

FISCAL NOTE
Requested by Legislative Council
02/05/2019

Amendment to: HB 1066

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$100,000,000	\$(83,500,000)		
Expenditures			\$35,000			
Appropriations			\$35,000			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties		\$(9,300,000)	
Cities		\$1,300,000	
School Districts		\$2,400,000	
Townships		\$(10,900,000)	

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1066 amends multiple sections of the oil and gas gross production tax distribution formula, including how several political subdivision amounts are calculated. It also creates a few new state funds and modifies the order in which state funds will be filled.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of Engrossed HB 1066 creates an airport infrastructure fund that is to receive up to \$20M in allocations as spelled out in Section 5 of this bill. It is to be used to provide grants to airports for infrastructure projects.

Section 2 amends the definition of hub cities to require that it be located in an oil and gas producing county. Based on current statistics, this would not change the cities currently being defined as hub cities.

Section 3 amends NDCC 57-51-15 as follows:

- Removes all political subdivision funding currently under the 1/5th side of the formula (hub cities, hub city schools, additional schools in oil-producing counties) and adds them to the 4/5th side of the formula which currently contains the remainder of the political subdivision funding.
 - Removes the allocation of \$5M per biennium to the oil and gas impact grant fund.
 - Removes the allocation of \$4M per biennium to the energy impact grant fund.
 - Adds separate funding allocations to the 4/5th side of the formula for pools to be set up for allocating set dollar amounts to hub cities, hub city schools, and additional school districts in oil-producing counties. These pools are to be funded by taking 30% of the required amounts from the allocations to the “over \$5M counties” and the remaining 70% from the state share.
 - Creates a new formula for determining the split of hub city and hub city school allocation among the qualifying hub cities and hub city schools.
 - Adjusts certain allocation of funds within the “over \$5M counties”. Specifically, reduces the percentage going to townships from a total of 6% down to 4%. Also adds a separate allocation for hub city schools totaling 2%.
- The net effect of these changes is a (\$9.3M) reduction to county allocations, a \$1.3M increase to city allocations, a \$3.7M increase to school allocations, a (\$12.2M) reduction in township allocations, and a (\$9M) reduction in special fund allocations.

Section 4 makes technical changes to NDCC 57-51.1-07.3 to clarify the allocation of state oil and gas tax revenues.

Section 5 modifies how the state share of oil and gas taxes are allocated by amending NDCC 57-51.1-07.5 in the following ways:

- Increases the second general fund bucket from \$100M to \$200M.
- Eliminates the bucket that was previously split between the lignite research fund and the strategic investment and improvements fund (SIIF) and replaces it with a \$10M bucket that goes solely into the lignite research fund.
- Adds a bucket for a portion of the municipal infrastructure fund in which \$30,370,000 is to be deposited.
- Adds a new \$400M SIIF bucket.
- Adds a bucket for a portion of the county and township infrastructure fund into which \$30,370,000 is to be deposited to match the municipal infrastructure bucket above.
- Add a new bucket to fill the remainder of the two new infrastructure funds concurrently totaling up to \$169.3M. The municipal infrastructure fund and the county and township infrastructure fund are both set up to receive up to \$115M in total allocations among the separate buckets.
- Adds a \$20M bucket for a new airport infrastructure fund.

The net effect of these changes is a \$100M increase in general funds and a (\$74,500,000) reduction in special funds (lignite research: \$7M; muni infrastructure: \$112M; county and township infrastructure: \$112M; SIIF: (\$305.5M))

Section 6 creates the municipal infrastructure fund that is to receive up to \$115M in allocations as specified in Section 5. This fund is to receive these funds and then distribute them out as grants to cities in non-oil-producing counties for essential infrastructure projects.

Section 7 creates the county and township infrastructure fund that is to receive up to \$115M in allocations as specified in Section 5. This fund is to receive these funds and then distribute them out as grants to non-oil-producing counties and townships for road and bridge infrastructure projects.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The impacts included in this fiscal note are based on a number of assumptions. The amounts were calculated based on the Legislature's January 2019 forecast for oil and gas tax revenues for the 2019-2021 biennium. These total revenue amounts were then assumed to have been sourced to the various counties in the same allocation percentage as we have seen during the current biennium. The resulting amounts were then used to produce allocation estimates comparing current law with the amended law as shown in HB 1066.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

In order to implement a number of these changes, the Office of State Treasurer will incur one-time costs for computer programming, website updating, and report rewriting.

We have consulted with ITD regarding the programming rewrites we would need to make to our Tax Distribution Outstanding Checks (TDOC) system in order to distribute the funds appropriately and they have estimated \$15,550 for the project.

This ITD estimate only covers the programming changes for the oil and gas distribution changes, it does not include anything for the report changes or the new distributions called for in Sections 6 & 7 of the bill. Our current estimate is that incorporating these new distributions and making the appropriate online reporting changes would result in additional one-time costs of approximately \$20,000.

The total additional one-time costs to the Office of State Treasurer will then be approximately \$35,000.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Office of State Treasurer will incur additional one-time costs of approximately \$35,000 for computer programming, website updating, and report changes for changing the current oil and gas formula and adding two new distributions along with online reporting requirements. These additional costs were not included in OST's appropriation request for the 2019-2021 biennium.

Name: Ryan Skor

Agency: Office of State Treasurer

Telephone: 7013282643

Date Prepared: 02/06/2019

FISCAL NOTE
Requested by Legislative Council
12/21/2018

Revised
 Bill/Resolution No.: HB 1066

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

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Expenditures			\$35,000			
Appropriations			\$35,000			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

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- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1066 amends multiple sections of the oil and gas gross production tax distribution formula, including how several political subdivision amounts are calculated. It also creates a few new state funds and modifies the order in which state funds will be filled.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of HB 1066 creates an airport infrastructure fund that is to receive \$50M in allocations as spelled out in Section 5 of this bill. It is to be used to provide grants to airports for infrastructure projects.

Section 2 amends the definition of hub cities to require that it be located in an oil and gas producing county. Based on current statistics, this would not change the cities currently being defined as hub cities.

Section 3 amends NDCC 57-51-15 in a number of ways:

- Removes all political subdivision funding currently under the 1/5th side of the formula (hub cities, hub city schools, additional schools in oil-producing counties) and adds them to the 4/5th side of the formula which currently contains the remainder of the political subdivision funding.
- Removes the allocation of \$5 million per biennium to the oil and gas impact grant fund.
- Removes the allocation of \$4 million per biennium to the energy impact grant fund.
- Adds separate funding allocations to the 4/5th side of the formula for pools to be set up for allocating set dollar amounts to hub cities, hub city schools, and additional school districts in oil-producing counties. These pools are to be funded by taking 30% of the required amounts from the allocations to the “over \$5 million counties” and the remaining 70% from the state share.
- Creates a new formula for determining the split of hub city and hub city school allocation among the qualifying hub cities and hub city schools.
- Adjusts certain allocation of funds within the “over \$5 million counties”. Specifically, reduces the percentage going to townships from a total of 6% down to 4%. Also adds a separate allocation for hub city schools totaling 2%. The net effect of these changes is a (\$9.3M) reduction to county allocations, a \$1.3M increase to city allocations, a \$2.4M increase to school allocations, a (\$10.9M) reduction in township allocations, and a (\$9M) reduction in special fund allocations.

Section 4 makes technical changes to NDCC 57-51.1-07.3 to clarify the allocation of state oil and gas tax revenues.

Section 5 modifies how the state share of oil and gas taxes are allocated by amending NDCC 57-51.1-07.5. This section makes the following changes:

- Increases the second general fund bucket from \$100 million to \$200 million.
- Eliminates the bucket that was previously split between the lignite research fund and the strategic investment and improvements fund (SIIF) and replaces it with a \$10 million bucket that goes solely into the lignite research fund.
- Adds two new infrastructure funds that are to fill concurrently totaling \$230 million. The municipal infrastructure fund and the county and township infrastructure fund are both set up to receive \$115 million.
- Adds a \$50 million bucket for a new airport infrastructure fund.

The net effect of these changes is a \$100 million increase in general funds and a (\$74,500,000) reduction in special funds (lignite research: \$7M; municipal infrastructure: \$115M; county and township infrastructure: \$115M; airport infrastructure: \$50M; SIIF: (\$361.5M))

Section 6 creates the municipal infrastructure fund that is to receive \$115M in allocations as specified in Section 5. This fund is to receive these funds and then distribute them out as grants to cities in non-oil-producing counties for essential infrastructure projects.

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3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

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B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

In order to implement a number of these changes, the Office of State Treasurer will incur one-time costs for computer programming, website updating, and report rewriting.

We have consulted with ITD regarding the programming rewrites we would need to make to our Tax Distribution Outstanding Checks (TDOC) system in order to distribute the funds appropriately and they have estimated \$15,550 for the project.

This ITD estimate only covers the programming changes for the oil and gas distribution changes, it does not include anything for the report changes or the new distributions called for in Sections 6 & 7 of the bill. Our current estimate is that incorporating these new distributions and making the appropriate online reporting changes would result in additional one-time costs of approximately \$20,000.

The total additional one-time costs to the Office of State Treasurer will then be approximately \$35,000.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Office of State Treasurer will incur additional one-time costs of approximately \$35,000 for computer programming, website updating, and report changes for changing the current oil and gas formula and adding two new distributions along with online reporting requirements. These additional costs were not included in OST's appropriation request for the 2019-2021 biennium.

Name: Ryan Skor

Agency: Office of State Treasurer

Telephone: 7013282643

Date Prepared: 01/14/2019

FISCAL NOTE
Requested by Legislative Council
12/21/2018

Revised
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Section 2 amends the definition of hub cities to require that it be located in an oil and gas producing county. Based on current statistics, this would not change the cities currently being defined as hub cities.

Section 3 amends NDCC 57-51-15 in a number of ways:

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The total additional one-time costs to the Office of State Treasurer will then be approximately \$35,000.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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Name: Ryan Skor

Agency: Office of State Treasurer

Telephone: 7019892643

Date Prepared: 01/03/2019

FISCAL NOTE
Requested by Legislative Council
12/21/2018

Bill/Resolution No.: HB 1066

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Name: Ryan Skor

Agency: Office of State Treasurer

Telephone: 7019892643

Date Prepared: 01/03/2019

2019 HOUSE FINANCE AND TAXATION

HB 1066

2019 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1066
1/15/2019
30807

- Subcommittee
 Conference Committee

Committee Clerk: Mary Brucker

Explanation or reason for introduction of bill/resolution:

A bill relating to infrastructure funds; relating to oil and gas tax revenue allocations; to provide a continuing appropriation; to provide for a report; and to provide an effective date.

Minutes:

Attachments 1-43

Chairman Headland: Opened hearing on HB 1066.

Representative Nathe: Introduced bill. I'd like to thank Senator Wardner, Senator Cook, and Representative Porter as we have been working on this concept since last May. This is a complicated issue and takes a lot of work. This is a good example of a collaboration between the House and the Senate when it comes to an issue of this size. Also a thank you to Brent Bogart, our technical advisor, who has helped us devise some of the formulas we are going to talk about today. Several sessions ago we passed a surge bill to help dealing with the growing infrastructure needs in the Bakken as a result of the oil boom that the communities out west were experiencing. Today we find ourselves in a similar situation for the rest of the state. North Dakota has been experiencing a booming economy and its communities have had tremendous growth because of it. Now is the time we start helping to fund the rest of the state; the non-oil producing counties with their growing infrastructure needs. We have billions of dollars of infrastructure needs in this state that need to be addressed now. This bill contains the existing revenue stream that the state received from the oil and gas tax. A consistent revenue stream that will assist in funding the badly needed infrastructure buildup across the state of North Dakota. This bill will also help make the hub city funding more permanent for the oil producing counties out west. When the bill passes it will help to provide certainty to the cities, counties, and airports when it comes to planning. I cannot stress enough certainty. It will also help to relieve some of the financial burden on our communities across the state when it comes to paying for their infrastructure needs thus helping to lessen the tax burden on all citizens of North Dakota. With the passage of this bill every community in this state will benefit directly from this transformative legislation for years to come. I will now walk through how the buckets work and the bill itself. As the buckets fill it keeps dropping down so think of it as a water faucet with water being money and filling these buckets. The bill has added three buckets; municipal infrastructure for \$115 million, the cities and townships for \$115 million, and the third bucket for airports for \$50 million. After these fill it then goes down into Strategic Investment Improvement Fund (SIIF). State

Buckets and Legacy Fund Assumption: \$52.50 per barrel of oil at 1,200,000 barrels of oil per day. Now I will explain the bill. Section 1 has to do with the airport infrastructure fund, this sets up the airport bucket. It is available to oil producing counties in the state, including airports. It is money that would be given to the aeronautics department then they would take care of granting that money to the airports as requests come in. Section 5 on line 17 also sets up the buckets; \$115 million for the cities, \$115 million for the townships and counties (\$100 million for the counties and \$15 million for the townships), and on line 8 the \$50 million bucket dollars are put aside for the airport fund. Section 6 sets up the infrastructure funds for the cities and the treasurer's office. The treasurer's office would be administering this bill; taking care of the reports and things along those lines. Subsection 1 on page 17 has to do with the reporting requirements. When a political sub is asking for money for a project they fill out a report stating what the project is, how much it will cost, and how much they need. That is then given to the treasurer's office. If a political sub doesn't send in their report, especially after receiving the money, or missed a reporting deadline they are given a waiver for a period of time to get that to the treasurer's office but if they miss that deadline they no longer get the money from the prairie dog bill for two years. We are stringent on that. Subsection 2 page 18 has to do with the base payments. The first \$30.25 million goes in the cities, townships, and counties buckets which fill up at the same rate; it's a dollar for dollar fill up. Once that is met the base payments are released to those bigger cities, those with a population of over 5,000. Subsection 3 page 18 we talk about the disbursement of funds and once the cap has been reached. Once these buckets fill up that section talks about how the money will go out. Subsection 3 pages 18-19 is the city formula. The city formula has to do with property valuations, populations, etc. That will be updated every two years. Subsection 4a has to do with the definition of the requirements of essential infrastructure projects. Lines 1-11 will identify what they can use the money for; 10 definitions identified. Money can only be used for one of these ten requirements. It cannot be used to pay off existing debt or for bonding. It can only be used for new infrastructure or replacing existing infrastructure. Line 12 is what the fiscal year means; September 1 to August 31. Line 14 talks about the non-oil producing counties. These counties receive less than \$5 million in allocations. Section 7 lines 20-27 sets up the buckets for cities and townships. The funding requirement is at the bottom of page 20 which is the same requirement we just talked about for the cities. On page 21 lines 10-12 talks about the reporting requirement. Section 7 subsection 3 talks about the monies for the townships. Under the current formula the townships will receive roughly \$15 million which will be distributed evenly between all the counties; about \$8,000 per township. Subsection 4 page 21 talks about the distribution of funds for the counties which is \$100 million. Subsection 6 page 22 talks about the road infrastructure projects and how they are met.

Discussed the handouts: 10 Year Capital Improvement Projections (attachment #1), cities with infrastructure needs (attachment #2), and the County Infrastructure Fund (see attachment #3).

This bill gives us a lot of flexibility. If we go into next session and times are good, we can tweak these numbers up from \$115 to wherever we want. If things are rough like last session, we can turn these numbers down. This is a solid consistent revenue source that our political subs can plan on when it comes to providing for infrastructure buildup as we go along.

Discussed a graph (attachment #4). On the left hand side are the oil prices, the middle is the grey area where we're at today showing a \$1.4 million a day, we're in a \$50-52 range. If it stays in the \$52 range and \$1.4 million a day, it will fill these buckets up and we will still

have almost \$600 million left in SIIF. You can see how the dollar amounts effect the ending balance of SIIF and the production.

Representative Porter: The last few sessions we've dealt with hub cities and the critical infrastructure needs. One of the things that has happened at the legislature is certainty and uncertainty. There was a formula to be put in the hub city bill that would qualify you to be a hub city. Mandan did not meet the threshold for employment per the definition. The definition was changed the next session then almost every city qualified for some of the money. Then we came back the following session and it was changed again then nobody qualified for the money. When we do that kind of legislating and create a certain level of uncertainty our local political subdivisions have no ability to plan. They have no ability to deal with their critical needs. The key component to this bill as we were working on it is the certainty for those political subdivisions to know they can plan into the future those critical projects needed in their communities. In the bill there is a component that even if they don't have the need for the money in the current biennium then it stays in the Bank of North Dakota earmarked to them so they can save that money for a future bigger project. The other key component we put in there was that they can't bond against this money. It could fluctuate with production and it could fluctuate with the price of oil to the point that we can't guarantee the same amount of money. We don't want a community to go out and bond against this as being a guaranteed source of revenue so the local taxpayers would be stuck trying to come up with the bond payment. You want to pay close attention to the fact that's it's very restrictive to what the definition is of critical infrastructure. As we look at this the key component is certainty. I've heard discussions about expiration dates. Everything we do here has an expiration date on it. Putting an expiration date on this only reinforces the uncertainty our communities would have going forward. By having it with no expiration date and having it go out into the future they have the ability to plan. We have to be proactive and trusting in them. We want you to have the certainty to go out and start fixing your critical infrastructure.

Senator Wardner: There are many people in the audience who have contributed to this piece of legislation and I want to thank them for what they've done and what they suggested. Certainty is what it's all about; both oil producing and non-oil producing communities. It doesn't increase any of the percentages from the past; the formula is the same. The extraction tax is five percent tax. The gross production tax is where the monies go back to the political subs in oil communities as in lieu of property tax comes from. Four percent went one way and one percent went another way. The one percent was dedicated to the state. When we started the hub cities and hub cities schools I guess we were lazy because we didn't put it over with the rest of the oil entities. That was supposed to be for the state. Hub cities came about because the oil producing counties sucked up all the money. The hub cities are where most of the workforce comes from. We have to have infrastructure if we're going to have workforce out in the oil patch today. As a result, all of the oil producing counties chipped in to make sure the hub cities can provide the amenities that are needed. It moves over from the 1/5 side to the 4/5 side. The percentages are the same and the formulas are the same. When it comes to the oil communities, the oil industry pays a 10% tax and they expect to have something for that; good roads to bring the product to market and expect communities where their families and workforce can live. I don't think we're asking for any more, the percent will float up and down as to the price and production of oil, just like it always has done. The oil communities are expected we have a shortage of workforce. This is a different workforce than was there 8-10 years ago, this is a workforce that has come to stay.

They are bringing their families and they want good schools, community centers, parks, and quality of life. Right now we are short of people to work on the frack crews. If we could get more frack crews out there we would have more production which would help the state of North Dakota. This is an investment for the state of North Dakota. The state of North Dakota is just old enough that we have many communities where infrastructures are shot and needs to be redone. In order for communities to stay viable they have to replace that and have good streets, good sewer, and water lines. This bill brings the state together. Looking forward we talk about no sunset clause. Do we have the vision and the funding necessary to sustain us? We have the legacy fund. As the oil money is used more and more for infrastructure across the state it takes the special assessments that are needed to replace this infrastructure off the property taxpayer. This is not a reduction in property tax but it will affect them as we go forward. We will have good infrastructure in the state. As the legacy earnings increase it backstops this for us if we allow it.

Senator Robinson: The challenge we have across the state is billions of dollars of needs in the area of infrastructure. The bottom line is the economic vitality of our entire state is on the line. We're not just talking about roads but no matter where you go in North Dakota we have needs. Costs are not going down. If we don't do this the greater cost is not leading in this direction; not maintaining a quality system of infrastructure in all 53 counties. Our economy is dependent upon it. It's evident by the interest displayed here today that this is an important piece of legislation. For the good of North Dakota, I hope we can all come together and bring this state together over a common cause to ensure we have good infrastructure throughout the state of North Dakota.

Chairman Headland: Is the design of this package intended to supplement local revenue sources that are used for infrastructure, supplant those, or is it a combination of both?

Representative Nathe: I think it's an additional tool they can use when it comes to addressing the infrastructure needs in their communities.

Senator Wardner: I would be happy to talk with you about the formula for the oil county if you don't understand it.

Representative Ertelt: There was a comment by Representative Porter about not being able to bond against these funds. Could you point out where in the bill that provision is located?

Representative Nathe: On page 19 4a it says capital construction projects exclude debt repayments, routine maintenance, and repair projects but include the following 10 definitions.

Chairman Headland: What would happen in the case where we'd have a catastrophic reduction of the price of oil, the buckets don't fill, and there's money set aside at the Bank of North Dakota designed for projects, do those dollars remain in the Bank of North Dakota or are they precluded from being sent out to the political subdivisions?

Representative Nathe: If this doesn't meet our forecasts and the buckets are only partially filled then it is prorated out to every political sub.

Chairman Headland: The intent is that once some of these monies are steered towards a particular project in a particular subdivision those subdivisions are going to be able to count on that money being there?

Representative Nathe: Exactly, it may take a little longer than they planned but that money will be there.

Chairman Headland: If there are no other questions then we will start taking testimony.

Arik Spencer, President and CEO of the Greater North Dakota Chamber: Distributed written testimony, see attachment #5. Ended testimony at 39:10.

Mayor Bernie Dardis, City of West Fargo: Distributed written testimony, see attachment #6. Ended testimony at 43:40.

Reinhart Hauck, Dunn County and President of the North Dakota County Commissioners Association: Distributed written testimony, see attachment #7. 46:06.

Brian Ritter, President and CEO of the Bismarck Mandan Chamber/EDC: Distributed written testimony, see attachment #8. Ended testimony at 48:33.

Mayor Lynn James, City of Bowman: Distributed written testimony, see attachment #9. Ended testimony at 53:59.

Commissioner Doug Nordby, McKenzie County: Distributed written testimony, see attachment #10. Ended testimony at 1:03:57.

Scott Rising, Soybean Growers Association: Distributed written testimony, see attachment #11. Ended testimony at 1:05:51.

Michael Gerhart, Executive Vice President of North Dakota Motor Carriers Association: Distributed written testimony, see attachment #12. Ended testimony at 1:07:06.

Matthew Remyse, Marketing and Operations Manager of Bismarck Airport and AAND: Distributed written testimony, see attachment #13. Ended testimony at 1:10:53.

Mayor Tim Meyer, City of Lisbon: Distributed written testimony, see attachment #14. Ended testimony at 1:12:05.

Nick West, Grand Forks County Engineer: Distributed written testimony, see attachment #15. Ended testimony at 1:16:31.

Steve McCormick Jr., Northern Improvement, North Dakota AGC President: Distributed written testimony, see attachment #16. Ended testimony at 1:23:29.

Katie Andersen, Manager of Jamestown Airport: Distributed written testimony, see attachment #17. Ended testimony at 1:25:37.

Mayor Dwaine Heinrich, City of Jamestown: Distributed written testimony, see attachment #18. Ended testimony at 1:33:45.

Larry Syverson, Executive Director of North Dakota Township Officers Association: Distributed written testimony, see attachment #19. Ended testimony at 1:37:02.

Jeffrey Skaare, Director of Business Development Caliber Midstream and NDPC: Distributed written testimony, see attachment #20. Ended testimony at 1:39:58.

Mayor Phil Riely, City of Watford City: Distributed written testimony, see attachment #21. Ended testimony at 1:43:36.

Ryan Riesinger, Executive Director of Grand Forks Regional Airport Authority: Distributed written testimony, see attachment #22. Ended testimony at 1:47:53.

Mayor Shaun Sipma, City of Minot: Distributed written testimony, see attachment #23. Ended testimony at 1:53:51.

Jim Neubauer, City Administrator for the City of Mandan: Distributed written testimony, see attachment #24. Ended testimony at 1:55:36.

Mayor Tim Mahoney, City of Fargo: Written testimony provided, see attachment #25. Ended testimony at 1:58:24.

Chairman Headland: Are there any questions at this time?

Mayor Howard Klug, City of Williston: Distributed written testimony, see attachment #26. Ended testimony at 2:00:15.

Chairman Headland: Is there further testimony in support of this bill?

Jason Benson, Cass County Engineer: Distributed written testimony, see attachment #27. Ended testimony at 2:03:16.

Chairman Headland: The Upper Great Plains Transportation Institute study used to define how the money would be distributed. Is there a possibility of a better way of distributing this money?

Jason Benson: I think for the total information the study continuing to update is the best way. Upper Great Plains has developed a grid system using GIS that county road networks are input into the system. It is probably the most advanced on the county road network of any state in the nation. That information along with previous past studies consolidated with continuous updates will provide very effective mechanisms to distribute the funds.

Chairman Headland: Is there further testimony in support?

Carmen Miller, Director of Public Policy for Ducks Unlimited: Distributed written testimony, see attachment #28. Ended testimony at 2:07:37.

Chairman Headland: Is there further testimony in support? Is there any opposition? Are there any questions from our committee members? Seeing none we will close the hearing on HB 1066.

**Additional testimony was submitted but not presented, see attachments #29-43.

2019 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1066
2/4/2019
32125

- Subcommittee
 Conference Committee

Committee Clerk: Mary Brucker

Explanation or reason for introduction of bill/resolution:

A bill relating to infrastructure funds; relating to oil and gas tax revenue allocations; to provide a continuing appropriation; to provide for a report; and to provide an effective date.

Minutes:

Attachment 1

Chairman Headland: Distributed proposed amendment 19.0560.02004, see attachment 1. This amendment changes the way the buckets are filled. In trying to figure out the sustainability of this legislation we've looked into the next biennium. We've discovered the cost to continue and the worry about balancing without a change to prairie dog and its sustainability. The amendment changes the way the money flows into the buckets. Instead of it flowing from the Lignite Research Fund into the Municipal Infrastructure Fund and the County and Township Infrastructure Funds directly we've made a change that would put... It first put the \$30.4 million to be distributed out to the large cities so we created a new bucket for that money to flow after the State Disaster Relief Fund into that bucket. The next \$400 million would flow into the SIF fund. We are putting that in front of the money that would go into the Township and County Infrastructure Fund. The bucket for the Municipal Infrastructure Fund would then continue to fill at that time. It doesn't change the intent of the bill except it moves the \$400 million into SIF so that would fill prior to the other buckets filling. It would also reduce the Airport Infrastructure Fund from the \$50 million down to \$20 million and any remaining revenue after that would flow into SIF. That is the bulk of the amendment. A subtle change is on what now would be page 20 of the bill the subsection regarding what would be deemed an essential infrastructure project. We added language on line 20 number 10; communications, infrastructure and clarified that it would exclude fiber optic infrastructure. We were informed that they may want to get into competition with private communications operators so we took that opportunity out of the bill.

Representative Toman: On page 20 line 11 regarding communications infrastructure, what municipalities own communications infrastructure or is that talking about the siren?

Chairman Headland: Communications infrastructure is fairly broad. We wanted to limit it to sirens and not allow for them to start plowing in fiber optics creating a direct network that could compete with the private business.

Representative Steiner: Did you explain why you wanted the \$400 million to go into SIF prior to going to the municipals?

Chairman Headland: We're going to need that to get out of the next legislative session. We needed to make sure to protect our own legislative process so that money is available to us before it's already been promised out to political subdivisions.

Representative Steiner: Would you be open to going back to the original bill with the trigger if oil goes to \$60.00 then everything will flow?

Chairman Headland: I think the concern is gone. Under the scenario where the buckets fill today, the buckets should fill. It's just switching \$400 million to make sure that state revenues are protected and accessed for us. This is money that is taxed at the state level provided by oil tax and we all know it. We have to make sure our concerns are met before we can promise it to the political subdivisions. I don't know that we want to complicate it with a trigger.

Representative Ertelt: We heard a lot of testimony from airports. Can we not make that such a significant cut because it goes from \$50 million down to \$20 million? There are a lot of projects the airports are trying to do now. \$50 million is a small portion of the bucket and I feel like that's a really big cut to that one.

Chairman Headland: It was brought to our attention that there is \$26 million in the Aeronautics Commission budget and we wanted to make sure there was no doubling of that. We're going to need every penny we can to get out of this session.

Representative Toman: We've gone from \$3 million to \$10 million to the Lignite Research Fund. What's that going to be used for, is that related to Project Tundra?

Chairman Headland: Are you saying the original bill was \$3 million and with the amendment it's going to \$10 million?

Representative Toman: No, the amendment doesn't change that in the bill so that's why I brought it up for discussion.

Chairman Headland: Are there any other questions?

Vice Chairman Grueneich: **MADE A MOTION TO ADOPT THE AMENDMENT 19.0560.02004.**

Representative Blum: **SECONDED**

Chairman Headland: Discussion.

Representative Trottier: What do we say to our people back home that anticipated more money because we're making some pretty big cuts here.

Chairman Headland: We are not actually cutting anything, we are just moving the state's needs in front of the political subdivisions' needs in case of some dramatic occurrence that

oil would drop and the buckets wouldn't fill. If we passed it that way and those buckets had not completely filled when we came back with no money in SIF you're going to have a disaster on your hands when you try to balance the budget next session.

**VOICE VOTE CHANGED TO ROLL CALL:
11 YES 3 NO 0 ABSENT**

Chairman Headland: Are there any other amendments?

Representative Ertelt: I don't have amendments prepared at this time. I have a few concerns. The spending that is proposed in this legislation is not unlike the 12% property tax buy down that was given to political subdivisions in the past. I fully believe it will be treated the same as that buy down and we won't get real response from the political subdivisions because it will be treated as ongoing revenue. They will be expecting that every biennium. If it is treated as ongoing the political subdivisions' budgets will increase. They may then put added pressure on property tax and locals would be forced to pay more. I also have concern of restricting the expenditure to the replacement of old or new construction. There are projects where we would be better off doing maintenance. Pavement preservation is cost effective. We ought not to be discouraging maintenance in favor of replacing. This goes along the idea of urban sprawling. Minot is a classic example of over building and I think this bill would be incentivizing communities across the state to over build. We should be hesitant and maybe give a little more flexibility to the communities to spend on maintenance instead of just replacement or new construction. I would like some time to work on some amendments and be ready to present tomorrow if that's possible?

Chairman Headland: I don't know that we are getting a little too concerned with the language and what constitutes new infrastructure or replacing existing infrastructure. I was under the assumption it means overlays and things like that. It mentions that it excludes routine maintenance and repair projects. That is something that can certainly be addressed on the other side if that becomes a concern. I don't think it would be hard for the committee to take care of it here and now if it's a big concern of yours. It didn't seem to be in a lot of the discussions that took place in the last three weeks.

Representative Kading: **MADE A MOTION TO ADOPT AMENDMENT** to \$30.4 million to \$15.2 million to counties and township infrastructures and change the equal distribution from \$169.2 million to \$85 million. We are distributing \$250 million to local counties and municipalities on an ongoing basis. I don't think it's good policy. We are doing exactly the same thing as the tax buy down in a different name.

Representative B. Koppelman: **SECONDED**

Chairman Headland: I'm going to completely reject this amendment. I think it would change the whole bill. I was trying to move this bill forward with the original author's intent. I don't believe it's what I would like to see with this bill moving forward.

Representative Steiner: I would ask the committee to resist making arbitrary cuts like that when this bill has been worked on for six months. There has to be an exact reason why you would move to that number, not because you just felt like doing it.

Chairman Headland: Is there anything further?

VOICE VOTE: MOTION FAILED

Representative B. Koppelman: I'm trying to figure out how this benefits our taxpayers. I think we need to consider how we are going to take the vast majority of resources we've been given and help our constituents? If we prioritize spending \$100 million ahead of saving our constituents money that's a little concerning. Over the past 10-15 years property tax reduction was a big priority. We had some policies that failed because they weren't sustainable. If we do this now we're not getting a reduction out of it so it's like funding the old policy without any cut in property tax. Is this really a good approach and are the citizens going to be better off or worse off? Where is the savings to the taxpayers?

Chairman Headland: Granted everyone who sits on this committee understands that people have concerns with property taxes. We're told by the political subdivisions who levy those taxes that they have to continue to increase those levels due to infrastructure needs that are there because of the aging infrastructure out there. There has to be some trust. The bill says the money has to be used to upgrade that infrastructure. It should in theory take pressure off property taxes. I don't think we can dictate the terms of every little thing that we tie to state money to these political subdivisions without giving them a little ability to spend it how they know it's needed. I also have the concerns. I understand the needs and desires of the political subdivisions to want certainty in this bill. We're the first committee to have this bill. I think the amendment we put on it addresses the concerns of the next biennium. I think we need to get this bill moved out of our committee. Your concerns are understandable but I think we need to move forward.

Representative B. Koppelman: I still question that as a committee if we pass this bill are we tying our hands behind our back on what we can do with policy for not spending or having tax reform or other things. My constituents care about all the taxes we pay. We're sending the message that we're not going to cut your taxes but we're going to spend a lot more than at the end of the session we'll say we're such a poor group of people that we don't have money to given. I think that's a bad policy.

Chairman Headland: As state elected officials we have obligations to fund government. I don't see how this bill prohibits us from addressing any area of state government that we've over funded in the past. To me this bill is a way to get some of this oil money to the rest of the state. It's the state's money, not the western part of North Dakota's money. A lot of work has gone into this bill from a lot of people. I think it's a good program that needs to move forward. I understand your concerns.

Representative Hatlestad: I'm concerned that a lot of people have been working on this piece of legislation but I wasn't included. I would like some time to talk to people about some changes that have been made here to a bill I thought people were 100% in favor of what we had done.

Chairman Headland: The changes made to this bill are not significant unless there is some kind of real disaster. If that occurred the entire bill would be in trouble. I understand you're

a member of this committee so you could have done anything you wanted to address your concerns yet here we are.

Representative Steiner: MADE A MOTION FOR A DO PASS AS AMENDED AND REREFER TO APPROPRIATIONS

Representative Blum: SECONDED

Chairman Headland: Is there any further discussion?

ROLL CALL VOTE: 9 YES 5 NO 0 ABSENT

MOTION CARRIED

Representative Dockter will carry this bill.

DA 2/6/19
10F9

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1066

Page 17, line 9, after "next" insert "thirty million three hundred seventy-five thousand dollars, or the amount necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7, into the municipal infrastructure fund;

8. The next four hundred million dollars into the strategic investment and improvements fund;

9. An amount equal to the deposit under subsection 7 into the county and township infrastructure fund;

10. The next one hundred sixty-nine million two hundred fifty thousand dollars or the amount necessary to provide a total of"

Page 17, line 9 after "into" insert "the"

Page 17, line 10, after "counties" insert "under sections 57-51.1-07.7 and 57-51.1-07.8"

Page 17, line 13, replace "8." with "11."

Page 17, line 13, replace "fifty" with "twenty"

Page 17, line 14, replace "9." with "12."

Page 20, line 11, after "infrastructure" insert ", excluding fiber optic infrastructure"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The schedule below compares the 2019-21 biennium oil and gas tax allocation formulas under current law to House Bill No. 1066 and the proposed amendment to House Bill No. 1066 [19.0560.02004].

