

1999 HOUSE FINANCE AND TAXATION

HB 1230

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1230

House Finance and Taxation Committee

Conference Committee

Hearing Date January 18, 1999

Tape Number	Side A	Side B	Meter #
1	x		30.9
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

REP. AL CARLSON, FARGO, Introduced the bill. The bill deals with expending authority from the highway distribution fund to the highway patrol. The Governor has placed in his budget, a number that is comparable to this, for removing that amount of spending from the tax distribution fund and taking that from the general fund. The basic difference between what he has done and what I have done is that this bill, permanently, over two bienniums, takes all funding for the highway patrol out of the tax distribution fund.

ROD BACKMAN, OFFICE OF MANAGEMENT & BUDGET, Testified on behalf of the Governor in support of the bill. The bill goes hand in hand with the budget to begin the process of moving the highway patrol budget off of the highway tax distribution fund. In the Governor's

proposed budget, we recommended 9.9 million of the highway patrol budget be funded from the general fund. This bill is a responsible method of getting us back to using highway tax dollars to fund highway repair and construction.

TOM FREIER, DEPUTY DIRECTOR OF THE OFFICE OF BUSINESS SUPPORT FOR THE NORTH DAKOTA DEPARTMENT OF TRANSPORTATION. Testified in support of the bill.

See attached written testimony.

REP. KROEBER What amount of money have not been able to match in the past?

TOM FREIER As far as I know, we have matched all of the dollars available from the federal highway fund. We will have about forty to fifty percent more funds coming up in the next biennium. In past bienniums, we were able to match those funds by putting off certain purchases of equipment, by putting off certain projects, by moving it down the ladder.

REP. KROEBER What are we talking about in highway tax dollars other than gas tax?

TOM FREIER Gas tax and motor vehicle registrations.

REP. GROSZ This is certainly heading in the right direction. Are there other programs we are funding out of the highway trust fund money?

TOM FREIER I don't have that list with me.

SHANNON SAUER, FINANCIAL MANAGEMENT DIRECTOR, DEPARTMENT OF TRANSPORTATION, Answered questions for the committee, He stated there are still some things that have minor impact on the fund which are still there such as ethynol incentives, state radio, and some funding for tourism.

REP. GROSZ Asked whether the boat ramps and snowmobile trails were in the funding, although they wouldn't be as much as the highway patrol funding. Asked for a list of things still in the fund.

BILL BUTCHER, STATE DIRECTOR, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, Testified in support of the bill. See written testimony.

CURT PETERSEN, ASSOCIATED GENERAL CONTRACTORS IN NORTH DAKOTA, Testified in support of the bill. He stated they have been advocates of this proposal for a number of years. The state is in the position now of much needed highway construction, this would free some funds.

MIKE LINDBLOOM, BISMARCK/MANDAN CHAMBER OF COMMERCE, Testified in support of the bill. Believe the transfer of funds from the trust fund to the general fund is the way to fund the highway patrol.

With no further testimony, the hearing was closed.

LATER IN THE DAY

REP. AL CARLSON Brought additional information regarding the bill and answered questions for the committee members. See attached information and charts regarding the history of the highway patrol funding.

REP. GROSZ Stated that he knew some money goes to the ethynol fund and the senior citizen's bus, does that not show up, or is it transferred out?

REP. CARLSON He stated he could not answer that, as he asked for information strictly for the highway use. This was the only list he got.

Page 4
House Finance and Taxation Committee
Bill/Resolution Number Hb 1230
Hearing Date January 18, 1999

The bill was held to be acted on at a later date.

COMMITTEE ACTION 1-27-99, Tape #2, Side A, Meter #9.3

REP. GROSZ Made a motion for a DO PASS.

REP. GRANDE Second the motion. MOTION CARRIED

15 Yes 0 No 0 Absent

The bill was rereferred to APPROPRIATIONS.

FISCAL NOTE

(Return original and 10 copies)

Resolution No.: HB1230 Amendment to: _____

Requested by Legislative Council Date of Request: 1/13/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: This bill would reduce the amount of highway funds that can be used to fund the Highway Patrol in each of the next three bienniums. Beginning July 1, 2003, the Highway Patrol would not be funded from the highway fund. This would result in a corresponding amount of highway funds becoming available for transportation purposes. In itself, this bill would not increase or decrease the total funds available for the State of North Dakota.

