearing at 9:44AM.

**Members present:** Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVille, and Representative Ista. No members absent.

**Discussion Topics:**

- Infrastructure impediments
- Infrastructure investments
- Motor vehicle excise tax distribution
- Rural needs
- County and township allocations

**Senator Wanzek** introduced the bill in support (#24829).

**Larry Severson, North Dakota Township Officers Association**, verbally testified in support.

**Todd Weber, Township Member in Cass County and Vice President of the North Dakota Township Officers Association**, verbally testified in support.

**Tim Geinert, Clerk Treasurer for Mikkelsen Township and District 6 Director with North Dakota Township Officers Association**, verbally testified in support.

**John Saiki, Morton County Engineer**, verbally testified in support.

**Donnell Preskey, North Dakota Association of Counties**, verbally testified in support.

**Additional written testimony:**

Samantha Vangness, North Dakota Corn Growers Association, testimony in support, #24715.

Matt Perdue, Government Relations Director with North Dakota Farmers Union, testimony in support #24709.

House Finance and Taxation Committee  
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**Chairman Headland** closed the hearing at 10:27AM.

*Mary Brucker, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee  
Room JW327E, State Capitol

SB 2329  
3/15/2023

A bill relating to a county highway aid fund and relating to allocations to townships from the township highway aid fund and an allocation of motor vehicle excise tax collections to the township highway aid fund and the county highway aid fund.

**Chairman Headland** opened the meeting at 9:47AM.

**Members present:** Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVille, and Representative Ista. No members absent.

**Discussion Topics:**

- Committee vote

**Representative Steiner** moved a Do Not Pass.

**Representative Motschenbacher** seconded the motion.

**Roll call vote:**

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Jim Grueneich	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Mike Motschenbacher	Y
Representative Jeremy Olson	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	N

**Motion carried 13-1-0**

**Representative Hatlestad is the bill carrier.**

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**Chairman Headland** adjourned at 9:50AM.

*Mary Brucker, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2329, as reengrossed:** Finance and Taxation Committee (Rep. Headland, Chairman) recommends **DO NOT PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Reengrossed SB 2329 was placed on the Fourteenth order on the calendar.

**TESTIMONY**

**SB 2329**



**North Dakota Grain Growers Association  
Testimony in Support of  
SB 2329  
Senate Finance and Taxation Committee  
January 24, 2023**

Chairman Kannianen, members of the Senate Finance and Taxation Committee, for the record my name is Dan Wogsland, Executive Director of the North Dakota Grain Growers Association (NDGGA). NDGGA, through our contracts with the North Dakota Wheat Commission and the North Dakota Barley Council, engages in domestic policy issues on the state and federal level on behalf of North Dakota wheat and barley farmers. I am providing testimony for you today on behalf of NDGGA in support of SB 2329.

SB 2329 uses a portion of the Motor Vehicle Excise tax to fund township infrastructure in non-oil-producing counties. Mr. Chairman, members of the Senate Finance and Tax Committee, you are very aware of the infrastructure upgrades needed across North Dakota. This is especially true in the non-oil-producing counties and townships in the state. Adequate infrastructure is essential to the success of North Dakota business; it is both the strength and the weakness of the North Dakota economy. Providing additional infrastructure funding for townships allows these governmental entities the opportunity, on a basic local level, to enhance the economic opportunities that are afforded to the individuals living in those townships. This investment benefits all North Dakotans.

Therefore the North Dakota Grain Growers Association respectfully requests that the Senate Finance and Taxation Committee give SB 2329 a Do Pass recommendation and would hope the full Senate concur.

*"You Raise; We Represent"*

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078



**Testimony of Samantha Vangsness, government liaison**

**North Dakota Corn Growers Association**

**In support of SB 2329**

**January 24, 2023**

Chairman Kannianen and members of the Senate Finance and Taxation Committee,

My name is Samantha Vangsness, government liaison for the North Dakota Corn Growers Association (NDCGA). NDCGA is the voice of the more than 13,000 corn growers across the state and advocates at the grass roots level on issues impacting producers. NDCGA would like to voice support of Senate Bill 2329, which would allocate funds to the township highway aid fund from motor vehicle excise taxes.

Agriculture's economic success depends greatly on reliable public infrastructure such as highways and bridges. Townships have limited access to funds to repair its rural infrastructure; property tax mill levies are capped, townships receive just 2.7 percent of Highway Tax Distribution Fund disbursements, and many townships are unable to meet match requirements for FEMA repair funds. The effect of moving 25% of the motor vehicle excise taxes from the general fund to the township highway aid fund would be a valuable investment for the state to ensure reliable highways and bridges for North Dakotans, particularly our agricultural producers who rely on these roads to get goods to market, to utilize.

The North Dakota Corn Growers Association mission statement is "growing a healthy, profitable business climate for northern corn," and this state investment in public infrastructure would assist the state's corn growers towards their economic success. Thank you for your time and NDCGA urges a 'Do Pass' recommendation of SB 2329. I stand for any questions you may have.

Support SB 2329

Senate Finance and Taxation Committee

January 24, 2023

Good morning, Chairman Kannianen and Committee members.

I am Larry Syverson from Mayville, I grow soybeans on my farm in Traill County, I am the Chairman of the Board of Supervisors for Roseville Township, 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.

NDTOA is currently holding its annual meeting and convention, yesterday we were discussing the pending legislation of this session. When SB 2329 came up the membership was very enthusiastic and hopeful of finally getting the funding we need to make sure the first miles of North Dakota's transportation system are up to the task of moving the products of our state to market as well as providing safe roads for the driving public.

Others will follow me to bring the needs of their townships and areas to your attention, they will illustrate just how the first miles of North Dakota's road system is falling even further behind.

Chairman Kannianen and Committee Members, that concludes my prepared testimony. On behalf of the membership of NDTOA, I ask that you give SB 2329 your favorable recommendation and I will try to answer any questions.

# North Dakota Agriculture Outlook

S&P Global  
Market Intelligence

S&P Global Market Intelligence

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## Key Considerations

- US crops facing competitive pressure by currency, and transportation and infrastructure impediments
- US spring crop plantings skewed toward more corn, soybeans and wheat
- Black Sea concerns given Russia's war with Ukraine
- Supply chains recovering from monumental disarray
- Despite EPA announcement on November 30, biofuels offer promise and support to crop production to fulfill feedstock requirements
- Waters of the United States has important implications to agriculture
- US rail strike averted, service still to be restored
- US West Coast ports, terminals and shippers continue negotiations with International Longshore and Warehouse Union; cargo diversions from West Coast to Gulf and East Coasts
- Infrastructure investment makes a difference

## Infrastructure Needs: North Dakota's County, Township and Tribal Roads and Bridges: 2021-2040

Report Requested by North Dakota Legislative Assembly  
November 2020

The following UGPTI staff contributed to this study:

Alan Dybing, Pan Lu, Dale Heglund, Tim Horner, Tom Jirik, Bradley Wentz, Kelly Bengtson,  
Satpal Singh Wadhwa, Neeraj Dhingra, Sharjad Hasan

## Summary of Study

This report is the response to the North Dakota Legislature's request for a study of the transportation infrastructure needs of all county and township roads in the state. In this report, infrastructure needs are estimated using the most current production forecasts, traffic estimates, and roadway inventory and condition data available. Agricultural and oil-related traffic are modeled in detail at the sub-county level. Oil-related traffic is predicted for individual spacing units, whereas agricultural production is estimated at the township level.

