

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2275

2007 SENATE TRANSPORTATION

SB 2275

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2275

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: January 26, 2007

Recorder Job Number: 2058

Committee Clerk Signature *Jody Hauge*

Minutes:

Senator Lee opened the hearing on SB 2275 a bill to provide an appropriation to the state treasurer for providing grants to counties for township road and bridge maintenance and improvements.

There were five committee members present and one absent.

Senator Lindaas, senator from district 20 introduced SB 2275. Senator Lindaas offered this bill on behave of townships and township officers. The township boards are what we call grass root government. There are some roads in his county that when you drive on them the grass rubs underneath your car. These are minimum maintenance or no maintenance. On the other hand there are those that require maintenance. Those roads are school bus routes, mail routes, farm to market travel etc.. With the limited resources available to these townships they are falling further behind on maintenance to the point that some roads are becoming impassible after rain. This bill will give the counties funds so they can catch up with their road maintenance. He stated that there are some folks here from the township offices that would also like to address this and ask your support for SB 2275.

Senator Potter asked if this was a one time expenditure to save some property taxes or is this going to be a continued thing.

Senator Lindaas answered that there was no continued features in the bill. He stated that a shot in the arm goes a long way and he wouldn't necessarily see this repeated in the next biennium. It is an important issue.

Senator Potter asked if the highway funds from gas tax don't cover this.

Senator Lindaas answered that the gas tax revenue does not go very far at the township level. It is a trickle down situation and by the time it gets down to the township there isn't much support. Also the cost of gravel is getting harder to find and cost of graveling has gone up tremendously. Inflation has contributed to the downfall on these roads.

Senator Lee asked that the appropriations are for \$4,000,000. And 50% goes to the State Treasurer but where does the other 50% go.

Senator Lindaas answered that he was not sure.

Chuck Thacker, President of the ND Township Officers Association spoke in favor of SB 2275. His written testimony is enclosed. He stated that the townships have 56,500 miles of road to keep safe for the traveling public. Should this bill pass it would amount to \$35.40 per mile per year for a two year period.

Senator Lee stated that some of the townships in the east have been able to work with the Beet Industry in securing funds from them to maintain some of those roads that are directly impacted. Have you had any success with them or the potato industry or some of the others across the state?

Mr. Thacker answered no. What they have done is put an ad in their local paper. That has been somewhat successful with the beet farmers but the question is there wasn't much gravel to begin with so why do the beet farmers have to gravel the roads just so they can haul their beets off. The people that raise the beets are not in our area. They rent the land to grow the beets but live elsewhere.

Senator Potter asked if this bill is going to be property tax relief. He also asked how they fund roads and bridges today.

Mr. Thacker answered gas tax and property tax.

Senator Bakke asked how many township organizations are there.

Mr. Thacker answered 1141.

Terry Traynor, Assistant Director of North Dakota Association of Counties spoke in support of SB 2275. (Written testimony). This proposal provides a new approach to assisting in the preservation of our local road infrastructure.

Dale Marks, chairman of Winfield Township, Chairman of Stutsman County Township Officers Association testified in support of SB 2275. (Written testimony)

Senator Lee called for any additional opposing testimony. There was none.

Kelly Schmidt, State Treasurer said their office is neutral on the SB 2275. This would add a new duty to their state agency but they would gladly accept if this legislation passes. Also if you want information on the way taxes are distributed it is on their web-site. Every tax distribution that the state office does is on that web-site. There would be a nominal fiscal impact but nothing that would require a fiscal note.

Senator closed the hearing on SB 2275.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2275

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: February 1, 2007

Recorder Job Number: 2542

Committee Clerk Signature

Jody Hauge

Minutes:

Senator Lee opened committee work on SB 2275 a bill to provide an appropriation to the state treasurer for providing grants to counties for township road and bridge maintenance and improvements.

Senator Nething does not want to see four million dollars go out of the general fund for a non state responsibility. He said he empathized with the counties and townships but felt the money should come from highway funds or some other source but that is not what the bill says.

Senator Lee stated that there was no opposition to the bill.

Senator Potter said he did not like the fiscal note.

Senator Lee expressed his concern for the townships and their need to keep a balance for the roads.

Senator Nething moved for a do not pass on SB 2275.

Senator Potter seconded.

Senator Bakke asked if she was correct in her understanding that this is currently funded by property tax and oil tax.

Senator Nething said if you are in oil country there is some oil tax money but not all townships are in oil country.