This fiscal note is based on the maximum highway fund dollars that can be used for Highway Patrol purposes as shown in this bill and the total general fund appropriation of \$9,903,992 for the Highway Patrol as shown in HB1011 (attached). It assumes that further funding decreases from the Highway Fund will be covered by the State General Fund and the total Highway Patrol appropriation for the 2001-03 biennium is at the same level as the 1999-2001 level.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$9,903,992	(\$9,903,992)	\$16,089,602	(\$16,089,602)

3. What, if any, is the effect of this measure on the budget for your agency or department:

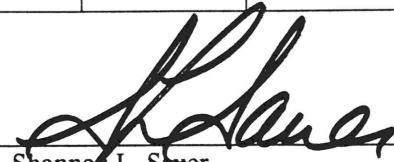
a. For rest of 1997-99 biennium:

b. For the 1999-2001 biennium:

c. For the 2001-03 biennium:

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

Signed: 
 Typed Name: Shannon L. Sauer
 Department: ND Department of Transportation
 Phone Number: 328-4375
 Date Prepared: 1/14/99

HOUSE BILL NO. 1011

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the highway patrol.

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

3 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
4 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
5 the state treasury, not otherwise appropriated, and from special funds derived from federal
6 funds and other income, to the highway patrol for the purpose of defraying its expenses, for the
7 biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

8 Administration	\$2,016,729
9 Field operations	22,564,316
10 Law enforcement training academy	<u>927,900</u>
11 Total all funds appropriation	\$25,508,945
12 Less estimated income	<u>15,604,953</u>
13 Total general fund appropriation	\$9,903,992

14 **SECTION 2. SPECIAL FUNDS TRANSFER.** The less estimated income line item in
15 section 1 of this Act includes the sum of \$13,185,610, or so much of the sum as may be
16 necessary, from the state highway fund that may be transferred at the direction of the
17 superintendent of the highway patrol for the purpose of defraying the expenses of the highway
18 patrol during the biennium beginning July 1, 1999, and ending June 30, 2001.

19 **SECTION 3. PAYMENTS TO HIGHWAY PATROL OFFICERS.** Each patrol officer of
20 the state highway patrol is entitled to receive from funds appropriated in section 1 of this Act an
21 amount not to exceed \$170 per month for the biennium beginning July 1, 1999, and ending
22 June 30, 2001. The payments are in lieu of reimbursement for meals and other expenses,
23 except lodging, while in travel status within the state of North Dakota or while at their respective
24 home stations. The amounts must be paid without the presentation of receipts or other

1 memorandums at the time and in the same manner as salaries of members of the highway
2 patrol are paid.

3 **SECTION 4. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET**

4 **SECTION APPROVAL.** Upon approval of the emergency commission, the highway patrol may
5 transfer between various line items in section 1 of this Act appropriation authority of up to ten
6 percent of a given line item to adjust for changing circumstances in meeting established -
7 performance measures. Any further transfers must be approved by the budget section.

Please type or use black pen to complete

Date 1-27-99
Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1230

House HOUSE FINANCE & TAX Committee

- Subcommittee on _____
- Conference Committee

} Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Do pass Referred to Apps.

Motion Made By Rep Grosz Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH	✓	
RENNERFELDT	✓				
CLARK	✓				
FROELICH	✓				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER	✓				
MICKELSON	✓				
NICHOLAS	✓				
RENNER	✓				
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER	✓				

Total 15 0
(Yes) (No)

Absent 0

Floor Assignment Rep. Grosz

If the vote is on an amendment, briefly indicate intent:

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE (410)
January 27, 1999 3:39 p.m.

Module No: HR-17-1299
Carrier: Grosz
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1230: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1230 was rereferred to the Appropriations Committee.

1999 HOUSE APPROPRIATIONS

HB 1230

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1230

House Appropriations Committee

Conference Committee

Hearing Date 2/2/99

Tape Number	Side A	Side B	Meter #
1		x	0
Committee Clerk Signature <i>Kevin Kaul</i>			

Minutes:

SUMMARY OF THE BILL: A BILL for an Act relating to the spending authority from the highway tax distribution fund or highway fund by the highway patrol.

Chairman Dalrymple called the hearing on HB 1230 into order in the Roughrider Room. All members were present: Chairman Dalrymple, Representatives Aarsvold, Bernstein, Boehm, Byerly, Carlson, Carlisle, Delzer, Gulleeson, Hoffner, Huether, Kerzman, Lloyd, Monson, Nichols, Poolman, Svedjan, Timm, Tollefson, and Wentz.

(0.1) Rep. Carlson of District 31 in SW Fargo testified in support of HB 1230.

(7.5) Tom Frier, Deputy Director of the DOT testified in support of HB 1230. (see attached testimony)

(17.1) Pam Sharp Executive Director of the OMB appeared in favor of HB 1230.

(18.0) Jerry Hjelmsted of the North Dakota League of Cities testified in support of HB 1230.