A significant data collection effort was undertaken to provide the most complete and current data on the condition of the state's county and township roadway system. Condition information was collected on all county paved roads using the latest smartphone ride and photolog technology. Traffic counts were collected on the county and township road system across the entire state in 2019. The effort was a combination of additional counts requested of NDDOT along with 400 counts and vehicle classifications conducted by NDSU-UGPTI students and a consultant. The data was needed to calibrate a statewide travel demand model, which was used to forecast future traffic levels. The GRIT (Geographic Roadway Inventory Tool) was used to gather and verify county roadway inventory information such as base thickness, pavement age, and pavement thickness, directly from local road authorities.

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

For traffic forecasting, the Upper Great Plains Transportation Institute (UGPTI) developed a travel demand model (TDM) for the entire state. The TDM network includes the origins of key inputs to the oil production process (e.g., fresh water, sand, scoria, gravel, and pipe), destinations for crude oil and saltwater shipments, and the capacities of each source or destination. The origins of movements on the highway network include railroad stations where sand, pipe, and other inputs are transferred from rail to truck. The destinations of crude oil shipments include refineries and railroad and pipeline transfer facilities. In the model, the estimated capacities of transfer sites are expressed in throughput volumes per day, while the capacities of material sources are expressed in quantities of supplies available during a given time period.

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

## **Unpaved Road Analysis and Needs**

The following types of improvements to unpaved roads are analyzed in this study: increased graveling frequency, intermediate improvements, and asphalt surfacing. On heavily impacted gravel surface roads, the graveling interval decreases and the number of bladings per month increases as traffic volumes grow. For example, a non-impacted road has an expected graveling interval of five years and a blading interval of once per month, while an impacted section has an expected gravel interval of two to five years and a blading interval of twice per month. This doubles the gravel maintenance costs over the same time period.

As shown in Table A, the predicted statewide unpaved infrastructure needs estimate is \$6.14 billion over the next 20 years.

**Table A: Summary of Unpaved Road Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

<b>Period</b>	<b>Statewide</b>
2021-22	\$ 611.08
2023-24	\$ 602.19
2025-26	\$ 616.21
2027-28	\$ 615.89
2029-30	\$ 602.76
2031-40	\$ 3,008.07
<b>2021-40</b>	<b>\$ 6,056.34</b>

## **Paved Road Analysis Needs**

As shown in Table B, \$2.67 billion in paved road investment and maintenance expenditures will be needed during the next 20 years. Almost 60% of these expenditures will be required in the first decade because of a shortfall of timely investments in previous years.

**Table B: Summary of Paved Road Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

<b>Period</b>	<b>Statewide</b>
2021-22	\$ 388.46
2023-24	\$ 406.97
2025-26	\$ 304.56
2027-28	\$ 264.53
2029-30	\$ 222.20
2031-40	\$ 1,081.77
<b>2021-40</b>	<b>\$ 2,668.49</b>

## **Bridge Needs**

Table G shows the estimated bridge investment and maintenance needs for county and township bridges from 2021-2040. Most of the improvement needs are determined by the study's improvement model to be backlog needs and occur during the first study biennium. Based on past discussions with NDDOT Bridge and Local Government Divisions, these needs have been distributed evenly over the first five biennia of the study period because it would not be possible to replace all the eligible bridges in one biennium with existing construction resources.

**Table G: Summary of Bridge Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

Period	Statewide
2021-22	\$94.39
2023-24	\$94.40
2025-26	\$94.74
2027-28	\$94.63
2029-30	\$94.48
2031-40	\$26.17
<b>2021-40</b>	<b>\$498.81</b>

## **Total Statewide Needs**

As shown in Tables H and I, the combined estimate of infrastructure needs for all county and township roads is \$9.3 billion over the next 20 years. Unpaved road funding needs comprise approximately 66% of the total. If averaged over the next 20 years, the annualized infrastructure need is equivalent to \$466 million per year.

The values shown in Tables H and I do not include the infrastructure needs of Forest Service roads or city streets within municipal areas. The infrastructure needs of Indian Reservation roads are presented separately in the report and detailed results are presented for county and township roads.

**Table H: Summary of All Road and Bridge Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

Period	Statewide
2021-22	\$ 1,093.93
2023-24	\$ 1,103.56
2025-26	\$ 1,015.51
2027-28	\$ 975.05
2029-30	\$ 919.44
2031-40	\$ 4,195.91
<b>2021-40</b>	<b>\$ 9,223.64</b>

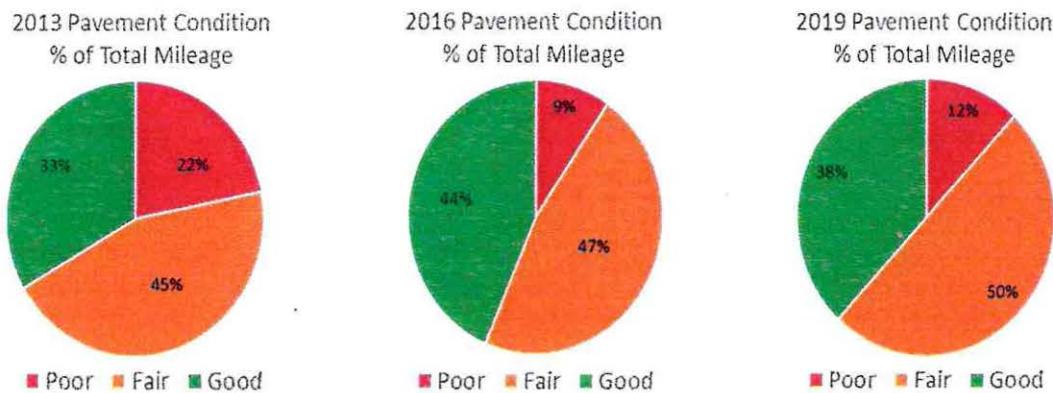
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2031-40	\$ 3,008.07	\$ 1,081.77	\$ 26.17	\$ 4,116.01
<b>2021-40</b>	<b>\$ 6,056.34</b>	<b>\$ 2,668.49</b>	<b>\$ 498.81</b>	<b>\$ 9,223.64</b>

### General Comparison with 2013 and 2016 and 2019 Studies

Increased investments in the paved roads during the 2014 and 2016 bienniums improved overall pavement condition as shown in the 2016 chart below in Figure A. However, the 2019 pavement condition data indicates a slight increase in miles of poor-condition roads and a decrease in miles of good-condition roads. This slight decrease in overall pavement condition is likely due to somewhat reduced investments in pavement beginning in the 2018 biennium.