Senator Potter said that there were other property relief bills still alive that may be more appropriate in providing property tax relief than using general fund money for township roads.

Senator Nething said this is not property tax relief because there is no property tax to relieve. The townships are capped with the mill levy so they can't increase their property taxes. There are other bills around that could provide some relief to the townships.

Senator Lee asked the clerk to call the roll on the do not pass motion: 4-1-1

Senator Potter will carry the bill.

REPORT OF STANDING COMMITTEE (410)
February 1, 2007 12:18 p.m.

Module No: SR-22-1781
Carrier: Potter
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2275: Transportation Committee (Sen. G. Lee, Chairman) recommends DO NOT PASS (4 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2275 was placed on the Eleventh order on the calendar.

2007 TESTIMONY

SB 2275

Testimony on SB2275 in Senate Transportation Committee

Mr. Chairman, Senator Lee, and members of the Senate Transportation Committee. My name is Chuck Thacker and I am the President of the North Dakota Township officers Association. I represent over 6000 locally elected township officers from 1141 organized townships in our state and I have come here this morning to ask for the passage of SB2275.

In the first week of December of 2006 the North Dakota Township Officers developed a resolution and passed it by a unanimous vote of the members present. This policy calls for a four million dollar payment out of the general fund surplus to go to maintain and improve township roads and bridges. In SB 2275 Section # One calls for this to be done.

Section number two describes how this should be done. This procedure is similar to how the gas tax is distributed to townships. It is based on a per mile of township road that the township certifies to the county each march after the township annual meetings.

Some of the reasons given at the state annual meeting for this request was

the road damage from the excessive weight of trucks and beet hauling in the eastern ND, road damage in the western part of our state by the oil trucking industry and hunter caused road damage all over our state. We have tried to involve the game and fish department in some type of road repair dollars and we always get that they are not in the road repair business and cannot help us.

Townships have 56,500 miles of road to keep safe for the traveling public. Should this bill pass it would amount to \$35.40 per mile per year for a two year period.

This money would go to all organized townships and to those unorganized townships it would be sent to the county in charge of taking care of the unorganized township.

For the safety of the traveling public in our rural state I ask for your vote to pass senate Bill Number 2275

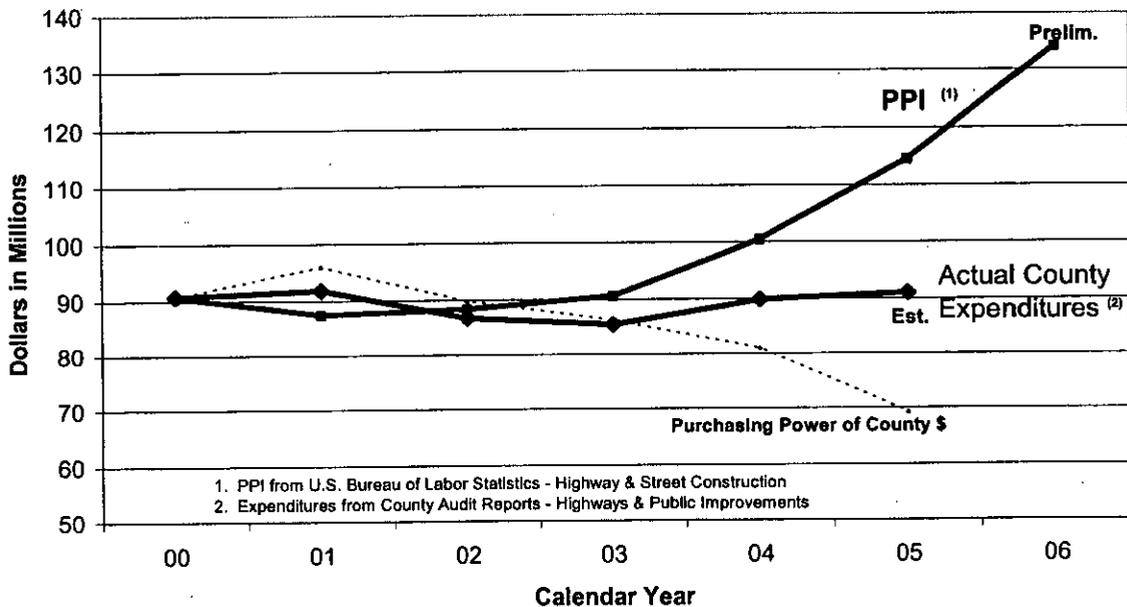
Testimony To The
THE SENATE TRANSPORTATION COMMITTEE
 Prepared January 26, 2007 by
 Terry Traynor, Assistant Director
 North Dakota Association of Counties

REGARDING SENATE BILL 2275

Chairman Lee and committee members, county government would like to indicate its support for the townships and their goal of increasing road maintenance revenue.