2019-21 Biennium Oil and Gas Tax Allocation Formulas		
Current Law	House Bill No. 1066 As Introduced	Proposed Amendment [19.0560.02004]
Hub city definition <ul style="list-style-type: none"> A hub city is based on mining employment. 	Hub city definition <ul style="list-style-type: none"> A hub city must be located in an oil-producing county. 	Hub city definition <ul style="list-style-type: none"> Same as House Bill No. 1066.
Hub city and hub city school district allocations <ul style="list-style-type: none"> Hub cities located in oil-producing counties receive an annual allocation of \$375,000 per full or partial percentage point of mining employment exceeding 2 percent. 	Hub city and hub city school district allocations <ul style="list-style-type: none"> A total of \$22 million per year is available for distribution to hub cities, and the allocations are proportional to each hub city's impact percentage score relative to the combined total of all the hub cities' impact percentage scores. The impact percentage scores are based on mining employment, mining establishments, oil production, and population. 	Hub city and hub city school district allocations <ul style="list-style-type: none"> Same as House Bill No. 1066.

<ul style="list-style-type: none"> • Hub cities located in non-oil-producing counties receive an annual allocation of \$250,000 per full or partial percentage point of mining employment exceeding 2 percent. • Hub city school districts in oil-producing counties receive an annual allocation of \$125,000 per full or partial percentage point of mining employment exceeding 2 percent. 	<ul style="list-style-type: none"> • Removes allocations to hub cities located in non-oil-producing counties. • A total of \$6 million per year is available for distribution to hub city school districts, and the allocations are based on the same impact percentage scores used for the hub city allocations. 	<ul style="list-style-type: none"> • Same as House Bill No. 1066. • Same as House Bill No. 1066.
<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> • Eligible counties receive an annual allocation to provide a specific amount for the benefit of the school districts based on prior amounts of oil and gas tax allocations received by the county. The specific amounts range from \$500,000 to \$1.5 million per year. 	<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> • No change to current law. 	<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
<p>Funding source for hub city, hub city school district, and supplemental school district allocations</p> <ul style="list-style-type: none"> • The amounts needed for the allocations are derived from the 1 percent of the 5 percent gross production tax. 	<p>Funding source for hub city, hub city school district, and supplemental school district allocations</p> <ul style="list-style-type: none"> • The amounts needed for the allocations are derived from the 4 percent of the 5 percent gross production tax, of which 70 percent is from the state share and 30 percent is from the political subdivision share. 	<p>Funding source for hub city, hub city school district, and supplemental school district allocations</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
<p>North Dakota outdoor heritage fund allocations</p> <ul style="list-style-type: none"> • From the 1 percent of the 5 percent gross production tax, 8 percent is allocated to the North Dakota outdoor heritage fund, up to \$20 million per fiscal year. 	<p>North Dakota outdoor heritage fund allocations</p> <ul style="list-style-type: none"> • No change to current law. 	<p>North Dakota outdoor heritage fund allocations</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
<p>Abandoned oil and gas well plugging and site reclamation fund allocations</p> <ul style="list-style-type: none"> • From the 1 percent of the 5 percent gross production tax, 4 percent is allocated to the abandoned oil and gas well plugging and site reclamation fund, up to \$7.5 million per fiscal year. 	<p>Abandoned oil and gas well plugging and site reclamation fund allocations</p> <ul style="list-style-type: none"> • No change to current law. 	<p>Abandoned oil and gas well plugging and site reclamation fund allocations</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
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<p>Distributions to political subdivisions</p>	<p>Distributions to political subdivisions</p>	<p>Distributions to political subdivisions</p>

- The distributions to political subdivisions are based on the oil and gas tax allocations received by a county in the most recently completed even-numbered fiscal year.
- From the 4 percent of the 5 percent oil and gas gross production tax, 30 percent of all revenue above \$5 million is allocated to the county with the remaining 70 percent allocated to the state.
- The distributions to political subdivisions are as follows:

	Counties - Less Than \$5 Million	Counties - \$5 Million or More
County	45%	60%
Cities	20%	20%
Schools	35%	5%
Townships		
Equal		3%
Road miles		3%
Hub cities		9%

- The 9 percent allocation to hub cities is distributed based on mining employment with 60 percent to the hub city with the highest mining employment, 30 percent to the hub city with the second highest mining employment, and 10 percent to the hub city with the third highest mining employment.

State's share ("buckets") statutory allocations

- \$200 million - General fund
- \$200 million - Tax relief fund
- \$75 million - Budget stabilization fund
- \$100 million - General fund
- \$3 million - Lignite research fund
- \$97 million - Strategic investment and improvements fund
- Up to \$20 million - State disaster relief fund

- Clarifies the distributions are based on the most recently completed even-numbered fiscal year before the start of the biennium.
- No change to current law.
- The proposed changes to the distributions to political subdivisions are as follows:

	Counties - Less Than \$5 Million	Counties - \$5 Million or More
County	45%	60%
Cities	20%	20%
Schools	35%	5%
Townships		
Equal		
Road miles		4%
Hub cities		9%
Hub schools		2%

- The 9 percent allocation to hub cities and the 2 percent allocation to hub city school districts is distributed proportionally based on the impact percentage scores.

- Provides other minor technical corrections for clarity and consistency.

State's share ("buckets") statutory allocations

- \$200 million - General fund
- \$200 million - Tax relief fund
- \$75 million - Budget stabilization fund
- \$200 million - General fund
- \$10 million - Lignite research fund
- Removes the \$97 million allocation to the strategic investment and improvements fund
- Up to \$20 million - State disaster relief fund

- Same as House Bill No. 1066.
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- Up to \$20 million - State disaster relief fund

DA 2/14/19
4 of 4

<ul style="list-style-type: none">• Remainder Strategic investment and improvements fund	<ul style="list-style-type: none">• \$230 million - Equal distributions to the municipal infrastructure fund (\$115 million) and the county and township infrastructure fund (\$115 million)• \$50 million Airport infrastructure fund• Remainder Strategic investment and improvements fund <p>Other sections</p> <ul style="list-style-type: none">• Creates a municipal infrastructure fund for grants to cities in non-oil-producing counties, provides reporting requirements, identifies penalties for improper reporting or spending of grant funds, defines eligible uses for essential infrastructure projects, and includes a formula for determining the grants to cities based on population and property tax valuations.• Creates a county and township infrastructure fund for grants to counties and townships in non-oil-producing counties, provides reporting requirements, identifies penalties for improper reporting or spending of grant funds, defines eligible uses for road and bridge infrastructure projects, and includes a formula to provide equal distributions to townships and to provide proportional distributions to counties based on data compiled by the Upper Great Plains Transportation Institute.• Provides an effective date to align with the start of the 2019-21 biennium.	<ul style="list-style-type: none">• \$30.4 million Municipal infrastructure fund• \$400 million Strategic investment and improvements fund• \$30.4 million County and township infrastructure fund• \$169.2 million Equal distributions to the municipal infrastructure fund (\$84.6 million) and the county and township infrastructure fund (\$84.6 million)• \$20 million Airport infrastructure fund• Remainder Strategic investment and improvements fund <p>Other sections</p> <ul style="list-style-type: none">• Same as House Bill No. 1066, except limits the allowable use of funds for communications infrastructure.• Same as House Bill No. 1066.• Same as House Bill No. 1066.
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**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1066**

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 19.0560-02004

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep. Grueneich Seconded By Rep. Blum

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland	✓		Representative Eidson	✓	
Vice Chairman Grueneich	✓		Representative Mitskog	✓	
Representative Blum	✓				
Representative Dockter	✓				
Representative Ertelt		✓			
Representative Fisher	✓				
Representative Hatlestad		✓			
Representative Kading	✓				
Representative Koppelman	✓				
Representative Steiner	✓				
Representative Toman	✓				
Representative Trottier		✓			

Total (Yes) 11 No 3

Absent 0

Floor Assignment _____

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

*See attachment #1
 Changes the way the buckets are filled.*

2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1066

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep. Kading Seconded By Rep. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland			Representative Eidson		
Vice Chairman Grueneich			Representative Mitskog		
Representative Blum					
Representative Dockter					
Representative Ertelt					
Representative Fisher					
Representative Hatlestad					
Representative Kading					
Representative Koppelman					
Representative Steiner					
Representative Toman					
Representative Trottier					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice vote = Motion failed

On last page of amendment change \$30.4M to \$15.2M and change the equal distribution to \$85M.

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1066**

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 19.0560.02004

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Refer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Rep. Steiner Seconded By Rep. Blum

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland	✓		Representative Eidson	✓	
Vice Chairman Grueneich	✓		Representative Mitskog	✓	
Representative Blum	✓				
Representative Dockter	✓				
Representative Ertelt		✓			
Representative Fisher	✓				
Representative Hatlestad		✓			
Representative Kading		✓			
Representative Koppelman		✓			
Representative Steiner	✓				
Representative Toman	✓				
Representative Trottier		✓			

Total (Yes) 9 No 5

Absent 0

Floor Assignment Rep. Dockter

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

REPORT OF STANDING COMMITTEE

HB 1066: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (9 YEARS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1066 was placed on the Sixth order on the calendar.

Page 17, line 9, after "next" insert "thirty million three hundred seventy-five thousand dollars, or the amount necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7, into the municipal infrastructure fund;

- 8. The next four hundred million dollars into the strategic investment and improvements fund;
- 9. An amount equal to the deposit under subsection 7 into the county and township infrastructure fund;
- 10. The next one hundred sixty-nine million two hundred fifty thousand dollars or the amount necessary to provide a total of"

Page 17, line 9 after "into" insert "the"

Page 17, line 10, after "counties" insert "under sections 57-51.1-07.7 and 57-51.1-07.8"

Page 17, line 13, replace "8." with "11."

Page 17, line 13, replace "fifty" with "twenty"

Page 17, line 14, replace "9." with "12."

Page 20, line 11, after "infrastructure" insert ", excluding fiber optic infrastructure"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The schedule below compares the 2019-21 biennium oil and gas tax allocation formulas under current law to House Bill No. 1066 and the proposed amendment to House Bill No. 1066 [19.0560.02004].

2019-21 Biennium Oil and Gas Tax Allocation Formulas		
Current Law	House Bill No. 1066 As Introduced	Proposed Amendment [19.0560.02004]
<p>Hub city definition</p> <ul style="list-style-type: none"> * A hub city is based on mining employment. 	<p>Hub city definition</p> <ul style="list-style-type: none"> * A hub city must be located in an oil-producing county. 	<p>Hub city definition</p> <ul style="list-style-type: none"> * Same as House Bill No. 1066.
<p>Hub city and hub city school district allocations</p> <ul style="list-style-type: none"> * Hub cities located in oil-producing counties receive an annual allocation of \$375,000 per full or partial percentage point of mining employment exceeding 2 percent. 	<p>Hub city and hub city school district allocations</p> <ul style="list-style-type: none"> * A total of \$22 million per year is available for distribution to hub cities, and the allocations are proportional to each hub city's impact percentage score relative to the combined total of all the hub cities' impact percentage scores. The impact percentage scores are based on mining employment, mining establishments, oil production, and population. 	<p>Hub city and hub city school district allocations</p> <ul style="list-style-type: none"> * Same as House Bill No. 1066.
<ul style="list-style-type: none"> * Hub cities located in non-oil-producing counties receive an annual allocation of \$250,000 per full or partial percentage point of mining employment exceeding 2 percent. 	<ul style="list-style-type: none"> * Removes allocations to hub cities located in non-oil-producing counties. 	<ul style="list-style-type: none"> * Same as House Bill No. 1066.

<ul style="list-style-type: none"> Hub city school districts in oil-producing counties receive an annual allocation of \$125,000 per full or partial percentage point of mining employment exceeding 2 percent. 	<ul style="list-style-type: none"> A total of \$6 million per year is available for distribution to hub city school districts, and the allocations are based on the same impact percentage scores used for the hub city allocations. 	<ul style="list-style-type: none"> Same as House Bill No. 1066. 																																								
<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> Eligible counties receive an annual allocation to provide a specific amount for the benefit of the school districts based on prior amounts of oil and gas tax allocations received by the county. The specific amounts range from \$500,000 to \$1.5 million per year. 	<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> No change to current law. 	<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> Same as House Bill No. 1066. 																																								
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<p>State's share ("buckets") statutory allocations</p>	<p>State's share ("buckets") statutory allocations</p>	<p>State's share ("buckets") statutory allocations</p>
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<p></p>	<p></p>	<p>* Same as House Bill No. 1066.</p>

2019 HOUSE APPROPRIATIONS

HB 1066

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1066
2/11/2019
32622

- Subcommittee
 Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

Relating to infrastructure funds; relating to oil and gas tax revenue allocations; to provide a continuing appropriation; to provide for a report; and to provide an effective date.

Minutes:

Attachments 1

Chairman Delzer: For HB 1066, we are going to have Adam Mathiak and Representative Headland before us. That is all we are going to do today.

Representative Headland: I do not have a lot to say other than to look at the amendments or address any questions.

Chairman Delzer: Who is the carrier?

Representative Headland: Representative Doctor was but I will be the carrier at this time.

Adam Mathiak, LC: Explains hand out **(attachment 1)**

(6:20) Chairman Delzer: In the past we have appropriated some money out of there from the general or department of emergency services; would that move it below \$20M?

Mr. Mathiak: If there were sufficient appropriations, but at this point I do not think so.

Chairman Delzer: What is the unobligated balance right now? We had questions whether it was one-time or if money was asked to come out of the relief fund. Did that trigger a refilling?

Mr. Mathiak: I believe it is around \$25M. When we changed the wording so that the introductory language stated "in the following order". This was done so that you had to follow that order and could now go back.

Mr. Mathiak: The state disaster relief fund would be the same on the current law formula and SIIF (Strategic Investment and Improvement Fund) would have the remaining

allocations. After that we move to the municipal interest fund with about \$30.4M and that would be to provide for the fixed dollar amounts to cities with populations over 1,000.

(8:30) Chairman Delzer: Where is the language for that in the bill?

Mr. Mathiak: On Page 17 of the bill itself.

Chairman Delzer: I want to see how the distribution is worded. Does it have to fill to \$30M before it is distributed?

Mr. Mathiak: If the amount needed is available there would be a 40-day period where they would have to go out. If there was not enough money, then it would be at the end of the biennium. There are prorated funds if the amount is not sufficient. Continuing with the buckets **(page 2 of attachment 1)**.

(10:30) Chairman Delzer: But that would not go out until the whole bucket was full to the county?

Mr. Mathiak: Correct. Based on the larger bucket where the two fill simultaneously, although it would provide for the next \$169.2M based on the oil price and production forecast, we would not be able to fill them both to their full amounts.

Chairman Delzer: So none of this other city money would go out until September of 2021?

Mr. Mathiak: That is correct. The airport infrastructure fund would come after with a total of \$20M, but since the funding runs out prior, there would be no remaining allocation to fill that.

Chairman Delzer: And if it did fill the airport fund that would still be up to the legislative committee before they would go out.

(12:15) Mr. Mathiak: Returns to presenting on **page 1 of attachment 1**.

Representative Kempenich: Like the township, should we use road miles instead of Great Plains?

Chairman Delzer: Only for the part that is in the oil producing towns.

Mr. Mathiak: I can continue on with the Statement Purpose of Amendment (SPA), which can be found in the amendment.

Representative J. Nelson: Under the township funding; I thought that was going to be a set amount, but here it shows road miles.

Chairman Delzer: That is in the 4% of the 9% for oil producing townships and that is for non-oil producing townships.

Mr. Mathiak: Those numbers correspond to the political subdivision non-oil producing.

Chairman Delzer: It does state somewhere in the bill it states the amount for each township?

Mr. Mathiak: Yes, it does state that. Hub city must be located in an oil producing county and the formula for making the allocations is not confined in current law. There was a slight adjustment to that.

Chairman Delzer: It says it has to be an oil producing county and by definition that would have to be production above \$5M, correct?

Mr. Mathiak: In this case it would be “if they received oil and gas tax allocation in any 3 months in the previous biennium”.

(16:45) Representative Brandenburg: So how many oil counties are there?

Chairman Delzer: There are 14 oil counties, but they have to be above 12,500 in total population. Watford City is at 6,500 and would not fit in.

Mr. Mathiak: That is correct. That definition of the 3 months is only for determining hub cities. and that is on page 1. Returns to **attachment 1**.

(19:20) Chairman Delzer: I think we do need to walk through it a little bit. Page 7 of the bill has it in here as \$22M per year for the solid side and \$6M a year. Walk me through how that is done. The hub city funding pool is \$15M and how do those equate?

Mr. Mathiak: The amounts provided for hub cities come entirely out of state’s money and is a 70 to 30 split and this takes 70% that is needed and 30% is the shared amount.

Chairman Delzer: It is \$3.6M and \$14.4M.

Mr. Mathiak: We tried to provide some clarity by saying it’s a total of \$22M and that \$15.4M is included along with the \$6.6M under that section for the total of \$22M.

(21:15) Chairman Delzer: Walk us through a little bit of the requirements for the treasurer to figure out who gets how much of that.

Mr. Mathiak: Starting on the bottom of page 9 of the bill, the impact percentage score is calculated and those scores are taken and compared out of 100 and one of the things to check is the mining employment percent per the city. It is multiplied by the weighting factor and 45% of their score is based on the amount of mining employment per city.

Chairman Delzer: I saw a map based on the human service center area and that is how it put Montreal in with Minot and that is how Minot saw a large increase.

Mr. Mathiak: That is correct and the oil aspect that comes into play as well. The next item is the mining employment compared to the relative employment per county and is weighted at

15%. The next item is the mining establishments in the county, relative to all businesses in the county and is weighted at 10%.

(24:00) Representative Kempenich: Is that on an annual basis as well?

Mr. Mathiak: Yes, all of these items are continued on an annual basis. Item 4 looks at oil production in the human service region and the counties surrounding the hub cities. That scoring is 10% weighted in the overall scoring. Item 5 looks at population change including the increase over the last 5 years and is also weighted at 10%. The most recent data is used. Item 6 looks at the county's population change and is also a 10% weighted factor. The top of page 11 of the bill, has a definition of Human services region as well. All of those different factors are calculated and added up and that will give the hub city's their percentage.

Mr. Mathiak: Those are updated annually. The hub city schools essentially have their own funding and previously they received \$125,000 per percentage excluding the first 2%. This will be \$6M per year and they are shared. That is also using the same funding model from before.

(27:05) Chairman Delzer: And that is only that largest schools in the city boundary?

Mr. Mathiak: It would be the largest school in the district.

Chairman Delzer: They are trying to force district 1 and 8 together out in Williston, but what will happen with that because it will not be in the city?

Mr. Mathiak: If that is the largest school for the city of Williston then they would get the funding. In the current formula, there is a provision for non-oil producing hub cities to receive \$250,000 per percentage point, but the first 2% is excluded and most would not qualify then.

Chairman Delzer: This says to remove them.

Mr. Mathiak: It is removed. The supplemental school district essentially does the same thing, it just moves it to a different part of the code and originally was 100% from state share, but this will move it to that 70 to 30 split. Where 70% is from the state's share and 30% coming from the counties. It is a change in the funding source.

(29:20) Chairman Delzer: The supplemental stays the same then?

Mr. Mathiak: That varies, but it would be fixed for the two-year period because there are different qualifications. They are fixed amounts that are specified in code and are \$500,000 and up to \$1.5M and distributed to the schools based on their attendance.

Representative Monson: Would the hub city school district dollars be imputed into the K-12 formula dollars?

Mr. Mathiak: Yes. The oil revenue is at the 75%.

Chairman Delzer: The only thing that was not imputed was the impact dollars.

(30:45) Mr. Mathiak: The gross production tax (GPT) on the 1/5 side, which are the Outdoor Heritage Fund, the Abandoned Well Fund and the Oil and Gas Impact Grant Fund. Those 3 funds essentially are the same in current law and the Impact Funds are removed.

Chairman Delzer: The plan is to cap the Heritage fund at \$15M and the Abandoned Well Fund at \$7.5M and we will use \$5M out of there for a software project. The land had a \$4M fund through the Impact Fund.

(32:00) Mr. Mathiak: The top of page 3 of amendment 19.0560.02004; explains the political subdivisions side. This would be the floating part and would be the 4/5 and this is where the 70 to 30 split would come in. They receive the full amount until \$5M where it is then split. It would only come from the ones that receive \$5M.

Chairman Delzer: That change in the distribution is on what page of the bill?

Mr. Mathiak: Under \$5M counties did not have a percentage change and they would be on page 8 of the bill. Page 9 of the bill takes 30% out for the hub city schools and the allocation is taken out. After those pools are taken out, then it returns to those percentages. The 60% for the counties, the 5% for the schools, the 20% for the cities and there are a few changes. Current law provides for current 2-3% allocations for townships and 1 is based on equal amounts of all the townships and the other is based on road miles. The provisions provide only 1 allocation for townships and that is distributed based on road miles.

Chairman Delzer: This is only for townships above \$5M?

Mr. Mathiak: That is correct. The equal distribution for the over \$5M counties is pooled and distributed, but the road miles is distributed to the county. A county that is just over \$5M may not have a large amount distributed.

Chairman Delzer: This is a split between the 9 and 14 counties, but there are still 9 counties above \$5M. Only their townships would be eligible and it is strictly road miles.

(36:25) Representative Brandenburg: Counties with less than the \$5M, are the ones that have oil, but not enough. The distribution of the \$15M, would they share in the distribution?

Chairman Delzer: They share in the distribution for the townships and counties.

Representative Brandenburg: If we have more like we used to, would that change it?

Mr. Mathiak: It would be locked in for 2 years. It would be locked in based on the first fiscal year of the previous biennium.

Representative Brandenburg: Two or three could change.

Chairman Delzer: Around 9% of the Hub cities and 2% of the hub city schools?

Mr. Mathiak: That is on page 14 and 15 of the bill. The 2% allocation for the schools would be a new one and is from the reduction in the township.

Chairman Delzer: That is not based on the over \$10M? There was a certain split on that before.

Mr. Mathiak: This would be a pool of funds and it would be distributed proportionately like before. Those would be the political subdivision changes and were noted on the SPA. The SPA lines the buckets up to see which items are changing. There was \$50M for airports and that was changed to \$20M. It would also change the SIIF of \$100M up front and how it would be split by counties. Begins to outline the other changes section found in the bill on page 17.

Chairman Delzer: We should talk about the limits of use for this money and reporting requirements. What would happen to that allocation if they failed the report?

(41:40) Mr. Mathiak: They would divide any left over money proportionally they clean out the account each biennium.

Chairman Delzer: The Treasurer's Office would have to go through all of that if someone was wrong by \$1,000 even?

Mr. Mathiak: They would not have to recalculate and could just clear out the money.

Chairman Delzer: I think we need to go through page 18.

Representative Kempenich: What if they are banking the money to make it a larger amount?

Mr. Mathiak: We left the reporting relatively flexible in a format determined by the Treasurer's office. Including intent to carryover any additional funds. They would need enough information in the reports to fill the requirements for that.

(44:25) Chairman Delzer: Paragraph 2 on page 18 of the bill, gives us a walkthrough.

Mr. Mathiak: Begins to outline page 18.

Chairman Delzer: And then paragraph 3 is what is going on?

Mr. Mathiak: Correct, that is a fixed dollar amount. That fixed amount is less than what is in the fund and is prorated. It is \$150 per person of the city's population. It multiplies it by the average of population increase and multiplies that by 10. The next is the changes in the increase in annual property values and multiplies that by 25,000.

Chairman Delzer: What about the cities that lose population or value?

Mr. Mathiak: There are provisions that state it must be a positive increase. If they are not positive, then they would only receive the \$150 per person. It does exclude a declining population or decline in property values.

(47:30) Representative Kempenich: Paragraph 2 on page 18 of the bill, is this an annual payment?

Mr. Mathiak: It would be once per biennium distribution. One for the municipal infrastructure of \$30M and the rest receive one-time distribution.

Representative Kempenich: So they will have to be patient until the end of the biennium then.

Chairman Delzer: Unless we get a big increase in oil revenue, nothing will go out unit 2021.

Representative Kempenich: I wanted a timeline because we have gone with percentages in the past because it is hard to nail down a certain dollar amount.

Chairman Delzer: We'll be here again before that goes out. County money all goes out simply by the Upper Great Plains survey.

Mr. Mathiak: That is correct. On page 21 of the bill that is where the county and township infrastructure begins. On page 20 of the bill, there is a list of eligible projects with a few maintenance and repair projects as well.

(50:10) Chairman Delzer: The city money, are there any restrictions on them using that for matching purposes?

Mr. Mathiak: I guess there is not a specific provision to exclude them from using those for matching purposes.

Chairman Delzer: It does say it has to be new?

Mr. Mathiak: Essential infrastructure project means it must be new or replace existing infrastructure.

Chairman Delzer: Does that mean it would have to be a total reconstruction of a project?

Mr. Mathiak: Capital construction projects exclude debt repayments and routine maintenance and repair. If it not really a replacement, it would not qualify.

Chairman Delzer: They could use it for airport infrastructure, could they match that?

Mr. Mathiak: As it's written there's nothing stopping them from using it as matching funds.

Representative Nathe: We did have that match in mind so they could leverage these monies when we did this.

Chairman Delzer: The township and county line, where does it explain how much goes to townships?

(52:30) Mr. Mathiak: On page 21 number 3 bill this provides 13% of whatever goes into the fund at a maximum of \$16.1M. This was included for future adjustment purposes and is above 13%. It was also added to mirror a few previous ideas. Assuming the full 13% was provided, only about \$9,300 per township and it must be an equal allocation. If they do not maintain any roads, they would not be a part of the allocation.

Chairman Delzer: On number 3 on page 22 of bill, if they didn't have any roads they would certainly be an unorganized township.

Mr. Mathiak: If there are no township roads within it, it would be excluded. If there are 1,000 townships and 1 had no roads, then 999 townships would be used.

Chairman Delzer: Number 6 of the bill, states that it is done on the fiscal year.

Mr. Mathiak: Those lines are establishing certain definitions.

Representative Kempenich: We are going with the collector system that was originally established where they had the common collector roads.

Chairman Delzer: Is there anything in this bill about when it's done or when the counties will be effected by the new studies?

Mr. Mathiak: It would be based on the most recent data compiled by the Upper Great Plains Transportation institute. They intend to provide a biennial update.

Chairman Delzer: There's a fiscal note with the cost to update software at the Treasurer's Office for around \$35,000 and we do not have that bill until the second half. Representative Headland, how many amendments were offered in your committee?

Representative Headland: There was one to start with that was offered and adopted and after we moved the bill out, there were a couple more that were asked to be put on and we had already referred the bill to full appropriations.

Chairman Delzer: Closes meeting on HB 1066.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1066
2/15/2019
32864

- Subcommittee
 Conference Committee

Committee Clerk: Parker Oswald

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 2-05 and sections 57-51.1-07.7 and 57-51.1-07.8 of the North Dakota Century Code, relating to infrastructure funds; to amend and reenact subsection 5 of section 57-51-01 and sections 57-51-15, 57-51.1-07.3, and 57-51.1-07.5 of the North Dakota Century Code, relating to oil and gas tax revenue allocations; to provide a continuing appropriation; to provide for a report; and to provide an effective date.

Minutes:

Chairman Jeff Delzer: Opens hearing on HB 1066. This bill sets formulas for the distribution of oil-producing hub cities and sets the limits. It sets up airport infrastructure funds and outlines the funding systems for these buckets. Are the funds going to Lignite Research Fund appropriated?

(1:50) Alex Cronquist: I am not sure on that.

Chairman Jeff Delzer: I do believe it is something that needs to be appropriated. We set it up so we could give what we wanted to the Lignite Research Fund. That leaves \$20M for the disaster relief fund. It is high enough that it should not trigger any money.

(2:55) Chairman Jeff Delzer: It would have \$30.4M going to Municipal interest fund.

Adam Mathiak: It would be 40 days.

(3:20) Chairman Jeff Delzer: The buckets would probably go out in October of 2020. There would be \$400M into SIIF, \$30M to county fund and \$30.4M to match up. If those two fill, after that, everything else goes to the SIIF (Strategic Investment and Improvement Fund) fund. It would also be \$20M to the airport. The \$10M for Lignite research, is that automatic?

Mr. Mathiak: It is an ongoing appropriation.

Chairman Jeff Delzer: The proposed amendment that would take half the money received from this would be removed from property tax and they would have to remove that many mills for the bonding as well.

(5:35) Representative Tracy Boe: I did not like the optics of the SIIF fund dividing the municipal fund for counties and townships. I do not feel strongly about it enough to stand in the way.

(6:10) Representative Bob Martinson: Makes a motion of do pass, seconded by Representative Randy Schobinger.

Chairman Jeff Delzer: I fully expect this to pass, but I will not support it personally. This is a production play and not a price play like what I first encountered the oil boom in the 1990's. It promotes money going to non-oil producing counties. I would have liked to see the buckets be appropriated by each legislative assembly. I have some concerns about the formulas we are putting in place. It is an awful lot of work and that is what we have to deal with. When you look at our funding and what we have to do to balance, we have to use a lot of SIIF to balance. We would rather have the money in cash instead of spending it before the bucket fills.

(8:40) Chairman Jeff Delzer: I believe the revenue forecast in March will be better. If we have 4% growth next biennium and want to continue the 2% and 2% to increase, it would take around \$700M. Another thing out there is Legacy Fund money and really should not be spent until it comes in. It is a great thing for the political subs, but I cannot support it.

(10:20) Representative J. Nelson: I have a real issue that the biggest bucket has to fill before non-oil counties get anything. Given the volatility of the energy market, that has a potential to cause very large disparities in the future. I do not know if I can support this bill because of that.

Chairman Jeff Delzer: There was talk about a sunset clause on this. The fact of the matter is that we will be back here to see the forecast before the money starts to flow. The buckets have been worked on every session.

(12:05) Representative Mike Nathe: This bill is an infrastructure bill. We have devised the property tax for a reason. The formulas were all worked out with counties and cities and they do not have a problem with where this sits now. Everyone has been on board so far. I understand the concern moving forward, I just want everyone to understand that it is \$115M in the buckets. We can turn that number down in any future session as well. We have the flexibility on number changes.

(13:35) Chairman Jeff Delzer: I hope the legislature does not need to change anything, but it is always harder to take than give. Political subdivisions will consider this a promise going forward. With our current forecast, the counties and cities second bucket does not fully fill. That would not go out for 60 days at the end of the biennium.

Mr. Mathiak: A forecast around \$105M of the \$115M for the buckets, \$30.4M for the municipal fund goes out early and all of the remaining amount go out at the end of the biennium.

(14:55) Representative Mark Sanford: I would echo the concerns of the reorganization of the buckets. When you read the foundation aid bill in law, you shake your head and do not understand, but the cheat sheet that explains it is what makes it come through. I need a cheat sheet on these formulas.

Chairman Jeff Delzer: I do not know there is a cheat sheet out there. Senator Wardner would probably have the best one. The Statement of Purpose Amendment (SPA) would have the best layout.

(16:25) Representative David Monson: I would also like a cheat sheet.

Chairman Jeff Delzer: You can certainly say the formulas are hard to understand, but what they do is in the amendment attachment. The formula that is the biggest is the 9% of the hub city one and that has the most changes. They went from using Human Service areas and these sheets could help explain. There was a forecast of 1.4M barrels per day at \$40. We would end up with \$534M in SIIF.

(18:20) Representative J. Nelson: So 50% of that goes to infrastructure funds and 50% goes to county and township funds, would that be prorated if they do not fill?

Chairman Jeff Delzer: Would townships be prorated the same as the counties? Going out they would, but \$30M goes into the county one first. The county one could have more in it when the other one goes out.

Mr. Mathiak: The township piece is 13% of the amount deposited and would scale to that total amount. The county side does provide for prorated amounts.

Chairman Jeff Delzer: And 13% would equal roughly \$10,000 for townships. Further discussion?

(20:15) Roll call vote for do pass on HB 1066 made by Representative Bob Martinson and seconded by Representative Randy Schobinger. Motion carries with 19 yes, 1 no and 1 absent.

Representative Jason Dockter will carry HB 1066.

Date: 2/15/2019
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1066**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Representative Martinson Seconded By Representative Schobinger

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X			
Representative Kempenich	X				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle	X		Representative Vigesaa	X	
Representative Bellew	A				
Representative Brandenburg	X				
Representative Howe	X		Representative Boe	X	
Representative Kreidt	X		Representative Holman	X	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 19 No 1

Absent 1

Floor Assignment Representative Dockter

Motion Carries

REPORT OF STANDING COMMITTEE

HB 1066, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)
recommends **DO PASS** (19 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed HB 1066 was placed on the Eleventh order on the calendar.

2019 SENATE FINANCE AND TAXATION

HB 1066

2019 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB 1066
3/5/2019
Job #33180

- Subcommittee
 Conference Committee

Committee Clerk: Alicia Larsgaard

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 2-05 and sections 57-51.1-07.7 and 57-51.1-07.8 of the North Dakota Century Code, relating to infrastructure funds; to amend and reenact subsection 5 of section 57-51-01 and sections 57-51-15, 57-51.1-07.3, and 57-51.1-07.5 of the North Dakota Century Code, relating to oil and gas tax revenue allocations; to provide a continuing appropriation; to provide for a report; and to provide an effective date.

Minutes:

Attachments: 4

Vice Chairman Kannianen took over the hearing while Senator Cook introduced a bill in another committee.

Chairman Kannianen: Called the hearing to order on HB 1066.

Senator Rich Wardner, District 37, Dickinson: Introduced the bill. See attachment #1. My testimony is an overview of the bill. This has been given the name Operation Prairie Dog. This bill has been divided into 2 parts. Part 1 is the oil producing counties and political subs. It leaves everything like it has been in the past. There aren't any changes other than in the formula of the distribution of the gross production tax is where we take hub cities, their schools, the energy impact, and for schools in oil counties. It is a hold even thing of about 16 M. That goes from the 1% stream over to the 4/5ths percent stream. It makes a big difference to the amount of money that comes back to the state of ND. Why were they over on the 1/5ths side to begin with? It was easier to put them there than to put them where they probably should have been over the years. They just kept adding in. This reduces the state obligation on that side. When we move them over to the other side, 70% will come from the state. On page 2, I talk about moving the hub cities, hub city schools, and the school hold even. When we redid the formula about 10 years ago, we said the counties get the first \$5 M in the county per year. There were some counties that just got over the \$5 M. They get it all and then after that it is split 70-30. The bigger counties do not care. They have so much that the school district, which gets 5%, is fine. If you go from under \$5 M to over \$5 M, you take a ding. If you are under \$5 M, you get 35% and when you go over \$5 M, you only get 5% and you get dinged. That is why this hold even was there. We did not have this in the first

biennium. I got lost of calls from superintendents regarding this so I was glad to finally have it back in there.

If you go to page 4, you can see there is an empty spot on the 1/5th side. That is where hub cities, hub cities schools, the energy impact, and the hold even for those schools in those lower producing counties was at. That was moved over to the other side. Everything else stays the same. Many of the legislators said that 1/5th side belongs to the state of ND and they wanted to eliminate some of those things.

People often ask when this will be enough. It will be enough when the debt is paid in the cities. It will be enough when we have all the workforce we need to take care of the services out in the oil patch. We have a lot of open jobs out there. It will also be enough when we have the funds to get the services to take care of these people. The state enjoys the revenue that comes from the oil as we take care of education and water. If we are going to continue that, we have to take care of the communities and the industry so they can bring the products in and get them sold.