### Figure A. Pavement Condition Change from 2013 to 2019



The current 2020 study also shows an increase of approximately \$400 million in 20-year pavement needs compared to the 2016 study. Much of the increase is because of inflation of construction and maintenance costs for pavements over the 4 years. Some of the increase is also due to the approximately 140 miles of paved roads added to the system since 2016.

The costs for unpaved roads/gravel increased by about 6% (approximately \$360 million) over the 20 years. Much of this increase is because of more uniform reporting by counties as a result of a revised survey instrument and related webinar training provided to counties during this study. Unit prices for gravel have not changed significantly.

Projections of bridge funding needs have increased slightly but are close to the previous study. Both studies showed a large backlog of bridges needing improvements or replacement. The number of bridges needing improvement or replacement declined slightly since 2016, but unit prices have increased since 2016. Bridge inspections are performed every 2 years and during the 4-year period between studies, additional bridges have deteriorated enough that improvement or replacement is suggested.

Senator Wanzek,

In May 2022, UGPTI wrote a grant for 13 of the applications that we received from the Township totaling \$2.5 million. With this applications we used the ones that had the best chance of meeting the grant requirements.

We are currently working with UGPTI to review the additional applications that we received from the Townships to see which ones will best fit into the "Resiliency grant" opportunity that is supposed to come out next month.

Here are some total numbers that we have seen to date from the Townships. In general, most grant applications go in asking for 50% of the cost of the project to be federally funded.

- ~2,500 applications
  - Over \$200,000,000 requested
    - 25 projects greater than \$1,000,000
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    - 1,034 between \$10,000 - \$50,000
    - 328 between \$5,000 – \$10,000
    - 358 between \$0 - \$5,000
  - Townships in 45 Counties submitted applications

Let me know if you have any questions

Ron Henke, P.E.  
*Director/Deputy Director for Engineering,*

701.328-4445 • [rhenke@nd.gov](mailto:rhenke@nd.gov) • [www.dot.nd.gov](http://www.dot.nd.gov)



## Wanzek, Terry M.

**From:** Brandenburg, Michael D.  
**Sent:** Friday, January 20, 2023 10:49 AM  
**To:** Wanzek, Terry M.  
**Subject:** FW: Township Information

**From:** Mathiak, Adam <[amathiak@ndlegis.gov](mailto:amathiak@ndlegis.gov)>  
**Sent:** Friday, January 20, 2023 10:17 AM  
**To:** Brandenburg, Michael D. <[mbrandenburg@ndlegis.gov](mailto:mbrandenburg@ndlegis.gov)>  
**Cc:** Knudson, Allen H. <[aknudson@ndlegis.gov](mailto:aknudson@ndlegis.gov)>  
**Subject:** Township Information

Representative Brandenburg:

This email is in response to your question regarding the total number of townships in North Dakota.

Based on information from the State Treasurer:

- North Dakota has 2,045 townships, including 1,434 organized townships and 611 unorganized townships.
- North Dakota has 1,632 townships in non-oil-producing counties, including 1,180 organized townships and 452 unorganized townships.
- North Dakota has 413 townships in oil-producing counties, including 254 organized townships and 159 unorganized townships.
- For purposes of this analysis, "townships" means congressional townships with dimensions of 6 miles by 6 miles, and "non-oil-producing counties" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium (in this case **fiscal year 2020**).
- Please note that Stark County is included as a non-oil-producing county based on fiscal year 2020, but for the 2023-25 biennium, Stark County will be an oil-producing county based on the current definition of a non-oil-producing county. Stark County has 39 townships, all of which are unorganized.

Please let us know if you have any questions. Thanks.

**Adam Mathiak**

ND Legislative Council  
701-328-2936  
[amathiak@ndlegis.gov](mailto:amathiak@ndlegis.gov)



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23.1000.01001  
Title.

Prepared by the Legislative Council staff for  
Senator Weber  
February 7, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2329

Page 1, line 2, remove "non-oil-producing"

Page 1, line 11, remove "non-oil-producing"

Page 1, line 12, remove "non-oil-producing"

Page 2, remove lines 9 through 12

Renumber accordingly

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PROPOSED AMENDMENTS TO SENATE BILL NO. 2329

Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to a county highway aid fund;"

Page 3, after line 5, insert:

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

**County highway aid fund - Distribution.**

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

Page 3, line 12, after "54-27-19.1" insert ", twenty-five percent to the county highway aid fund under section 2 of this Act,"

Page 3, line 12, replace "seventy-five" with "the remaining fifty"

Renumber accordingly

# North Dakota Agriculture Outlook

Market Intelligence

S&P Global Market Intelligence

41

## Key Considerations

- US crops facing competitive pressure by currency, and transportation and infrastructure impediments
- US spring crop plantings skewed toward more corn, soybeans and wheat
- Black Sea concerns given Russia's war with Ukraine
- Supply chains recovering from monumental disarray
- Despite EPA announcement on November 30, biofuels offer promise and support to crop production to fulfill feedstock requirements
- Waters of the United States has important implications to agriculture
- US rail strike averted, service still to be restored
- US West Coast ports, terminals and shippers continue negotiations with International Longshore and Warehouse Union; cargo diversions from West Coast to Gulf and East Coasts
- Infrastructure investment makes a difference

## Infrastructure Needs: North Dakota's County, Township and Tribal Roads and Bridges: 2021-2040

Report Requested by North Dakota Legislative Assembly  
November 2020

The following UGPTI staff contributed to this study:

Alan Dybing, Pan Lu, Dale Heglund, Tim Horner, Tom Jirik, Bradley Wentz, Kelly Bengtson,  
Satpal Singh Wadhwa, Neeraj Dhingra, Sharijad Hasan

## Summary of Study

This report is the response to the North Dakota Legislature's request for a study of the transportation infrastructure needs of all county and township roads in the state. In this report, infrastructure needs are estimated using the most current production forecasts, traffic estimates, and roadway inventory and condition data available. Agricultural and oil-related traffic are modeled in detail at the sub-county level. Oil-related traffic is predicted for individual spacing units, whereas agricultural production is estimated at the township level.

A significant data collection effort was undertaken to provide the most complete and current data on the condition of the state's county and township roadway system. Condition information was collected on all county paved roads using the latest smartphone ride and photolog technology. Traffic counts were collected on the county and township road system across the entire state in 2019. The effort was a combination of additional counts requested of NDDOT along with 400 counts and vehicle classifications conducted by NDSU-UGPTI students and a consultant. The data was needed to calibrate a statewide travel demand model, which was used to forecast future traffic levels. The GRIT (Geographic Roadway Inventory Tool) was used to gather and verify county roadway inventory information such as base thickness, pavement age, and pavement thickness, directly from local road authorities.