Township and county government share in the struggle to maintain rural roads with relatively stagnant revenue and dramatically increasing costs. The chart below suggests how serious the issue has become for North Dakota counties, but the same factors are affecting townships.

**County Highway Expenditures
 vs. Production Price Increase (PPI)**

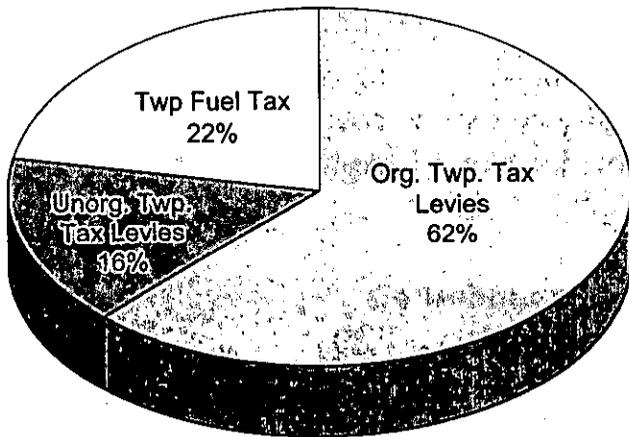


As the annual county audit data indicates, there has been little increase in road construction and maintenance resources for close to a decade. However, costs have jumped dramatically – particularly in the last three years. This disparity has eroded the local government’s purchasing power by well over 25% - or in other

words, it has significantly reduced the miles of road and number of bridges that can be adequately maintained.

As the attached table indicates, organized townships have over 44,000 miles of roads, and counties must maintain over 12,000 miles of township roads in unorganized townships. The pie chart shows the sources of the approximately \$24 million that is available to address the maintenance needs of these 56,000 miles of roads.

Township Road Funding



Right now, there is about \$420 per year available per mile of township road. 78% of this comes from property taxes. Obviously, increasing property taxes is not a popular solution to local road maintenance. This bill would add about \$35 per year to that figure. Although not huge, it would be an incredibly important addition.

Mr. Chairman and committee members, this proposal provides a new approach to assisting in the preservation of our local road infrastructure. We urge you to give SB2275 a "do pass" recommendation.

Township Road Miles

From: State Treasurer's Revenue Reports

County	Miles of Organized Township Roads	Miles of Unorganized Township Roads	Total Township Road Miles
Adams	320	191	511
Barnes	1,450	-	1,450
Benson	1,153	8	1,161
Billings	-	646	646
Bottineau	1,853	-	1,853
Bowman	412	62	474
Burke	918	7	925
Burleigh	1,040	164	1,204
Cass	2,402	-	2,402
Cavalier	1,553	-	1,553
Dickey	951	-	951
Divide	1,228	-	1,228
Dunn	-	876	876
Eddy	528	-	528
Emmons	96	889	985
Foster	576	-	576
Golden Valley	470	117	587
Grand Forks	1,739	-	1,739
Grant	180	1,389	1,569
Griggs	547	-	547
Hettinger	858	50	908
Kidder	902	46	948
Lamoure	1,139	-	1,139
Logan	180	513	693
McHenry	1,533	132	1,665
McIntosh	29	754	783
McKenzie	420	722	1,142
McLean	961	780	1,741
Mercer	-	419	419
Morton	1	983	984
Mountrail	1,214	58	1,272
Nelson	717	-	717
Oliver	-	457	457
Pembina	1,582	-	1,582
Pierce	564	513	1,077
Ramsey	1,009	-	1,009
Ransom	833	-	833
Renville	878	-	878
Richland	1,829	-	1,829
Rolette	128	670	798
Sargent	820	-	820
Sheridan	453	390	843
Sioux	22	292	314
Slope	443	180	623
Stark	-	1,042	1,042
Steele	787	-	787
Stutsman	1,730	40	1,770
Towner	659	-	659
Trails	1,212	-	1,212
Walsh	1,590	-	1,590
Ward	1,561	19	1,580
Wells	1,409	-	1,409
Williams	1,186	35	1,221
Total	44,065	12,444	(56,509)