Page 7 is where we are going to start talking about part 2 of the prairie dog bill. The buckets fill in this order. This was negotiated in the House. This is new from when we originally introduced the bill. You then have the Strategic Investment and Improvement Fund which is \$400 M. That was move up. That money was down below in the SIF Fund. That was an amendment over in the House.

You then have the County/Township Infrastructure Fund that gets to match that \$30.4 M. That is under the SIF Fund. They get it first. After that, it goes a dollar into the municipal and a dollar into the township. It then goes back and forth until it is filled. The Airport fund was amended down from \$50 M to \$20 M. We are okay with that. If the assumptions I have at the number of barrels a day are true, there will still be \$91.2M in that second SIF bucket. That is important that you understand. In my calculations, if we are looking at 1.37 and the price is at 45-50 this is going to fill. It is for infrastructure.

On pages 10-17 there is a list of all the towns in our state and how much money they get from this. They all get something. My only concern is with the towns that are smaller. There is not enough to really do anything. I am satisfied and I am okay with it. We have always told small communities that they come to us with issues but they do not save any money. This would do that. They cannot spend it unless it was on infrastructure. If you have a small community of 80 people, they might let that money grow for 15 years. Then after that, they have the money for a project. We had talked about talking the smaller communities, putting it all in a pot and saying they all have to come in and write grants for it. Although, then you have to have people to go over that grants. There is a lot of politics involved in that so we didn't go that route. I am still satisfied that even the smallest town of Ruso can save up money and use it for something they need to take care of. The things that constituted the allotments in each city are as follows: population, valuations in the community, change in valuations, change in population, and a formula. We worked with the treasurer's office to make sure they could do this.

On page 18, they give you an example of what each of the counties will get. Billings county gets nothing because they are in Prairie Dog 1. They are part of the distribution of the gross

production tax. A few others are the same way. The Upper Great Plains Transportation Institute Study is what this project needs to be constantly taking a look at the roads in ND while making sure this bill invests money into the state of ND and its infrastructure. Some of these counties may get less and some may get more depending on the situation. The last group was to be the townships. They get \$15 M which is divided up between them. I believe it is about \$9,000 each.

That is a brief overview of this. I just want to remind everybody that this is an investment in the state. If we want people to live here and take advantage of our communities, they have to look good and have good infrastructure. As we go on over time, it is not a property tax reduction bill but it will reduce property taxes because you will not have to apply special assessments. With that, I will answer any questions.

Senator Dotzenrod: On page 7, you have the Strategic of the SIF Fund in front of the distributions here. I thought we had that SIF Fund after the cities, counties, and municipalities. I assume there was a change made in the House. Are you supporting the idea that we should have them in that order? It would indicate that there are things in the SIF Fund that should have a higher priority than these below it.

Senator Wardner: Personally, I think they maybe put too much in there. By putting that SIF money up there, it gives the state less risk. That was done in the House. I am okay, Senator Dotzenrod.

Representative Todd Porter, District 34, Mandan: As I worked in the interim with Senator Wardner, we went out with the Energy and Transmission Interim Committee. We went across the state and we heard two very distinct messages. We heard infrastructure and we heard certainty. I think this bill does both. It came from a lot of traveling and listening to what their needs are. I proudly support this bill and hope the Senate can pass it.

Scott Davis, Mandan City Commissioner: Testified in support of the bill. See attachment #2, page 13. This is a big deal to our City and the citizens of our town.

Arik Spencer, President, CEO, Greater ND Chamber: Testified in favor of the bill. See attachment #2, Page 2-4. On behalf of the business community as well as our local chamber partners, we stand in support of this bill and I will ask for your support on this bill. I will stand for questions.

Bernie Dardis, West Fargo City Mayor: Testified in favor of the bill. See attachment #2, Page 5-7.

Bruce Strinden, Morton County Commissioner: Testified in favor of the bill. See attachment #2, Pages 8-9.

Scott Decker, Mayor, Dickinson: Testified in favor of the bill. See attachment #2, page 10.

Trudy Ruland, Chair of the Mountrail County Board of Commissioners: Testified in favor of the bill. See attachment #2, pages 11-12.

Nick West, Grand Forks County Highway Engineer, Director, ND Association of County Engineers. Testified in favor of the bill. See attachment #2, pages 14-15.

Matthew Remyse, President, Airport Association of ND: Testified in favor of the bill. See attachment #2, pages 16-22.

Steve McCormick Jr., Northern Improvement, ND AGC President: Testified in favor of the bill. See attachment #2, pages 23-25.

Tom Wheeler, ND Townships: Testified in favor of the bill. See attachment #2, page 26.

Mary Jensen, ND Farmer's Union: Testified in favor of the bill. See attachment #2, page 27.

Additional testimony was submitted to the clerk after the hearing. See attachment #3, and #4.

2019 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB 1066
3/6/2019
Job #33282

- Subcommittee
 Conference Committee

Committee Clerk: Alicia Larsgaard

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 2-05 and sections 57-51.1-07.7 and 57-51.1-07.8 of the North Dakota Century Code, relating to infrastructure funds; to amend and reenact subsection 5 of section 57-51-01 and sections 57-51-15, 57-51.1-07.3, and 57-51.1-07.5 of the North Dakota Century Code, relating to oil and gas tax revenue allocations; to provide a continuing appropriation; to provide for a report; and to provide an effective date.

Minutes:

Attachments: 0

Chairman Cook: Called the committee to order on HB 1066.

Senator Unruh: On page 5 lines 24-25, there is the outdoor heritage fund. Did anyone comment on what that is for? It looks to me like they are adjusting the cap on the fund.

Senator Kannianen: On page 4 line 28, after August 31, 2019, it was going to move up to 8%.

Senator Patten: Moved a Do Pass and Rerefer to Appropriations on HB 1066.

Senator Meyer: Seconded.

Chairman Cook: Any Discussion?

Senator Dotzenrod: I asked Senator Wardner about the buckets and the positioning of the SIF Fund. I assume that when they did that, they must have had some priorities inside that SIF Fund and some things that deserved a higher priority. He did not indicate that there were any specific things. It was more like safety and security. I would like to get this Prairie Dog distribution in front of the SIF Fund as a way to make sure that distribution is in the same category as SIF. It meets the SIF requirements as much as anything does. He seemed to be satisfied with it. This is a great bill and I will do everything I can to help get it passed. I do not know if at this point there is any changing in getting it back to where it was.

Chairman Cook: I would have liked to see it the other way myself but it takes a little compromise to get things to the end zone sometimes. There was concern over there that the deeds of potential shift should have a priority. That is what it took to get it out of the House.

Chairman Cook: Any further discussion?

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent.

Motion Carried.

Senator Meyer will carry the bill.

Date: 3-6-19
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1066

Senate Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Patten Seconded By Meyer

Senators	Yes	No	Senators	Yes	No
Chairman Cook	✓		Senator Dotzenrod	✓	
Vice Chairman Kannianen	✓				
Senator Meyer	✓				
Senator Patten	✓				
Senator Unruh	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Meyer

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

REPORT OF STANDING COMMITTEE

HB 1066, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1066 was rereferred to the **Appropriations Committee**.

2019 SENATE APPROPRIATIONS

HB 1066

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1066
3/11/2019
Job # 33525

- Subcommittee
 Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Bill for an Act to create and enact a new section to NDCC, relating to infrastructure funds; to amend and reenact portions to NDCC, relating to oil and gas tax revenue allocations; to provide a continuing appropriation; to provide for a report; and to provide an effective date.
DO PASS.

Minutes:

1. Operation Prairie Dog by Senator Rich Wardner (Pages 6,8,9 are excluded from testimony)
2. Testimony of Blake Crosby, League of Cities

Chairman Holmberg: called the Committee to order on HB 1066. All committee members were present except Senator Sorvaag and Senator Poolman. Becky Deichert, OMB and Adam Mathiak, Legislative Council were also present. This afternoon we have HB 1066, and Senator Wardner, you're going to lead off. Welcome.

Senator Rich Wardner, District 37, Dickinson: testified in favor of HB 1066 and provided Attachment # 1, an explanation of both versions of the bill, Prairie Dog 1 and Prairie Dog 2.

The bullet points concerning Prairie Dog One are listed on page one of Attachment # 1. They are as follows: **#1.** this bill provides certainty of funding for the oil and gas producing communities. **#2.** It moves the Hub Cities, Hub City Schools and hold even money for schools in oil and gas counties that receive just over the 5M per year from the 1/5th side to the 4/5th side of the Gross Production Tax Formula. **#3.** It eliminates the Energy Impact Grants. **#4.** It saves the State of ND money.

The bullet points concerning Prairie Dog Two are listed on page 1 of Attachment # 1. They are as follows: **#1.** Creates two buckets of \$115M each, one bucket for Municipal Infrastructure and one bucket for Counties (\$100M) and Townships (15M). **#2.** It creates one bucket for Airports (\$20M.) **#3.** Municipal dollars are distributed by a formula that considers population, property valuations, population growth and density. **#4.** County dollars are distributed using the Upper Great Plains Transportation Institutes Needs Study for roads and bridges. **#5.** Township dollars are distributed by dividing all the non-oil counties into the \$15M. **#6.** \$400M of SIF dollars were moved ahead of the Prairie Dog Buckets in the House.

This takes the risk from the state. **#7.** An oil price 45 dollars per barrel and 1.3 million barrels per day will fill all the buckets.

(0.00.40) Senator Wardner, District 37, Dickinson: Today I bring before you HB 1066. I know the rule around here, concentrate on the money, and I will. There are two parts here, this is Prairie Dog One and Prairie Dog Two. (See Attachment # 1) I'll talk about Prairie Dog One. It provides certainty of funding for the oil and gas producing communities. We finally have gotten to a point where I think everybody is comfortable that it's at a level that will take care of these entities and still the state of ND will not be subsidizing them. It is in lieu of property tax. It moves the Hub Cities and Hub Cities Schools and hold even money for schools in the oil and gas counties that receive just over the \$5 million per year, that's the county receiving just over \$5 million per year, from the 1/5th side to the 4/5 side of the Gross Production Tax Formula. It eliminates the Energy Impact Grants. and it Saves the State of ND money. He had the committee turn to page 2 and explained that page to the committee explaining about the Hub Cities and Hub City Schools regarding the oil and gas gross production tax. **(0.02.04 - 0.03.00)** He had the committee turn to page 4 and explained that page to the committee regarding the Oil and Gas Gross Production Tax, concerning the funds; Heritage Fund, Reclamation Fund, Legacy Fund.**(0.03.01-0.03.45)** He had the committee turn to page 3, which shows the current method, it shows the Hub Cities, this is the way it is currently, you take \$375,000 times whatever the percentage number is times two years and that gives you the amount of money that is given to the Hub Cities on the 1/5th side. Hub Cities get some money over on the other side too, but this is on the 1/5th side. You can see Dickinson and Minot, it comes to \$46.875M and we're using this number, it is calculated, that \$375, that was the number that was put in place 8 years ago. Hub City Schools, theirs is \$125,000, same percentage point. These were mining percentages, employment numbers, percentage of mining employment in those cities. There you can see the Hub City Schools got \$15.625M. Then the oil county schools hold even, that's \$16.1M, Energy Impact Grants - \$35.000M, it was as high as \$240M one biennium. So that fluctuated up and down and could be more. I'll start with that one, that one has been eliminated with the blessing of the counties out there. They said, "you know what, we've got the surge money, it caught us up, and now if we can hold with this even we can take care of our infrastructure. We can take care of the industry out there, if we can hold it at this level" and that is all we're asking. And the Hub Cities are included in that. So when we come down, when you move to the other side, on the 1/5th side it's 100%, boom, whatever it is, it's solid money. It's going to go. But when you go over to the proposed method, Hub Cities and Hub Cities Schools, if you look on page 4, in the second clear box down, \$50.0M has been set aside for solid money for the Hub Cities. They are going to get that. That's going to be divided up. Over on the page 3, and by the way when I say Hub Cities, it's not only Hub Cities, but it's Hub Cities and Hub Cities Schools. so if you go over to the other side, there was \$46.8M, \$15.6M when you add those together you're over \$61M. \$61M versus \$50M. State's going to pick that up. But I want to point out when we go to the proposed method, there is 70% of 50%, remember, 30% of that already belongs to the counties, so the state only has 70% that it has to be responsible for. So, the state makes up \$15M. They pick up another \$15M there. From \$50M to \$35M that goes to the state. And then the Energy Impact Grants, which the \$16.M that's being moved over on the other side, you've got 100%, here it's only going to be 70% of it coming from the state, and you can see there will be \$11.3M so to speak that goes to the state; but the state is going to save approximately \$5.M there. So when you add that up, the state is going to get back on the 4/5 side, they are going to have \$40.627M

responsibility whereas up above, when you added all those together you will see it was \$113.6M \$113.6M the old way when it came through the 1/5th stream, \$46.3M coming over to the 4/5th stream, and you say that's a lot of money. When you take out the Energy Impact money, that's \$35M right there. So we come down by the shift from 1/5th to the 4/5th side, picked up \$67.3M. So want to make sure that everybody understands, this isn't a one-sided deal. So the oil community gave up some revenue for certainty, stability and no sunset clause. You don't want a sunset clause. Now let's move to Prairie Dog Two. **(0.09.34)**

Senator Wardner: Prairie Dog Two creates two buckets of \$115M each. One bucket for municipal infrastructure and one bucket for counties. \$100M in townships \$15M, So they are both \$115M when the bill was introduced. It's been shuffled around and we'll go over that in just a minute. it also creates a bucket for airports. When the bill was introduced it was \$50M it's been reduced to \$20M. Municipal dollars are distributed by a formula, so you know that. It doesn't affect us, by a formula that considers population, it considers property evaluations, it considers population growth and density. County dollars are distributed using the Upper Great Plains Transportation Institute Needs Study for roads and bridges. we want to continue that study. That will be in another bill. That will be good for the state, good for our political subs, because, ladies and gentlemen, a lot of people say "How many roads do we need?" But if we are start investing in the roads that are major corridors, we're going to be able to have a great infrastructure in the state of ND. The township dollars are just divided. You take the number of townships divided into \$15M and you got it. It's going to be around, a little over \$9,000 per township. We've done it before. I should have had 16 and it would have been even, I think. It would have been an even \$10M. Now, what happened over in the House. Over in the House, they negotiated and \$400M of SIIF dollars were moved up ahead of what I call the Prairie Dog buckets. What does this do? It takes the risk away from the state. Turn to page 7, here's the buckets, big buckets. State's General fund, County Social Services, Budget Stabilization, General Fund, Lignite Research, Disaster; if you are saying "How come there is nothing in Disaster" there is something in the Disaster Fund. It won't need any money. It's over the \$20M cap. Then we go, right after that, this is where the buckets were, they negotiate it different. Under the municipal infrastructure fund, 30.4M was taken right away. You want to know where that went? Why? Turn to page 10, but the way, there isn't an 8 and 9.

(0.12.41) Senator Oehlke: I don't have a page 6, is there a page 6 as well?

Senator Wardner: You're right, there isn't a page 6. That was the extraction tax. I just left it out. Probably should have put it in there, but I didn't. On page 10 go to the right hand side. Go to where it says "Base Infrastructure Funds" this is actually the density number that I talked about. You see the 7 big cities, they get \$2.5M and then you've got the next group of cities, 1/2 M, then you've got them at \$125,000 and turn the page you will see that it ends, so that those communities that actually are under \$1000.00 don't get that density payment. That \$30.4M, that's what it's for. They get their money right away. Then we take care of the \$400M to the SIIF. This eliminates the risk for the state. For example, it didn't fill, then we're going to get \$400M. Then we go back and do the county and township and the next \$30.4M goes to them. You might say "why weren't they up there together?" I wasn't in on the negotiations. They probably should have been, there was a little heartburn for some people that they weren't together for the municipal \$30.4M in the township and county \$30.4M, but the fact is, they're going to fill. if the price of oil is \$45 a barrel and we have at least 1.3 and we will,

million barrels per day, they're going to fill. Then after that they fill dollar for dollar, municipal gets a dollar, county and township gets a dollar, it goes until they fill. Then you have the \$20M of the airport and then you go back to SIIF. That's how it affects the state of ND.**(0.15.21)** For those of you that might want to take a look at some of the different ones, you've got a sheet on the towns and cities. The back sheet is the counties. If you look and you'll see gaps, there are some counties that don't any. The reason they don't get any is because they are oil counties. There are nine counties that are included in this. There are other counties that produce oil, but they don't produce hardly anything, they are considered non-oil counties. Example is Bottineau, would be the one that produces the most oil, they are way under the \$5M a year, they are considered a non-oil county and they receive money from this. The nine that go over \$5M they're out. Any city in there, out. Their townships, their schools, they get nothing out of this. The last page for the counties is the Upper Great Plains Needs Study. That is how the money affects the state of ND. I will make this one editorial comment, as I listened to the (Revenue) forecast this morning, we talk about agriculture and infrastructure, and I believe that this will help us move this state forward so that we can encourage people to come here and live. When you talk about special assessments this should help alleviate some of the problems or issues with special assessments in some of our larger communities. In fact, the mayor of Fargo told me it would.

(0.17.33) Chairman Holmberg: Are there any questions? Anyone else wishing to share with us?

Blake Crosby, Executive Director of the ND League of Cities: testified in favor of HB 1066 and provided Attachment # 2. I am the bill sponsor, covered the HB 1066, known as Operation Prairie Dog. In detail that should have answered all your questions. All I want to add is emphasize what his final comments were. This fund will have a definite impact on lowering property taxes and lowering special assessments. The cities have been talking about this since it was introduced last summer and that is what they are looking at. You notice in the bill it delineates infrastructure, that's what the fund is going to be used for. Without this fund that infrastructure has got to be paid for either through property tax or special assessments. I would respectfully ask for a unanimous Do Pass on HB 1066.

Senator Robinson: moved a do pass. 2nd by V. Chairman Wanzek.

Senator Dever: I was just curious about the reduction in Airport funding. If there was some reasoning for that, if that's ok.

Senator Wardner: That was a very reluctant thing that we had agreed to. We do have the Airport bill and I don't know who it was that said it was kind of confusing, we need \$27M in that bill.

Chairman Holmberg: Are you talking about HB 1006? Senator Sorvaag, Senator Bekkedahl and Senator Grabinger are on that particular subcommittee and they are aware of that anomaly that needs to be looked at. Does that answer your question?

Senator Dever: It does and the only other question I have is whether I am correct in my understanding that this is not a general fund appropriation but a redistribution of revenue that

is not just for this biennium but continuing forward. And I think I'm correct. That was confirmed.

Chairman Holmberg: Would you call the roll for a Do Pass on HB1066?

A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0.

Chairman Holmberg: This goes back to Finance and Tax. Senator Meyer will carry the bill. The hearing was closed on HB 1066.

Date: 3-11-19

Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1066

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Robinson Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Back to Finance & Tax Sen. Meyer

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

REPORT OF STANDING COMMITTEE

HB 1066, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1066 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

HB 1066

10 YEAR CAPITAL IMPROVEMENT PROJECTIONS*

#1
HB 1066
1-15-2019

CITY	TOTAL**
Dickinson	\$ 352,720,000
Wahpeton	\$ 54,860,118
Fargo	\$ 702,000,000
West Fargo	\$ 173,927,000
Horace	\$ 63,838,000
Williston	\$ 277,000,000
Bismarck	\$ 627,775,000
Grand Forks	\$ 676,059,946
Grafton	\$ 11,200,000
Devils Lake	\$ 36,703,465
Minot	\$ 434,627,421
Mandan	\$ 293,374,155
Valley City	\$ 65,740,000
Jamestown	\$ 145,430,000
TOTAL	\$ 3,915,255,105

*NUMBERS FOR NEW INFRASTRUCTURE AND REPAIR/REPLACEMENT OF EXISTING INFRASTRUCTURE

**DOES NOT INCLUDE PERMANENT FLOOD PROTECTION

#2
 HB 1066
 1-15-19
 p.1

City	Density Factor	Base Aid	Population Growth Rate	Valuation Growth	Total
Fargo city	\$2,500,000	\$18,353,850	\$3,338,164	\$1,138,560	\$25,330,573
Bismarck city	\$2,500,000	\$10,929,750	\$1,955,706	\$657,796	\$16,043,251
Grand Forks city	\$2,500,000	\$8,558,400	\$606,116	\$343,548	\$12,008,065
West Fargo city	\$2,500,000	\$5,356,200	\$2,092,509	\$528,120	\$10,476,829
Mandan city	\$2,500,000	\$3,334,200	\$523,231	\$229,817	\$6,587,248
Jamestown city	\$2,500,000	\$2,308,050	\$0	\$65,922	\$4,873,972
Wahpeton city	\$2,500,000	\$1,173,900	\$0	\$13,750	\$3,687,650
Devils Lake city	\$2,500,000	\$1,093,950	\$0	\$29,606	\$3,623,556
Valley City city	\$2,500,000	\$967,050	\$0	\$16,920	\$3,483,970
Lincoln city	\$500,000	\$559,500	\$193,886	\$24,946	\$1,278,332
Grafton city	\$500,000	\$633,600	\$0	\$3,905	\$1,137,505
Horace city	\$500,000	\$407,550	\$81,509	\$27,722	\$1,016,781
Beulah city	\$500,000	\$489,900	\$0	\$22,757	\$1,012,657
Rugby city	\$500,000	\$405,450	\$0	\$17,014	\$922,464
Casselton city	\$500,000	\$373,950	\$0	\$11,385	\$885,335
Hazen city	\$500,000	\$355,800	\$0	\$6,959	\$862,759
Bottineau city	\$500,000	\$338,250	\$0	\$4,506	\$842,756
Lisbon city	\$500,000	\$310,950	\$0	\$7,165	\$818,115
Carrington city	\$500,000	\$302,100	\$0	\$8,816	\$810,916
Beach city	\$125,000	\$159,750	\$0	\$1,868	\$286,618
Burlington city	\$125,000	\$180,900	\$70,841	\$8,142	\$384,883
Cando city	\$125,000	\$165,300	\$0	\$2,638	\$292,938
Cavalier city	\$125,000	\$191,250	\$0	\$656	\$316,906
Ellendale city	\$125,000	\$177,600	\$0	\$1,603	\$304,203
Garrison city	\$125,000	\$225,750	\$0	\$4,124	\$354,874
Harvey city	\$125,000	\$258,750	\$0	\$2,049	\$385,799
Hettinger city	\$125,000	\$183,150	\$0	\$3,930	\$312,080
Hillsboro city	\$125,000	\$238,800	\$6,492	\$8,331	\$378,623
Kenmare city	\$125,000	\$155,250	\$0	\$0	\$280,250
Langdon city	\$125,000	\$260,700	\$0	\$1,701	\$387,401
Larimore city	\$125,000	\$192,900	\$0	\$3,047	\$320,947
Linton city	\$125,000	\$151,050	\$0	\$8,192	\$284,242
Mapleton city	\$125,000	\$155,100	\$87,826	\$17,446	\$385,371
Mayville city	\$125,000	\$270,000	\$0	\$8,944	\$403,944
New Rockford city	\$125,000	\$203,400	\$1,898	\$3,656	\$333,954
Oakes city	\$125,000	\$258,150	\$0	\$5,590	\$388,740
Park River city	\$125,000	\$206,250	\$0	\$6,391	\$337,641
Rolla city	\$125,000	\$196,650	\$0	\$1,072	\$322,722
Surrey city	\$125,000	\$207,000	\$69,618	\$0	\$401,618
Thompson city	\$125,000	\$151,500	\$6,507	\$9,066	\$292,074
Velva city	\$125,000	\$185,100	\$0	\$1,773	\$311,873
Washburn city	\$125,000	\$192,450	\$0	\$4,860	\$322,310
Abercrombie city	\$0	\$39,150	\$0	\$731	\$39,881
Adams city	\$0	\$18,450	\$0	\$527	\$18,977
Alice city	\$0	\$5,850	\$0	\$93	\$5,943
Almont city	\$0	\$18,300	\$0	\$289	\$18,589

#2
 HB 1066
 1-15-19
 p. 2

City	Density Factor	Base Aid	Population Growth Rate	Valuation Growth	Total
Alsen city	\$0	\$4,800	\$0	\$1,132	\$5,932
Amenia city	\$0	\$14,550	\$0	\$110	\$14,660
Amidon city	\$0	\$3,300	\$0	\$28	\$3,328
Anamoose city	\$0	\$37,050	\$0	\$208	\$37,258
Aneta city	\$0	\$30,750	\$0	\$178	\$30,928
Antler city	\$0	\$4,200	\$0	\$147	\$4,347
Ardoch city	\$0	\$11,550	\$1,000	\$10	\$12,560
Argusville city	\$0	\$71,100	\$0	\$453	\$71,553
Arthur city	\$0	\$50,100	\$0	\$1,609	\$51,709
Ashley city	\$0	\$103,350	\$0	\$642	\$103,992
Ayr city	\$0	\$2,550	\$0	\$272	\$2,822
Balfour city	\$0	\$4,200	\$0	\$40	\$4,240
Balta city	\$0	\$9,000	\$0	\$476	\$9,476
Bantry city	\$0	\$2,400	\$0	\$0	\$2,400
Barney city	\$0	\$7,500	\$0	\$1,284	\$8,784
Bathgate city	\$0	\$8,850	\$0	\$0	\$8,850
Benedict city	\$0	\$11,250	\$2,020	\$176	\$13,446
Bergen city	\$0	\$1,200	\$0	\$120	\$1,320
Berlin city	\$0	\$5,550	\$0	\$727	\$6,277
Berthold city	\$0	\$74,700	\$0	\$0	\$74,700
Binford city	\$0	\$25,500	\$0	\$3	\$25,503
Bisbee city	\$0	\$18,900	\$0	\$555	\$19,455
Bowdon city	\$0	\$19,200	\$0	\$111	\$19,311
Braddock city	\$0	\$3,000	\$0	\$352	\$3,352
Briarwood city	\$0	\$11,850	\$0	\$96	\$11,946
Brinsmade city	\$0	\$5,250	\$0	\$9	\$5,259
Brocket city	\$0	\$8,250	\$0	\$41	\$8,291
Buchanan city	\$0	\$17,100	\$1,500	\$146	\$18,746
Bucyrus city	\$0	\$3,900	\$0	\$0	\$3,900
Buffalo city	\$0	\$28,800	\$0	\$859	\$29,659
Butte city	\$0	\$11,550	\$1,513	\$182	\$13,245
Buxton city	\$0	\$47,250	\$0	\$3,630	\$50,880
Calio city	\$0	\$3,000	\$0	\$264	\$3,264
Calvin city	\$0	\$2,700	\$0	\$30	\$2,730
Canton City city	\$0	\$5,850	\$0	\$33	\$5,883
Carpio city	\$0	\$21,600	\$0	\$1,588	\$23,188
Carson city	\$0	\$42,600	\$0	\$962	\$43,562
Cathay city	\$0	\$6,150	\$0	\$51	\$6,201
Cayuga city	\$0	\$3,900	\$0	\$239	\$4,139
Center city	\$0	\$87,600	\$3,975	\$3,397	\$94,972
Christine city	\$0	\$24,000	\$3,535	\$898	\$28,434
Churchs Ferry city	\$0	\$1,800	\$0	\$0	\$1,800
Cleveland city	\$0	\$12,450	\$0	\$52	\$12,502
Clifford city	\$0	\$6,450	\$0	\$1,510	\$7,960
Cogswell city	\$0	\$14,400	\$0	\$188	\$14,588
Coleharbor city	\$0	\$12,900	\$0	\$158	\$13,058
Colfax city	\$0	\$22,650	\$8,163	\$1,749	\$32,562

#2
 HB 1066
 1-15-19

p.3

City	Density Factor	Base Aid	Population Growth Rate	Valuation Growth	Total
Conway city	\$0	\$3,450	\$500	\$0	\$3,950
Cooperstown city	\$0	\$137,850	\$0	\$1,298	\$139,148
Courtenay city	\$0	\$7,050	\$478	\$284	\$7,812
Crary city	\$0	\$22,200	\$0	\$364	\$22,564
Crystal city	\$0	\$19,200	\$0	\$1,240	\$20,440
Davenport city	\$0	\$38,550	\$968	\$1,269	\$40,787
Dawson city	\$0	\$9,450	\$500	\$129	\$10,079
Dazey city	\$0	\$15,000	\$0	\$321	\$15,321
Deering city	\$0	\$18,150	\$460	\$397	\$19,007
Des Lacs city	\$0	\$29,100	\$0	\$0	\$29,100
Dickey city	\$0	\$6,150	\$0	\$90	\$6,240
Donnybrook city	\$0	\$7,950	\$0	\$265	\$8,215
Douglas city	\$0	\$9,150	\$0	\$579	\$9,729
Drake city	\$0	\$41,100	\$0	\$339	\$41,439
Drayton city	\$0	\$115,200	\$0	\$3,184	\$118,384
Dunseith city	\$0	\$118,200	\$0	\$0	\$118,200
Dwight city	\$0	\$12,300	\$0	\$472	\$12,772
Edgeley city	\$0	\$82,800	\$0	\$2,542	\$85,342
Edinburg city	\$0	\$28,050	\$0	\$1,196	\$29,246
Edmore city	\$0	\$26,250	\$0	\$169	\$26,419
Egeland city	\$0	\$4,050	\$0	\$23	\$4,073
Elgin city	\$0	\$94,650	\$4,505	\$222	\$99,377
Elliott city	\$0	\$3,750	\$0	\$50	\$3,800
Emerado city	\$0	\$67,500	\$0	\$424	\$67,924
Enderlin city	\$0	\$127,050	\$0	\$5,196	\$132,246
Esmond city	\$0	\$15,000	\$0	\$733	\$15,733
Fairdale city	\$0	\$5,400	\$0	\$33	\$5,433
Fairmount city	\$0	\$53,400	\$0	\$2,233	\$55,633
Fessenden city	\$0	\$67,800	\$0	\$296	\$68,096
Fingal city	\$0	\$13,500	\$0	\$231	\$13,731
Finley city	\$0	\$63,750	\$0	\$0	\$63,750
Flasher city	\$0	\$31,650	\$0	\$12	\$31,662
Forbes city	\$0	\$7,800	\$0	\$75	\$7,875
Fordville city	\$0	\$30,300	\$0	\$419	\$30,719
Forest River city	\$0	\$18,150	\$452	\$282	\$18,884
Forman city	\$0	\$77,100	\$807	\$4,992	\$82,899
Fort Ransom city	\$0	\$11,100	\$0	\$616	\$11,716
Fort Yates city	\$0	\$29,850	\$0	\$65	\$29,915
Fredonia city	\$0	\$6,600	\$0	\$58	\$6,658
Frontier city	\$0	\$32,400	\$0	\$1,450	\$33,850
Fullerton city	\$0	\$7,350	\$0	\$2,657	\$10,007
Gackle city	\$0	\$43,350	\$0	\$255	\$43,605
Galesburg city	\$0	\$15,600	\$0	\$1,408	\$17,008
Gardena city	\$0	\$4,350	\$0	\$24	\$4,374
Gardner city	\$0	\$11,550	\$0	\$534	\$12,084
Gilby city	\$0	\$34,800	\$0	\$159	\$34,959
Glen Ullin city	\$0	\$108,600	\$0	\$2,148	\$110,748

#2
 HB 1066
 1-15-19
 p. 4

City	Density Factor	Base Aid	Population Growth Rate	Valuation Growth	Total
Glenburn city	\$0	\$69,300	\$0	\$0	\$69,300
Glenfield city	\$0	\$13,200	\$0	\$108	\$13,308
Golden Valley city	\$0	\$25,800	\$0	\$0	\$25,800
Golva city	\$0	\$10,200	\$0	\$136	\$10,336
Goodrich city	\$0	\$14,550	\$0	\$18	\$14,568
Grace City city	\$0	\$9,150	\$0	\$74	\$9,224
Grandin city	\$0	\$26,400	\$0	\$0	\$26,400
Grano city	\$0	\$1,350	\$0	\$25	\$1,375
Granville city	\$0	\$40,350	\$0	\$846	\$41,196
Great Bend city	\$0	\$9,000	\$1,000	\$104	\$10,104
Gwinner city	\$0	\$130,950	\$25,992	\$12,810	\$169,752
Hague city	\$0	\$9,750	\$0	\$1,289	\$11,039
Hamberg city	\$0	\$3,000	\$0	\$6	\$3,006
Hamilton city	\$0	\$9,000	\$492	\$25	\$9,517
Hampden city	\$0	\$6,900	\$0	\$133	\$7,033
Hankinson city	\$0	\$133,650	\$0	\$3,096	\$136,746
Hannaford city	\$0	\$18,000	\$0	\$169	\$18,169
Hannah city	\$0	\$2,100	\$0	\$0	\$2,100
Hansboro city	\$0	\$1,950	\$0	\$33	\$1,983
Harwood city	\$0	\$121,200	\$26,539	\$9,688	\$157,427
Hatton city	\$0	\$112,200	\$0	\$2,008	\$114,208
Havana city	\$0	\$10,650	\$0	\$107	\$10,757
Haynes city	\$0	\$3,600	\$0	\$231	\$3,831
Hazelton city	\$0	\$32,700	\$0	\$1,110	\$33,810
Hebron city	\$0	\$101,550	\$0	\$1,966	\$103,516
Hoople city	\$0	\$35,400	\$0	\$179	\$35,579
Hope city	\$0	\$38,400	\$2,488	\$1,245	\$42,133
Hunter city	\$0	\$38,550	\$0	\$2,603	\$41,153
Hurdsfield city	\$0	\$12,150	\$0	\$12	\$12,162
Inkster city	\$0	\$7,350	\$0	\$33	\$7,383
Jud city	\$0	\$10,950	\$486	\$393	\$11,830
Karlsruhe city	\$0	\$13,500	\$0	\$271	\$13,771
Kathryn city	\$0	\$7,650	\$0	\$245	\$7,895
Kensal city	\$0	\$23,400	\$0	\$1,201	\$24,601
Kief city	\$0	\$2,100	\$0	\$22	\$2,122
Kindred city	\$0	\$114,300	\$6,933	\$7,927	\$129,160
Knox city	\$0	\$3,750	\$0	\$8	\$3,758
Kramer city	\$0	\$4,350	\$0	\$513	\$4,863
Kulm city	\$0	\$50,100	\$476	\$1,584	\$52,160
Lakota city	\$0	\$95,850	\$0	\$2,863	\$98,713
LaMoure city	\$0	\$135,450	\$0	\$8,098	\$143,548
Landa city	\$0	\$5,550	\$0	\$45	\$5,595
Lankin city	\$0	\$13,800	\$0	\$356	\$14,156
Lansford city	\$0	\$37,500	\$0	\$0	\$37,500
Lawton city	\$0	\$4,350	\$0	\$29	\$4,379
Leal city	\$0	\$3,000	\$0	\$0	\$3,000
Leeds city	\$0	\$68,250	\$451	\$1,075	\$69,776