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

For traffic forecasting, the Upper Great Plains Transportation Institute (UGPTI) developed a travel demand model (TDM) for the entire state. The TDM network includes the origins of key inputs to the oil production process (e.g., fresh water, sand, scoria, gravel, and pipe), destinations for crude oil and saltwater shipments, and the capacities of each source or destination. The origins of movements on the highway network include railroad stations where sand, pipe, and other inputs are transferred from rail to truck. The destinations of crude oil shipments include refineries and railroad and pipeline transfer facilities. In the model, the estimated capacities of transfer sites are expressed in throughput volumes per day, while the capacities of material sources are expressed in quantities of supplies available during a given time period.

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

## **Unpaved Road Analysis and Needs**

The following types of improvements to unpaved roads are analyzed in this study: increased graveling frequency, intermediate improvements, and asphalt surfacing. On heavily impacted gravel surface roads, the graveling interval decreases and the number of bladings per month increases as traffic volumes grow. For example, a non-impacted road has an expected graveling interval of five years and a blading interval of once per month, while an impacted section has an expected gravel interval of two to five years and a blading interval of twice per month. This doubles the gravel maintenance costs over the same time period.

As shown in Table A, the predicted statewide unpaved infrastructure needs estimate is \$6.14 billion over the next 20 years.

**Table A: Summary of Unpaved Road Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

<b>Period</b>	<b>Statewide</b>
2021-22	\$ 611.08
2023-24	\$ 602.19
2025-26	\$ 616.21
2027-28	\$ 615.89
2029-30	\$ 602.76
2031-40	\$ 3,008.07
<b>2021-40</b>	<b>\$ 6,056.34</b>

## **Paved Road Analysis Needs**

As shown in Table B, \$2.67 billion in paved road investment and maintenance expenditures will be needed during the next 20 years. Almost 60% of these expenditures will be required in the first decade because of a shortfall of timely investments in previous years.

**Table B: Summary of Paved Road Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

<b>Period</b>	<b>Statewide</b>
2021-22	\$ 388.46
2023-24	\$ 406.97
2025-26	\$ 304.56
2027-28	\$ 264.53
2029-30	\$ 222.20
2031-40	\$ 1,081.77
<b>2021-40</b>	<b>\$ 2,668.49</b>

## **Bridge Needs**

Table G shows the estimated bridge investment and maintenance needs for county and township bridges from 2021-2040. Most of the improvement needs are determined by the study's improvement model to be backlog needs and occur during the first study biennium. Based on past discussions with NDDOT Bridge and Local Government Divisions, these needs have been distributed evenly over the first five biennia of the study period because it would not be possible to replace all the eligible bridges in one biennium with existing construction resources.

**Table G: Summary of Bridge Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

<b>Period</b>	<b>Statewide</b>
2021-22	\$94.39
2023-24	\$94.40
2025-26	\$94.74
2027-28	\$94.63
2029-30	\$94.48
2031-40	\$26.17
<b>2021-40</b>	<b>\$498.81</b>

## **Total Statewide Needs**

As shown in Tables H and I, the combined estimate of infrastructure needs for all county and township roads is \$9.3 billion over the next 20 years. Unpaved road funding needs comprise approximately 66% of the total. If averaged over the next 20 years, the annualized infrastructure need is equivalent to \$466 million per year.

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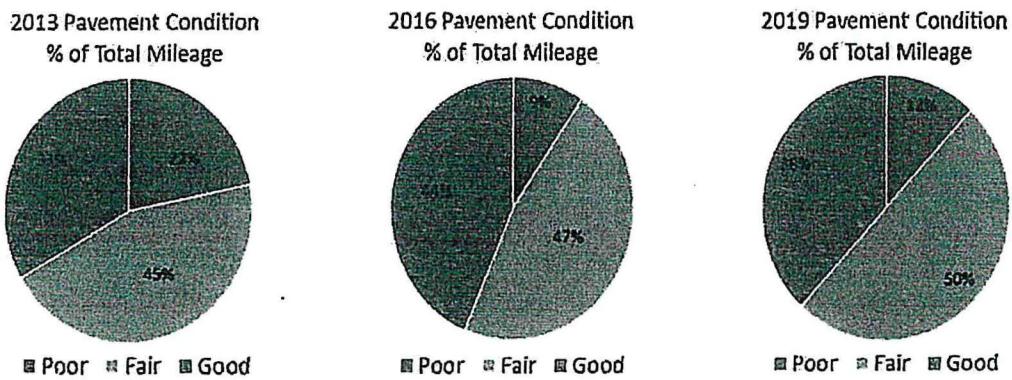
**Table I: Summary of All Road and Bridge Investment and Maintenance Needs for Counties, Townships and Tribes in North Dakota (Millions of 2020 Dollars)**

Period	Unpaved	Paved	Bridges	Total
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### General Comparison with 2013 and 2016 and 2019 Studies

Increased investments in the paved roads during the 2014 and 2016 bienniums improved overall pavement condition as shown in the 2016 chart below in Figure A. However, the 2019 pavement condition data indicates a slight increase in miles of poor-condition roads and a decrease in miles of good-condition roads. This slight decrease in overall pavement condition is likely due to somewhat reduced investments in pavement beginning in the 2018 biennium.

**Figure A. Pavement Condition Change from 2013 to 2019**



The current 2020 study also shows an increase of approximately \$400 million in 20-year pavement needs compared to the 2016 study. Much of the increase is because of inflation of construction and maintenance costs for pavements over the 4 years. Some of the increase is also due to the approximately 140 miles of paved roads added to the system since 2016.

The costs for unpaved roads/gravel increased by about 6% (approximately \$360 million) over the 20 years. Much of this increase is because of more uniform reporting by counties as a result of a revised survey instrument and related webinar training provided to counties during this study. Unit prices for gravel have not changed significantly.

Projections of bridge funding needs have increased slightly but are close to the previous study. Both studies showed a large backlog of bridges needing improvements or replacement. The number of bridges needing improvement or replacement declined slightly since 2016, but unit prices have increased since 2016. Bridge inspections are performed every 2 years and during the 4-year period between studies, additional bridges have deteriorated enough that improvement or replacement is suggested.

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Let me know if you have any questions

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*Director/Deputy Director for Engineering,*

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**Wanzek, Terry M.**

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**From:** Brandenburg, Michael D.  
**Sent:** Friday, January 20, 2023 10:49 AM  
**To:** Wanzek, Terry M.  
**Subject:** FW: Township Information

**From:** Mathiak, Adam <[amathiak@ndlegis.gov](mailto:amathiak@ndlegis.gov)>  
**Sent:** Friday, January 20, 2023 10:17 AM  
**To:** Brandenburg, Michael D. <[mbrandenburg@ndlegis.gov](mailto:mbrandenburg@ndlegis.gov)>  
**Cc:** Knudson, Allen H. <[aknudson@ndlegis.gov](mailto:aknudson@ndlegis.gov)>  
**Subject:** Township Information

Representative Brandenburg:

This email is in response to your question regarding the total number of townships in North Dakota.