Allocation of \$4,000,000 by Road Miles

Organized Township Roads	Unorganized Township Roads	Total	
22,651	13,520	36,171	
102,639	-	102,639	
81,615	566	82,182	
-	45,727	45,727	
131,165	-	131,165	
29,163	4,389	33,552	
64,981	495	65,476	
73,617	11,609	85,225	
170,026	-	170,026	
109,929	-	109,929	
67,317	-	67,317	
86,924	-	86,924	
-	62,008	62,008	
37,375	-	37,375	
6,795	62,928	69,723	
40,772	-	40,772	
33,269	8,282	41,551	
123,095	-	123,095	
12,741	98,321	111,062	
38,719	-	38,719	
60,734	3,539	64,273	
63,848	3,256	67,104	
80,624	-	80,624	
12,741	36,313	49,054	
108,514	9,344	117,857	
2,053	53,372	55,425	
29,730	51,107	80,837	
68,025	55,212	123,237	
-	29,659	29,659	
71	69,582	69,653	
85,933	4,106	90,039	
50,753	-	50,753	
-	32,349	32,349	
111,982	-	111,982	
39,923	36,313	76,236	
71,422	-	71,422	
58,964	-	58,964	
62,149	-	62,149	
129,466	-	129,466	
9,061	47,426	56,487	
58,044	-	58,044	
32,066	27,606	59,672	
1,557	20,669	22,227	
31,358	12,741	44,099	
-	73,758	73,758	
55,708	-	55,708	
122,458	2,831	125,290	
46,647	-	46,647	
85,792	-	85,792	
112,548	-	112,548	
110,496	1,345	111,841	
99,736	-	99,736	
83,951	2,477	86,429	
Total	3,119,149	880,851	4,000,000

Mr. Chairman and members of the committee.

I am Dale Marks from Ypsilanti in Stutsman County. I am chairman of Winfield Township, Chairman of Stutsman County Township Officers Association and hold the road portfolio as a Stutsman County Commissioner.

I appear in favor of SB 2275 to grant an appropriation for county and township road and bridge improvements.

Stutsman County has 395 miles of county roads of which 231 are paved and there are 2709 miles of township roads.

Reconstruction of a paved county road costs in the vicinity of \$475,000 per mile, now days. Ours needs for reconstruction are way ahead of the funding that we have to reconstruct with. The information on Appendix #1 shows what has happened to our roads over the past few years.

Stutsman County has some exciting things happening like Cargill increasing its capacity by 30%, the Spiritwood ethanol plant, and the Spiritwood energy plant. A bio-fuels plant and a wind energy park are being studied. That's why SB 2275 is so important. Our infrastructure is aging and needs reconstruction and help from the state level is important to us.

As a township officer, I see our roads deteriorate during hunting season. We have pheasants, deer and out of state hunters. I would like to throw this out to you. A \$10 road stamp, required of non residents, that would go directly to townships for road maintenance.

I ask for a "Do Pass" recommendation on SB 2275.

Thank you.

Dale Marks
4145 91 Ave Se
Ypsilanti, ND 58497
489-3146

STUTSMAN COUNTY PAVEMENT AGE

Year Built: 1989 Statistics

More than 25 years old = 16 miles or 7%

21 to 25 years old = 30 miles or 13%

15 to 19 years old = 50 miles or 21%

10 to 14 years old = 36 miles or 15%

5 to 9 years old = 66 miles or 28%

Less than 5 years old = 40 miles or 28%

Total of 238 miles of county paved roads

The data used in this column was taken from table 14, found on page 12, from the Stutsman County Road Study Draft as prepared by the North Dakota State Highway Department Planning Division, November 6, 1989.

Year Since Maintenance Overlay: Today's Statistics

More than 25 years old or never been maintained = *84 miles or 36%

22 to 23 years old = *15 miles or 7%

17 to 20 years old = *47 miles or 20%

10 to 12 years old = 48 miles or 21%

9 years old = 5 miles or 2%

Less than 5 years old = 32 miles or 14%

Total of 231 miles of county paved roads

*According to our research, Stutsman County has 146 miles (63%) of paved county roads that have not been maintained for 17 years or longer, if at all.

The data used in this column was taken from the Stutsman County Highway Construction Prioritization Scoring Worksheet. Interstate Engineering prepared this report for the Stutsman County Commission and Road Department know as the Matrix System.