The hearing on HB 1230 was closed, without the committee taking action on this day.

Date: 2-15-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1230

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 0301

Action Taken DP as amended

Motion Made By Carlson Seconded By Boehm

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols		X
Vice-Chairman Byerly		X	Poolman		
Aarsvold		X	Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz		X
Carlisle		X			
Delzer	X				
Gulleson		X			
Hoffner		X			
Huether		X			
Kerzman		X			
Lloyd	X				
Monson	X				

Total (Yes) 10 No 9

Absent 1

Floor Assignment Timm

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1230: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 9 NAYS, 1 ABSENT AND NOT VOTING). HB 1230 was placed on the Sixth order on the calendar.

Page 1, line 9, remove "not" and after "spend" insert "no more than twenty percent of its total biennial budget as approved by the legislative assembly from"

Page 1, line 11, after "patrol" insert "to an extent greater than provided in this section"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

HOUSE - This amendment provides that, beginning with the 2003-05 biennium, up to 20 percent of the Highway Patrol's budget may be provided from the highway tax distribution fund or highway fund. The 20 percent level relates to the portion of the Highway Patrol's budget used for its motor carrier program. Previously, the bill provided that, beginning with the 2003-05 biennium, no funding could be spent for Highway Patrol operations from the highway tax distribution fund or the highway fund.

1999 TESTIMONY

HB 1230

HOUSE FINANCE AND TAX COMMITTEE

January 18, 1999

North Dakota Department of Transportation

Tom Freier

HB 1230

Mr. Chairman and members of the House Finance and Tax Committee, it is a pleasure to appear before you this morning. My name is Tom Freier and I am Deputy Director of the Office of Business Support for the North Dakota Department of Transportation. I am here today to present testimony in support of HB 1230.

First of all, it is not our wish to question in any way the Highway Patrol budget. Rather our concern is simply the matter of transferring Highway Distribution Funds to the Highway Patrol for the funding of their entire budget, and the effect of these transfers on the NDDOT budget.

Revenues collected for the Highway Distribution Fund, consisting of motor vehicle registration fees and gasoline and fuel taxes, are relatively fixed. This is because both are set numbers. So unless more vehicles are registered, or more gallons of fuel are consumed, the collections will remain static.

As inflationary forces have driven construction and maintenance costs up over the years, and public expectations have risen, our funding sources have not increased correspondingly. Compounding the problem has been the increase in transfers to the Highway Patrol budget. Each biennium's transfer, and the increase in that transfer, results in the increased difficulty in matching federal highway money. Some of those dollars are at a 90-10 match, while others are at a 80-20 ratio. **OBVIOUSLY, THE NDDOT'S GOAL IS TO MATCH ALL FEDERAL DOLLARS AVAILABLE, AND PUT THAT MONEY TO USE ON THE ROAD.**

As Director Moore outlined to you just last week, cash flow in the early part of the biennium will be something of a problem. Even with any sort of revenue increase as provided for in the governor's budget, those funds will not address the needs caused by increased federal funding authority. The systematic decreases in the transfers to the Highway Patrol budget, as provided for in HB 1230, would lend itself in a timely fashion to the cash flow situation.

Congress, in its passage of the TEA-21 funding, has made a commitment to return to the states virtually all funds collected via the federal fuel taxes to the states. Similarly the NDDOT would support all Highway Distribution Funds to be used for NDDOT purposes, and the passage of HB 1230 would help to accomplish that goal.

In summary, the NDDOT feels the wisest and best use of funds collected by way of the motor vehicle registration fees and the fuel taxes, and placed in the Highway Distribution Fund, is best determined by the NDDOT, and those funds should remain with the department. HB 1230 accomplishes this, and the NDDOT would ask your favorable consideration.

Bill Butcher

HB 1230 Testimony by Bill Butcher, State Director, National Federation of Independent Business (NFIB)

NFIB represents approximately 3000 small business owners throughout North Dakota.

Positions on issues before the legislature by NFIB are determined entirely by member ballots.

A special ballot was distributed in January 1999 and one of the issues presented in that ballot related to a shift of Highway Patrol costs from the Highway Trust Fund to the General Fund as a way to match, in part, federal monies that are available to North Dakota for highway construction and repair.

A substantial majority (63%) of members who responded believe that such a shift should be approved. In contrast, only 17% were opposed, while 20% were undecided.*

This represents a clear mandate from our membership in support of such legislation as being a proper way to fund the required match.

NFIB does not take a position on other provisions of the bill presently before you or the appropriateness of the amounts contained in HB 1230, but only on the concept of shifting funding from the Highway Trust Fund to the General Fund.