Based on information from the State Treasurer:

- North Dakota has 2,045 townships, including 1,434 organized townships and 611 unorganized townships.
- North Dakota has 1,632 townships in non-oil-producing counties, including 1,180 organized townships and 452 unorganized townships.
- North Dakota has 413 townships in oil-producing counties, including 254 organized townships and 159 unorganized townships.
- For purposes of this analysis, "townships" means congressional townships with dimensions of 6 miles by 6 miles, and "non-oil-producing counties" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium (in this case **fiscal year 2020**).
- Please note that Stark County is included as a non-oil-producing county based on fiscal year 2020, but for the 2023-25 biennium, Stark County will be an oil-producing county based on the current definition of a non-oil-producing county. Stark County has 39 townships, all of which are unorganized.

Please let us know if you have any questions. Thanks.

**Adam Mathiak**  
ND Legislative Council  
701-328-2936  
[amathiak@ndlegis.gov](mailto:amathiak@ndlegis.gov)



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Prepared by the Legislative Council staff for  
Senator Wanzek  
February 17, 2023

#### PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2329

Page 1, line 5, after "fund" insert "and the county highway aid fund"

Page 1, line 11, after "to" insert "eligible"

Page 1, line 12, after "each" insert "eligible"

Page 1, line 13, after "the" insert "eligible"

Page 1, line 17, replace "a" with "an eligible"

Page 2, line 1, after "township" insert "in an eligible county"

Page 2, after line 10, insert:

"c. For purposes of this subsection, "eligible county" means a county that received no allocation of funding or a total allocation of less than fifteen million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium."

Page 3, line 29, replace "twenty-five" with "twelve and one-half"

Page 3, line 30, replace "twenty-five" with "twelve and one-half"

Page 3, line 31, replace "fifty" with "seventy-five"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Excludes the townships in certain oil-producing counties from receiving a new allocation from the township highway aid fund.
- Decreases the motor vehicle excise tax revenue allocated to the township highway aid fund and a newly created county highway aid fund to provide 12.5 percent to each with the remaining 75 percent of the tax revenue allocated to the general fund.



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 Finance and Taxation Committee  
March 14, 2023**

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Chairman Headland and members of the committee,

Thank you for the opportunity to testify on Senate Bill No. 2329. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's members.

NDFU supports SB 2329, which would invest 25% of motor vehicle excise tax revenues in county and township roads and bridges. NDFU's member-driven Policy and Action supports allocating motor vehicle excise tax collections to infrastructure needs. We believe SB 2329 is an important step toward improving our state's transportation network.

According to the Upper Great Plains Transportation Institute (UGPTI), our rural roads and bridges require \$10.5 billion of investment over the next 20 years. It is clear that counties and townships need sustainable, adequate funding sources to address their growing infrastructure needs. SB 2329 takes an important step toward filling that gap. The bill would provide roughly \$84.6 million in the next biennium to support county and township infrastructure.

We appreciate the 67<sup>th</sup> Legislative Assembly's work to address rural infrastructure needs during the 2021 regular session and special session. Those efforts provided critical infusions of funding to support rural roads and bridges. We believe SB 2329 builds on that progress and provides a reliable mechanism to fund rural roads into the future.

We respectfully request a "Do Pass" recommendation on SB 2329. I will stand for any questions.



**Testimony of Samantha Vangsness, government liaison**

**North Dakota Corn Growers Association**

**In support of SB 2329**

**March 14, 2023**

Chairman Headland and members of the House Finance and Taxation Committee,

I am Samantha Vangsness, government liaison for the North Dakota Corn Growers Association (NDCGA). NDCGA is the voice of the more than 13,000 corn growers across the state and advocates at the grass roots level on issues impacting producers. NDCGA would like to voice support of Senate Bill 2329, which would allocate funds to the township and county highway aid fund from motor vehicle excise tax.

Agriculture's economic success depends greatly on reliable public infrastructure such as highways and bridges. Townships have limited access to funds to repair its rural infrastructure; property tax mill levies are capped, townships receive just 2.7 percent of Highway Tax Distribution Fund disbursements, and many townships are unable to meet match requirements for FEMA repair funds. The effect of moving 12.5% of the motor vehicle excise taxes from the general fund to the township highway aid fund and 12.5% to the county highway aid fund would be a valuable investment for the state to ensure reliable highways and bridges for North Dakotans, particularly our agricultural producers who rely on these roads to get goods to market, to utilize.

The North Dakota Corn Growers Association mission statement is "growing a healthy, profitable business climate for northern corn," and this state investment would assist the

state's corn growers towards their economic success. Thank you for your time and support of SB 2329. I stand for any questions you may have.

# North Dakota Agriculture Outlook

## Key Considerations

- US crops facing competitive pressure by currency, and transportation and infrastructure impediments
- US spring crop plantings skewed toward more corn, soybeans and wheat
- Black Sea concerns given Russia's war with Ukraine
- Supply chains recovering from monumental disarray
- Despite EPA announcement on November 30, biofuels offer promise and support to crop production to fulfill feedstock requirements
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- US rail strike averted, service still to be restored
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**Infrastructure Needs: North Dakota's County, Township  
and Tribal Roads and Bridges: 2021-2040**  
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The following UGPTI staff contributed to this study:

Alan Dybing, Pan Lu, Dale Heglund, Tim Homer, Tom Jirik, Bradley Wentz, Kelly Bengtson,  
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An enhanced county-level survey was developed to assess unpaved roadway component costs such as blading, gravel purchasing, hauling and placement costs for each of the 53 counties in North Dakota. Training on how to accurately complete the survey was provided to counties via live and recorded webinar. A secondary analysis of survey results was performed to identify significant variations from county to county by region within the state.

For traffic forecasting, the Upper Great Plains Transportation Institute (UGPTI) developed a travel demand model (TDM) for the entire state. The TDM network includes the origins of key inputs to the oil production process (e.g., fresh water, sand, scoria, gravel, and pipe), destinations for crude oil and saltwater shipments, and the capacities of each source or destination. The origins of movements on the highway network include railroad stations where sand, pipe, and other inputs are transferred from rail to truck. The destinations of crude oil shipments include refineries and railroad and pipeline transfer facilities. In the model, the estimated capacities of transfer sites are expressed in throughput volumes per day, while the capacities of material sources are expressed in quantities of supplies available during a given time period.

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

## Unpaved Road Analysis and Needs

The following types of improvements to unpaved roads are analyzed in this study: increased graveling frequency, intermediate improvements, and asphalt surfacing. On heavily impacted gravel surface roads, the graveling interval decreases and the number of bladings per month increases as traffic volumes grow. For example, a non-impacted road has an expected graveling interval of five years and a blading interval of once per month, while an impacted section has an expected gravel interval of two to five years and a blading interval of twice per month. This doubles the gravel maintenance costs over the same time period.