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City	Density Factor	Base Aid	Population Growth Rate	Valuation Growth	Total
Lehr city	\$0	\$10,950	\$0	\$22	\$10,972
Leith city	\$0	\$2,250	\$0	\$14	\$2,264
Leonard city	\$0	\$34,350	\$0	\$1,065	\$35,415
Lidgerwood city	\$0	\$93,750	\$0	\$171	\$93,921
Litchville city	\$0	\$24,450	\$0	\$342	\$24,792
Loma city	\$0	\$2,250	\$0	\$794	\$3,044
Lorraine city	\$0	\$1,350	\$0	\$41	\$1,391
Ludden city	\$0	\$3,150	\$0	\$78	\$3,228
Luverne city	\$0	\$4,650	\$0	\$729	\$5,379
Maddock city	\$0	\$58,050	\$458	\$188	\$58,696
Makoti city	\$0	\$22,200	\$0	\$1,330	\$23,530
Mantador city	\$0	\$10,050	\$1,515	\$29	\$11,594
Manvel city	\$0	\$55,800	\$0	\$1,327	\$57,127
Marion city	\$0	\$19,650	\$0	\$1,217	\$20,867
Marmarth city	\$0	\$21,450	\$0	\$0	\$21,450
Martin city	\$0	\$11,250	\$0	\$86	\$11,336
Max city	\$0	\$52,350	\$0	\$1,320	\$53,670
Maxbass city	\$0	\$12,300	\$0	\$139	\$12,439
McClusky city	\$0	\$56,700	\$0	\$1,072	\$57,772
McHenry city	\$0	\$8,250	\$0	\$0	\$8,250
McVille city	\$0	\$49,650	\$0	\$364	\$50,014
Medina city	\$0	\$44,850	\$0	\$153	\$45,003
Mercer city	\$0	\$14,250	\$0	\$108	\$14,358
Michigan City city	\$0	\$41,400	\$0	\$285	\$41,685
Milnor city	\$0	\$95,400	\$0	\$5,978	\$101,378
Milton city	\$0	\$8,400	\$0	\$26	\$8,426
Minnewaukan city	\$0	\$34,350	\$0	\$0	\$34,350
Minto city	\$0	\$91,500	\$0	\$1,927	\$93,427
Mohall city	\$0	\$115,050	\$0	\$693	\$115,743
Monango city	\$0	\$4,950	\$0	\$9	\$4,959
Montpelier city	\$0	\$13,050	\$0	\$345	\$13,395
Mooreton city	\$0	\$28,800	\$0	\$118	\$28,918
Mott city	\$0	\$109,050	\$0	\$2,860	\$111,910
Mountain city	\$0	\$12,300	\$0	\$0	\$12,300
Munich city	\$0	\$29,400	\$0	\$529	\$29,929
Mylo city	\$0	\$3,000	\$0	\$0	\$3,000
Napoleon city	\$0	\$116,400	\$0	\$2,066	\$118,466
Nече city	\$0	\$52,950	\$0	\$502	\$53,452
Nekoma city	\$0	\$7,200	\$0	\$2,234	\$9,434
New England city	\$0	\$90,300	\$0	\$10,392	\$100,692
New Leipzig city	\$0	\$32,250	\$0	\$550	\$32,800
New Salem city	\$0	\$140,700	\$17,122	\$3,134	\$160,956
Newburg city	\$0	\$16,500	\$0	\$644	\$17,144
Niagara city	\$0	\$7,800	\$0	\$41	\$7,841
Nome city	\$0	\$8,850	\$0	\$93	\$8,943
North River city	\$0	\$8,250	\$0	\$149	\$8,399
Northwood city	\$0	\$135,300	\$0	\$3,018	\$138,318

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City	Density Factor	Base Aid	Population Growth Rate	Valuation Growth	Total
Oberon city	\$0	\$15,600	\$0	\$53	\$15,653
Oriska city	\$0	\$18,000	\$0	\$413	\$18,413
Osnabrock city	\$0	\$18,600	\$2,508	\$33	\$21,142
Overly city	\$0	\$2,700	\$0	\$0	\$2,700
Oxbow city	\$0	\$46,050	\$0	\$19,884	\$65,934
Page city	\$0	\$35,700	\$0	\$1,263	\$36,963
Pekin city	\$0	\$9,900	\$0	\$82	\$9,982
Pembina city	\$0	\$83,100	\$0	\$844	\$83,944
Perth city	\$0	\$1,350	\$0	\$1	\$1,351
Petersburg city	\$0	\$26,250	\$0	\$174	\$26,424
Pettibone city	\$0	\$10,500	\$500	\$98	\$11,098
Pick City city	\$0	\$20,850	\$0	\$952	\$21,802
Pillsbury city	\$0	\$1,650	\$0	\$100	\$1,750
Pingree city	\$0	\$9,000	\$483	\$232	\$9,715
Pisek city	\$0	\$16,200	\$1,509	\$379	\$18,089
Portland city	\$0	\$88,650	\$0	\$1,475	\$90,125
Prairie Rose city	\$0	\$11,250	\$0	\$207	\$11,457
Reeder city	\$0	\$23,400	\$0	\$389	\$23,789
Regan city	\$0	\$6,750	\$500	\$102	\$7,352
Regent city	\$0	\$23,400	\$0	\$2,440	\$25,840
Reile's Acres city	\$0	\$91,650	\$15,141	\$7,504	\$114,295
Reynolds city	\$0	\$46,050	\$0	\$2,859	\$48,909
Riverdale city	\$0	\$33,900	\$3,525	\$3,475	\$40,899
Robinson city	\$0	\$7,200	\$500	\$89	\$7,789
Rocklake city	\$0	\$15,450	\$0	\$863	\$16,313
Rogers city	\$0	\$6,450	\$0	\$944	\$7,394
Rolette city	\$0	\$90,750	\$0	\$1,880	\$92,630
Ruso city	\$0	\$600	\$0	\$4	\$604
Rutland city	\$0	\$23,250	\$0	\$1,890	\$25,140
Ryder city	\$0	\$11,850	\$0	\$750	\$12,600
Sanborn city	\$0	\$27,000	\$0	\$392	\$27,392
Sarles city	\$0	\$4,050	\$0	\$0	\$4,050
Sawyer city	\$0	\$50,100	\$0	\$137	\$50,237
Selfridge city	\$0	\$25,950	\$0	\$10	\$25,960
Sentinel Butte city	\$0	\$9,450	\$0	\$43	\$9,493
Sharon city	\$0	\$13,800	\$0	\$143	\$13,943
Sheldon city	\$0	\$18,000	\$0	\$249	\$18,249
Sherwood city	\$0	\$36,450	\$0	\$1,770	\$38,220
Sheyenne city	\$0	\$28,800	\$0	\$713	\$29,513
Sibley city	\$0	\$4,200	\$0	\$408	\$4,608
Solen city	\$0	\$13,050	\$0	\$0	\$13,050
Souris city	\$0	\$7,950	\$0	\$417	\$8,367
Spiritwood Lake cit	\$0	\$14,550	\$489	\$2,412	\$17,452
St. John city	\$0	\$53,400	\$0	\$0	\$53,400
St. Thomas city	\$0	\$46,650	\$0	\$87	\$46,737
Stanton city	\$0	\$52,950	\$0	\$2,905	\$55,855
Starkweather city	\$0	\$17,400	\$0	\$96	\$17,496

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City	Density Factor	Base Aid	Population Growth Rate	Valuation Growth	Total
Steele city	\$0	\$107,400	\$4,504	\$2,196	\$114,100
Strasburg city	\$0	\$55,950	\$0	\$1,444	\$57,394
Streeter city	\$0	\$24,600	\$0	\$1,118	\$25,718
Sykeston city	\$0	\$16,650	\$0	\$134	\$16,784
Tappen city	\$0	\$30,900	\$2,012	\$248	\$33,160
Tolley city	\$0	\$7,650	\$0	\$0	\$7,650
Tolna city	\$0	\$23,400	\$0	\$202	\$23,602
Tower City city	\$0	\$38,550	\$0	\$971	\$39,521
Towner city	\$0	\$81,750	\$0	\$725	\$82,475
Turtle Lake city	\$0	\$86,250	\$0	\$1,117	\$87,367
Tuttle city	\$0	\$12,150	\$494	\$175	\$12,818
Underwood city	\$0	\$113,700	\$0	\$1,413	\$115,113
Upham city	\$0	\$21,450	\$0	\$201	\$21,651
Venturia city	\$0	\$1,800	\$0	\$12	\$1,812
Verona city	\$0	\$13,200	\$0	\$160	\$13,360
Voltaire city	\$0	\$6,900	\$0	\$122	\$7,022
Walcott city	\$0	\$36,300	\$1,985	\$1,217	\$39,502
Wales city	\$0	\$4,200	\$0	\$47	\$4,247
Walhalla city	\$0	\$139,800	\$0	\$11	\$139,811
Warwick city	\$0	\$10,050	\$0	\$0	\$10,050
Westhope city	\$0	\$61,200	\$0	\$715	\$61,915
Willow City city	\$0	\$24,300	\$0	\$108	\$24,408
Wilton city	\$0	\$108,450	\$0	\$1,834	\$110,284
Wimbledon city	\$0	\$29,850	\$0	\$1,521	\$31,371
Wing city	\$0	\$22,950	\$0	\$118	\$23,068
Wishek city	\$0	\$140,250	\$0	\$1,009	\$141,259
Wolford city	\$0	\$5,100	\$0	\$240	\$5,340
Woodworth city	\$0	\$7,200	\$0	\$430	\$7,630
Wyndmere city	\$0	\$61,800	\$0	\$349	\$62,149
York city	\$0	\$3,450	\$0	\$0	\$3,450
Zap city	\$0	\$35,700	\$0	\$475	\$36,175
Zeeland city	\$0	\$11,700	\$0	\$81	\$11,781
	\$30,375,000	\$69,584,700	\$9,182,783	\$3,515,792	\$112,658,275

County Infrastructure Fund

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County	Infrastructure Funding	County	Infrastructure Funding
Adams	\$1,077,500	Ramsey	\$1,669,900
Barnes	\$3,284,100	Ransom	\$1,338,100
Benson	\$1,549,900	Renville	\$1,511,700
Billings	\$0	Richland	\$4,848,700
Bottineau	\$3,361,700	Rolette	\$1,203,200
Bowman	\$0	Sargent	\$1,285,100
Burke	\$0	Sheridan	\$995,900
Burleigh	\$4,137,200	Sioux	\$924,200
Cass	\$7,064,200	Slope	\$1,011,000
Cavalier	\$1,863,400	Stark	\$0
Dickey	\$1,609,500	Steele	\$1,395,500
Divide	\$0	Stutsman	\$3,205,600
Dunn	\$0	Towner	\$1,196,300
Eddy	\$869,100	Traill	\$2,818,300
Emmons	\$1,327,400	Walsh	\$4,739,000
Foster	\$1,275,100	Ward	\$5,760,100
Golden Valley	\$1,561,500	Wells	\$2,114,300
Grand Forks	\$5,205,400	Williams	\$0
Grant	\$2,277,800		
Griggs	\$819,200		
Hettinger	\$1,444,100		
Kidder	\$1,142,400		
LaMoure	\$2,278,400		
Logan	\$828,100		
McHenry	\$4,123,500		
McIntosh	\$1,366,200		
McKenzie	\$0		
McLean	\$3,777,400		
Mercer	\$2,133,300		
Morton	\$3,160,000		
Mountrail	\$0		
Nelson	\$1,412,700		
Oliver	\$692,800		
Pembina	\$2,559,500		
Pierce	\$1,781,800		

* Counties receiving more than \$5 million in GPT revenues annually

Counties funding is based on the Upper Great Plains Transportation Institute
County Road and Bridge Funding 20 Year Needs Study

* Funding Totals are Estimates

		SIIF Fund Bucket						
WTI	ND Price (15% Discount)	1,200,000	1,250,000	1,300,000	1,350,000	1,400,000	1,450,000	1,500,000
\$29.36	\$25.00	-\$313,700,000	\$280,700,000	-\$247,700,000	-\$214,700,000	-\$181,700,000	-\$148,800,000	-\$115,800,000
\$32.30	\$27.50	-\$234,500,000	-\$198,200,000	-\$162,000,000	-\$125,700,000	-\$89,400,000	-\$53,100,000	-\$16,800,000
\$35.29	\$30.00	-\$155,400,000	-\$115,800,000	-\$76,200,000	-\$36,600,000	\$3,000,000	\$42,500,000	\$82,100,000
\$38.24	\$32.50	-\$76,200,000	-\$33,300,000	\$9,600,000	\$52,400,000	\$95,300,000	\$138,200,000	\$181,100,000
\$41.18	\$35.00	\$3,000,000	\$49,100,000	\$95,300,000	\$141,500,000	\$187,700,000	\$233,800,000	\$280,000,000
\$44.18	\$37.50	\$82,100,000	\$131,600,000	\$181,100,000	\$230,500,000	\$280,000,000	\$329,500,000	\$379,000,000
\$47.06	\$40.00	\$161,300,000	\$214,100,000	\$266,800,000	\$319,600,000	\$372,400,000	\$425,100,000	\$477,900,000
\$50.00	\$42.50	\$240,400,000	\$296,500,000	\$352,600,000	\$408,700,000	\$464,700,000	\$520,800,000	\$576,900,000
\$52.94	\$45.00	\$319,600,000	\$352,600,000	\$438,300,000	\$497,700,000	\$557,100,000	\$616,400,000	\$675,800,000
\$55.88	\$47.50	\$398,800,000	\$524,100,000	\$524,100,000	\$586,800,000	\$649,400,000	\$712,100,000	\$774,800,000
\$57.16	\$48.59	\$433,300,000	\$497,400,000	\$561,100,000	\$625,600,000	\$689,700,000	\$753,800,000	\$817,900,000
\$58.82	\$50.00	\$477,900,000	\$609,900,000	\$609,900,000	\$675,800,000	\$741,800,000	\$807,700,000	\$873,700,000
\$61.76	\$52.50	\$557,100,000	\$695,600,000	\$695,600,000	\$764,900,000	\$834,100,000	\$903,400,000	\$972,700,000

City and County Infrastructure Funding between \$35 million (30%) and \$57 million (50%) for each

City and County Infrastructure Funding between \$57 million (50%) and \$114 million (99%) for each

City and County Infrastructure Funding at 100%

Executive Branch Price

Current Price/Production Range

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**Greater North Dakota Chamber
HB 1066
House Finance and Taxation Committee
Representative Headland - Chair
January 15, 2019**

Mr. Chairman and members of the House Finance and Taxation Committee, my name is Arik Spencer, President & CEO of the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, representing businesses of every size, from every sector, and in every corner of our great state. We stand in strong support of House Bill 1066.

When we visit with businesses leaders across the state, transportation infrastructure quickly rises as one of the top two concerns we hear. So why is transportation infrastructure important to ND business? Here is some information for you to consider.

When we look at freight, \$106 Billion in goods is shipped within North Dakota annually, 74% of that is shipped by truck.

In terms of trade, 85% of all North Dakota exports are shipped are to Canada and Mexico, again much of which is shipped on our roadways. In North Dakota's three largest metro areas alone (Fargo, Grand Forks, and Bismarck), \$884 million in goods are exported annually.

Looking at North Dakota jobs, over 215,000 full-time jobs in energy, tourism, retail, agriculture, and manufacturing are completely dependent on North Dakota's transportation infrastructure network. In addition, over 13,000 full-time jobs across all sectors of the state's economy are supported by the design, construction, and maintenance of North Dakota's infrastructure.

Finally, highway accessibility was ranked the number one priority in a recent national survey of corporate executives

While I realize that HB 1066 is about more than transportation infrastructure, if we fail to adequately fund North Dakota's infrastructure needs we threaten our state's economic growth potential.

I also stand here as the chair of the ND Transportation Coalition, which is a group of business, agriculture, and public sector organizations, who care deeply about North Dakota's transportation infrastructure. You'll hear from many members of the transportation coalition today about their support for HB 1066 and will hopefully see why this proposal is good for ND.

In conclusion I ask that HB 1066 receive a do pass recommendation and I stand for any questions the committee has.

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North Dakota Transportation Facts



Transportation is important to maintaining North Dakota's strong economy and quality of life. Annually, \$106 billion in goods are shipped to and from North Dakota. This is vital to North Dakota's top industries of agriculture, energy, manufacturing and tourism.

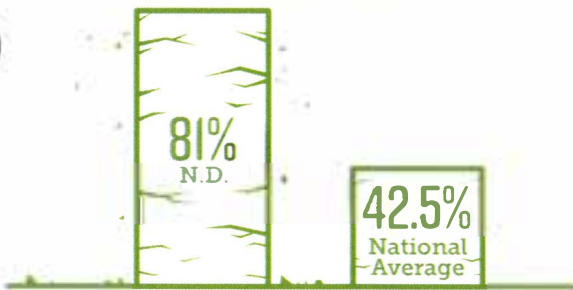
Source: North Dakota TRIP Report

North Dakota needs \$24.6 billion over the next 20 years to maintain current roads and bridges, but there is only \$10 billion in revenue projected. That's a \$14.6 billion funding gap.

Source: Upper Great Plains Transportation Institute



Transportation Budget Dependent on Federal Funds



North Dakota's transportation construction budget is 81 percent federally funded, compared to the national average of 42.5 percent. This is a problem because only 17 percent of North Dakota's 107,000 miles of roadways are eligible for federal funds, and the Federal Highway Trust Fund is going broke.

Source: ND DOT

North Dakota's motor fuel tax of 23 cents per gallon has lost impact since 2005, due to inflation and increased fuel efficiency.

- To make up for inflation, North Dakota's 23-cent motor fuel tax would need to be 30 cents today. However, construction costs in North Dakota during that same period of time have increased even faster than inflation, at 117 percent. For example, asphalt surfacing cost approximately \$500,000 per mile in 2005 and cost \$1.1 million per mile in 2017.
- The owner of a 2005 Ford F-150 getting 14 mpg driving 12,000 miles in a year would pay \$197.14 in state gas taxes, while an owner of a 2018 Ford F-150 getting 21 mpg driving the same number of miles would pay \$131.43.

Sources: BLS Consumer Price Index Inflation Calculator; NDDOT; www.fueleconomy.gov

23¢ IN 2005

23¢ NOW



Recent one-time transportation funding has helped address immediate needs and is very much appreciated. Going forward, long-term predictable funding is needed to generate efficiencies. Each dollar of deferred maintenance on roads and bridges costs an additional \$4-\$5 in needed future repairs. The Right Fix at the Right Time with the Right Asset will lead to lower life-cycle costs. Most transportation projects require a 4 to 6-year lead time.

Source: North Dakota TRIP Report

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Bad roads cost North Dakota motorists an estimated \$250 million annually, or \$449 per driver.

Source: North Dakota TRIP Report

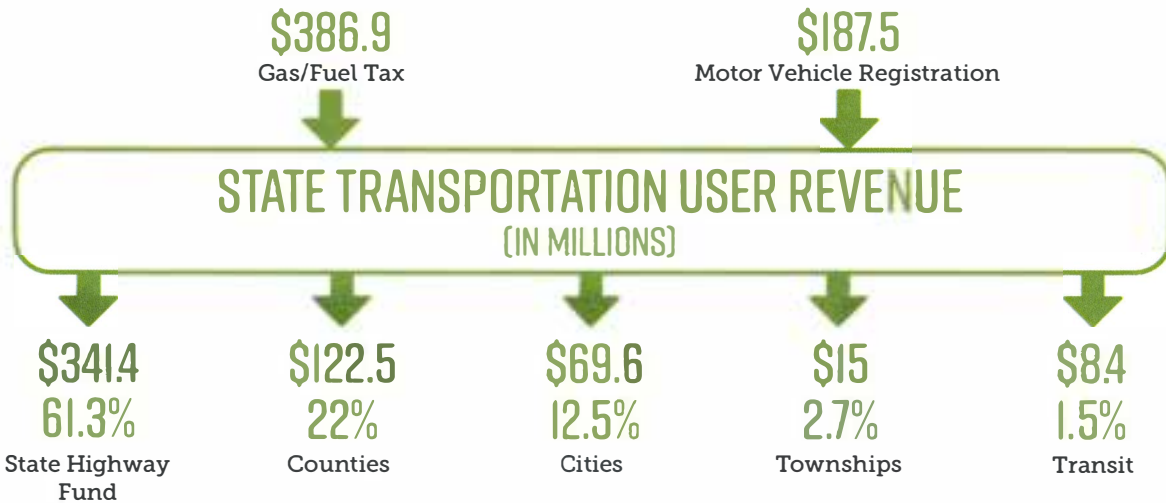


Possible funding options include:

- Dedicating oil revenues, such as proposed in HB 1066, could provide \$280 million per biennium in funding directly to local entities for infrastructure, including transportation infrastructure.
- The motor vehicle excise tax provides \$105 million in annual revenue that currently goes to the general fund and does not fund transportation.
- 1 cent per gallon motor fuel tax generates \$7.4 million in annual revenue.
- If driver's license fees were raised to cover the cost of administering driver's license operations, this would free up \$2.45 million in the State Highway Fund.
- \$1 in registration fees generates \$1 million in annual revenue.

Source: North Dakota Symposium on Transportation Funding

State Transportation Revenues go into Highway Tax Distribution Fund



Approximately \$17.5 million in deductions before distributions. Source: 2019-2021 Biennium Executive State Budget

Transportation Coalition





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Testimony on HB 1066
Presented to the House Finance and Taxation Committee
Prepared by Bernie Dardis, Commission President, City of West Fargo
Tuesday, Jan. 15, 2019

1 Chairman Headland and members of the House Finance and Taxation
2 Committee: I appear before you today in support of House Bill 1066. To put it simply, the
3 infrastructure needs of our community far outpace the funds and tools available to us.

4 "A city on the grow" has been the proud slogan of West Fargo for more than 20
5 years. During that time, our population has increased 106 percent and our school
6 district has grown to the third largest district in the state. From 2001 to 2010, our city
7 added close to 5,000 acres to the community. While it is with great pride that we
8 welcome new residents, businesses and visitors into our community, this exponential
9 growth has created growing pains that affect our city's ability to provide services,
10 protection, affordable living and a high quality of life.

11 Throughout this exponential growth, the burden of creating, maintaining and
12 improving infrastructure has remained on our taxpayers. Over the past five years, we
13 have financed a total of \$195.9 million in infrastructure projects with \$168.1 million
14 coming through special assessments. In 2019 alone, we expect to bond for at least \$80
15 million in projects. The city's capital improvement plan has identified \$352.1 million
16 worth of projects for the next 10 years.

17 In addition to the issues associated with growth, the core area of West Fargo is in
18 significant need of reconstruction and improvement. This core area is 143 blocks with
19 issues of deteriorating sanitary sewer pipes, rough roads and overtaxed storm and
20 water sewer systems. In some areas of town, pipes have completely disintegrated –
21 meaning water and sewage is flowing through voids in the system.

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22 The City of West Fargo is currently engaged in a comprehensive study of this
23 area and initial estimates have identified more than \$50 million worth of projects that
24 need completion over the next 20 years. This is in addition to the projects already
25 included in the capital improvement plan. The projects needed are absolutely essential
26 to the health, safety and quality of life for the residents in this area and must be tackled.
27 What concerns us most about this situation is that the core area of town is largely
28 comprised of lower income property owners who do not have the means to carry large
29 increases in property taxes or special assessments. If HB 1066 were to pass, the funds
30 allocated through the bill would provide a tremendous source of funding for projects in
31 this area and reduce the burden on our taxpayers.

32 The City of West Fargo has used a multifaceted approach when funding these
33 improvement projects – using collected sales tax, special assessments to the benefiting
34 property owners and low interest Bank of North Dakota loan. However, we need more
35 or expanded tools for funding, such as direct aid from the state. The City of West Fargo
36 has carried the burden of infrastructure improvement projects largely on the backs of its
37 taxpayers during this growth. We need assistance to reduce the tremendous burden of
38 debt that exceptional growth has caused.

39 For these reasons, the City of West Fargo supports HB 1066. I would answer any
40 questions that you have at this time, or you can certainly contact me later by email at
41 bernie.dardis@westfargond.gov.

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Testimony to the

House Finance & Taxation Committee

Prepared January 15, 2019

By Reinhard Hauck, Dunn County Commissioner

President – North Dakota County Commissioners Association

RE: Support for HB1066 – Infrastructure Funding

Chairman Headland and members of the House Finance and Taxation Committee, I am Reinhard Hauck, a Dunn County Commissioner and the current President of the North Dakota County Commissioners Association. On behalf of our state's 53 county commissions and 231 county commissioners, I wish to go on record in solid support of this long-term funding proposal for local infrastructure.

The Legislature has been wise in its past efforts to address local infrastructure needs, and county commissioners are extremely grateful. The way you have addressed gross production tax allocations and the multiple times that you have allocated one-time funding for local roads have been significant in addressing the enormous unmet need for local road improvement. This bill today will improve upon these efforts by bringing a degree of certainty to future funding – allowing counties to more effectively plan and program improvements for greater efficiency and cost-effectiveness.

You will undoubtedly hear several times today about the Upper Great Plains Transportation Institute's Local Roads Study. It is really the "gold standard" when it comes to quantifying the needs for county and township roads. Their past research, involving pavement testing, historical construction data, traffic/load analysis, equipment and input costs, and so much more, has clearly demonstrated the long-term investment needs for our roads.

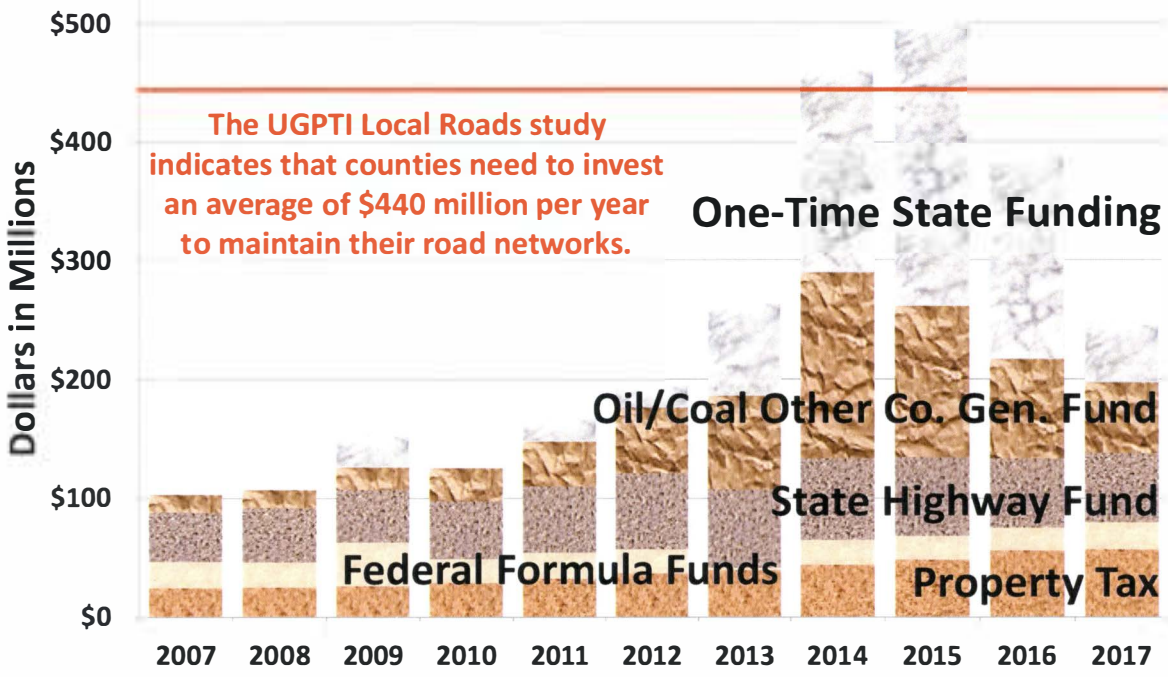
Later this morning you will hear one oil-producing county and one non-oil county explain in greater detail what this bill means for their counties and

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counties like theirs, but I want to give you just one chart that I think illustrates our statewide situation.

This chart illustrates, over time, the county highway funding sources – including the significant one-time infusions of state allocations – with the statewide local road needs on a biennial basis. I believe it clearly demonstrates how vital the funding this bill provides will be to bringing the two numbers together. Can we address all of the needs? That is unlikely, but it would be a huge step in filling that gap.

County Road Funding vs. Need



As I mentioned when I began, the certainty that the on-going nature of this bill brings to infrastructure planning is so very important. We urge you to retain this critical element.

Mr. Chairman and Committee Members, on behalf of our state’s counties and county commissioners, I would like to thank the sponsors and all those that have worked to bring this bill forward, and I urge you to give it favorable consideration and a Do Pass Recommendation

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Bismarck Mandan Chamber EDC
House of Representatives Finance & Taxation Committee - HB 1066
Representative Craig Headland, Chair / Representative Jim Grueneich, Vice-Chair
January 15, 2019

Chairman Headland, Members of the Committee:

My name is Brian Ritter and I'm President the Bismarck Mandan Chamber EDC. I am here today on behalf of our organization's almost 1,300 members in support of House Bill 1066.

Our organization is a public-private partnership and clearly, our public-sector members have a need for more infrastructure funding. For example, the City of Bismarck has identified nearly \$250 million in roadway infrastructure projects in every part of the City. Locally, we're attempting to address those needs as evidenced by the fact that our residents recently approved a half-cent sales tax increase that is expected to generate approximately \$75 million over 10 years.

But those improvements are critical to our private-sector members, as well, for a few different reasons.

- First, without that needed roadway infrastructure, our workforce & residents can't effectively or efficiently move throughout the community and the inability to do so impacts our businesses in both lost time and increased travels costs.
- Second, that infrastructure is needed by our businesses to move material & freight in and out of Bismarck-Mandan. Without truck routes or other all season roads to get to Interstate 94 or Highway 83, our businesses will be severely disadvantaged.
- And third, infrastructure development means jobs. It means jobs for those contractors who put in below or above ground infrastructure, the engineers & consultants who design that infrastructure and those businesses who are ultimately able to utilize it.

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Whether public or private, commercial or residential, our community has a growing list of infrastructure needs that we are attempting to address locally, first. However, there are more needs that we need your help with and House Bill 1066 is the perfect vehicle. That's why I'm standing before you today and offering our support for this critical piece of legislation.

Thank you for the opportunity to testify and should you have any questions, I would happy to address them.



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Lyn James, President City Commission

Testimony in favor of HB 1066

Presented to

House Finance and Taxation Committee

January 15, 2019

Good morning Chairman Headlund and members of the Committee. My name is Lyn James. I serve as the President of the Bowman City Commission and I am the former President of the North Dakota League of Cities Executive Board. I appreciate the opportunity to share a bit with you today.

Bowman has been an integral piece of the oil and gas puzzle in North Dakota for decades. The prospect for enhanced oil recovery in the near future has us excited and optimistic about what is to come in our corner of the state. Over the years, the industry has provided us with economic opportunities as well as impacts that go on indefinitely. In addition to the obvious infrastructure issues, there are also other ongoing needs that come with oil and gas activity such as

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increased law enforcement, emergency services, housing, behavioral health issues, and workforce shortages, to name a few. We have truly appreciated the gross production tax received throughout the years. It has been essential in sustaining the city's infrastructure as well as assisting with the other things I mentioned. In spite of receiving the gross production tax, those receipts have not always stayed ahead of the financial needs of the city. The Surge funding we received due to your efforts during the last session gave us the one-time infusion needed to play some catch up on projects that were looming large in our financial future with regard to aging infrastructure. However, that one-time allocation does not diminish the need for our continued funding through the gross production tax mechanism. It is essential for long range planning when maintaining our community. Having no sunset clause is a key element when looking at the future improvements needed. It is also very helpful when putting together financing packages for large projects.

This funding could be a fantastic tool for all cities across the state that could help elected officials do the same type of planning. Roughly 96% of the 357 incorporated cities in North Dakota have a population under 5,000, and approximately 93% are actually under 2,000. As an elected official of those very small communities, it is a daunting task to try and figure out how to fund the

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updates needed on aging infrastructure such as water, sewer and streets. Often times, the residents of these small communities are low income and/or elderly people who are on a very small fixed income and cannot afford special assessments. Consequently nothing gets done until it becomes a catastrophic event and then the cost of the project escalates for various reasons. These cities serve as hubs for residential developments and businesses located outside city limits, as well as the farmers and ranchers located in the surrounding counties. Although the commerce they bring is important to local businesses, those citizens do not pay any city property tax to support street maintenance, snow removal, water and sewer services, police and emergency services, etc., all of which rural patrons use when they come to town to do their business and social activities. So, in effect, cities carry the burden of infrastructure that benefits more than the citizens who pay property taxes to support it.

Bowman's leadership has worked diligently over the past decades to be mindful of the future while taking care of present needs. We have invested in our community and have a very vibrant, active business district and strong healthcare and education systems, as well as an industrial park that is due to open this summer. In addition to the infrastructure needs, we have always kept our eye on the big picture, assuring that we are improving the quality of life for the citizens

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who live in Bowman, while striving to make it an attractive place to move to when business or job opportunities arise. I am very proud of Bowman and am passionate about making sure we are a city filled with active and motivated citizens who are interested in the health and wellbeing of the place they call home.

House Bill 1066 is a fantastic mechanism to ensure solid and sustainable funding for local government entities for years to come. I would welcome any questions you may have, and am always available to visit individually at your convenience.

Thank you for your time.

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Testimony of Doug Nordby, McKenzie County Commissioner and WDEA Board Member
Support for Infrastructure Funding – HB 1066
House Finance and Taxation Committee
January 15, 2019

Good morning Chairman Headland and members of the committee. My name is Doug Nordby and I am a McKenzie County Commissioner and a Board Member for the Western Dakota Energy Association. Today I am here to address the importance of HB 1066 and the critical need to continue a reliable distribution of the Gross Production Tax to oil producing counties in western North Dakota. This will allow political subdivisions the ability to plan, and in turn, help the entire state succeed.

When talking with people outside the area, they ask what is happening now that the boom is done. My response to them is that statement is not completely true. The industry has responded with enhanced oil recovery technology to increase production and lower costs for drilling. Today's rig can drill a well in less than two weeks, and fracking technology is able to extract 12% to 16% of oil, up from 4% to 5 % in recent years. The 66 active drilling rigs currently in the State are up from 36 in 2017. These rigs produce more oil than when there were nearly 170 rigs drilling in the Bakken, and what was once a \$14-\$20 million per well cost, has decreased to \$5-\$6 million per well with less than half the time to complete. In the past, this level of development in any community in North Dakota would have been considered a boom. This is the new norm for us in the oil producing communities in the west where the entire Bakken continues to experience activity and traffic impacts.

Oil and gas companies have invested billions of dollars into North Dakota and the Bakken, with \$100 billion invested into wells drilled and completed, another \$11 billion in wells drilled but not yet completed, and \$15 billion in gas processing facilities and pipelines. In McKenzie County alone, an additional \$2.2 billion has been committed to investments in new and expanded gas plants by 2020. This level of investment has created an economic engine that benefits the State of North Dakota. Over \$16 billion dollars of oil and gas taxes have been

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dispersed throughout the state since 2010 in the form of transportation funding, property tax relief, support for our schools and education, and critical water infrastructure.