As a result, the Committee is urged by NFIB to recommend a "Do Pass" on that portion of HB 1230 relating to the source of Highway Patrol funding to the full House of Representatives.

Footnote:* In the same survey, 60% of members believe that making the current 20 cent gas tax permanent is an appropriate way to fund the required match, and 64% state that increasing vehicle registration fees is **not appropriate for the same purpose. Again, these percentages are sufficient to establish NFIB positions.

HB 1230
Rep Al Carlson

HISTORY OF HIGHWAY PATROL FUNDING

During the past thirty years the Highway Patrol has traditionally been financed in part by the highway fund. There was a period from 1975 to 1987 where state general funds were used to fund a majority or a portion of the Highway Patrol activities. However, through time the amount of revenue coming from the highway fund to support the Highway Patrol has increased substantially, and general fund support has basically been eliminated.

Table 1 provides a history of the Highway Patrol funding from 1965 to 1999. The figures shown in table 1 were provided by the Legislative Council.

Table 1
Highway Patrol Funding

BIENNIUM	GENERAL FUND	HIGHWAY FUND	OTHER FUNDS	TOTAL
1997-99	\$250,000	\$22,089,483	\$1,165,742	\$23,505,225
1995-97		19,593,534	2,316,000	21,909,534
1993-95		18,046,139	1,142,614	19,188,753
1991-93		18,176,835	560,658	18,737,493
1989-91		17,735,291	560,658	18,295,949
1987-89		16,458,925		16,458,925
1985-87	5,042,730	11,072,046		16,114,776
1983-85	7,085,127	6,224,596	316,013	13,625,736
1981-83	9,796,688		316,096	10,112,784
1979-81	3,098,239	3,908,936	894,017	7,901,192
1977-79	5,245,752		187,280	5,433,032
1975-77	4,440,774		186,297	4,627,071
1973-75		2,948,605	546,955	3,495,560
1971-73		2,675,358	105,000	2,780,358
1969-71		2,142,798		2,142,798
1967-69		1,961,450		1,961,450
1965-67		1,794,100		1,794,100

Source: North Dakota Legislative Council

From 1965 to 1975 the Highway Patrol was funded almost entirely from the highway fund. During the 1975-77, 1977-79, and 1981-83 bienniums there were no highway funds used to support the Highway Patrol. During those periods, the Highway Patrol was supported almost entirely from the state general fund. During the 1979-81 biennium about 50 percent of the Highway Patrol funding came from the highway fund, with the remainder coming from the state general fund and federal safety funds.

It was during the 1983 legislative session that funding for the Highway Patrol began to shift back to the highway fund from the general fund. There are a couple of reasons this occurred. First of all, 60 truck regulatory positions were transferred from the Highway Department to the Highway Patrol. The Legislature set aside additional highway funds to offset the expenses associated with the transfer of personnel. In addition, during the 1983-85 and the 1985-87 bienniums the state general fund was experiencing revenue shortfalls. To offset the shortfalls, the Legislature was looking at various means of alleviating pressure on the general fund. One option they selected was to shift the Highway Patrol funding from the general fund to the highway fund.

Since 1987, the Highway Patrol has been funded almost exclusively from the highway fund. The amount of revenue shifted from the highway fund to support the Highway Patrol has doubled from about \$11 million during the 1985-87 biennium to about \$22 million for the current biennium. Since 1983, just over \$129 million has been shifted from the highway fund to finance Highway Patrol operations. One hundred percent of the highway revenue dedicated to the Highway Patrol comes from the North Dakota Department of Transportation (NDDOT) portion of the highway fund. This has placed an extra burden on highway funding that is needed for road and bridge improvements.

Currently, one cent of the state motor fuel tax generates about \$4.7 million per year. Revenue from the motor fuel tax goes into the highway distribution fund and is allocated in the following manner: 63 percent goes to the NDDOT, 23 percent to the counties and 14 percent to the cities. Therefore, one cent of the state motor fuel tax generates about \$2.9 million annually for the NDDOT, \$1.1 million for the counties and \$700,000 for the cities. As stated earlier, 100 percent of the highway funding dedicated to the Highway Patrol comes from the NDDOT share of the highway fund. Therefore, it will take almost 4 cents of the NDDOT's share of the state motor fuel tax to generate the \$22 million to fund the Highway Patrol during the 1997-99 biennium.

Due to extreme weather conditions the past couple of years, heavier vehicles traveling on the system, and the fact that many segments of the highway system are approaching the end of their design life, the NDDOT has had a difficult time keeping up with the demands being placed on the system. Revenue that is currently going to fund the Highway Patrol would greatly assist the DOT in matching federal dollars and maintaining and preserving our highway system. With the resurgence of revenue going into the general fund it may be an opportune time for the Legislature to re-evaluate the source of funding for the Highway Patrol.