As shown in Table A, the predicted statewide unpaved infrastructure needs estimate is \$6.14 billion over the next 20 years.

**Table A: Summary of Unpaved Road Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

Period	Statewide
2021-22	\$ 611.08
2023-24	\$ 602.19
2025-26	\$ 616.21
2027-28	\$ 615.89
2029-30	\$ 602.76
2031-40	\$ 3,008.07
2021-40	\$ 6,056.34

## Paved Road Analysis Needs

As shown in Table B, \$2.67 billion in paved road investment and maintenance expenditures will be needed during the next 20 years. Almost 60% of these expenditures will be required in the first decade because of a shortfall of timely investments in previous years.

**Table B: Summary of Paved Road Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

Period	Statewide
2021-22	\$ 388.46
2023-24	\$ 406.97
2025-26	\$ 304.56
2027-28	\$ 264.53
2029-30	\$ 222.20
2031-40	\$ 1,081.77
2021-40	\$ 2,668.49

### **Bridge Needs**

Table G shows the estimated bridge investment and maintenance needs for county and township bridges from 2021-2040. Most of the improvement needs are determined by the study's improvement model to be backlog needs and occur during the first study biennium. Based on past discussions with NDDOT Bridge and Local Government Divisions, these needs have been distributed evenly over the first five biennia of the study period because it would not be possible to replace all the eligible bridges in one biennium with existing construction resources.

**Table G: Summary of Bridge Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

<b>Period</b>	<b>Statewide</b>
2021-22	\$94.39
2023-24	\$94.40
2025-26	\$94.74
2027-28	\$94.63
2029-30	\$94.48
2031-40	\$26.17
<b>2021-40</b>	<b>\$498.81</b>

### **Total Statewide Needs**

As shown in Tables H and I, the combined estimate of infrastructure needs for all county and township roads is \$9.3 billion over the next 20 years. Unpaved road funding needs comprise approximately 66% of the total. If averaged over the next 20 years, the annualized infrastructure need is equivalent to \$466 million per year.

The values shown in Tables H and I do not include the infrastructure needs of Forest Service roads or city streets within municipal areas. The infrastructure needs of Indian Reservation roads are presented separately in the report and detailed results are presented for county and township roads.

The current 2020 study also shows an increase of approximately \$400 million in 20-year pavement needs compared to the 2016 study. Much of the increase is because of inflation of construction and maintenance costs for pavements over the 4 years. Some of the increase is also due to the approximately 140 miles of paved roads added to the system since 2016.

The costs for unpaved roads/gravel increased by about 6% (approximately \$360 million) over the 20 years. Much of this increase is because of more uniform reporting by counties as a result of a revised survey instrument and related webinar training provided to counties during this study. Unit prices for gravel have not changed significantly.

Projections of bridge funding needs have increased slightly but are close to the previous study. Both studies showed a large backlog of bridges needing improvements or replacement. The number of bridges needing improvement or replacement declined slightly since 2016, but unit prices have increased since 2016. Bridge inspections are performed every 2 years and during the 4-year period between studies, additional bridges have deteriorated enough that improvement or replacement is suggested.

**Table H: Summary of All Road and Bridge Investment and Maintenance Needs for Counties and Townships in North Dakota (Millions of 2020 Dollars)**

Period	Statewide
2021-22	\$ 1,093.93
2023-24	\$ 1,103.56
2025-26	\$ 1,015.51
2027-28	\$ 975.05
2029-30	\$ 919.44
2031-40	\$ 4,195.91
2021-40	\$ 9,223.64

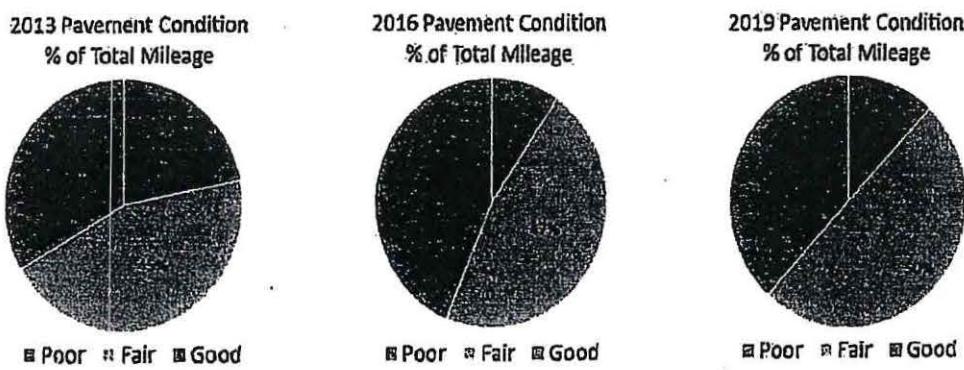
**Table I: Summary of All Road and Bridge Investment and Maintenance Needs for Counties, Townships and Tribes in North Dakota (Millions of 2020 Dollars)**

Period	Unpaved	Paved	Bridges	Total
2021-22	\$ 611.08	\$ 388.46	\$ 94.39	\$ 1,093.93
2023-24	\$ 602.19	\$ 406.97	\$ 94.40	\$ 1,103.56
2025-26	\$ 616.21	\$ 304.56	\$ 94.74	\$ 1,015.51
2027-28	\$ 615.89	\$ 264.53	\$ 94.63	\$ 975.05
2029-30	\$ 602.76	\$ 222.20	\$ 94.48	\$ 919.44
2031-40	\$ 3,008.07	\$ 1,081.77	\$ 26.17	\$ 4,116.01
2021-40	\$ 6,056.34	\$ 2,668.49	\$ 498.81	\$ 9,223.64

#### General Comparison with 2013 and 2016 and 2019 Studies

Increased investments in the paved roads during the 2014 and 2016 bienniums improved overall pavement condition as shown in the 2016 chart below in Figure A. However, the 2019 pavement condition data indicates a slight increase in miles of poor-condition roads and a decrease in miles of good-condition roads. This slight decrease in overall pavement condition is likely due to somewhat reduced investments in pavement beginning in the 2018 biennium.

**Figure A. Pavement Condition Change from 2013 to 2019**



Senator Wanzek,

In May 2022, UGPTI wrote a grant for 13 of the applications that we received from the Township totaling \$2.5 million. With this applications we used the ones that had the best chance of meeting the grant requirements.

We are currently working with UGPTI to review the additional applications that we received from the Townships to see which ones will best fit into the "Resiliency grant" opportunity that is supposed to come out next month.

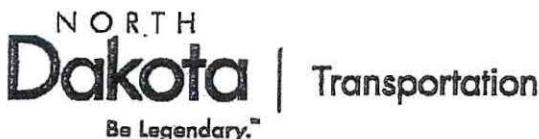
Here are some total numbers that we have seen to date from the Townships. In general, most grant applications go in asking for 50% of the cost of the project to be federally funded.