Transportation infrastructure is the main priority for counties in the Bakken. Roads and transportation within the oil producing counties are the life blood of the oil industry. Counties in the Bakken spend between fifty and sixty percent of our budgets on maintaining and rebuilding roads and bridges. The volume and weight of oil industry traffic, where it takes 2300 truck trips to complete a well, is unmatched by any other industry in the state. The Badlands topography in western North Dakota makes it more expensive and time consuming to build and repair roads. We cannot afford to wait for problems to show up on our roads before addressing them. Regular maintenance and planning are essential in order to continue providing the industrial infrastructure required for oil development. The major oil producing counties, and others, have a five-year road improvement plan that is reviewed annually in order to be responsive to the dynamic changes that are inherent in the exploration and development of oil.

In October 2018, another record was broken with 15,344 wells in production in western North Dakota. This level of activity produces revenue for the State, but it also requires a workforce to maintain and operate. It is estimated that McKenzie County will need an additional 8,000 production jobs by 2025 and could increase to as many as 22,000 jobs by 2045. In the four major producing counties, future employment numbers in oil and gas careers could easily exceed 63,000 jobs. This does not include the additional services that are needed for new families moving to work in the Bakken. The most recent NDSU Bakken study estimated that each oil and gas job creates at least one additional non-oil job in the service industry and retail sectors.

According to ND Director of Mineral Resources, Lynn Helms, the challenge to fill these jobs could be a big factor in slowing the growth of the industry. To address this challenge and the future demand for workers, McKenzie County has invested in a program called the Skills Initiative. Together with the Industry, we have partnered with Watford City High School, Williston State College, Train ND, and the University of Mary, to develop targeted programs for growing the skilled workforce needed in the future.

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Chairman Headland and Committee members, I ask your support for the allocations of Gross Production Tax proposed in HB1066 without a sunset. This provides a reliable funding source and the certainty counties need in order to continue to be responsive to infrastructure and workforce needs so that we can do our part in making sure that statewide benefits from the oil and gas industry are maximized.

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North Dakota Soybean Growers Association
4852 Rocking Horse Circle South, Fargo, ND 58104
(701) 566-9300 | www.ndsoygrowers.com

January 15, 2019

Good morning chairman Headland and members of the House Finance & Tax Committee.

What if it's Blocked Off or Dangerous to Use?

Our roads and bridge infrastructure decline at imperceptible rates, we hardly notice. North Dakota's rural roads and bridge infrastructure are degraded at about a \$1,000,000,000 per year and fund it lower.

North Dakota Agriculture producers generate about \$10,000,000,000 a year in critters and bushels, much of it exported from our state across the nation and the world. Safe and expeditious movement of those critters and bushels are directly dependent upon this important road and bridge infrastructure.

We in the Soybean Industry are working to provide information to farmers and ranchers on truck configurations that increase the preservation of the current infrastructure; supporting research into products and practices improving both serviceability and longevity of future infrastructure.

All across North Dakota, thousands of ranchers and farmers exercise common sense when moving their individual shipments to markets near and far. We must have access to markets for our and North Dakota's economic success. The roads and bridges cannot be blocked or too dangerous for safe use.

We are asking your assistance by providing a "Do Pass" recommendation on HB 1066 to your House colleagues for their final approval.

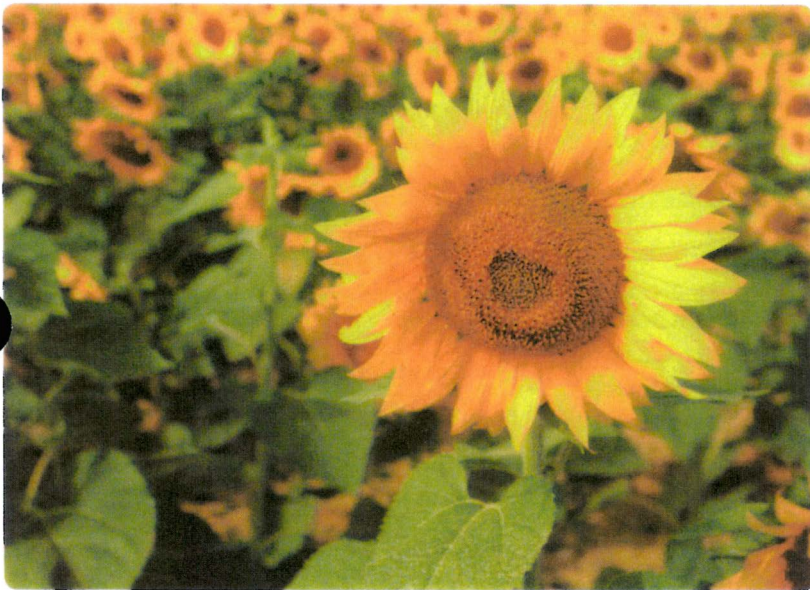
Thank You,
Scott

Scott Rising, NDSGA
Scott.rising@ndsga.com
Cell, 701.527.1073

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What's Growing in NORTH DAKOTA

A glimpse at the state's leading ag products
based on cash receipts



SUNFLOWERS

North Dakota is one of the leading producers of sunflowers in the nation, and sunflowers are one of the state's major exports.

\$190.6M

CASH RECEIPTS



Light in taste and noted for its health benefits, sunflower oil supplies more vitamin E than any other vegetable oil.

CATTLE & CALVES

Beef cattle are raised in every North Dakota county, and there are about 1.86 million beef cattle and calves across the state – that's more than two cattle for every person in North Dakota.

\$893.6M

CASH RECEIPTS

WHEAT

Wheat is produced in all 53 counties in North Dakota, and approximately 19,200 farms across the state grow wheat. By class, 74 percent grow spring, 25 percent raise durum and 1 percent raise winter wheat.

\$1.6B

CASH RECEIPTS



WHAT ARE CASH RECEIPTS?

Defined by the U.S. Department of Agriculture's Economic Research Service, cash receipts refer to the total amount of crops or livestock sold in a calendar year.

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DRY BEANS

North Dakota is the top producer of dry beans in the U.S., producing 35 percent of the nation's dry beans in 2017. The state has retained its position as the No. 1 producer of dry beans in the U.S. since 1991.

\$233.5M

CASH RECEIPTS



SOYBEANS

Cass County ranks as the No. 1 soybean-producing county in the nation by bushels harvested and acres planted in 2017. In addition, North Dakota ranks No. 4 in the U.S. in total soybean acres planted and harvested.

\$2.3B

CASH RECEIPTS

FIND MORE ONLINE

Learn more about products grown and raised in North Dakota at NDagriculture.com.

CANOLA

North Dakota produces enough canola oil every year to fill the state capitol's 19-story tower 19 times. In 2017, the state's farmers harvested more than 1.5 million acres of canola, which resulted in a production value of nearly \$445 million.

\$383.1M

CASH RECEIPTS



Canola, prized for its seeds that have high oil content, is in the same family as mustard, broccoli and cauliflower.

BARLEY

In 2017, North Dakota produced about 24.89 million bushels of barley. The state accounts for approximately 25 percent of area planted with barley in the U.S.

\$231.1M

CASH RECEIPTS



POTATOES

Two of the most popular potato varieties for the U.S. fresh market were bred at North Dakota State University by Dr. Bob Johansen. The two varieties are the Red Norland and the Russet Norkotah.

\$241.3M

CASH RECEIPTS

SUGAR BEETS

North Dakota farmers harvested 212,000 acres of sugar beets and produced more than 6.4 million tons of the crop in 2017.

\$275.6M

CASH RECEIPTS

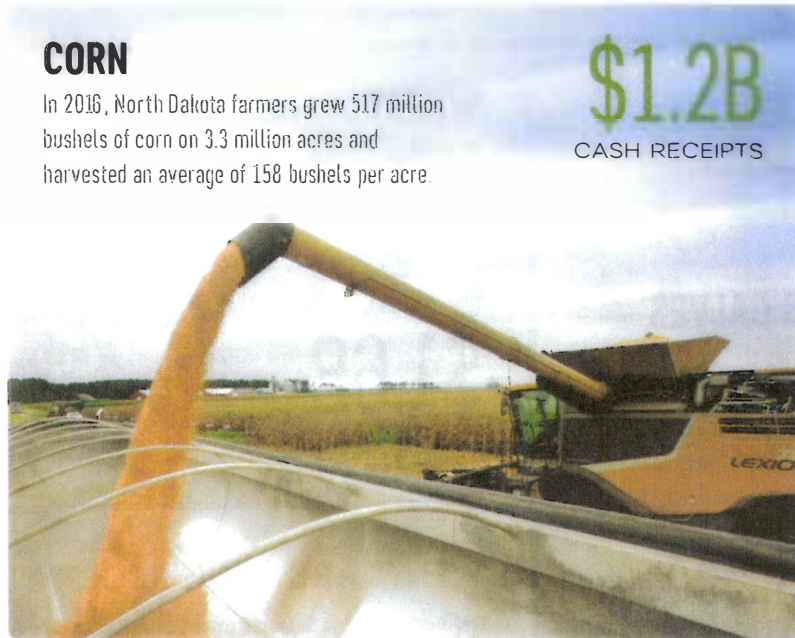


CORN

In 2016, North Dakota farmers grew 517 million bushels of corn on 3.3 million acres and harvested an average of 158 bushels per acre.

\$1.2B

CASH RECEIPTS



PHOTOS: PHOTOFEST; ISTOCK.COM/IRITELINA; PHOTODISC; SHUTTERSTOCK

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**TESTIMONY
HOUSE BILL 1066
FINANCE and TAXATION COMMITTEE
JANUARY 15, 2019**

Mr. Chairman and members of the House Finance and Taxation committee my name is Mike Gerhart, Executive Vice President of the North Dakota Motor Carriers Association. I am here this morning to testify in support of House Bill 1066.

House Bill 1066 provides funding to county and local municipalities for road and bridge maintenance. Forty-six percent of North Dakota communities depend exclusively on trucks to move their goods. This bill is important to the trucking industry because properly maintained roads enhance the safety of the motoring public, reduce repair costs on vehicles, and allow for the efficient movement of goods.

I ask that you give HB 1066 favorable consideration and a DO PASS recommendation. Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.



Airport Association of North Dakota

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Matthew Remyse - President Kelly Braun - Vice President
Jordan Dahl - Sec. / Treasurer
P.O. Box 991 Bismarck, North Dakota 58502-0991
(701) 355-1808

January 15, 2019

RE: Testimony to House Finance and Taxation Committee – HB 1066

Chairman Headlead and members of the committee,

I am Matthew Remyse, the President of the Airport Association of North Dakota (AAND). I want to thank you for the opportunity to speak here today and thank you for your past support of North Dakota airports. AAND is the professional organization for North Dakota Airports and it serves to promote airports, aviation, and safety across the state. Among its members are all eight commercial service airports, 70 of 81 general aviation airports and aviation engineering and planning firms. I'm here today on behalf of the association to express our support of HB 1066 specifically, the development of the airport infrastructure fund and associated \$50 million.

Airports are a valuable asset for North Dakota's economy and touch all major industries, including agriculture, manufacturing, healthcare, tourism, energy and technology. According to the 2015 Statewide Economic Impact of Aviation study, North Dakota's 89 airports generate an economic impact of \$1.56 billion annually and employ 4,439 individuals. Over the last two years, airports from across the state have seen growth. Although, the 2017 annual enplanements at commercial airports decreased slightly from 2016, 2018 was a strong year. 2018 enplanements were up 5% over 2017. That is an additional 52,478 passengers year over year. Also, several airports saw new operations come to their fields. For example, Fargo Airport now has a regional UPS operation and Dickinson Airport has a new hangar for a based air ambulance service. In

addition, some airports in the state are seeing a new and exciting growth related to unmanned aircraft. Additionally, the number of registered aircraft in the state has grown. In 2018, there were 2,099 registered aircraft in the state compared to 2,043 registered aircraft in 2017.

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With this growth, comes the continued need to develop and maintain our state's airports. According to the Federal Aviation Administration (FAA), the capital improvement needs for airports that are eligible to receive federal funding is \$469 million from 2019 to 2023. Enclosed with this testimony is a breakdown by airport of the \$469 million in needs. The projects factored into this amount include runways in Dickinson, Grand Forks, Mohall, Jamestown, and Watford City, aprons in Fargo, Bismarck and Devils Lake. To move these project forward, our airport leaders work closely with FAA officials and ND Aeronautics Commission staff to develop sound financial plans. A key piece in these plans, is federal funding through the FAA's Airport Improvement Program (AIP). Federal grants received through the AIP can be used to fund up to 90% of eligible capital improvement projects, however due to the high cost of certain projects and an inadequate level of federal funds available nationwide, this level of funding is not attained for certain projects. Additionally, the amount of federal funding available through the AIP has remained flat, while the cost of developing and constructing airport projects throughout the country has continued to increase due to rising passenger levels, rising construction costs, and inflation. These factors have increased the competition for federal funding and has made it more and more difficult for airports in North Dakota to receive federal funds. Also, not every project at an airport is eligible for federal funding as each project must meet certain criteria. I have enclosed with this testimony a paper of federal funding of ND airports.

As a result of decreased federal funds, airports are making the difficult decision of passing on a project or going into debt to complete their project. This why state and local funds are so important to airport projects. The availability of state and local funding helps to ensure that airports can quickly navigate the planning, environmental, and design phases that are required to be ready for a federal grant request. If approved, HB 1066 would provide an

additional \$50 million in state funding that could be used to fund key projects that are short on or unable to obtain federal funds. It's not that these project are not important or not needed, it's that they couldn't compete on a national level for limited federal funding. These grants would be used to assure that crucial projects are being completed on time and would reduce the amount of debt airports would have to take on.

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Additionally, it is important to note that only 54 of North Dakota's 89 airport are eligible for federal funding. The other 35 airports rely solely on state local funding for infrastructure projects. If approved, 1066 would offer a great deal of assistance to these airport as they maintain their infrastructure. For instance, funding from 1066 could be used to assistance an airport with the development of a public ramp or pavement maintenance.

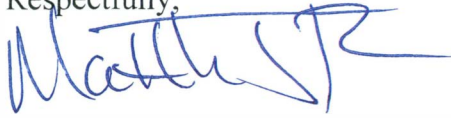
When there is a funding shortfall, our airport's ability to grow becomes limited. Airport leaders are forced to prioritize and make tough decision on growth versus maintenance, which is a must to assure the longevity of pavement and other vital infrastructure. If proper maintenance is not completed on time, vital airport infrastructure requires major repair sooner, compounding the need for federal, state and local funding. Also, when an airport forgoes a growth project, it passing on future revenues which help with future local shares. Also, passing on certain projects can create a safety issues, such as a congested parking apron or loose aggregate from a failing pavement section. As previously stated, there are \$469 million worth of needs in our state over the next five years. At this time, its anticipated that the FAA will provide \$200 in federal funding, airports will provide \$65 million in local funding and the ND Aeronautic commission will provide total \$15 million. That leaves a short \$189 million shortfall in funding over a five-year period. If approved, HB 1066 would provide \$125 million in funding for airport infrastructure grants and reduce the funding shortfall to \$64 million.

In conclusion, I ask that you approve HB 1066, including the development of the Airport Infrastructure fund and the associated \$50 million in funding. Airports play a large role in North

Dakota's economy and have great funding challenges. Federal and state funding programs are underfunded and the additional from funding HB 1066 would go a long way to assure our airports are being properly maintained, while at the same time able to grow. I thank you for the opportunity to provide testimony today and I will take any questions the committee may have for me.

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Respectfully,



Matthew Remyse
President, AAND

Enclosures:

1. North Dakota Airport's Five Year Capital Need
2. Federal Funding of North Dakota's Airports
3. AAND 2019 information flyer.

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North Dakota

City	Airport	LocID	Owner-ship	Hub	Role	Category		Current		2019-2023
						Current	Year 5	Enplaned	Based	Dev Estimate
Ashley	Ashley Municipal	ASY	PU		Basic	GA	GA	0	13	\$1,150,000
Beach	Beach	20U	PU		Basic	GA	GA	0	8	\$5,034,185
Bismarck	Bismarck Municipal	BIS	PU	N		P	P	273,980	118	\$42,595,964
Bottineau	Bottineau Municipal	D09	PU		Local	GA	GA	0	17	\$2,663,708
Bowman	Bowman Regional	BWW	PU		Local	GA	GA	0	18	\$7,232,890
Cando	Cando Municipal	9D7	PU		Basic	GA	GA	0	10	\$2,252,945
Carrington	Carrington Municipal	46D	PU		Local	GA	GA	0	17	\$2,653,011
Casselton	Casselton Robert Miller Regional	5N8	PU		Local	GA	GA	0	53	\$7,454,533
Cavalier	Cavalier Municipal	2C8	PU		Local	GA	GA	0	22	\$1,814,474
Cooperstown	Cooperstown Municipal	S32	PU		Basic	GA	GA	0	13	\$1,770,389
Crosby	Crosby Municipal	D50	PU		Basic	GA	GA	0	8	\$3,927,778
Devils Lake	Devils Lake Regional	DVL	PU		Local	CS	CS	8,209	29	\$5,971,051
Dickinson	Dickinson-Theodore Roosevelt Regional	DIK	PU	N		P	P	16,822	34	\$80,950,000
Dunseith	International Peace Garden	S28	PU		Basic	GA	GA	0	0	\$1,755,556
Edgeley	Edgeley Municipal	51D	PU		Basic	GA	GA	0	11	\$1,977,778
Ellendale	Ellendale Municipal	4E7	PU		Basic	GA	GA	0	11	\$1,432,163
Fargo	Hector International	FAR	PU	N		P	P	402,976	190	\$20,477,778
Fort Yates	Standing Rock	Y27	NA		Basic	GA	GA	0	0	\$1,968,948
Garrison	Garrison Municipal	D05	PU		Basic	GA	GA	0	14	\$1,828,509
Glen Ullin	Glen Ullin Regional	D57	PU		Basic	GA	GA	0	6	\$1,352,778
Grafton	Hutson Field	GAF	PU		Local	GA	GA	0	24	\$1,076,024
Grand Forks	Grand Forks International	GFK	PU	N		P	P	132,557	135	\$53,311,850
Gwinner	Gwinner-Roger Melroe Field	GWR	PU		Basic	GA	GA	0	12	\$3,229,786
Harvey	Harvey Municipal	5H4	PU		Basic	GA	GA	0	13	\$2,685,087
Hazen	Mercer County Regional	HZE	PU		Basic	GA	GA	0	14	\$5,113,960
Hettinger	Hettinger Municipal	HEI	PU		Local	GA	GA	0	20	\$3,448,977
Hillsboro	Hillsboro Municipal	3H4	PU		Local	GA	GA	0	41	\$7,444,444
Jamestown	Jamestown Regional	JMS	PU	N		P	P	11,123	46	\$3,952,223
Kenmare	Kenmare Municipal	7K5	PU		Local	GA	GA	0	32	\$1,730,849
Kindred	Robert Odegaard Field	K74	PU		Local	GA	GA	0	37	\$2,791,636
Lakota	Lakota Municipal	5L0	PU		Basic	GA	GA	0	12	\$3,791,666
LaMoure	LaMoure Rott Municipal	4F9	PR		Unclassified	GA	GA	0	7	\$0
Langdon	Robertson Field	D55	PU		Local	GA	GA	0	16	\$1,462,461
Linton	Linton Municipal	7L2	PU		Local	GA	GA	0	15	\$3,403,708
Lisbon	Lisbon Municipal	6L3	PU		Basic	GA	GA	0	13	\$1,316,667
Mandan	Mandan Municipal	Y19	PU		Local	GA	GA	0	95	\$20,722,223
Minot	Minot International	MOT	PU	N		P	P	150,634	117	\$43,665,186
Mohall	Mohall Municipal	HBC	PU		Local	GA	GA	0	42	\$4,277,778
Mott	Mott Municipal	3P3	PU		Basic	GA	GA	0	9	\$1,735,380

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City	Airport	LocID	Owner-ship	Hub	Role	Category		Current		2019-2023 Dev Estimate
						Current	Year 5	Enplaned	Based	
Northwood	Northwood Municipal- Vince Field	4V4	PU		Local	GA	GA	0	18	\$1,918,128
Oakes	Oakes Municipal	2D5	PU		Local	GA	GA	0	16	\$1,643,276
Park River	Park River- W C Skjerven Field	Y37	PU		Basic	GA	GA	0	11	\$1,277,778
Parshall	Parshall-Hankins	Y74	PU		Basic	GA	GA	0	10	\$3,981,112
Pembina	Pembina Municipal	PMB	PU		Basic	GA	GA	0	11	\$1,671,847
Rolla	Rolla Municipal	06D	PU		Basic	GA	GA	0	13	\$3,152,405
Rugby	Rugby Municipal	RUG	PU		Basic	GA	GA	0	9	\$1,055,556
Stanley	Stanley Municipal	08D	PU		Local	GA	GA	0	31	\$2,477,486
Tioga	Tioga Municipal	D60	PU		Local	GA	GA	0	23	\$9,517,794
Valley City	Barnes County Municipal	BAC	PU		Local	GA	GA	0	41	\$1,142,259
Wahpeton	Harry Stern	BWP	PU		Local	GA	GA	0	60	\$2,611,111
Walhalla	Walhalla Municipal	96D	PU		Unclassified	GA	GA	0	6	\$0
Washburn	Washburn Municipal	5C8	PU		Basic	GA	GA	0	14	\$4,125,557
Watford City	Watford City Municipal	S25	PU		Local	GA	GA	0	34	\$52,468,790
Williston	New	+09N	PU				P	0	0	\$21,066,635

Total North Dakota Airport Needs (2019-2023): \$469,534,077

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Federal Funding of North Dakota's Airports

As we work to maintain our airport infrastructure, federal funding has and will continue to be a key part of solving the infrastructure funding challenges that our state is currently facing. Federal funding for airports is complex and it is very important to understand a few key points:

- Federal funding for airport projects is not guaranteed as airports compete nationally for this funding.
- 54 out of 89 of the public airports in North Dakota are eligible to receive federal funding. The other 35 airports rely solely on state and local funds for infrastructure projects.
- Of those 54 airports that qualify to receive federal funds - not all of their projects are eligible to receive federal funding as each project must meet certain criteria.
- There have been many cases where federal grants have been provided at less than the maximum allowed 90% federal funding level due to inadequate levels of federal funding availability.

First and foremost - to be eligible for federal funding, an airport must be in the National Plan of Integrated Airport Systems (NPIAS). By being classified within the NPIAS, an airport has been deemed to be a benefit to the national airspace system. Gaining this status requires strong justification and can take several years to obtain if an airport meets certain criteria that is based on airport location and aircraft activity levels.

The Federal Airport Improvement Program (AIP), is the national grant program administered by the Federal Aviation Administration (FAA) for airport capital projects. Funding for this program has remained flat at \$3.3 billion annually since 2001 however, the cost of developing and constructing airport projects throughout the country has continued to increase due to rising passenger levels, rising construction costs, and inflation. These factors have increased the competition for federal funding and has made it more and more difficult for airports to receive federal funds. The Airports Council International-North America report for 2017-2021 estimates that a total of \$15 billion funding shortfall per year exists for public airport projects within the United States.

As mentioned above, federal grants received through the AIP can be used to fund up to 90% of eligible capital improvement projects, however due to the high cost of certain projects and an inadequate level of federal funds available nationwide, this funding level is not realized for many projects. A recent example of this can be found by analyzing the primary runway reconstruction project at the Bismarck Airport. Over a three-year time period, the Bismarck runway reconstruction project has been under construction, and the federal government has provided approximately 70% funding for the \$63 million-dollar project which has left approximately \$19 million in remaining costs for the state or local governments to pick up in order to complete the project.

Our airport leaders along with the staff at the North Dakota Aeronautics Commission work closely with upper level FAA personnel to ensure that they are aware of the state's capital improvement needs. The state has recently seen historic success in leveraging federal funding into the state due to multiple factors that include:

- Identifying good justifiable projects that receive high national priority consideration
- Working towards shovel ready airport projects that are prepared to receive federal grants during the federal fiscal year window. State and local fund availability helps to ensure that the airport can also quickly navigate the planning, environmental, and design phases that are required to be ready for a federal grant request.
- Lastly, ensuring the availability of adequate amounts of state and local funding so that federal funds can be accepted with the cost sharing requirements.

In conclusion, it is very important to understand that the federal government doesn't provide every airport project with a 90% grant. State funding availability is also critical to ensure that our airports are being properly maintained while at the same time able to grow and accommodate our growing communities.

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Investing in North Dakota's AVIATION FUTURE

North Dakota's Aviation Industry generated \$3.66 billion in economic benefit last year and employs 32,200 people. Aviation is the vital link across each of the state's major economic drivers such as agriculture, energy, manufacturing, tourism, technology and health care. North Dakota's Aviation Industry connects our communities and businesses on a state, regional and national scale, and support from the State of North Dakota will continue to make this possible.

2019 Legislative Request

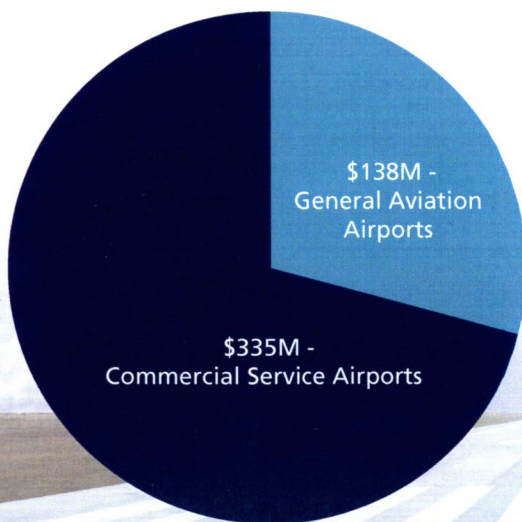
- Vote yes HB1066 "Operation Prairie Dog" - which would provide \$50 million for airport capital projects.
- Vote yes on SB2180 - which would allow commercial airports to enter into contracts with Transportation Network Companies, such as Uber and Lyft.
- Vote no on HB1184 - which would remove an airport authorities' ability to quick take land in eminent domain proceeding, which jeopardizes federal funding for airports.
- Support HB 1006 - which would fund the ND Aeronautics Commission.

Funding Overview

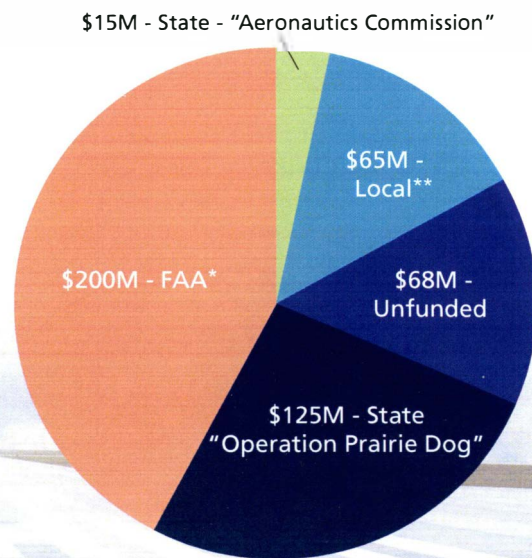
- Federal funding levels are not sufficient
- The Aeronautics Commission administers grants to airports based on individual capital improvement plans
- Critical projects are prioritized

North Dakota's Estimated Airport Development Costs 2019-2023

5 Year Project Needs
(per the ND Aeronautics Statewide Capital Improvement Plan)



Funding Sources Over Next 5 Years
(estimates)



*FAA estimate is \$40 million average over next 5 years

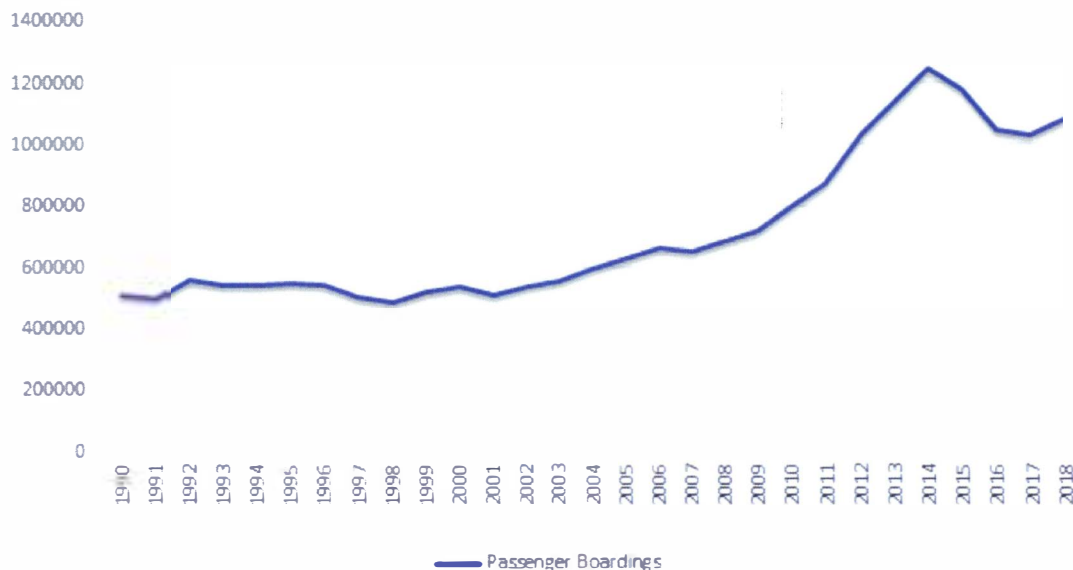
**Local estimate is from annual average local funding that was estimated being spent between (2012 - 2018)

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Forecasted Growth

The airline passenger numbers are near an all-time high, which was set in 2014 during the height of the economic boom. 2018 numbers are strong and still well above pre-boom levels. The growth has leveled off to a steady manageable level. Sound infrastructure investment is required to continue to keep up with the growth.

North Dakota Historical Airline Boardings



Consequences of Not Supporting North Dakota's Aviation Industry

Airports across the state were built to handle light aircraft and commuter airlines. Both commercial and general aviation airports are experiencing detrimental impacts due to increased traffic, larger, heavier planes and limited resources, and new operations such as UAVs.

Federal Funding

- Federal funding for airport projects is not guaranteed as airports compete nationally for this funding.
- 54 out of 89 of the public airports in North Dakota are eligible to receive federal funding. The other 35 airports rely solely on state and local funds for infrastructure projects.
- Of those 54 airports that qualify to receive federal funds - not all of their projects are eligible to receive federal funding as each project must meet certain criteria.
- There have been many cases where federal grants have been provided at less than the maximum allowed 90% federal funding level due to inadequate levels of federal funding availability.

For More Information Contact

Matthew Remyse
Airport Association of North Dakota, President
701-355-1808
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We are strongly in support of HB 1066. First, I would like to give a brief history of some of the infrastructure challenges the city of Lisbon faces. We had originally worked through a plan where we were addressing infrastructure needs, maintenance and upgrades for the City of Lisbon as a whole. We had separated it into 4 phases and had completed 2 of those phases when the disastrous floods of 2009, 2010 and 2011 hit. Not only were they incredibly costly to fight, they very damaging to our infrastructure including some of the work we had already completed. Historically, Lisbon sees major flooding approximately every 10 years. After the exhausting efforts to fight these floods, the residents and business owners of the City overwhelming felt something had to be done with flood protection to help prevent future damage to the town. The pattern of temporary flood measures that were costly with little or no permanent benefit, and the major damage to infrastructure had to be addressed. Starting in 2014 through the help of the State Water Commission and the state of ND, Lisbon has been able to construct permanent flood protection in some of our most vulnerable areas. In 2019, the city will construct and finish the last of two sections of flood protection which will complete our CLOMAR requirements north side of Lisbon. Lisbon's share of this flood will be paid through sales tax and assessments.

Even though the flood project was in place, it was not addressing the concerns of the 2 phases that were left to be done and had now been put off for an additional 5 years. In 2016 we had to address some of these issues. Streets were to the point that maintenance was no longer an option. They were "spidered" and had to be replaced and many of them would need sewer and water replaced below them. Lisbon looked at the entire city's infrastructure needs as far as streets, sewers, and water distribution infrastructure needs. The engineer estimated this to be approximately 10 million dollars. The council decided to break those needs into two separate projects. In 2018 we completed the first phase of these infrastructure needs which consisted of just street repair. The cost of this project was over 4 million dollars. This project will be paid for, by a half percent sales tax increase and a special assessment. The council received push back on the half percent sales tax increase from businesses which resulted in some heated discussions and several meetings on whether it should be done or not.

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TDD: 1-800-366-6888

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Residents voiced loudly their concern of any additional increase in taxes after all of the specials and increases from the flood protection and current street projects. They however do agree strongly that the work needs to be done, but at what cost. The council decided to put the sales tax up to public vote. The half percent sales tax passed and now we have a city sales tax of 2.5% for a total of 7.5% sales tax. This will lessen the amount of special assessments needed but it is still a large sum to be paid by the residents. Just last month Lisbon decided to put the 2nd project (the other part of this project which is streets, sewer and water distribution replacement) on hold due to lack of funding.

In addition to these projects previously stated. The state of ND has two projects coming up in Lisbon. In 2019 it will be the Highway 27 East reconstruct project. In 2020 it will be the Highway 32 mill and overlay project. Lisbon's cost share and additional infrastructure work that needs to be completed with these projects will cost Lisbon approximately \$500,000. The cost for this project will deplete our existing funds, leaving us no money for future needed projects.

In closing, the street, sewer and water distribution projects which are currently on hold cannot continue to be put off much longer. What we are referring to is the old clay tile and cast iron water lines that have surpassed their service life expectancy. Any funding the city can receive through HB 1066 is greatly needed and would very much be appreciated.

Mayor Tim Meyer

A handwritten signature in blue ink that reads "Tim Meyer".

Lisbon, ND

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Testimony Prepared for the
House Finance and Taxation Committee
January 15, 2019
By: Nick West, Grand Forks County Highway Engineer

RE: Support for HB 1066 – Infrastructure Funding

Chairman Headland and members of the House Finance and Taxation Committee, thank you for the opportunity to provide testimony on HB 1066. My name is Nick West and I am the Grand Forks County Highway Engineer. I am also a Director for the North Dakota Association of County Engineers, I'm the Chairman of my local Township, and a board member for the Thompson Public School. I am here to encourage support of this bill as proposed.

While the previous 2013 and 2015 legislatures provided good one-time funding bills, the timeframe commitments, project types, and location requirements posed additional challenges to some local governments. HB 1066 would eliminate much of those concerns by providing a continuous and more reliable source of infrastructure revenue that the local governing boards would have direct control over. This allows the local boards to determine what their individual needs are, the project, the timeline, and implementation methods that works best in their communities with consideration for the other revenue sources available to them. What one County needs are, is different than another County.

For example, in Grand Forks County, we have started inventorying our culverts and smaller bridges, utilizing the statewide GRIT GIS system that the previous legislature thankfully funded. We have 35% of our road system inventoried or 1,157 culverts. 20% are in good shape, 50% are in fair shape, and 30% are in poor shape and in need of attention. If we pro-rate these percentages to our entire system, it is reasonable to estimate that we have 1,200 culverts in need of rehabilitation or replacement, today, on County roads. As an example, a typical small 24-inch culvert replacement on a two-lane paved road is \$10 to \$15,000 total installed. If we included small bridges on the Township system, and pro-rate the same conditions across the

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board, we are looking at replacement dollars, just for culverts and minor bridges in the \$25 to \$30 million dollar range.