**REVENUE COLLECTED BY THE ND DEPT OF TRANSPORTATION
AND NOT USED FOR HIGHWAY PURPOSES**

	Transfer to Highway Patrol	Transfer to Snowmobile Fund	Transfer to Motorboat Programs & Safety Acct.	Transfer to Motorcycle Safety Fund (1)	Transfer to Abandoned MV Disposal Fund	Transfer to Law Enforcement Training Acad. (2)			
FY 1994	\$8,745,837.00	\$43,648.20	\$0.00	\$87,803.00	\$0.00	\$0.00			
FY 1995	\$9,268,801.00	\$70,713.00	\$0.00	\$88,591.00	\$0.00	\$0.00			
Total	\$18,014,638.00	\$114,361.20	\$0.00	\$174,394.00	\$0.00	\$0.00			
							1993-95 BIENNium	Grand Total	\$18,303,393.20
FY 1996	\$9,834,784.00	\$82,515.80	\$88,520.00	\$81,890.00	\$0.00	\$671,828.00			
FY 1997	\$10,861,000.00	\$95,952.60	\$102,852.50	\$79,895.00	\$55,098.00	\$505,337.00			
Total	\$20,695,784.00	\$158,468.40	\$189,372.50	\$161,785.00	\$55,098.00	\$1,177,165.00			
							1995-97 BIENNium	Grand Total	\$22,437,652.90
FY 1998	\$10,709,016.60	\$74,982.00	\$115,350.00	\$82,115.00	\$139,339.00	\$0.00			
FY 1999 to date	\$4,492,757.76	\$0.00	\$0.00	\$10,165.00	\$55,374.00	\$0.00			
	\$15,201,774.36	\$74,982.00	\$115,350.00	\$92,280.00	\$194,713.00	\$0.00			
							1997-99 BIENNium (to date)	Grand Total	\$15,679,699.36

(1) Values for FY1994 and FY1995 (transfer to Motorcycle Safety Fund) are estimates.
(2) Collected for 1995-97 Biennium only.

Source: Financial Management Division

ND Dept of Transportation
December

Post-It® Fax Note	7671	Date	12/4	# of Pages	1
To	Rip Al Carlson	From	Tom Evers		
Co./Dept.		Co.	ND DOT		
Phone #		Phone #	701-328-2581		
Fax #	701-328-7430	Fax #	701-328-1420		

ND DOT EXEC OFFICES FAX 701-328-1740

HOUSE APPROPRIATIONS COMMITTEE
February 2, 1999

North Dakota Department of Transportation
Tom Freier, Deputy Director / Director, Office of Business Support Services

HB 1230

Mr. Chairman and members of the committee: the North Dakota Department of Transportation supports HB 1230.

We do not question the Highway Patrol budget. Our concern is simply the transfer of Highway Distribution Fund monies to the Highway Patrol to fund their entire budget, and the effect of these transfers on the NDDOT budget.

Revenues collected for the Highway Distribution Fund, consisting of motor vehicle registration fees and motor fuel taxes, are relatively fixed because both are set numbers. So unless more vehicles are registered, or more gallons of fuel are consumed, the collections remain static.

As inflationary forces have driven construction and maintenance costs up over the years, and public expectations have risen, our funding sources have not increased correspondingly. Compounding the problem has been the increase in transfers to the Highway Patrol budget. Each biennium's transfer, and the increase in that transfer, increases the department's difficulty in matching federal highway funding. Some of those dollars are at a 90-10 match, while others are at a 80-20 ratio. **NDDOT'S goal is to match all federal dollars available, and put that money to use on the roads.**

As Director Moore outlined to you in our budget presentation, cash flow in the early part of the biennium will be something of a problem. Even the revenue increases provided for in the governor's budget will not address our cash flow shortage caused by increased federal funding authority. The systematic decreases in the transfers to the Highway Patrol budget, as provided for in HB 1230, **would** help the cash flow problem.

Congress, in passing TEA-21, made a commitment to return to the states virtually all funds collected from federal fuel taxes. Similarly, NDDOT supports using all Highway Distribution Funds for NDDOT purposes. The passage of HB 1230 would help to accomplish that goal.

NDDOT feels that it can best determine the wisest use of funds collected in motor vehicle registration fees and motor fuel taxes and placed in the Highway Distribution Fund. Those funds should remain with the department. HB 1230 accomplishes this, and we ask your favorable consideration.