- ~ 2,500 applications
  - Over \$200,000,000 requested
    - 25 projects greater than \$1,000,000
    - 2 projects are \$9M and \$10M
    - 47 projects greater than \$500,000
    - 302 projects between \$100K - \$500K
    - 353 between \$50,000 - \$100,000
    - 1,034 between \$10,000 - \$50,000
    - 328 between \$5,000 - \$10,000
    - 358 between \$0 - \$5,000
  - Townships in 45 Counties submitted applications

Let me know if you have any questions

Ron Henke, P.E.  
Director/Deputy Director for Engineering,

701.328-4445 • [rhenke@nd.gov](mailto:rhenke@nd.gov) • [www.dot.nd.gov](http://www.dot.nd.gov)



**Wanzek, Terry M.**

From: Brandenburg, Michael D.  
Sent: Friday, January 20, 2023 10:49 AM  
To: Wanzek, Terry M.  
Subject: FW: Township Information

**From:** Mathiak, Adam <[amathiak@ndlegis.gov](mailto:amathiak@ndlegis.gov)>  
**Sent:** Friday, January 20, 2023 10:17 AM  
**To:** Brandenburg, Michael D. <[mbrandenburg@ndlegis.gov](mailto:mbrandenburg@ndlegis.gov)>  
**Cc:** Knudson, Allen H. <[aknudson@ndlegis.gov](mailto:aknudson@ndlegis.gov)>  
**Subject:** Township Information

Representative Brandenburg:

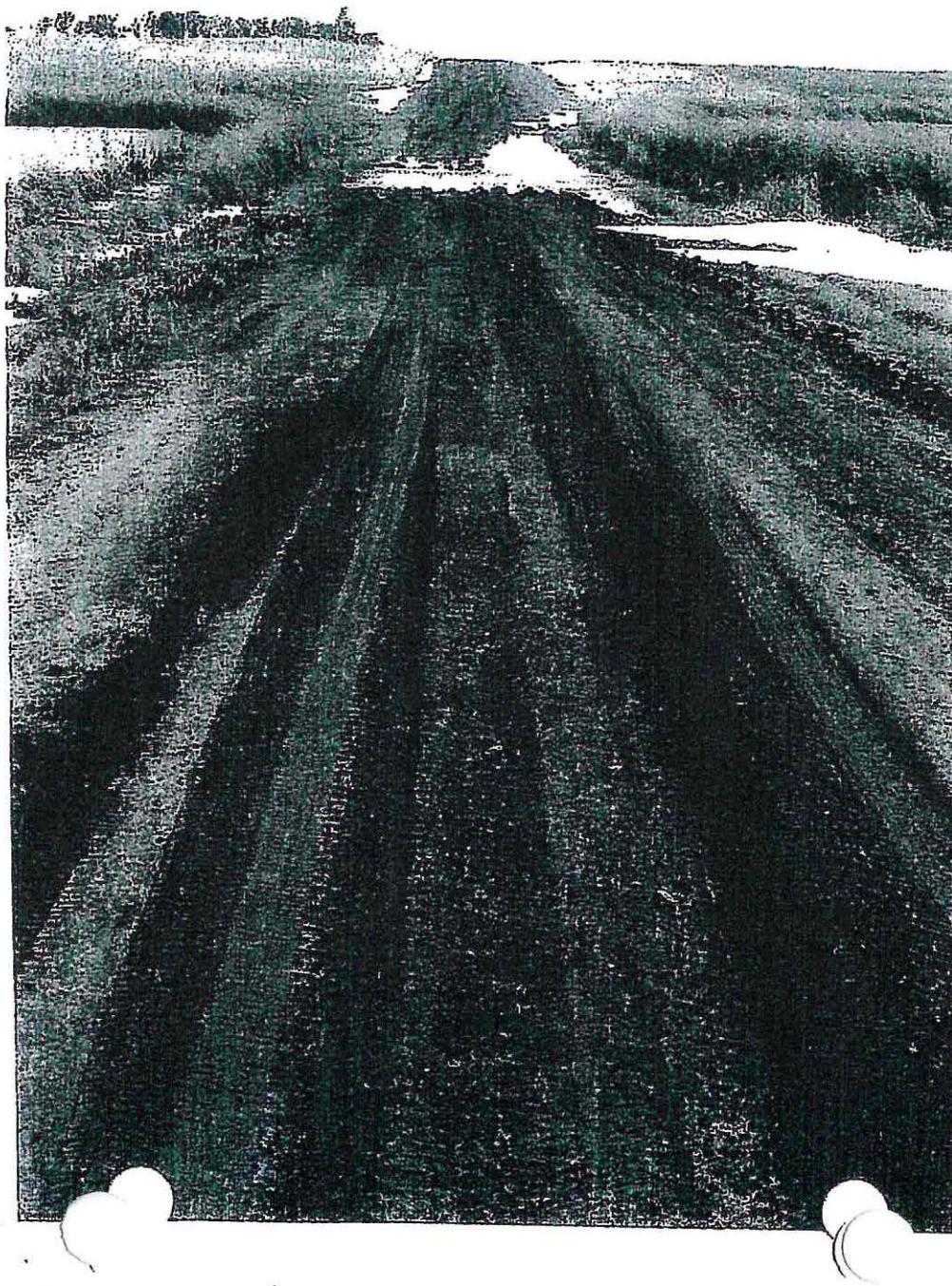
This email is in response to your question regarding the total number of townships in North Dakota.

Based on information from the State Treasurer:

