



North Dakota Legislative Council

Prepared for the Government Services Committee
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STUDY OF ACCESSIBLE TRANSPORTATION - BACKGROUND MEMORANDUM

Senate Concurrent Resolution No. 4004 (2023) ([appendix](#)) provides for a Legislative Management study regarding accessible transportation for older adults and individuals with disabilities. As part of the study, the Government Services Committee is to consider:

- Statewide challenges to system services and barriers to expanding the state's accessible transportation infrastructure;
- The fiscal impact of providing accessible transportation;
- Effective long-term modification of funding formulas to support accessible transportation; and
- Modifications to anticipate the responsibilities of public entities under the federal Americans with Disabilities Act.

STATUTORY PROVISIONS

North Dakota Century Code Chapter 39-04.2 defines public transportation as the vehicular transportation of persons from place to place within the state but does not include the provision of transportation facilities otherwise provided by public funds, such as roads, streets, highways, bridges, lighting equipment, or signs. Chapter 39-04.2 also establishes a public transportation fund to be administered by the state Department of Transportation (DOT), from which DOT has continuing appropriation authority. Pursuant to Section 54-27-19, the fund receives 1.5 percent of revenue deposited in the highway tax distribution fund, which receives revenue from motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes. Pursuant to Section 54-27-19.3, the fund also receives 1.5 percent of revenue deposited in the legacy earnings highway distribution fund. Money in the fund must be disbursed under guidelines issued by DOT and the funds must be used by transportation providers to establish and maintain public transportation, especially for the elderly and handicapped, and may be used to contract to provide public transportation, as matching funds to procure money from other sources for public transportation, and for other expenditures authorized by the DOT director. The Legislative Assembly estimated the public transportation fund would receive \$9 million of revenue during the 2023-25 biennium, including \$7.5 million from the highway tax distribution fund and \$1.5 million from the legacy earnings highway distribution fund. Subsection 2 of Section 39-04.2-04 provides each county shall receive a base amount of 0.4 percent of the appropriation for the program plus \$1.50 per capita of population in the county.

Section 57-15-55 provides the governing body of any city, upon approval by a majority vote of the qualified electors of the city voting on the question at any citywide election, may annually levy a tax not exceeding five mills to provide funds for the provision and operation of a public transportation system within the city under a contract approved by the governing body with a private contractor, or by the city itself.

TRANSIT GRANTS

The state Department of Transportation administers federal transit grant funds to rural, non-urbanized areas with populations less than 50,000 and state-aid funding for the entire state and ensures that transit projects meet federal and state regulations and requirements. Federal grant funding is provided through the federal Transportation Administration. State aid for public transit funding is determined biennially by the state legislature and distributed by a formula set forth in Section 39-04.2-04. This program makes available about \$8 million each year to the urban and rural transit providers in the state. Portions of this grant can be used for operating expenses, and a portion is intended for capital improvements such as the purchase of new transit buses. Transit agencies are required to apply for these funds on an annual basis.

HIGHLY RURAL TRANSPORTATION GRANT

The highly rural transportation grant (HRTG) is a federal grant under the federal department of Veterans Affairs which was awarded to the state Department of Veterans' Affairs (NDVA) starting in October of 2015. Through the HRTG, the NDVA provides free transportation for veterans in highly rural areas to authorized medical appointments. The North Dakota Department of Veterans' Affairs, working with DOT, has contracted with existing transit providers to provide transportation for veterans to authorized medical appointments at no charge to the veteran. The medical appointments can be at a federal Department of Veterans Affairs health care facility or any other health care facility. In North Dakota, veterans living in 36 of 53 counties are eligible under the definition of highly rural areas. The grant also allowed the NDVA to provide transportation vans along with operational funding to counties, tribes, and veteran service organizations to provide transportation for veterans. These vans can also be used to provide transportation to medical appointments. The state Department of Veterans' Affairs estimated it would receive approximately \$1 million of federal funds for HRTG for the 2023-25 biennium.

SMALL URBAN AND RURAL CENTER ON MOBILITY

The Small Urban and Rural Center on Mobility is part of the Upper Great Plains Transportation Institute. The president and administration of North Dakota State University are responsible for the selection of personnel for and the administration of the institute. The Small Urban and Rural Center on Mobility exists to increase the mobility of small urban and rural residents through innovative research, education, and outreach. The Upper Great Plains Transportation Institute provides transportation research, education, and outreach to the state of North Dakota as well as regionally, nationally, and internationally.

PRIOR LEGISLATIVE STUDIES AND REPORTS

Section 12 of House Bill No. 1012 (2015) required DOT to study state funding distributions and allocations to public transportation providers. The study was to include a review of distributions and allocations; a review of distribution and allocation formulas; and the public transportation providers use of the funds received from the distributions, allocations, and contingent funding, including uses for operating costs and capital asset purchases. The Department of Transportation reported 34 public transportation providers were operating statewide, including rural, urban, tribal, and intercity services. The department reported during the 2011-13 and 2013-15 bienniums, approximately \$40.3 million was distributed to transportation providers (\$19.5 million of state funding and \$20.8 million of federal funding). The department reported \$34.7 million of the funding provided was used for operating costs and the remaining \$5.6 million was used for capital purchases.

Section 12 of Senate Bill No. 2012 (2017) directed the Legislative Management to study the funding mechanisms and options available to DOT, political subdivisions, and public transportation providers for road construction, maintenance, other transportation infrastructure needs, and transit services. The study was assigned to the interim Government Finance Committee, which made no recommendation regarding the study of transportation-related funding.

PROPOSED STUDY PLAN

The following is a proposed study plan for the committee's consideration:

1. Receive information from the Department of Transportation regarding funding available for accessible transportation.
2. Receive information from the Upper Great Plains Transportation Institute regarding accessible transportation, including the fiscal impact of providing accessible transportation.
3. Receive information from political subdivisions regarding accessible transportation, including challenges to system services and barriers to expanding the state's accessible transportation infrastructure.
4. Receive comments from interested persons regarding the study of accessible transportation.
5. Develop recommendations and any bill drafts necessary to implement the recommendations.
6. Prepare a final report for submission to the Legislative Management.

ATTACH:1