The Infrastructure Needs Study completed by the Upper Great Plains Transportation Institute, places a 20-year need of \$333 million in Grand Forks County alone for paved and unpaved roads, and major bridges only. That study did not include the culvert and minor structures, as I mentioned, which is why we are inventorying those separately now.

We support the distribution of funds to be dispersed according to the UGPTI Needs Study, as this would lift our entire statewide roadway network proportionally to a similar level of service, so that one region of the state isn't significantly better or worse than another. For example, in Grand Forks County we have 279 major bridges on county and township roads. Of those 279, 70 have a ton limit, meaning a loaded truck cannot utilize those bridges and are forced to drive around. Some counties only have a handful of bridges, and bridges are expensive, therefore it takes more money in a bridge rich county to maintain the same access.

We understand that the amount of oil and gas tax revenue collected determines the availability of funding to be distributed and we're good with that. We believe HB1066 provides a responsible method to distribute that revenue resource justly.

Everyone benefits from good roads and bridges.

This bill would change the lives of every citizen in North Dakota, I know it would change mine for the better.

We ask for your support on this bill as proposed, and recommend a DO Pass. Thank you for your time, thank you for being legislator and all that entails. Are there any questions for me?

February 15, 2019
House Appropriations Committee
Testimony – HB 1066

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Mr. Chairman and Committee Members;

My name is Steve McCormick Jr. I am a fourth generation North Dakota contractor and oversee field operations for Northern Improvement Company (we are the ones with the green shamrock logos). I am also the “president” of the Associated General Contractors of North Dakota (AGC of ND).

We, along with other transportation supporters, strongly support HB 1066 and ask for your favorable consideration.

How did we get to this point?

1 “Dramatic” increased material costs, along with increases in labor and equipment. I worked in the field 12 years prior to estimating / putting together bids back in 1995. I distinctly remember asphalt cement (the black glue material that holds the aggregates together) cost \$85 per ton, for easy math call it \$100, now in 2019, 24 years later, but easy math call it 25 years, asphalt cement is running \$500/ton – “5 fold increase in 25 years”. I use asphalt cement because “I thought it was expensive back then in 1995” but “more significantly”, the asphalt cement is roughly ½ of the cost for an asphalt overlay project.

2 There are more users today than many years ago, and more significantly is that the users today have “increased payloads” especially out west, that cause much more “wear and tear” on the system.

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- 3 We have also expanded our roadway system making many roads 4 lanes, adding bypasses around towns and also adding “new roads”, which means a “larger footprint to maintain” and thus costs.
- 4 We did “nothing”, on both the federal and state level as far as increased user fees to keep up with inflation, Fed side last increase on fuel tax was in 1993 and state side was 2005 with a 2 cent increase. So, “no increased stable funding”. We do **sincerely thank** the Legislature for the one time funding resources implemented earlier this decade.

These factors have all contributed to creating the “perfect storm”.

Here is an extremely important piece of information: North Dakota receives 81% of its transportation funding from federal dollars. The national average for other states is a “43%” reliance on federal funding. The other states are also starting to understand the predicament we are in and taking the proactive measures to best utilize funding, making their dollar to go further in the investment they have in their infrastructure thru increased various user fees. **HB 1066 greatly assists with increasing state investment in a stable way for infrastructure funding.**

Please see the “dramatic” decrease in funds (ND DOT) over the past 6 years:

- a. 2011-2012 \$1.1B
- b. 2013-2014 \$1.6B
- c. 2015-2016 \$1.2B (Decrease of 25% from previous biennium)
- d. 2017-2018 \$0.74B (Decrease of 38% from previous biennium)
- e. Note 2017/2018 we have basically returned to a federal program plus the state match.

Please try to understand “how difficult” it is to operate a business which ramps up quickly than drops off by “50%”? It is nearly impossible to purchase and maintain

the appropriate equipment, and even more so a “stable work force”. With “certainty”, both the owners and the contractors can plan better, thus reducing costs / “getting more bang for the buck”, and will end up with a smoother run and better “end quality project”.

This is a great time to implement infrastructure investments. With the decrease in funding the past couple of years, the bidding process is “very competitive”. Projects that used to receive 3 or 4 bids typically are now receiving “9 plus bids”. Competition is very tight and owners get good value from the investment.

Last year the mainline asphalt market in ND was brutal and was a year of survival to try and make equipment payments. For 2019, our mainline asphalt paving operation is performing 3 jobs down in Wyoming, and previously we have not worked in the state of Wyoming since the boom approximately 10 years ago. There just simply is not enough work to go around for the amount of capacity the contractors can perform, so there should be no fear or concern if the industry can handle the additional work.

During the 2017 legislative session, the DOT testified that at the proposed funding levels the state would be forced to move strictly into a maintenance program as opposed to a building/improvement program. It has been proven that in the long run, it will cost much more to keep the infrastructure operational under a pure maintenance program as opposed to build/improve program. HB 1066 is a piece to allow the certainty of long term planning. HB 1066 helps provide the “Right Fix at the Right Time” with the “Right Assets” (targeted oil tax revenue for the funding) which will lead to lower life cycle costs.

An example of not doing the right thing at the right time, you park your car in garage, you see oil on the garage floor, small areas of drips at first, over time

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gets to be more and more. You get complacent, know there is “something not right”, but don’t even bother to check the dipstick or even add oil. Soon later engine blows up and looking at a “major bill” – no pun intended. Could have been prevented with changing oil pan gasket, yes cost some money but would have been significantly less costs. If we do not do the right fix at right time we are thrown into a situation of “reconstruction” – tear everything out and start over from the subgrade up, these are the projects that “take forever” to perform and “very inconvenient” to the traveling public. One mile 2” Mill and asphalt overlay \$150,000 – 1 mile Reconstruction – “BLOWN ENGINE” - “\$750,000”.

I appreciate the opportunity to testify and bring the construction industry’s support to the many who urge the passage of HB 1066. Mr. Chairman and members of the committee, please issue HB 1066 with a “Do Pass” recommendation.

If there are any questions of the committee, I would be more than happy to try and address them.

Thank You

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January 15, 2019

House Tax and Finance, 10:00AM

Katie Andersen, Jamestown Airport Manager/Director

Good morning Chairman Headland and members of the committee. My name is Katie Andersen, and I am the Director and Manager of the Jamestown Regional Airport.

This morning I would like to provide the committee with information on the operational and capital income and expenses for the Jamestown Airport and similar airports across the state.

Jamestown is a regional airport and receives funding from City and County Property taxes, land rents, and fees. These revenues are used for operational and capital expenses. Jamestown has over 10,000 commercial passenger boardings per year, and is therefore, eligible for \$1 million in entitlement funds through the Airport Improvement Program (AIP) from the Federal Aviation Administration (FAA). These funds can be up to 90% of approved capital projects. If a project, such as a runway reconstruction or a combination of projects needed in one year, exceeds the \$1 million, the airport may receive less than 90%.

The North Dakota Aeronautics Commission has funded up to 5% of the AIP projects grant match, and the local airport has funded remaining 5% match. Five percent of \$1 million is \$50,000. Jamestown Regional Airport's property tax revenue for 2019 is projected to be \$228,900. The 5% match for \$1 million each year is simply not in the current revenues.

In the summer of 2019 the airport did a rehabilitation project on the cross wind runway for \$2,277,000. The airport had to take out a loan through the North Dakota Public Finance to cover the Airport's 5% grant match.

Airports do not receive any federal funds directly for operations and the federal funds for capital projects are prioritized by the FAA and require matching funds.

The funding in HB1066 will help North Dakota Airports offer safe, efficient, and effective air transportation to support the economic vitality of North Dakota. We appreciate your support and DO PASS vote. I would be happy to answer any questions.

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Mr. Chairman, members of the committee. My name is Dwaine Heinrich. I am currently serving as the Mayor of Jamestown. I moved to North Dakota a good number of years back when I was 26 years old and a job transfer sent me to Minot. I arrived in Minot in very early December after the elections and before the legislature went into session in January.

Having some interest in current events and politics I read up on the upcoming legislative session in the Minot Daily News as well on local television stations. At that time I was not familiar with any of the local legislators, however I still recall and have often mentioned in conversations how impressed I was at the time that the Minot area legislators seemed to speak with one voice regarding the upcoming session. That message was that we are going to Bismarck to represent the voters of Minot who elected us.

Now having lived in Jamestown for many years I have gotten to know a good number of legislators from our area who I know feel the same way. However, this was my first favorable impression of the North Dakota legislature.

A number of years back I served on the Jamestown City Council for 10 years and after a break of nearly 10 years I was elected Mayor this past June. During the mayoral campaign I expressed my concern regarding the finances of the city and how we could pay not only for expenses already incurred, but also ongoing day to day operations and the significant infrastructure needs of our city. For a variety of reasons, some perhaps which were under our control any many that were not, we found it painfully necessary to increase our city property tax by over 20%. Even this was not enough to balance our budget without using significant transfers from utilities.

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As we are all aware, political subdivisions are largely dependent on property taxes. I think we would all agree that one of the primary responsibilities of government, including local government, is to provide for the public safety. In Jamestown with our newly adopted 2019 budget, the cost of the police department, fire department, and municipal court consumes nearly 100% of the entire city general fund share of property taxes. The cost of those departments is at, or near, \$4 million and after budgeting for them we are left with \$23,000 of general fund property tax revenue.

You are all aware there are communities, school districts, and other political subdivisions that may be considered property rich. These are areas where, by their good fortune, have significant investment in taxable commercial or residential property. On the other hand, there are other communities, such as Jamestown, that might be considered "property poor" due to low per-capita property tax valuations due to many reasons, most if not all of which are not under the control of local political subdivisions.

There are eight cities in North Dakota that are larger than Jamestown. Those communities had a combined 2017 taxable value of \$1,851,218,522. These same communities have a population of 403,738. The eight larger cities had an average taxable valuation of \$231,402,315 or an average of \$4,585 per-capita. Jamestown had a reported 2017 population of 15,440 with a taxable value of \$43,483,701 or \$2,816 per-capita.

If Jamestown had the same per-capita taxable value as the average of the eight larger cities in North Dakota we would have a valuation of \$70,792,400 instead of \$43,483,701. Our 2017 mill levy was 307.14 for all political subdivisions which would generate \$13,355,583. By comparison, if we had the average taxable value of \$70,792,400, a mill levy of 195 mills would generate \$13,804,518. This would move Jamestown from the second highest mill levy of the nine largest cities to the lowest mill levy.

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We do not begrudge our fellow cities for their higher taxable values. We also realize they have their own individual issues. We only point this out to show that higher mill levies do not automatically translate to mean fiscal irresponsibility. Adding excessive infrastructure costs on top of a high mill levy makes it much harder to build taxable value as it discourages investment.

We have significant infrastructure needs in Jamestown including major improvements at our wastewater treatment plant, as well as water and sewer lines that are desperately in need of replacement. We also have one significant public safety issue for which there does not appear to be any immediate solution. Jamestown, as with many of our North Dakota cities, was developed around and after the railroad was constructed. If by chance a train should block all crossings, there is no overpass or grade separation that will allow fire trucks or other large emergency equipment to travel from the north side to the south side of our city or vice versa. The only viaduct we have is not high enough to allow large emergency vehicles through and often floods during moderate rains, making it impassible. Correcting this problem alone would likely consume 15 years of Urban Roads funds allocated to Jamestown.

In closing, I encourage you to send the Prairie Dog Infrastructure Bill on to the full house for approval. It is much needed, not only by our city but our county, and other cities and counties across the state of North Dakota. The passage of this bill will send the same message I heard many years ago in Minot. That message is our legislators have gone to Bismarck to fight for those who elected them.

Thank you very much.

Dwaine Heinrich

Dwaine Heinrich, Mayor
City of Jamestown

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Support HB 1066

House Finance and Taxation Committee

January 15, 2019

Good morning Chairman Headland and Committee members.

First I want to say how much Townships along with all our other transportation partners appreciate all the work that has gone into writing HB1066. We especially appreciate putting this funding on a continuing basis. And thank you Chairman Headland and Committee members for this opportunity for us to state the importance of this funding to Townships.

I am Larry Syverson from Mayville; as a farmer that grows soybeans on my farm in Traill County I depend on township roads and county highways to deliver my crop to market.

I am the Chairman of the Board of Supervisors for Roseville Township in Traill County; we manage 48 of ND's 55,414 improved and maintained township road miles. In several previous sessions the legislature committed funds to our rural infrastructure, each time on a one-time basis. Roseville Township was very appreciative of those funds and used them to cure conditions that had been perennial problems; we put fabric and tile in boggy locations, replaced faded signs, replaced some corroded culverts and got ahead of gravel needs on our heaviest traveled roads. We have been able to get a good start on renewing our road system without huge property tax increases.

I am also the Executive Secretary of the North Dakota Township Officers Association. NDTOA represents the 5,600 Township Officers that serve in more than 1,100 dues paying member townships.

Our membership includes Townships in the oil and gas producing counties and it is our primary concern that they receive sufficient funding to deal with the traffic they face. After all they bear the brunt of the burden; that is where the holes are bored, that is impact. Their maintenance costs are off the scale to the rest of us. Including these Townships in the oil and

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gas tax distribution has helped them close the funding gap as they struggled to maintain useable and safe roads for their residents and the petroleum industry.

Townships in the non-oil producing counties used the one-time funding allotments to make improvements to their roads; I heard that for some, one of the payments almost covered the snow removal bills after a difficult winter in the North Eastern part of the state. At least the winter bills got taken care of without increasing taxes or neglecting summer maintenance. Many times I heard how important those funds were to townships, I can only hope those individuals shared that with their legislators.

There are a couple of changes for non-oil townships in HB1066; first, the funding becomes continuing. This will allow townships to do better planning. With future funding assured, needed projects can be planned a year or more ahead of time, contractors and materials can be arranged without planning a tax increase.

The other change would base future funding on the UGPTI needs study. This change would ensure that funding will go to the roads that need it.

Chairman Headland and Committee members, the North Dakota Township Officers Association supports HB1066 and requests your favorable recommendation.

Thank you. I will try to answer any questions you may have.



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Mr. Chairman and members of the Committee, my name is Jeffrey Skaare, Director of Business Development for Caliber Midstream. I grew up and live in Dickinson, ND and have worked in McKenzie County for the past ten years. I currently serve on the North Dakota Petroleum Council Board of Directors and am Past President of the Landman's Association of North Dakota. I appear before you today in support of House Bill 1066.

Caliber Midstream is involved in the transportation of oil, gas, and water via pipelines across the Bakken region. Through my position working with landowners and community leaders on a daily basis, I have had a front-row seat to the Bakken development.

I cannot emphasize enough the importance of the investments and support the North Dakota legislature has made in the western communities of the state. The "Surge Bill" passed in 2015 was a game-changer, and it came at just the right time. The investments in targeted key infrastructure projects made a measurable difference in the overall safety of all utilizing western North Dakota roadways. It also provided a pathway to success for communities and allowed them to begin managing the growth, restoring a sense of normalcy for life-long residents, workers, and families. Those changes have had a direct positive impact on North Dakota. They helped us recruit employees by enhancing the quality of life and amenities in western North Dakota and have made these communities great places to live, work, and raise a family.

As a life-long North Dakotan and a parent of two children, I believe the long-term benefits of House Bill 1066 will ensure that western communities continue to invest in their continuing infrastructure needs. Furthermore, passage of this bill will provide a regular funding mechanism to help address needs and enhance the quality of life in communities throughout our state.

In closing, I am confident the "Best of the Bakken" is yet to come; the technology utilized to tap this world-class resource just gets better and better. Western communities are delivering the necessary infrastructure, and the oil and natural gas industry is investing the capital to produce and deliver the product to market in a safer and more environmentally-friendly way each day. I have great confidence that leaders across our state will make the right investment choices when a portion of the tax revenues from every barrel of oil produced in our state arrives in their community.

I urge you to support House Bill 1066. Thank you, and I would be happy to answer any questions.

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**Testimony of Phil Riely, Watford City Mayor
Infrastructure Funding – HB 1066
House Finance and Taxation Committee
Bismarck, North Dakota – January 15, 2019**

Mr. Chairman and members of the committee. My name is Phil Riely and I am the mayor of Watford City. Thank you for giving me the opportunity to share Watford City's story with you.

During the height of the Bakken oil boom, western North Dakota experienced an unprecedented influx of people from all over the world. In response, we as communities scrambled to expand water, sewer, roads, and essential city services. As a state, you stepped forward and supported major projects and provided funding for the rapidly growing infrastructure needs. You did so with the foresight of understanding that this was a solid investment in the future of North Dakota.

During the industry slowdown the region experienced the last couple years, Watford City did not. Therefore, we have yet to catch our breath. Our city population expanded from 1700 to over 6500 in eight short years. The oil and gas industry continue to invest in McKenzie County - in the last ten years over two billion dollars in product handling facilities alone. An investment of such magnitude is spurring the need for long term, sustainable production jobs in the area.

We moved ahead to continue the development of necessary infrastructure and quality of life projects that attract and retain skilled employees and their families. We now need your help by committing to a consistent and reliable redistribution of GPT. That reliability in turn will keep the economic engine of the state running.

According to the most recent study from NDSU, secondary jobs will grow close to the same rate as production jobs. The need for employees in medical, educational, and other community service sectors will need affordable homes, classroom space, and community facilities to keep their families engaged. While oil and gas employees are critical to the success of North Dakota, attracting people of all professions to serve western North Dakota's growing community needs is vital to the region.

The McKenzie County Healthcare System's new medical complex is an investment in the community's future. It has received generous capital support from the community and the oil and gas industry. A facility of this nature is only as good as the staff. With the opportunity and new amenities in town, the medical center has been able to attract skilled medical providers, including an orthopedic surgeon who fell in love with the people and the community and decided to grow his practice in Watford City. This investment proved invaluable immediately, as the day after it opened the emergency room was flushed with injured residents pulled from wreckage after a devastating tornado.

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An incident of that nature causes pause in reaffirming this needed and valuable community investment and reminded us of the importance of properly funded and well trained emergency service professionals.

As a community, we need to compete with the extremely low national unemployment rate. Workers can find comparable jobs all across the nation and in many cases, at a lower cost of living. Other factors that we have to compete with are climate and urban amenities. In order to stay competitive among national oil and gas plays, we must continue to improve tangible and measurable quality of life aspects for our workforce and families. We unapologetically have invested in our community and in providing opportunities for improved quality of life to attract and retain these new employees and their families.

~Why they returned ~ Daniel Stenberg had many career choices, but made the decision to move back home and serve the community as the McKenzie County Economic Development Director. What drew this 2001 Watford City graduate home? The newness that was brought about by the diversity of the people from around the world that made his hometown, their hometown.

Our community attracts families. The McKenzie County School District increase by 312% in the last ten years and conservative projections show this number doubling again in the next nine years. Our citizens have supported this growth by passing bond measures to build new schools. Again, we now need your help by committing to a consistent and reliable redistribution of GPT.

Watford City has not shied away from our duty to invest. Over the past eight years we have allocated and committed over \$246 million in water, wastewater, transportation and increased operational and public safety costs. Even with this investment, the infrastructure needs for the next five years will require an additional \$240 million. The Watford City report which is provided to you with my written testimony provides details of these investments and future needs.

One of our main priorities is to maintain our city core, where existing residents keep their yards pristine and new families can find their affordable first-time home. These are the original neighborhoods of Watford City proper. They are within walking distance of downtown shopping, city amenities, and parks. They also are the areas of our community which have aging infrastructure. Adding additional tax burden will cause them to be unaffordable and unattractive homes for the next generation of home buyers.

Watford City is the heart of McKenzie County and the Bakken. Our county will generate over \$1 billion dollars in oil and gas taxes for the State by the end of the current biennium. Production forecasts show a need for an additional 8,000 sustainable oil service jobs in McKenzie County. Continued infrastructure and amenity investments are vital to attract new workers and support their families, who in turn drive our vibrant economy. Passing legislation that provides consistent and reliable gross production tax redistribution will position Watford City and other western North Dakota communities to attract the needed workforce to keep the economic engine of the state running.



Grand Forks Regional Airport Authority
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January 15, 2019

RE: Testimony to the House Finance and Taxation Committee on HB 1066

Dear Chairman Headland and members of the committee,

Thank you for the opportunity to provide testimony today. I am Ryan Riesinger, the Executive Director of the Grand Forks Regional Airport Authority, and I'm here to voice support for HB 1066 and the \$50 million fund it creates for airport infrastructure grants.

Airports are vitally important for the State of North Dakota. They are the front door for prospective employees and families considering a move to our state, a driver of business growth and entrepreneurship, and an important part of our quality of life. They are a reflection of the individual communities they serve. For these reasons, I'm very pleased that airports are included in HB 1066 and are recognized as valuable infrastructure that must be continually maintained, developed, and expanded to meet the needs of the public.

The Grand Forks International Airport (GFK) is North Dakota's busiest commercial airport and serves as the gateway to the northern Red River Valley. We are also the proud home of the John D. Odegard School of Aerospace Sciences at the University of North Dakota (UND), which is one of the busiest aviation flight schools in the world. Due to increased enrollment in the program, we

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set an all-time record for operations in 2018 with 368,365 takeoffs and landings. This makes us the 21st busiest airport in the United States.

In 2015, GFK began an Airport Master Planning effort. It has documented that we are at our airfield capacity level and must implement our Capital Improvement Program (CIP). In the next 8 years the CIP calls for the extension of our crosswind runway to enhance safety and increase capacity, reconstruction of our primary runway due to aging pavement, and the construction of a fifth runway to increase airfield capacity by an additional 44%. Total estimated program costs are \$100 million.

We anticipate all proposed CIP projects will be eligible for Federal Aviation Administration (FAA) grant funding at 90% through the Airport Improvement Program (AIP). The North Dakota Aeronautics Commission (NDAC) and the local Airport Sponsor (GFK) fund the remaining 10%. However, on larger projects like ours, it is likely we will not receive the full FAA funding at 90%, resulting in a funding gap. GFK already receives the maximum of 4 mills from the City and County of Grand Forks for its local share of capital projects and additional sources of revenue are limited. HB 1066 could provide funds to potentially fund a gap, reduce the need for additional phases, and keep the program moving forward on schedule.

Another example where HB 1066 funding could be very beneficial at GFK is the UND Apron Project. The aircraft aprons used by UND were originally constructed in the 1980's and several years ago were determined to be in need of reconstruction. However, the FAA determined the aprons were "exclusively used", and therefore, not eligible for FAA funding. In the 2015 State Legislative

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Session, \$6 million was authorized and construction of "Phase 1" was completed in 2016. UND requested \$4.8 million in the 2017 State Legislative Session to complete the final phase of the project, but the budget was tight and no funds were authorized. UND will again be requesting funds in the 2019 Session but there is no guarantee funds will be available. With HB 1066 and NDAC approval, it is possible to receive funding to complete this much needed project.

It is important to note that HB 1066 authorizes the NDAC to provide these funds on a priority basis, and they have done an excellent job to balance these priorities historically, albeit with limited resources. North Dakota Airports and the NDAC would continue to maximize and leverage federal grant dollars to the best of our collective ability. There is no question that this bill would provide much greater stability and flexibility to the NDAC in planning future airport infrastructure projects, which would be of great benefit to all airports in the state.

In conclusion, I ask that you support HB 1066 as written. It is the perfect mechanism to invest in North Dakota's airport infrastructure. It would provide a reliable source of funding for needed airport infrastructure projects. Again, I appreciate the opportunity to provide testimony in support of HB 1066 and would be happy to answer any questions.

Respectfully,



Ryan Riesinger
Executive Director
Grand Forks Regional Airport Authority

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House Finance and Taxation Committee
Chairman Craig Headland
January 15, 2019

By: Shaun Sipma
Mayor, City of Minot
shaun.sipma@minotnd.org
701.721.6839

HB 1066

Chairman Headland and Members of the House Finance and Taxation Committee, my name is Shaun Sipma. As Minot's Mayor, and on behalf of the City, I am delighted to have the opportunity to speak in support of HB 1066. HB 1066 proposes to help all of the state's counties, townships, and communities develop infrastructure to continue to support a strong and vibrant economy and a growing population, and to attract new workers for available jobs.

In western North Dakota, oil and gas development has brought a lot of new companies, and a lot of new people, who now call western North Dakota "home." Some of the largest company names in the oil and gas industry choose to call Minot home – companies like Hess, Baker Hughes, Enbridge, and Cameron Surface Systems, just to name a few. While new companies and new people now call Minot "home," they also needed new industrial parks and new housing developments, creating demands on our city utilities.

During the last ten years, Minot's footprint nearly doubled. Our population jumped from 36,587 to nearly 50,000. This continues to be reflected in our student enrollment numbers. While growth has meant higher school enrollment numbers and new schools, it has also required new and updated facilities and equipment for emergency services. The number of sanitary lift stations has nearly doubled from 23 to 45. While increased demands on our health care system means a new Trinity Hospital will soon be under construction, that same growth has challenged our

landfill in accepting waste from the surrounding region. These are just a few of the facts and statistics that reflect the tremendous growth our community experienced in the last decade.

This tremendous growth requires financing – and the rapid development we continue to experience has overwhelmed our ability to do that at the local level. That’s why sustained and permanent HUB City funding, not only for Minot, but also for Dickinson and Williston, is so critically important.

HUB cities receive their funding from the oil and gas production tax, which, according to the North Dakota Tax Department, is in lieu of property taxes on oil and gas producing properties. This makes sense. If local cities and counties were to simply assess a property tax on every well, there would be great variability between political subdivisions. A tax at the state level, on a gross production basis, is fairer and more consistent. While many industrial, commercial and residential properties are assessed a property tax, the rationale of this method is to help provide for local services that support those local properties and the region those properties may impact. In the case of an industrial oil well, the local impact is much broader. In fact, it’s regional. We know this from experience. The state, counties and cities that are in and adjacent to the oil fields are substantially impacted by oil and gas development; other industries simply do not have the same impact. The industrial footprint is considerably larger than a single refinery, or the multiple coal plants located between Minot and Bismarck regions. The oil and gas sector puts bigger demands on our city and county infrastructure because of its sheer size and scope, as well as the number of employees demanded by the industry. Minot is no exception to these large-scale impacts.

HB 1066 proposes to change the definition of HUB City slightly. While maintaining a minimum threshold population of 12,500, the definition shifts from a percent of mining employment to one that examines whether such a city is in an oil producing county. Currently,

Minot, Dickinson and Williston would fit that definition. We accept and support this redefinition of “HUB City.”

HB 1066 also changes the way HUB City funding is allocated among HUB Cities. A great deal of time and energy was invested in this new approach. During the 2017-18 interim, the Energy Development and Transmission Committee spent two days in each of the three HUB Cities examining the many factors that were challenging our respective growth. On the heels of these intense examinations of HUB Cities, all three HUB Cities came together to propose the weighted allocation formula you see on pages 9-11 of the current bill. We all agreed that we should measure and allocate impacts among us based on our respective percentage of mining, quarrying, and oil and gas extraction employment in our counties and regions, the number of companies located in our home counties, the percentage of oil production in our regions, and the percentage change of our city and county populations over a five-year period.

After weighting all these factors, we arrived at a data driven allocation that we believe deserves permanence in law. That permanence can help each of the HUB Cities engage in more efficient planning for our ongoing energy-driven growth in the months and years ahead.

And we have a lot of planning to do. Minot is truly the “Gateway to the Bakken.” The oil producing region immediately surrounding Minot includes Bottineau, Renville, Burk, Ward and Mountrail Counties. We have been, and continue to be, an important part of commerce, travel, water, waste management, etc., to the entire northwest central portion of the state and much of northwest North Dakota. We are an economic hub city. Below are some examples of how Minot serves many in the Bakken.

- Water – Minot supplies water to about 80,000 people in 6 counties via NAWS. All six counties lie within the Bakken.
- Airport – Between 1989 and 2009, the Minot International Airport averaged 76,000 passenger boardings. In 2011, that number topped 150,000 boardings. In 2012, it jumped to 220,000 boardings, more than double the intended capacity of the old terminal.

- Landfill - Our landfill serves the region, not just Minot. We accept waste from neighboring counties as far west at Mountrail and as far south as about 13 miles north of Bismarck. Our capacity was greatly impacted during the boom. That impact was on typical household waste, which is independent from the flood disposal impacts of 2011.
- Commerce – Since 2010, the number of business memberships to the Minot Chamber of Commerce has steadily risen: from 691 in 2010; to 690 in 2011; to 720 in 2012; to 743 in 2013; to 754 in 2014; to 778 in 2015.
- Streets – In 10 years we’ve grown our annexed land by 85%. That means we needed to grow our street infrastructure to accommodate this growth. When built, the financial commitment then shifts to general maintenance (snow removal, sweeping, mill and overlay, etc.)
- Recreation – Minot is home to the Roosevelt Park Zoo, Mesa Ice Area, the State Fair Grounds, the Scandinavian Heritage Park, multiple passive and active recreational facilities, golf courses, parks and pathways. These facilities draw people to Minot to live, work, and play from all around the Bakken Region.

To continue this level of service we need continued assistance from the Oil and Gas Gross Production Tax distribution formula. We and our sister HUB Cities need permanence in policy and funding. This certainty is what we are asking for today.

Finally, as I close, let me also say that the City of Minot supports the sustained airport funding present in HB 1066. There has never been a time in this state’s history that air travel has been more important than in the last decade. To accommodate our business and population growth as a state, our airports need to expand and modernize their capabilities. That’s what the funding called for in this bill represents.

We also support the new weighted formula for distribution to HUB City schools. Like our HUB Cities themselves, this new and permanent weighted factor approach will help our schools plan for the long term as well.

Thank you for the time you have afforded this critically important funding bill. Modern infrastructure is critical for future economic growth. HB 1066 recognizes this reality and applies it across the state. Thank you for time. Please give this important bill a “do pass” recommendation.



"WHERE THE WEST BEGINS"

CITY OF MANDAN

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FIRE	667-3288
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MUNICIPAL COURT	667-3270
POLICE	667-3455
PUBLIC WORKS	667-3240
WASTEWATER TREATMENT	667-3278
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House Finance & Taxation Committee

January 15, 2019

HB 1066

Chairman Headland and members of the House Finance & Taxation Committee, my name is Jim Neubauer, City Administrator for Mandan. I am here today representing City Administrators from across the state in support of House Bill 1066.

Today you have heard from Mayors and County Commissioners from across the state along with representatives from various other organizations in support of this bill. Infrastructure funding is not simply isolated to a few regions of North Dakota; it is an issue for all of North Dakota.

Essential infrastructure projects as defined in this bill include, water and wastewater treatment plants, water and sewer lines, lift and pumping stations, storm water systems, road, bridges, airports, electricity and natural gas transmission infrastructure, and communications infrastructure. All items that our citizens expect us to provide. Maintaining this infrastructure has become increasingly expensive over time and funding to do so is limited.

Water and sewer rates are generally increased annually to pay for replacement of outdated pipe and systems or to account for additional regulations that are imposed upon us. While there are several loan programs that we can take advantage of, they are just that, loans that must be paid back through increasing our rates to our citizens. Streets do not last forever, no matter how much preventative maintenance is performed on them. At some point they need reconstruction and the amount of special assessments that are placed upon property owners is increasingly burdensome.

Comparative studies are done when looking at different city mill levies and the funding that House Bill 1066 will provide will not only provide some much needed relief to our residents, but help keep mill levies reasonable when compared to others.

On behalf of the City Administrators across the State, I urge a do pass on House Bill 1066.

Thank you for your time and should you have any questions I will do my best to answer them.

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Testimony Presented on House Bill 1066 to the
House Finance and Taxation Committee
Representative Craig Headland, Chair
by Dr. Tim Mahoney, Mayor
for the City of Fargo
January 15, 2019

Mr. Chairman and Members of the Committee:

The City of Fargo supports House Bill 1066, to create a municipal infrastructure fund. The fund will provide grants to cities located in non-oil-producing counties to be used for essential infrastructure.

By way of background, the City of Fargo initiated a Specials Assessment Taskforce in August, 2018. The task force is reviewing the history of special assessments in Fargo to include current and past funding methodology for new housing development and upgrading the City of Fargo existing neighborhood infrastructure (streets, arterials, public safety, water & sewer) with the goal of reducing the cost of special assessments to address housing affordability. Combining voter approved infrastructure sales taxes, city utility rates with state financial investment per intent of HB 1066 will provide a new cost share funding model that will provide tangible results in achieving our affordable housing goal.

The definition of essential infrastructure includes both new and replacement infrastructure. The need for replacement of aging and end-of-life infrastructure is common to all cities in North Dakota. I am confident that the committee will receive similar supporting testimony from other cities and we ask that the committee accept this testimony on behalf of the City of Fargo. The infrastructure needs in Fargo will be significant for the foreseeable future as explained in the following sections.

Water Utility Capital Improvements Plan (CIP)

Recently, Fargo has expanded its role as a regional provider of water and sewer services with the addition of the City of West Fargo as a regional partner. An essential element of regional water and sewer systems is adequate infrastructure and treatment capacity to accommodate the regional service area .

Fargo is presently completing a \$110 million expansion of its water treatment plant which will increase the treatment capacity from 30 million gallons per day (MGD) to 45 MGD. This increase in capacity will be sufficient to serve the regional water system well in to the future. On an annual basis the Water Utility updates a 10-year CIP for the water treatment plant and related infrastructure (water towers, etc.) that are not located in the public right-of-way. A copy of the 10-year Water Utility CIP is included as Attachment #1. Over the next 10-years, the Water Utility CIP identifies approximately \$200 million in infrastructure needs. Presently, the City of Fargo funds the Water Utility infrastructure through special assessments, sales tax and water utility rates.

Water distribution system infrastructure located within the public right-of way is included in the City Engineering 10-year CIP.

Wastewater Utility CIP

Additionally, Fargo will begin construction on a \$140 million expansion of its wastewater treatment plant to increase its capacity from 26 MGD to 50 MGD. Similarly, this increase in capacity will be sufficient to serve the regional wastewater system well in to the future. On an annual basis the Wastewater Utility updates a 10-year CIP for the wastewater treatment plant and related infrastructure (wastewater lift stations, etc.) that are not located in the public right-of-way. A copy

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of the 10-year wastewater Utility CIP is included as Attachment #2. Over the next 10-years, the Wastewater Utility CIP identifies approximately \$175 million in infrastructure needs. Presently, the City of Fargo funds the Wastewater Utility infrastructure through special assessments, sales tax and wastewater utility rates.

Wastewater distribution system infrastructure located within the public right-of way is included in the City Engineering 10-year CIP.

City Engineering CIP

Similar to the Water and Wastewater Utilities, on an annual basis the City Engineer's office updates a 10-year CIP for streets, storm sewer and related infrastructure not include in the Water and Wastewater Utility CIPs. The City Engineering CIP is produced based on the following factors:

- Pavement Condition Index
- Water Main Break History
- Street Lighting/Traffic Signal Needs
- Coordination with Public Works Department
- Coordination with Planning Department

A copy of the 10-year City Engineering CIP is included as Attachment #3. Over the next 10-years, the City Engineering CIP identifies approximately \$700 million in street and storm sewer infrastructure needs. Presently, the City of Fargo funds the City Engineering CIP infrastructure through special assessments, sales tax and water, wastewater, storm sewer and street light utility rates.