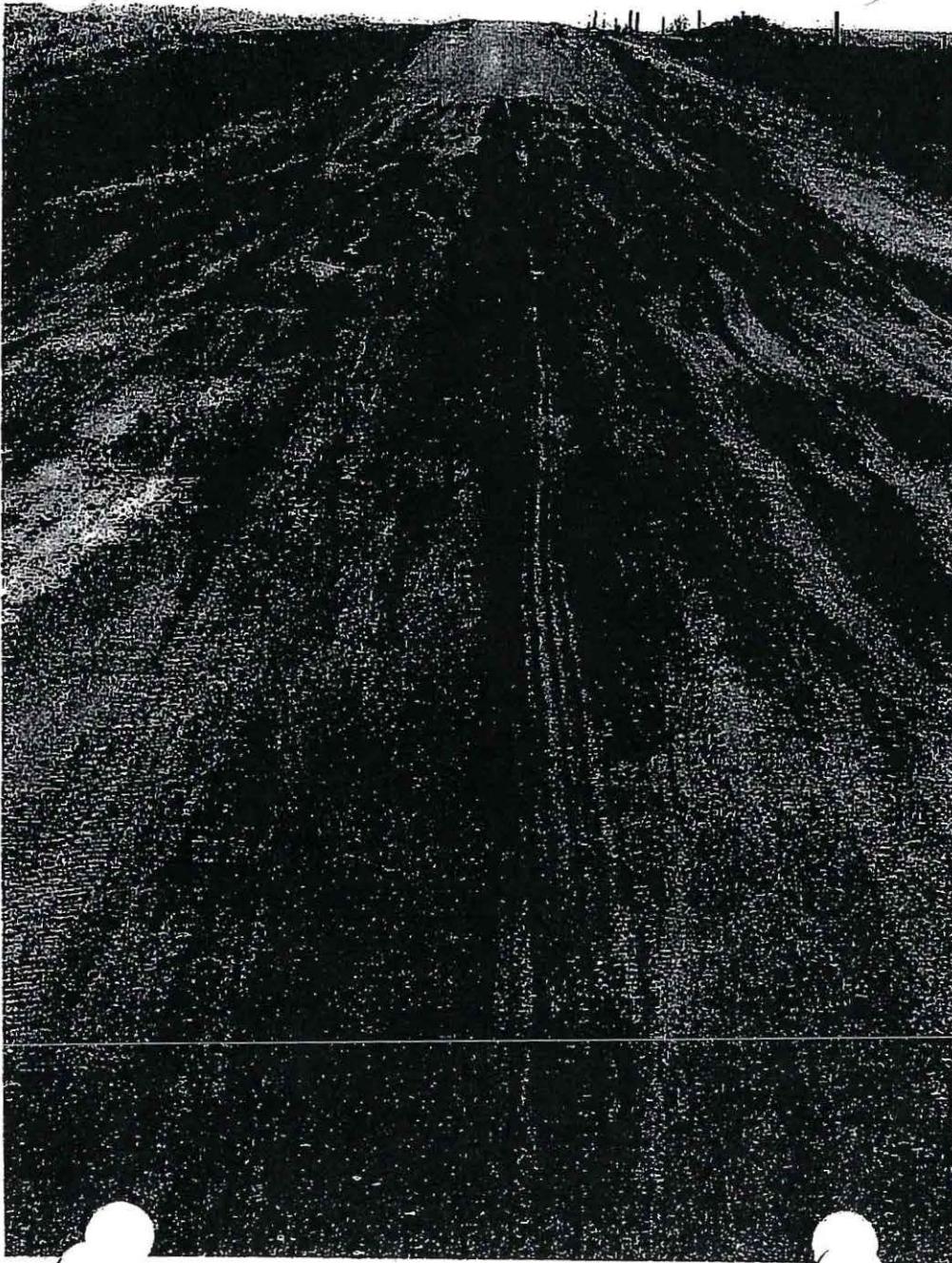
- North Dakota has 2,045 townships, including 1,434 organized townships and 611 unorganized townships.
- North Dakota has 1,632 townships in non-oil-producing counties, including 1,180 organized townships and 452 unorganized townships.
- North Dakota has 413 townships in oil-producing counties, including 254 organized townships and 159 unorganized townships.
- For purposes of this analysis, "townships" means congressional townships with dimensions of 6 miles by 6 miles, and "non-oil-producing counties" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium (in this case **fiscal year 2020**).
- Please note that Stark County is included as a non-oil-producing county based on fiscal year 2020, but for the 2023-25 biennium, Stark County will be an oil-producing county based on the current definition of a non-oil-producing county. Stark County has 39 townships, all of which are unorganized.

Please let us know if you have any questions. Thanks.

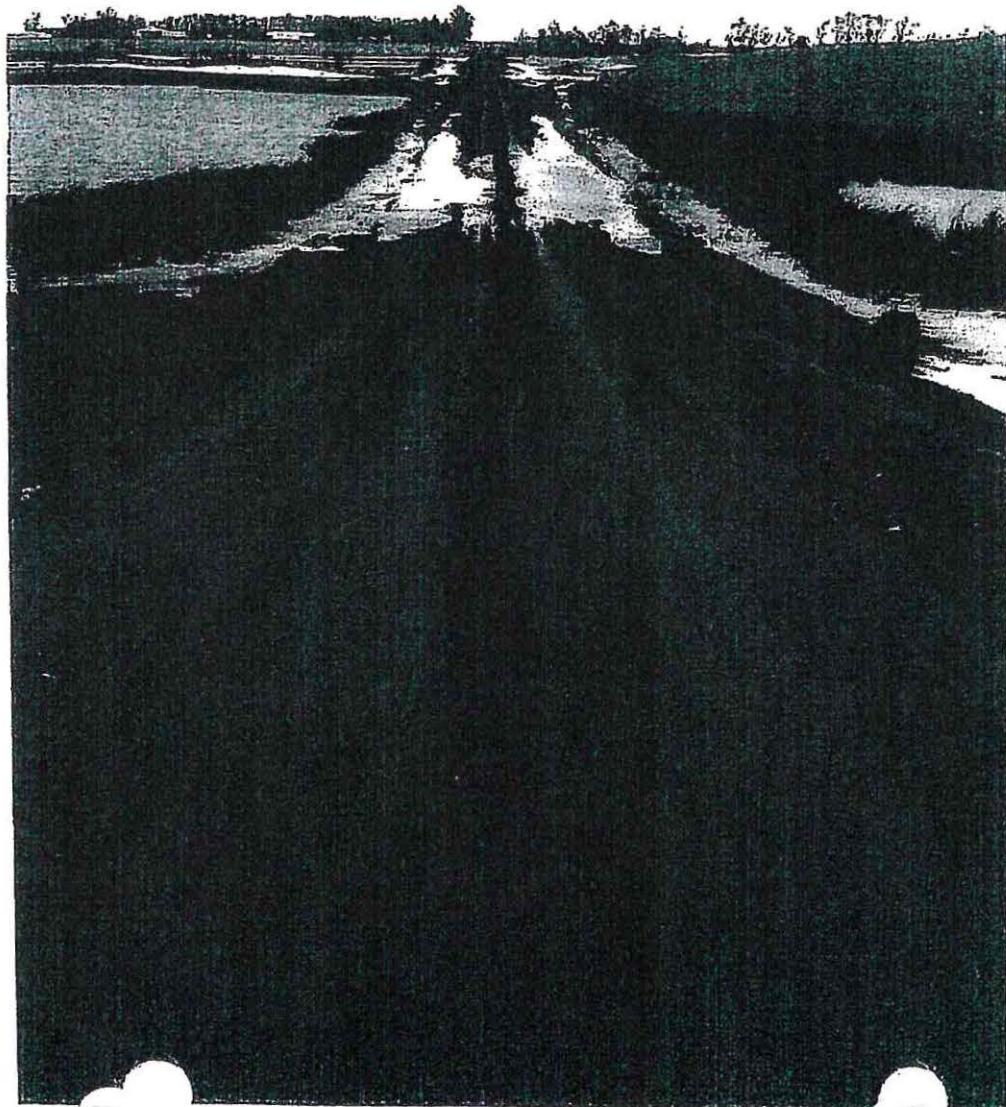
**Adam Mathiak**  
ND Legislative Council  
701-328-2936  
[amathiak@ndlegis.gov](mailto:amathiak@ndlegis.gov)



CCC



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CC