Based on the historic replacement schedule for infrastructure contained in the City Engineering CIP, the following table illustrates the critical need for additional funding.

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Category	Fargo Total	Expected Life	Expected Replacement	Actual Replacement	Required Life
Water Main	545.46 miles	120 yrs.	4.55 miles	1.23 miles	444 yrs.
Sanitary Sewer	540.03 miles	100 yrs.	5.40 miles	2.32 miles	232 yrs.
Concrete Pvmnt.	3,908,797 SY	80 yrs.	48,860 SY	56,260 SY	69 yrs.
Asphalt Pvmnt.	5,333,987 SY	50 yrs.	106,680 SY	26,480 SY	201 yrs.
Combined Pvmnt.	9,242,784 SY	63 yrs.	147,443 SY	82,740 SY	112 yrs.

The City of Fargo greatly appreciates the committee's consideration of this written testimony and supports a Do Pass of House Bill 1066.



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**HB 1066 Testimony to the House Finance and Taxation Committee
Howard Klug, Mayor of Williston, North Dakota
January 15, 2019**

Good morning Chairman and members of the committee. My name is Howard Klug and on behalf of the citizens of Williston I would like to thank you for the opportunity to provide testimony on HB 1066 and the infrastructure funding our state needs.

Since 2006, our community has seen unparalleled growth, adding over 18,000 people to our official population count and tripling our city's footprint. Over the last 10 years, we have worked diligently to plan, design, and build the infrastructure required to support the tremendous growth we have seen. To clarify, the latest data from the Census Bureau shows that US population growth is between 0.7% and 0.9%. Williston's average annual population growth is 2.8% - four times the national average. Conservative projections – barring any global factors that could quickly cause the population to spike – show population growth in Williston placing significant demands for the expansion of infrastructure and related services in order to meet the needs of the community.

That said, I know we are not alone. Several western North Dakota communities affected by the surge in the energy industry are still trying to meet the infrastructural needs of rapid growth. Beyond the Bakken, North Dakota as a whole is facing severe infrastructure challenges. Deteriorating or insufficient infrastructure impedes our state's ability to compete in an increasingly global economy and delaying infrastructure investments only raises the immediate cost and jeopardizes the economic future of our state. From drinking water, to waste water, safe roads and communications lines, long-term solution, intelligently designed infrastructure is the first step to providing North Dakotan's with quality of life measures that allow us to compete for and retain a skilled workforce.

HB 1066 gives North Dakota counties, cities, and townships across the state the tools they need to support infrastructure efforts that in turn fuel our economy. From the 90-95% of farmers in rural areas that rely on semi's and North Dakota roads to initially transport their goods and therefore feed our state's largest industry, to oil-patch communities with rapid population growth and infrastructural needs that affect the construction of affordable housing, and cities like West Fargo whose technology companies have attracted young workers and families – making it another fast-growing city in North Dakota – HB 1066's funding formula considers all

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of our needs and empowers local government bodies to plan for and make the infrastructural improvements their citizens need most.

Success in the modern economy requires sustained infrastructure investment at all levels of government and North Dakota is no exception. By utilizing the proposed formula in HB 1066, oil-producing counties and HUB cities will receive the infrastructure funding they need to support the industry in addition to having the ability to better plan for their needs.

Investing in infrastructure is an investment in our state's successful future. Revising how oil and gas production taxes are allocated is not about investing in western North Dakota, nor is about investing in eastern North Dakota; it is about investing in a strong, unified North Dakota focused on infrastructure that supports economic drive statewide.

Testimony to the
House Finance and Taxation Committee
January 15, 2019
Jason Benson, Cass County Engineer

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M.J.

Regarding: House Bill 1066

Representative Headland and committee members, I am Jason Benson, the Cass County Engineer and President of the ND Association of County Engineers. I support House Bill 1066 and the dedicated infrastructure funding that it provides across the state of North Dakota. The 2013 and 2015 Legislative Sessions addressed significant transportation issues in oil country. After those session the non-oil producing counties were told extra one-time funding would be coming next. Unfortunately the downturn in oil prices prior to the 2017 session halted the one-time funding allocations. In the meantime, higher crop yields require more trucks to haul across our roads. Using 2017 data, ND produced 6.5 million tons of sugar beets, 7 million tons of hay, 1.6 million tons of silage, and 1.1 billion bushels of corn/soybeans/wheat (USDA 2017 data) for a total crop production that gets hauled from the field, to bins, and on to the elevator of 56 million tons of product. This requires over 1.4 million truckloads just to get the crop off the field. House Bill 1066 addresses the need for additional funding for essential infrastructure. Here are some of the most significant changes this bill brings:

1. The funding provides needed resources for our County transportation network

It creates a dedicated funding source that can be used on both our paved and gravel roads along with our county and township bridges and culverts. Using the Upper Great Plains Transportation Institute's Infrastructure Needs Study as the base line, this funding will be critical in repairing our aging infrastructure. This study laid out the critical needs on our County and Township road networks now through 2036. This includes over \$5.8 billion in gravel road needs, \$2.2 billion in paved road needs, and nearly \$450 million in bridge needs. Of this \$8.5 billion in state wide needs, nearly \$5.2 billion are needed in the non-oil producing counties.

2. It provides consistent long term funding for essential infrastructure projects

This funding addresses the critical need for consistent, additional funding for road and bridge improvements. This predictable funding can be programed into long range infrastructure improvement plans. This ensures better planning and more efficient construction to maximize our tax dollars for future projects.

3. It delivers funding that can be utilized for matching Federal Aid dollars

This funding provides a significant shot in the arm and can be fully utilized to match Federal Aid funding for road and bridge projects.

4. It allocates essential infrastructure funding without layers of bureaucracy, additional project approvals, or reporting requirements

Past one-time funding was great in providing money for needed infrastructure improvements. However, the one-time funding had numerous approval and reporting hurdles that had to be met before it could be spent. House Bill 1066 provides a streamline reporting process and allows Counties to utilize these funds where they are best needed. This means improving gravel roads, making safety improvements, fixing old rusty culverts, or replacing large bridge structures, in fact a wide range of projects can all be done with these funds.

Representative Headland and committee members, with \$8.5 billion in critical statewide infrastructure needs on the County and Township road networks, this bill will provide the needed, long term, consistent funding needed to maintain our road networks.

Again, I fully support House Bill 1066 and I'd be happy to talk more about the items listed above and any others any time you wish.



Ducks Unlimited

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TESTIMONY ON HB 1066
Carmen Miller, Director of Public Policy, Ducks Unlimited
North Dakota House Finance and Taxation Committee
January 15, 2019

Good morning, Chairman Headland, and members of the committee. My name is Carmen Miller and I am the Director of Public Policy for Ducks Unlimited's Great Plains Region in Bismarck. I'm here today to express support for Section 3 of HB 1066, which restores the Outdoor Heritage Fund cap to \$20 million per fiscal year.

It is fitting to discuss the Outdoor Heritage Fund within the context of a larger infrastructure bill. Infrastructure includes many things – roads, water, utilities, airports, which you've heard about this morning. But the OHF provides funding for quality of life infrastructure – parks, outdoor recreation opportunities, healthy fish and wildlife populations, public access for sportsmen, and important land and water stewardship.

Since its inception in 2013, the Outdoor Heritage Fund has been popular – over 175 groups from across the state have applied for grants, over \$41 million in grant funds have been awarded, and every county in the state has benefitted from the fund. Projects have ranged from bike trails to city parks to wildlife habitat to water quality improvement. The fund has generated more than dollar-for-dollar matching, creating innovative private-public partnerships and generating considerable return on investment for a highly efficient use of oil and gas tax revenue.

The 2017 Legislature temporarily reduced the cap on the OHF to \$10 million per biennium. That reduction sunsets at the end of the current biennium – the OHF language in HB 1066 essentially confirms that sunset. It is important to remember that these numbers are just a cap, not a traditional appropriation. Because the OHF funding formula is based on a percentage of the oil production tax, the fund rises and falls with oil prices and production and is wisely designed to self-adjust with fluctuations in our state's economy.

The Outdoor Heritage Fund is the state's only source of funding dedicated to the type of critical quality of life infrastructure that is so necessary as our state continues to grow. Vibrant communities depend on parks, trails, and other outdoor recreation opportunities, all important factors in attracting and retaining a quality workforce. In five years, the Outdoor Heritage Fund has become a very successful and unprecedented working partnership between sportsmen, conservation, agriculture, recreation, landowners, and energy. Continued support for the OHF will help address these important needs, provide great benefits to our communities and landowners across the state, and generate a significant return on investment back to our state's economy.

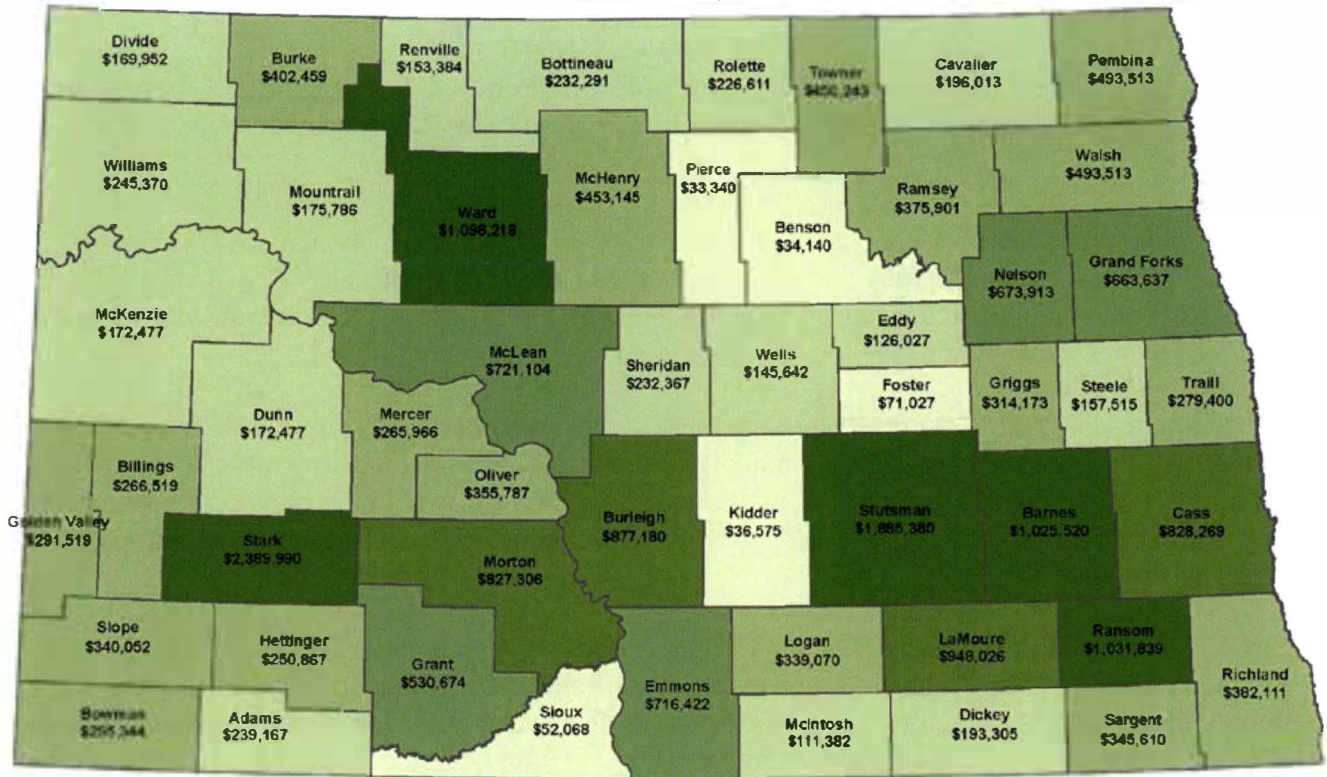
Thank you for your time and your service.

HPB 1066
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 pg 2

North Dakota Outdoor Heritage Fund

Awards by County, Grant Rounds 1-13

*Excludes Statewide Projects



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House of Representatives Finance & Taxation Committee

Representative Craig Headland, Chair

Representative Jim Grueneich, Vice-Chair

January 15, 2019

Chairman Headland, Members of the Committee:

My name is Keith Hunke and I am the City Administrator for the City of Bismarck.

I am providing written testimony on behalf of the City of Bismarck in support of House Bill 1066.

The Bismarck City Commission voted unanimously at its January 8, 2019 city commission meeting to support HB 1066.

Bismarck's capital improvement plan for streets is near \$250 million dollars. Our water utility capital improvement plan includes \$27 million dollars for our wastewater treatment plant expansion. Our Airport is in the midst of a three phase \$65 million-dollar runway reconstruction project.

HB 1066 is a critical piece of legislation that has the opportunity to provide Bismarck with a sustainable revenue source which will help pay for portions of the greatly needed infrastructure improvements to our streets, wastewater treatment plant, and airport.

Thank you for the opportunity to provide our support for House Bill 1066.

Keith J. Hunke, City Administrator

City of Bismarck

701-355-1300

khunke@bismarcknd.gov

#30
HB 1066
1-15-19

From: Kelly Hagel
Sent: Saturday, January 12, 2019 4:26 PM
To: Craig Headland
Subject: Support of House Bill 1066 Infrastructure Funding (Prairie Dog)

I am on the NDACo board and represent the Region 6 area which includes many counties you represent. I was asked by Terry Traynor to testify on behalf of non- oil and gas producing counties. Since I will not be available next week to attend the committee hearing. I would like to inform you of our support as Foster County Commissioners and other County Commissioners I have spoken to for the passing of House Bill 1066.

It is important to non-oil and gas producing counties that the bill includes the permanent funding structure of this bill instead of relying on inconsistent or non-existent future funding for infrastructure. Although we will be at the end of the trickle down, having a permanent solution to this funding would be better than no funding or potential funding that later is cut. For example, the prior session funding for Townships was vetoed by the Governor which would have really helped our local governments. This is why we need a permanent funding source for the non-producing county and local governments.

With the cost of paving roads becoming so expensive (\$1 million per mile per our engineer), it is getting harder for counties to cover the costs of repaving these roads. Without this potential future funding, I know of several counties in our region that are looking at grinding up some of their paved roads returning them to gravel, Foster County included. Foster County is one of the smallest counties in land size, however, we have 90 miles of paved roads. Over the years, former Commissioners sought to improve roads in the county, but now only being able to afford sections of resurfacing every year, we are not able to keep up with the need to keep these roads in good condition.

Thank you for your consideration.

Sincerely,

Becky Sue Hagel
Foster County Commissioner
NDACo Board Member

Phone: 701-652-5113

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1-15-19

**TESTIMONY IN SUPPORT OF HB 1066 RELATING TO THE CREATION OF A
MUNICIPAL INFRASTRUCTURE FUND**

House Finance & Taxation Committee
Meeting Scheduled at 10:00 AM 1/15/2019

Honorable Chairman Headland and Finance & Taxation Committee Members:

HB 1066--A BILL for an Act to create and enact new sections to 2-05, 57-51.1-07.7 and 57-51.1-07.8 and additional sections as referenced of the North Dakota Century Code, relating to the creation and ongoing appropriation of the **municipal infrastructure fund**;

The City of Wahpeton's current population is approximately 7,826 people. The city's 2019 revenue budget is projected at \$11,826,768. The city's current infrastructure in use replacement value is estimated at \$169,182,561. The minimum annual replacement cost of the infrastructure inventory is \$3,887,046 with capital improvement projections averaging \$5,486,000 annually over the next 10 years. **Many projects are deferred as available resources and borrowed funds are strategically focused only on infrastructure with imminent consequence of failure in critical service delivery.**

Currently, Wahpeton's infrastructure financing costs are heavily dependent on special assessments. The City of Wahpeton's taxable full value per capita is \$49,202 compared to the US median of \$89,200 indicative of a high concentration of tax exempt properties within city limits and taxable properties just outside city limits. Moody's Investor Service currently describes Wahpeton's net direct debt of \$12,224,000 as far exceeding the US median. **Past practices of debt funding infrastructure cannot be continued at sustainable rates.**

The proposed municipal infrastructure fund in HB 1066, Section 6 would have a **profoundly meaningful impact** on our city. **The prospect of the biennial distributions for essential infrastructure would allow us to strategically link comprehensive plans with fiscal capacity.**

I strongly SUPPORT the "Prairie Dog Bill" and legislation that will assist with the financial resources required to sustain resilient, efficient and essential infrastructure in North Dakota cities.

Submitted with high regard;



Steve Dale, Mayor
City of Wahpeton

WAYNE OLSON
District # 1
(701) 497-3898

JOAN M
HOLLEKIM
District #2
(701) 628-3080

TRUDY
RULAND
District #3
(701) 627-3588

DAN URAN
District #4
(701) 627-3511

GARRY A.
JACOBSON
District #5
(701) 453-3315

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1-15-19

Mountrail County Commissioners

Mountrail County Courthouse
101 North Main Street - Box 69
Stanley, North Dakota 58784-0069
Tel. (701) 628-2145 Fax (701) 628-2276

Dear Chairman Craig Headland and Honorable Members of the House Finance & Taxation:

The Mountrail County Board of Commissioners are in support of HB1066, "Operation Prairie Dog".

For over a decade the oil industry has had an impact in western North Dakota. Mountrail County along with other oil producing counties and political subdivisions need the GPT revenues to provide needed infrastructure and maintain essential services to accommodate the oil industry.

Mountrail County is grateful for the surge money allocated from 2011-2017 to assist with building safe roads and to increase efficiency to the oil industry. Mountrail County spent nearly \$175,000,000 for reconstruction of roads. The majority of the roads were destroyed by the oil industry. We have used the money allotted to provide safe roads not only to the oil industry but for all that use our road system. It is important to understand our needs continue. We have expanded our work force, our equipment needs, built a law enforcement center, housing for employees, etc.; primarily due to the impact of the oil industry.

We need the 30% share of funding provided in HB1066. Not only for essential services but to maintain the roads that have been reconstructed. Mountrail County has 150 miles of paved road, all built to a 20 year life expectancy. The heavily traveled oil roads will not hold up to these standards. In 2019 Mountrail County will be overlaying approximately 9 miles of paved road built in 2012 and 11 miles of road built in 2013. Without adequate funding from the GPT, Mountrail County will not have the means to adequately maintain our paved road system.

We also need certainty. In other words - the 30% formula with no sunset. It's difficult for counties and other entities to plan major projects because of potential legislative changes to the GPT distribution formula and the funding uncertainty that results. We would like to see the legislature to agree upon a permanent distribution level that, while still subject to the changes of the oil price and production, will provide assurance that funds will be available. This will be especially important due to the recent outreach by the industry to more closely collaborate with counties to align their drilling plans with road improvement projects.

Further, with uncertainties in the fluctuation in oil prices, it is imperative that counties be able to maintain a substantial reserve to insure funding is available for future reconstruction of not only our paved roads, but the 250 miles of gravel roads (excluding township roads) throughout Mountrail County. In 2019, Mountrail County will begin construction on an approximate 9 mile road project. The construction, engineering and other costs is anticipated to be around \$20,000,000 and will be fully funded with our share of the GPT revenue. This road is a major artery for the oil industry in western Mountrail County. Mountrail County has many other reconstruction projects in process or on hold waiting for certainty in funding to make long term goals.

Your support in passing HB1066 is greatly appreciated.

Board of Mountrail County Commission

Trudy Ruland, Chairman





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**HB 1066 Testimony to the House Finance and Taxation Committee
Howard Klug, Mayor of Williston, North Dakota
January 15, 2019**

Good morning Chairman and members of the committee. My name is Howard Klug and on behalf of the citizens of Williston I would like to thank you for the opportunity to provide testimony on HB 1066 and the infrastructure funding our state needs.

Since 2006, our community has seen unparalleled growth, adding over 18,000 people to our official population count and tripling our city's footprint. Over the last 10 years, we have worked diligently to plan, design, and build the infrastructure required to support the tremendous growth we have seen. To clarify, the latest data from the Census Bureau shows that US population growth is between 0.7% and 0.9%. Williston's average annual population growth is 2.8% - four times the national average. Conservative projections – barring any global factors that could quickly cause the population to spike – show population growth in Williston placing significant demands for the expansion of infrastructure and related services in order to meet the needs of the community.

That said, I know we are not alone. Several western North Dakota communities affected by the surge in the energy industry are still trying to meet the infrastructural needs of rapid growth. Beyond the Bakken, North Dakota as a whole is facing severe infrastructure challenges. Deteriorating or insufficient infrastructure impedes our state's ability to compete in an increasingly global economy and delaying infrastructure investments only raises the immediate cost and jeopardizes the economic future of our state. From drinking water, to waste water, safe roads and communications lines, long-term solution, intelligently designed infrastructure is the first step to providing North Dakotans with quality of life measures that allow us to compete for and retain a skilled workforce.

HB 1066 gives North Dakota counties, cities, and townships across the state the tools they need to support infrastructure efforts that in turn fuel our economy. From the 90-95% of farmers in rural areas that rely on semi's and North Dakota roads to initially transport their goods and therefore feed our state's largest industry, to oil-patch communities with rapid population growth and infrastructural needs that affect the construction of affordable housing, and cities like West Fargo whose technology companies have attracted young workers and families – making it another fast-growing city in North Dakota – HB 1066's funding formula considers all

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1-15-19
p.2

of our needs and empowers local government bodies to plan for and make the infrastructural improvements their citizens need most.

Success in the modern economy requires sustained infrastructure investment at all levels of government and North Dakota is no exception. By utilizing the proposed formula in HB 1066, oil-producing counties and HUB cities will receive the infrastructure funding they need to support the industry in addition to having the ability to better plan for their needs.

Investing in infrastructure is an investment in our state's successful future. Revising how oil and gas production taxes are allocated is not about investing in western North Dakota, nor is about investing in eastern North Dakota; it is about investing in a strong, unified North Dakota focused on infrastructure that supports economic drive statewide.

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Testimony Presented on House Bill 1066 to the
House Finance and Taxation Committee
Representative Craig Headland, Chair
by Bruce P. Grubb, City Administrator
for the City of Fargo
January 15, 2019

Mr. Chairman and Members of the Committee:

The City of Fargo supports House Bill 1066, to create a municipal infrastructure fund. The fund will provide grants to cities located in non-oil-producing counties to be used for essential infrastructure.

By way of background, the City of Fargo initiated a Specials Assessment Taskforce in August, 2018. The task force is reviewing the history of special assessments in Fargo to include current and past funding methodology for new housing development and upgrading the City of Fargo existing neighborhood infrastructure (streets, arterials, public safety, water & sewer) with the goal of reducing the cost of special assessments to address housing affordability. Combining voter approved infrastructure sales taxes, city utility rates with state financial investment per intent of HB 1066 will provide a new cost share funding model that will provide tangible results in achieving our affordable housing goal.

The definition of essential infrastructure includes both new and replacement infrastructure. The need for replacement of aging and end-of-life infrastructure is common to all cities in North Dakota. I am confident that the committee will receive similar supporting testimony from other cities and we ask that the committee accept this testimony on behalf of the City of Fargo. The infrastructure needs in Fargo will be significant for the foreseeable future as explained in the following sections.

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Water Utility Capital Improvements Plan (CIP)

Recently, Fargo has expanded its role as a regional provider of water and sewer services with the addition of the City of West Fargo as a regional partner. An essential element of regional water and sewer systems is adequate infrastructure and treatment capacity to accommodate the regional service area .

Fargo is presently completing a \$110 million expansion of its water treatment plant which will increase the treatment capacity from 30 million gallons per day (MGD) to 45 MGD. This increase in capacity will be sufficient to serve the regional water system well in to the future. On an annual basis the Water Utility updates a 10-year CIP for the water treatment plant and related infrastructure (water towers, etc.) that are not located in the public right-of-way. Over the next 10-years, the Water Utility CIP identifies approximately \$200 million in infrastructure needs. Presently, the City of Fargo funds the Water Utility infrastructure through special assessments, sales tax and water utility rates.

Water distribution system infrastructure located within the public right-of way is included in the City Engineering 10-year CIP.

Wastewater Utility CIP

Additionally, Fargo will begin construction on a \$140 million expansion of its wastewater treatment plant to increase its capacity from 26 MGD to 50 MGD. Similarly, this increase in capacity will be sufficient to serve the regional wastewater system well in to the future. On an annual basis the Wastewater Utility updates a 10-year CIP for the wastewater treatment plant and related infrastructure (wastewater lift stations, etc.) that are not located in the public right-of-way. Over

the next 10-years, the Wastewater Utility CIP identifies approximately \$175 million in infrastructure needs. Presently, the City of Fargo funds the Wastewater Utility infrastructure through special assessments, sales tax and wastewater utility rates.

Wastewater distribution system infrastructure located within the public right-of way is included in the City Engineering 10-year CIP.

City Engineering CIP

Similar to the Water and Wastewater Utilities, on an annual basis the City Engineer's office updates a 10-year CIP for streets, storm sewer and related infrastructure not included in the Water and Wastewater Utility CIPs. The City Engineering CIP is produced based on the following factors:

- Pavement Condition Index
- Water Main Break History
- Street Lighting/Traffic Signal Needs
- Coordination with Public Works Department
- Coordination with Planning Department

Over the next 10-years, the City Engineering CIP identifies approximately \$700 million in street and storm sewer infrastructure needs. Presently, the City of Fargo funds the City Engineering CIP infrastructure through special assessments, sales tax and water, wastewater, storm sewer and street light utility rates.

Based on the historic replacement schedule for infrastructure contained in the City Engineering CIP, the following table illustrates the critical need for additional funding.

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Category	Fargo Total	Expected Life	Expected Replacement	Actual Replacement	Required Life
Water Main	545.46 miles	120 yrs.	4.55 miles	1.23 miles	444 yrs.
Sanitary Sewer	540.03 miles	100 yrs.	5.40 miles	2.32 miles	232 yrs.
Concrete Pvmnt.	3,908,797 SY	80 yrs.	48,860 SY	56,260 SY	69 yrs.
Asphalt Pvmnt .	5,333,987 SY	50 yrs.	106,680 SY	26,480 SY	201 yrs.
Combined Pvmnt.	9,242,784 SY	63 yrs.	147,443 SY	82,740 SY	112 yrs.

The City of Fargo greatly appreciates the committee's consideration of this written testimony and supports a Do Pass of House Bill 1066.

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1-15-19

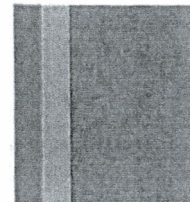
City of Lignite

POBox232

Lignite ND 58752

lignite@nccray.net

701-933-2850



01/10/2019

Dear Chairman Headland and Committee members:

The City of Lignite is sending this letter in support of HB1066 Operation Prairie Dog. We are a small community of 240 in northwestern North Dakota. Our water and sewer systems are 65 plus years old and are in need of repair as are our streets. As with other small communities we cannot assess property tax for large infrastructure repairs and updates because of the expense to our small population. The dollars that would be available from HB 1066 would be a needed help with infrastructure updates. When a small city can improve their infrastructure their ability to attract business increases. With the potential for additional business the workforce increases and with that an increase in population.

This revision to the distribution formula and sharing of oil taxes with non-oil regions should be a permanent state plan for supporting the infrastructure needs of North Dakota communities.

Sincerely,

City of Lignite

John Kautson
Auditor



City of Bowbells

100 Main Street NW
Bowbells ND 58721-0100
701-377-2608
bowbells@nccray.com

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1-15-19
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January 9, 2019

Dear Chairman Headland and Committee members:

The City of Bowbells highly supports Operation Prairie Dog, HB 1066. This bill would greatly help with the City of Bowbells infrastructure funding such as ongoing maintenance of streets, water and sewer. As for the maintenance of our city streets, which are highly in need of repairs, there really is no other viable funding option other than from our state oil and gas revenue disbursements. Small cities like us with a population of 336 people need all the help we can get.

The majority of our municipal funding comes from the oil and gas revenues distributed from the state. Municipal property tax revenues are a very minor portion of our funding structure. Our few commercial properties and residential dwellings are only worth what our residents are willing to pay. It is a constant struggle to cover our ever increasing variable costs of providing water, sewer and sanitation while keeping our monthly utilities billing to our residents reasonable comparable to what larger cities provide their residents. Small towns such as Bowbells, which are not growing for all of the reasons small rural towns can't grow, cannot expect to maintain our populations, let alone be able to grow, if the costs of living here exceed the value we can provide. Keeping or attracting simple services such as a local grocery store or even a coffee shop are all but impossible, due the lack of competition from the larger centers offering more, better and cheaper options. The cost to access those options in the larger centers increases the cost of living towns such as ours.

Funding options such as assessment to property tax for large infrastructure expense is not really an option for us. This is because of the increased cost of living that will cause for our small population. The first infrastructure expenses we must undertake will be to maintain essential service. and most likely will only maintain, not increase the quality of life, of our residents. A lot of our residents do have options whether they remain residents of Bowbells, they can choose to leave if we cannot provide the quality of life they can achieve elsewhere. In any event, any cost increase our government causes for our residents and property owners directly effects the value of their residency and property under our governance. This really leaves us no other funding source for the major infrastructure expenses but from our state oil and gas revenue disbursement

As far as real and current problems we are facing, for which application of revenues from Operation Prairie Dog HB 1066 can and will solve, just to name a few:

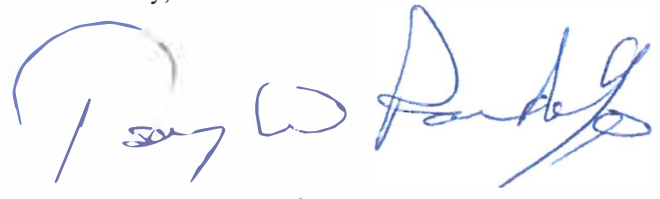
1. Numerous manholes needing renovation.
2. We have water distribution and quality issues which must be addressed./
3. Water tower repair issues in great need of attention.
4. Our street pavement is in dire condition due to normal aging.
5. Numerous commercial and residential structures must soon be removed for health and safety reasons.



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This revision to the distribution formula and sharing of oil taxes with non-oil regions should be a permanent and a long term state plan for supporting the infrastructure needs of North Dakota communities. P. 2

Sincerely,



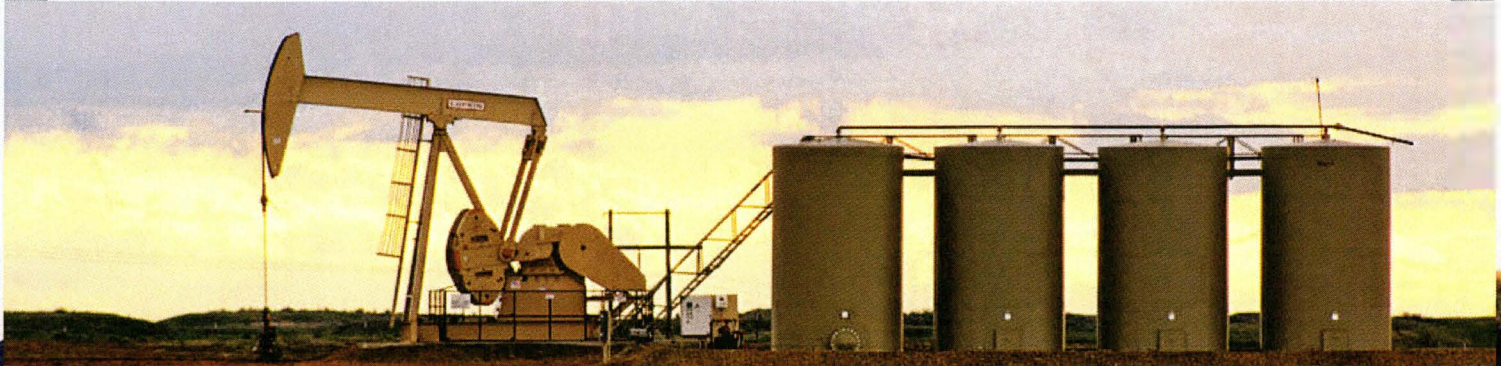
Anthony W. Pandolfo
Mayor

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MCKENZIE COUNTY

INVESTMENT FOR NORTH DAKOTA'S SUCCESS



OUR SUCCESS IS NORTH DAKOTA'S SUCCESS. Gross Production Tax funding is vital to McKenzie County's ability to support safe, reliable infrastructure for its citizens and the oil and gas industries.

BUILDING FOR INDUSTRIAL DEVELOPMENT IN NORTH DAKOTA

McKenzie County is the backbone of North Dakota oil and gas production. This industry is part of our State today, and will be well into the future. With current technologies, ND Director of Mineral Resources Lynn Helms predicts the Bakken will continue high levels of production into 2045. McKenzie County has added 3,800 new producing wells since 2010 with an additional 5,000 wells anticipated by 2025 under a moderate price scenario.

County leaders have identified three main priorities to continue providing for the long-term success of a critical part of our State's economy. McKenzie County initiated a comprehensive five-year plan for **transportation**. Additionally, the county prioritized **affordable housing, healthcare, and daycare** as critical components for the future.



from McKenzie County

STATE BUCKETS FUNDED BY OIL & GAS TAXES

- Legacy Fund
- Counties and Cities
- General Fund
- Resources and Trust Fund
- Strategic Investment and Improvement Fund
- Three Affiliated Tribes Fund
- Tax Relief Fund
- Foundation Aid and Stabilization Fund
- Common Schools Trust Fund

MCKENZIE COUNTY WILL CONTRIBUTE OVER \$1 BILLION OF THE OIL AND GAS TAXES IN NORTH DAKOTA BY THE END OF THE CURRENT BIENNIUM (2017-2019).



MCKENZIE COUNTY TOP THREE PRIORITIES

TRANSPORTATION | AFFORDABLE HOUSING | HEALTHCARE & DAYCARE

TRANSPORTATION

\$300M
NEEDED

Our highest priority is maintaining and providing safe and adequate roads for our citizens. This priority is reflected in our budget and five-year transportation plan. The oil and gas industry has invested heavily in McKenzie County, which hosts 40% of the drilling rigs, 64 industrial facilities, and 5,000 producing wells. Production forecasts predict County producing wells will double by 2025. It is imperative the State continue to provide **adequate funding through gross production tax (GPT)** for us to build the industrial transportation system required for efficient and successful development of this valuable resource.

64 INDUSTRIAL FACILITIES AND \$645M INVESTED

- 47 salt water disposal facilities
- 5 crude terminals facilities
- 3 environmental waste facilities
- 9 gas plants
- 5 gas plant expansions by 2020 = \$1.3B additional investment

PRODUCTION IN MCKENZIE COUNTY

- 40% oil production
- 50% natural gas production
- 40% drilling rigs
- 5,000 producing wells
- Over \$1B in oil taxes from McKenzie County this biennium (2017-2019)

WHAT NEEDS TO BE DONE IN THE NEXT FIVE YEARS

In the next five years, it is estimated the County will need to spend over **\$300 million** to continue meeting the demands associated with industrial and community development. County roads are not the only infrastructure needed to support continued development. Highway 85, a two-lane State highway, needs to be expanded into four lanes to provide safe traffic flow through the region. The airport has become an entrance to the region for private aircraft and to safely meet the increased traffic, a \$20.6 million expansion will be required.

\$300M
Infrastructure
Improvements

150
miles

Pavement

15
miles

City Arterial
Roads

200
miles

Chip Seal/
Overlays

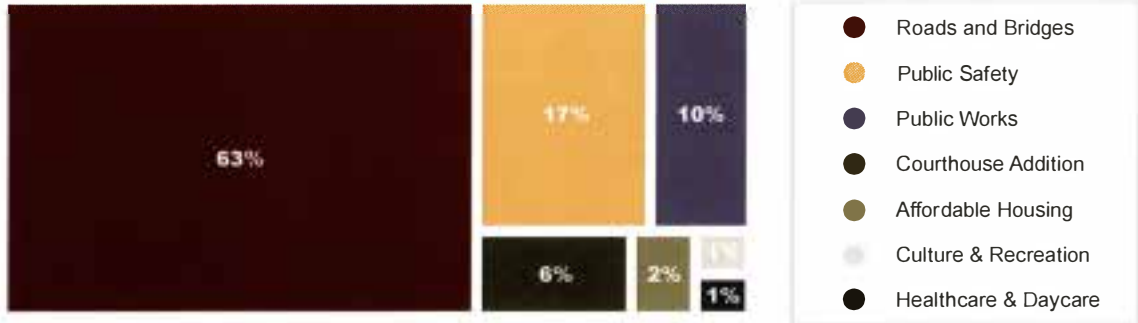
15
miles

Gravel
Reconstruction

25

Bridges/
Structures

CAPITAL INVESTMENTS
2010-2018



\$292M in Capital Investments 2010-2018 | **\$300M NEEDED OVER THE NEXT FIVE YEARS.**

AFFORDABLE HOUSING



As growth stressed housing opportunities, the County took the lead in developing affordable housing. Through direct investments and collaboration with the city and school district, the County invested in the Wolf Run housing complex. This complex provides quality housing for essential workers, such as teachers, law enforcement officers, and social workers. As funding allows, McKenzie County will continue to prioritize investments in affordable housing for seniors and income-sensitive workers.

HEALTHCARE & DAYCARE



The McKenzie County Healthcare System, a new state-of-the-art \$76.3 million facility, opened in June 2018. County leadership recognized this benefit to all residents and committed \$2.5 million to support the project over five years.

The County provides ongoing and dedicated funds to support other essential services with an annual appropriation to support the new Wolf Pup Daycare, which provides childcare to 200 children in the region. GPT and other State funding is critical to continue and expand our support for these services.



From 2010 to 2018, enrollment in McKenzie County public schools INCREASED 154% (927 to 2,356). This reflects the sustainable, long term jobs associated with oil production, which INCREASED 880% (53,000 bbl/day to 520,000 bbl/day) in the same eight years.

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MCKENZIE COUNTY

BY THE NUMBERS

INDUSTRIAL COMMITMENT

- \$645M invested in 64 industrial facilities
 - 3 environmental waste facilities
 - 5 crude terminal facilities
 - 47 salt water disposal facilities
 - 9 gas plants
 - 5 gas plant expansions by 2020 = \$1.3B

COMMUNITY FACILITIES

- \$107M in capital investments since 2010
 - \$51M public safety facility (128 bed LE Center)
 - \$16.2M courthouse remodel & expansion
 - \$28.3M public works facilities
 - \$6.8M affordable housing
 - \$2.6M culture, recreation, education
 - \$2.7M healthcare & daycare

INFRASTRUCTURE INVESTMENT

- \$185M in road infrastructure investments since 2010
 - \$151M - 128 miles pavement
 - \$28M - 97 miles gravel reconstruction
 - \$6M - 14 bridges/structures

SUSTAINABLE GROWTH

- 40% of drilling rigs in McKenzie County
- 40% oil & 50% gas produced in McKenzie County
- 40% of oil & gas taxes from McKenzie County
- 5,000 producing wells – 10,000 by 2025
- 8,000 production jobs in McKenzie County
 - 16,000 needed by 2023
 - 22,000 needed by 2045

VIBRANT SCHOOLS

- Countywide school enrollment
 - Increased by 154% since 2010 – 927 to 2,356
- McKenzie County population (2017 census estimate)
 - Increased by 99% since 2010 – 6,409 to 12,724

OIL & GAS PRODUCTION & TAX REVENUE

- Oil - 520,000 bbl/day in McKenzie County (40%)
- Gas - 1.2M MCF/day McKenzie County (50%)
- McKenzie County provided over \$1B in oil taxes in the 2017-2019 biennium
- Statewide oil tax benefits from all counties 2008-2018
 - Legacy Fund \$6.0 Billion
 - State General Fund \$1.4 Billion
 - Transportation \$4.5 Billion
 - Property Tax Relief \$1.2 Billion
 - Education \$1.5 Billion
 - Water Projects \$1.5 Billion
 - \$16 Billion

PROPERTY TAXES & DEBT (2010-2017)

- 1062% increase in taxable valuation - \$21.2M to \$246.8M
- 424% increase in dollars levied - \$833K to \$4.4M
- \$47M in debt (law enforcement center)
 - \$4.8M Annual Payment

STATE REVENUE & GRANTS TO MCKENZIE COUNTY 2010-2017

- GPT General Fund \$268 Million
- Unorganized Township Roads \$11 Million
- Surge Funding \$48 Million
- Energy Impact Grants \$2 Million

HOW IT WAS INVESTED

- Road & Bridge Infrastructure \$185 Million
- Road & Bridge Operations \$35 Million
- Capital Facilities \$107 Million
- Landfill Expansions \$9 Million

STAFFING & PAYROLL (2010-2017)

- 225% increase in employees - 72 to 234 FTE
- 243% increase in payroll expense - \$4.2M to \$14.4M
- 288% increase in Sheriff's Office staff - 8 to 31 FTE
- 784% increase in Sheriff's Office budget - \$1M to \$9M

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1-15-19
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MUNICIPAL AIRPORT AUTHORITY OF THE CITY OF FARGO

January 14, 2019

RE: Testimony to the House Finance and Taxation Committee on HB 1066

Dear Chairman Headland and members of the committee,

Thank you for the opportunity to provide testimony of HB 1066. I am Shawn Dobberstein, and on behalf of Fargo's Hector International Airport, we are writing to voice our support of HB1066 and the \$50 million infrastructure fund it creates for airport infrastructure grants.

Airports are a valuable asset for North Dakota's economy and touch all major industries, including agriculture, manufacturing, healthcare, tourism, energy and technology. According to the 2015 Statewide Economic Impact of Aviation study, North Dakota's 89 airports generate an economic impact of \$1.56 billion annually and employ 4,439 individuals.

Fargo's Hector International Airport has an estimated \$388 million annual economic impact to the State of North Dakota according to the 2015 Statewide Economic Impact of Aviation study. We know that the annual economic impact has significantly increased since 2015.

Passenger traffic continues to grow at the Fargo Airport. Our passenger boardings for CY2018 increased 7.5% over CY2017. Our cargo traffic has increased over 10.5% from CY2017 to CY2018. December 2018 was up 61% over December 2017. This is due in part to UPS opening a gateway cargo facility in Fargo on November 5, 2018. FedEx opened a cargo gateway in Fargo November 2016.

Due to our significant cargo growth, it requires the Fargo Airport Authority to expand our cargo apron and associated infrastructure to support additional hangars and cargo sort buildings. The estimated cost for these improvements is \$12.5 million. We have applied for a federal grant with no guarantee we will be successful.

We are planning to construct a Skyway that will extend the passenger terminal toward our pay parking lot to shorten the walk for customers to get out of the weather elements. This project could be the first phase of another project, which could be the construction of a parking garage. The proposed Skyway estimated cost is \$15 million. We will be using a combination of reserve funds and short-term loans to fund the proposed Skyway project.

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We need additional snow removal equipment estimated to cost in excess of \$2 million. We do not have funds for this need. We need to expand our equipment storage building at an estimated cost of \$2 million. We need to expand our passenger terminal to add a sixth boarding bridge. The estimated cost is \$6 million.

Our current Capital Improvement Program (CIP) on file with the Federal Aviation Administration totals \$107,450,000. Our current annual entitlement funds from the Airport Improvement Program is \$3 million per year. We compete for discretionary federal funding for each project. The need for additional State funds has been necessary for years. We need to keep up with the demand placed upon the airports by our passengers and us by aviation users.

The consequences of not receiving timely and adequate funding delays our ability to meet the demands and expectations of our users. Project delays usually increase costs and strains the limited funds that are available. It is difficult for airports to complete projects without financial assistance from the state. We are very appreciative of the annual funding we receive from the state.

HB 1066 would provide a significant boost to airports to allow them to move forward with priority improvements that will improve our ability to address aged infrastructure and equipment, expand capacity, and enhance safety and security.

In conclusion, we ask that you support HB 1066 as written. Airports are a vital to the state's economy and this bill would assure airports throughout the state have a long-term funding source to aide in capital project development. Again, I appreciate the opportunity to provide testimony of HB1066.

Respectfully,

Shawn A. Dobberstein, AAE

Shawn A. Dobberstein, AAE
Executive Director

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Testimony to
House Finance and Taxation Committee
on
HB 1066
Greg Haug, Airport Director, Bismarck Airport
January 15, 2019

Dear Chairman Headland and members of the committee,

Thank you for the opportunity to provide testimony of HB 1066. I am Greg Haug, Director of the Bismarck Airport. On behalf of Bismarck Airport, I am writing to voice support for HB1066 and the \$50 million infrastructure fund it creates for airport improvement grants.

Airports are a valuable asset for North Dakota's economy and touch all major industries, including agriculture, manufacturing, healthcare, tourism, energy and technology. According to the 2015 Statewide Economic Impact of Aviation study, North Dakota's 89 airports generate an economic impact of \$1.56 billion annually and employ 4,439 individuals. Bismarck Airport alone contributes an estimated \$279 million annually to the local economy.

Passengers numbers at the Bismarck Airport have continued to grow, even through the economic down turn in 2015 and 2016. Last year was Bismarck's 9th straight year of record enplanements with 282,363 passengers boarding airlines at the Bismarck Airport, an increase of 3.5% over 2017. It won't be long before we are considering a terminal expansion to accommodate the increase in passenger traffic.

Bismarck Airport is completing the largest project it's ever undertaken in 2019 and has several more important projects coming in the next few years. In 2019 the airport will finish the total reconstruction of the main runway, a three-year project with a total cost of \$63 million. The Federal Aviation Administration (FAA) funded 70% of the project, the ND Aeronautics Commission 5% and the City of Bismarck 25%. The original estimate for the runway project was \$70 million but we were fortunate to get good bids on each phase and we received some more discretionary funding from the FAA. The FAA's original funding commitment to Bismarck was 53%. Simply put, FAA does not have enough funds to match large projects to 90%, the State and Local match required in today's world is much higher.

Looking beyond 2019, the airport has an \$18 million wetland project to improve safety of the flying public and to remove moisture away from the newly constructed main runway. The airport needs to expand the commercial ramp and strengthen a taxiway for a new cargo operation that is going to begin in 2019. Also, the airport is in need of new snow removal equipment, and needs to replace an aging fire truck.

Overall, the airport's 5 year capital needs total an estimated \$42 million dollars. With \$2 million in entitlement funding coming from the FAA every year, the remaining federal funds must come from a discretionary pot, which Bismarck has to compete for on a nationwide level. Plus, if that's not

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competitive enough, the federal Airport Improvement Program (AIP) funding has remained flat since 2001.

By not completing projects, we are not meeting the needs and demands of citizens and businesses of our community and state. This hampers growth of the economy and can put a great deal of burden on current facilities and operations. Delaying projects also adds to the costs, which puts an even greater demand on future funds.

State funding is crucial to Bismarck, it has assisted us on many past projects and will continue to be an important piece of future financial plans. The Bismarck Airport is very appreciative of the past support the legislature has given to Bismarck through the ND Aeronautics Commission.

In conclusion, we ask that you support HB 1066 as written. Airports are a vital to the state's economy and this bill would assure airports throughout the state have a long term funding source to aide in capital project development. Again, I appreciate the opportunity to provide testimony of HB1066.

Respectfully,


Gregory B. Haug
Airport Director

Dickinson
Theodore Roosevelt
REGIONAL AIRPORT

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Letter of Support

HOUSE FINANCE AND TAXATION COMMITTEE

HB 1066 Operation Prairie Dog

January 15, 2019

Committee Chairperson,

Dickinson, ND is an emerging community and the Theodore Roosevelt Regional Airport plays a vital role, airports are a corner stone for economic sustainability.

As we plan for the future of the Dickinson airport, federal, state and local dollars will need to be invested into our community and specifically our airport to accomplish this goal:

The Dickinson airport has seen many changes over the years. The most significant of these was United Airlines providing service to the airport with 50 seat passenger jets. This change in commercial service requires the airport to upgrade its infrastructure to meet current and future demands.

The FAA accepted the airports comprehensive master plan in early 2017 which provides guidance and justification for current and future projects.

The airport's environmental assessment was completed in September, of 2017, and a finding of no significant impact has been issued. With the EA complete and, a FONSI issued, the airport has begun developing construction plans for projects that will continue through 2022.

At the beginning of 2017 the airport also developed an in-depth and comprehensive land use plan which was codified by both the City of Dickinson and Stark County late November 2017. This land use plan protects the airport and its airspace from encroachment and identifies compatible use for the areas surrounding the airport.

The existing airfield is currently 6400 feet long by 100 feet wide and has a weight bearing capacity of 37,000 pounds. Based aircraft at the airport include, 28 single-engine, 4 multiengine, and 1 jet aircraft.

In 2018 the airport boarded 22,592 passengers and this trend is expected to continue through 2019. It is important to note that this number exceeds the FAA's terminal forecast of 17,591 passengers in the year 2020, and aircraft operations are already in excess of the FAA's 2035 predictions.

Kelly L. Braun, Airport Manager
11120 42nd St. SW Suite A • Dickinson, ND 58601
Phone: 701-483-1062 • Fax: 701-483-1072
www.dickinsonairport.com

Dickinson
Theodore Roosevelt
REGIONAL AIRPORT

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Proposed development at the airport to meet current and future demands will require the existing runway to be extended to 7300' x 150' with a weight bearing capacity of 90,000 pounds. It will also require that the runway be shifted 1700 feet to the North West to bring the runway safety areas and runway protection zones into federal compliance. This will require property acquisition of 184.9 acres and 39.4 acres of avigation easements. It will also require the relocation of existing NAVAIDS, and the development of new instrument approach and departure procedures.

To ensure operations and commercial service at the airport continue uninterrupted, a full-length parallel taxiway will be constructed and used as a temporary runway, while the main runway undergoes reconstruction.

To accomplish this multiyear project the anticipated financial needs total \$64M. The Federal share for this project would be \$40M, State share would be \$20M, and the remainder would be the local airport share at \$4M.

This bill has realigned how the oil and gas extraction tax revenues are distributed and it creates a new \$50 million Airport Infrastructure fund that will be administered by the North Dakota Aeronautics Commission. Under the new funding formula, all airports in the state will be eligible to receive grant funding through this \$50 million fund. Securing these funds on the State level will also secure Federal FAA funds and ensure that these vital airport projects across the state are completed on schedule.

The community of Dickinson is supportive of the investments in its local Airport and recognizes it as a viable asset, now and in the future. On behalf of the Dickinson airport, I ask that, HB 1066 receives a "do pass" from this committee.

Your thoughtful consideration of funding for state aviation projects is appreciated.

Respectfully,


Kelly Braun C.M.

Kelly L. Braun, Airport Manager
11120 42nd St. SW Suite A • Dickinson, ND 58601
Phone: 701-483-1062 • Fax: 701-483-1072
www.dickinsonairport.com

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1/8/2019

RE: Testimony to the House Finance and Taxation Committee on HB 1066

Dear Chairman Headland and members of the committee,

Thank you for the opportunity to provide testimony of HB 1066. I am Shawn Anderson, and On behalf of Barnes County Municipal Airport we are writing to voice our support of HB1066 and the \$50 million infrastructure fund it creates for airport infrastructure grants.

Airports are a valuable asset for North Dakota's economy and touch all major industries, including agriculture, manufacturing, healthcare, tourism, energy and technology. According to the 2015 Statewide Economic Impact of Aviation study, North Dakota's 89 airports generate an economic impact of \$1.56 billion annually and employ 4,439 individuals.

Our airport supports many different businesses. Air Med should be on the top of all our discussions. So many people don't think or care about the airport until one of them need the service. We have doctors, Medical personal and management fly in monthly. John Deere Seeding Group engineers and management frequent. During construction season Federal DOT fly in to observe projects. National Guard uses every airport at certain times of need. Spray pilots use airport nonstop when crops need protecting. Private pilots use all the airports for many uses, whether its for enjoyment or spending money in our towns.

With all this traffic we need to stay safe. We recently finished installing a wildlife fence to keep the airport safe, especially for night flights. Our PAPI (guidance system for landing) and Beacon are old and not working. Some parts are not available.

Our next project is to replace them.

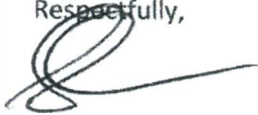
These projects are usually funded 90% federal, 5% state and 5% local. We can't do these projects without your help. For small GA Airports if we can't get funding the projects do not happen.

Passing this bill is very important it would help secure airport safety and allowing them to operate 24/7. Without funding, to be safe some night operations may have to be cancelled.

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In conclusion, we ask that you support HB 1066 as written. Airports are a vital to the state's economy and this bill would assure airports throughout the state have a long term funding source to aide in capital project development. Again, I appreciate the opportunity to provide testimony of HB1066.

Respectfully,



Shawn Anderson

Chairman

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1/14/19

RE: Testimony to the House Finance and Taxation Committee on HB 1066

Dear Chairman Headland and members of the committee,

Thank you for the opportunity to provide testimony of HB 1066. I am Robbie Grande, and On behalf of the West Fargo Municipal Airport we are writing to voice our support of HB1066 and the \$50 million infrastructure fund it creates for airport infrastructure grants.

Airports are a valuable asset for North Dakota's economy and touch all major industries, including agriculture, manufacturing, healthcare, tourism, energy and technology. According to the 2015 Statewide Economic Impact of Aviation study, North Dakota's 89 airports generate an economic impact of \$1.56 billion annually and employ 4,439 individuals.

This Bill would help with the future sustainment and growth of the West Fargo Municipal Airport along with the other small airports in the State. The West Fargo Airport alone has a direct and indirect economic impacts of over \$1.2 million annually. The additional funding would allow West Fargo to make needed pavement repairs and upgrades, allow us to construct additional hangars to address the shortage of aircraft storage spaces in the area.

In conclusion, we ask that you support HB 1066 as written. Airports are a vital to the state's economy and this bill would assure airports throughout the state have a long term funding source to aide in capital project development. Again, I appreciate the opportunity to provide testimony of HB1066.

Respectfully,



Robbie Grande

West Fargo Municipal Airport Manager



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**HB 1066 Testimony to the House Finance and Taxation Committee
Anthony Dudas, Airport Director – Williston, North Dakota
January 15, 2019**

Dear Chairman Headland and members of the committee,

Thank you for the opportunity to provide testimony of HB 1066. My name is Anthony Dudas, Airport Director for Sloulin Field International Airport (ISN) and Williston Basin International Airport (XWA) addressing you on behalf of the City of Williston. I am writing to voice our support of HB1066 and the \$50 million infrastructure fund it creates for airport infrastructure grants across the state.

Airports are a valuable asset for North Dakota's economy and support all major industries, including agriculture, manufacturing, healthcare, tourism, energy and technology. According to the 2015 Statewide Economic Impact of Aviation study, North Dakota's 89 airports generate an economic impact of \$1.56 billion annually and employ 4,439 individuals.

The State of ND economic impact study for Sloulin Field International Airport in Williston, ND showed the airport contributes to 1,474 jobs. In addition to this employment, the total economic impact from visitors utilizing our facilities is more than \$209M.

The Williston Basin Region experienced explosive economic growth from 2009 through 2015. Commercial jet aircraft began regular operation in 2012, which presented many safety and design challenges at Sloulin Field International Airport. These aircraft are operating at more than twice the weight bearing capacity of our current runway. This resulted in a more than 1,000% increase in passengers utilizing our facility. During that time, the City of Williston undertook an extensive planning effort, which included coordination with the Federal Aviation Administration (FAA) and North Dakota Aeronautics Commission (NDAC). Through this effort, an alternative solution to relocate our existing airport adjacent to the new Williston Highway 2 by-pass funded by the State was selected as the most viable, productive solution to demand challenges. This solution allows for the construction of an airport that meets all required FAA safety standards, the opportunity for future expansion, and yielded the least environmental and community impact, while providing continued air service.

The level of support the City of Williston has received from the state was instrumental in securing FAA funding to construct this project. The legislature earmarked \$55M during the previous biennium for the XWA project. Since then, we have worked through the planning and construction phases of this project at a blistering pace, the fastest project of this kind since World War II, because of the flexibility these funds have provided.

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Without additional support, it is highly likely this project would be delayed and the local communities would incur an even greater debt burden and financial strain. The effects of delay would likely require the City of Williston to reconstruct several pavement areas (runways & taxiways) to ensure safe operations of the currently overweight aircraft past 2019. Additionally, the airline industry is moving toward even larger aircraft, which cannot operate at Sloulin Field for more than 1 year without substantial and costly repair or reconstruction. This reconstruction would close our facility and create a large economic impact to the air carriers, industries, and the communities that rely on our airport.

To date, the state of ND has provided \$55M, FAA \$120M, and the remaining \$90M to be the obligation of the City of Williston. This is a substantial obligation for the City to undertake and we hope to receive additional support from the State and FAA to be close to a 50% FAA, 25% state, and 25% local split for these costs. Our airport plays a key role in allowing our area's industries to operate and generate taxable revenue that benefits the entire state. While we have done what we can to meet demands at our existing airport, the successful completion of the new facility is vital to our economy and ultimately the state's economy. Additional funds provided through HB 1066 would help ensure the timely completion of the XWA project and prevent further loss of air service and taxable revenue.

HB 1066 will allow the NDAC the flexibility to prioritize and plan airport projects around the state, as most have large infrastructure improvement needs in order to maintain safe, consistent service to the citizens and industries we serve. If the City of Williston were granted additional state funding for our airport – the largest infrastructure project we have ever undertaken – through this bill, it would greatly assist the City in completing a development that will generate a positive economic impact locally, for our region, and for the state.

In conclusion, we ask that you support HB 1066 as written to support airports as vital infrastructure. This bill would ensure airports throughout the state have a long term funding source to aide in capital project development. Again, I appreciate the opportunity to provide testimony of HB1066.

Respectfully,

Anthony Dudas | Airport Director
City of Williston | Sloulin Field International Airport
402 Airport Rd, Williston, ND 58801
P. 701-774-8594 | F. 701-774-8594

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1066

Page 17, line 9, after "next" insert "thirty million three hundred seventy-five thousand dollars, or the amount necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7, into the municipal infrastructure fund;

- 8. The next four hundred million dollars into the strategic investment and improvements fund;
- 9. An amount equal to the deposit under subsection 7 into the county and township infrastructure fund;
- 10. The next one hundred sixty-nine million two hundred fifty thousand dollars or the amount necessary to provide a total of"

Page 17, line 9 after "into" insert "the"

Page 17, line 10, after "counties" insert "under sections 57-51.1-07.7 and 57-51.1-07.8"

Page 17, line 13, replace "8." with "11."

Page 17, line 13, replace "fifty" with "twenty"

Page 17, line 14, replace "9." with "12."

Page 20, line 11, after "infrastructure" insert ", excluding fiber optic infrastructure"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The schedule below compares the 2019-21 biennium oil and gas tax allocation formulas under current law to House Bill No. 1066 and the proposed amendment to House Bill No. 1066 [19.0560.02004].

2019-21 Biennium Oil and Gas Tax Allocation Formulas		
Current Law	House Bill No. 1066 As Introduced	Proposed Amendment [19.0560.02004]
Hub city definition <ul style="list-style-type: none"> A hub city is based on mining employment. 	Hub city definition <ul style="list-style-type: none"> A hub city must be located in an oil-producing county. 	Hub city definition <ul style="list-style-type: none"> Same as House Bill No. 1066.
Hub city and hub city school district allocations <ul style="list-style-type: none"> Hub cities located in oil-producing counties receive an annual allocation of \$375,000 per full or partial percentage point of mining employment exceeding 2 percent. 	Hub city and hub city school district allocations <ul style="list-style-type: none"> A total of \$22 million per year is available for distribution to hub cities, and the allocations are proportional to each hub city's impact percentage score relative to the combined total of all the hub cities' impact percentage scores. The impact percentage scores are based on mining employment, mining establishments, oil production, and population. 	Hub city and hub city school district allocations <ul style="list-style-type: none"> Same as House Bill No. 1066.

<ul style="list-style-type: none"> • Hub cities located in non-oil-producing counties receive an annual allocation of \$250,000 per full or partial percentage point of mining employment exceeding 2 percent. • Hub city school districts in oil-producing counties receive an annual allocation of \$125,000 per full or partial percentage point of mining employment exceeding 2 percent. 	<ul style="list-style-type: none"> • Removes allocations to hub cities located in non-oil-producing counties. • A total of \$6 million per year is available for distribution to hub city school districts, and the allocations are based on the same impact percentage scores used for the hub city allocations. 	<ul style="list-style-type: none"> • Same as House Bill No. 1066. • Same as House Bill No. 1066.
<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> • Eligible counties receive an annual allocation to provide a specific amount for the benefit of the school districts based on prior amounts of oil and gas tax allocations received by the county. The specific amounts range from \$500,000 to \$1.5 million per year. 	<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> • No change to current law. 	<p>Supplemental school district allocation</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
<p>Funding source for hub city, hub city school district, and supplemental school district allocations</p> <ul style="list-style-type: none"> • The amounts needed for the allocations are derived from the 1 percent of the 5 percent gross production tax. 	<p>Funding source for hub city, hub city school district, and supplemental school district allocations</p> <ul style="list-style-type: none"> • The amounts needed for the allocations are derived from the 4 percent of the 5 percent gross production tax, of which 70 percent is from the state share and 30 percent is from the political subdivision share. 	<p>Funding source for hub city, hub city school district, and supplemental school district allocations</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
<p>North Dakota outdoor heritage fund allocations</p> <ul style="list-style-type: none"> • From the 1 percent of the 5 percent gross production tax, 8 percent is allocated to the North Dakota outdoor heritage fund, up to \$20 million per fiscal year. 	<p>North Dakota outdoor heritage fund allocations</p> <ul style="list-style-type: none"> • No change to current law. 	<p>North Dakota outdoor heritage fund allocations</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
<p>Abandoned oil and gas well plugging and site reclamation fund allocations</p> <ul style="list-style-type: none"> • From the 1 percent of the 5 percent gross production tax, 4 percent is allocated to the abandoned oil and gas well plugging and site reclamation fund, up to \$7.5 million per fiscal year. 	<p>Abandoned oil and gas well plugging and site reclamation fund allocations</p> <ul style="list-style-type: none"> • No change to current law. 	<p>Abandoned oil and gas well plugging and site reclamation fund allocations</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
<p>Oil and gas impact grant fund allocations</p> <ul style="list-style-type: none"> • Up to \$5 million per biennium is allocated to the oil and gas impact grant fund. 	<p>Oil and gas impact grant fund allocations</p> <ul style="list-style-type: none"> • Removes the allocations to the oil and gas impact grant fund. 	<p>Oil and gas impact grant fund allocations</p> <ul style="list-style-type: none"> • Same as House Bill No. 1066.
<p>Distributions to political subdivisions</p>	<p>Distributions to political subdivisions</p>	<p>Distributions to political subdivisions</p>

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- The distributions to political subdivisions are based on the oil and gas tax allocations received by a county in the most recently completed even-numbered fiscal year.
- From the 4 percent of the 5 percent oil and gas gross production tax, 30 percent of all revenue above \$5 million is allocated to the county with the remaining 70 percent allocated to the state.
- The distributions to political subdivisions are as follows:

	Counties - Less Than \$5 Million	Counties - \$5 Million or More
County	45%	60%
Cities	20%	20%
Schools	35%	5%
Townships		
Equal		3%
Road miles		3%
Hub cities		9%

- The 9 percent allocation to hub cities is distributed based on mining employment with 60 percent to the hub city with the highest mining employment, 30 percent to the hub city with the second highest mining employment, and 10 percent to the hub city with the third highest mining employment.

State's share ("buckets") statutory allocations

- \$200 million - General fund
- \$200 million - Tax relief fund
- \$75 million - Budget stabilization fund
- \$100 million - General fund
- \$3 million - Lignite research fund
- \$97 million - Strategic investment and improvements fund
- Up to \$20 million - State disaster relief fund

- Clarifies the distributions are based on the most recently completed even-numbered fiscal year before the start of the biennium.
- No change to current law.
- The proposed changes to the distributions to political subdivisions are as follows:

	Counties - Less Than \$5 Million	Counties - \$5 Million or More
County	45%	60%
Cities	20%	20%
Schools	35%	5%
Townships		
Equal		
Road miles		4%
Hub cities		9%
Hub schools		2%

- The 9 percent allocation to hub cities and the 2 percent allocation to hub city school districts is distributed proportionally based on the impact percentage scores.

State's share ("buckets") statutory allocations

- \$200 million - General fund
- \$200 million - Tax relief fund
- \$75 million - Budget stabilization fund
- \$200 million - General fund
- \$10 million - Lignite research fund
- Removes the \$97 million allocation to the strategic investment and improvements fund
- Up to \$20 million - State disaster relief fund

- Same as House Bill No. 1066.
- Same as House Bill No. 1066.
- Same as House Bill No. 1066.

- Same as House Bill No. 1066.
- Same as House Bill No. 1066.

State's share ("buckets") statutory allocations

- \$200 million - General fund
- \$200 million - Tax relief fund
- \$75 million - Budget stabilization fund
- \$200 million - General fund
- \$10 million - Lignite research fund
- Removes the \$97 million allocation to the strategic investment and improvements fund
- Up to \$20 million - State disaster relief fund

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- Remainder Strategic investment and improvements fund

- \$230 million - Equal distributions to the municipal infrastructure fund (\$115 million) and the county and township infrastructure fund (\$115 million)
- \$50 million Airport infrastructure fund
- Remainder Strategic investment and improvements fund

Other sections

- Creates a municipal infrastructure fund for grants to cities in non-oil-producing counties, provides reporting requirements, identifies penalties for improper reporting or spending of grant funds, defines eligible uses for essential infrastructure projects, and includes a formula for determining the grants to cities based on population and property tax valuations.
- Creates a county and township infrastructure fund for grants to counties and townships in non-oil-producing counties, provides reporting requirements, identifies penalties for improper reporting or spending of grant funds, defines eligible uses for road and bridge infrastructure projects, and includes a formula to provide equal distributions to townships and to provide proportional distributions to counties based on data compiled by the Upper Great Plains Transportation Institute.
- Provides an effective date to align with the start of the 2019-21 biennium.

- \$30.4 million Municipal infrastructure fund
- \$400 million Strategic investment and improvements fund
- \$30.4 million County and township infrastructure fund
- \$169.2 million Equal distributions to the municipal infrastructure fund (\$84.6 million) and the county and township infrastructure fund (\$84.6 million)
- \$20 million Airport infrastructure fund
- Remainder Strategic investment and improvements fund

Other sections

- Same as House Bill No. 1066, except limits the allowable use of funds for communications infrastructure.
- Same as House Bill No. 1066.
- Same as House Bill No. 1066.

2019-21 BIENNIUM OIL AND GAS TAX ALLOCATION FORMULAS - PROPOSED CHANGES

ESTIMATED OIL AND GAS TAX ALLOCATIONS

The schedule below provides information on the estimated oil and gas tax allocations for the 2019-21 biennium based on current law, House Bill No. 1066 as introduced, and Engrossed House Bill No. 1066. The estimated allocations are based on the January 2019 revenue forecast adopted by the Appropriations Committees, which reflects the following:

- Oil prices remaining at \$42.50 per barrel;
- Oil production remaining at 1.35 million barrels per day; and
- Allocations to the Three Affiliated Tribes of the Fort Berthold Reservation remaining at 10 percent of the total oil and gas tax collections.

2019-21 Biennium Oil and Gas Tax Allocations			
	Current Law	House Bill No. 1066	
		Introduced	Engrossed
Three Affiliated Tribes	\$406,150,000	\$406,150,000	\$406,150,000
Legacy fund	1,096,970,000	1,096,970,000	1,096,970,000
North Dakota outdoor heritage fund	25,380,000	25,380,000	25,380,000
Abandoned well reclamation fund	12,690,000	12,690,000	12,690,000
Oil and gas impact grant fund	5,000,000	0	0
Political subdivisions*	596,170,000	576,530,000	576,530,000
Common schools trust fund	159,630,000	159,630,000	159,630,000
Foundation aid stabilization fund	159,630,000	159,630,000	159,630,000
Resources trust fund	319,250,000	319,250,000	319,250,000
Oil and gas research fund	10,000,000	10,000,000	10,000,000
General fund	300,000,000	400,000,000	400,000,000
Tax relief fund	200,000,000	200,000,000	200,000,000
Budget stabilization fund	75,000,000	75,000,000	75,000,000
Lignite research fund	3,000,000	10,000,000	10,000,000
State disaster relief fund	0	0	0
Municipal infrastructure fund	0	115,000,000	105,745,000
County and township infrastructure fund	0	115,000,000	105,745,000
Airport infrastructure fund	0	50,000,000	0
Strategic investment and improvements fund	693,850,000	331,490,000	400,000,000
Total oil and gas tax revenue allocations	\$4,062,720,000	\$4,062,720,000	\$4,062,720,000

*The amounts shown for the allocations to political subdivisions reflect 1 month of allocations based on the 2017-19 biennium allocation formulas and 23 months based on the 2019-21 biennium formulas, and the amounts include the following:

	Mining ¹	Impact Score ²		Current Law	House Bill No. 1066	
	Current Law	House Bill No. 1066			Introduced	Engrossed
		Introduced	Engrossed			
Hub Cities						
Williston	33	58.5	58.5	\$52,570,000	\$52,180,000	\$52,180,000
Dickinson	15	28.3	28.3	25,160,000	25,430,000	25,430,000
Minot	3	13.2	13.2	6,890,000	10,840,000	10,840,000
Total hub cities	51	100.0	100.0	\$84,620,000	\$88,450,000	\$88,450,000
Hub city school districts				\$12,750,000	\$15,850,000	\$15,850,000
Counties				315,860,000	304,650,000	304,650,000
Cities (excluding hub cities)				106,040,000	102,300,000	102,300,000
Schools (excluding hub city school districts)				45,990,000	45,050,000	45,050,000
Townships (road miles)				30,910,000	20,230,000	20,230,000
Total				\$596,170,000	\$576,530,000	\$576,530,000

¹The amounts shown for the mining reflect the current mining employment percentages, excluding the first 2 percentage points, which are in effect for the fiscal year 2019 allocations.

²The amounts shown for the impact score reflect estimates for the impact percentage scores based on current data available for mining employment, mining establishments, oil production, and population.

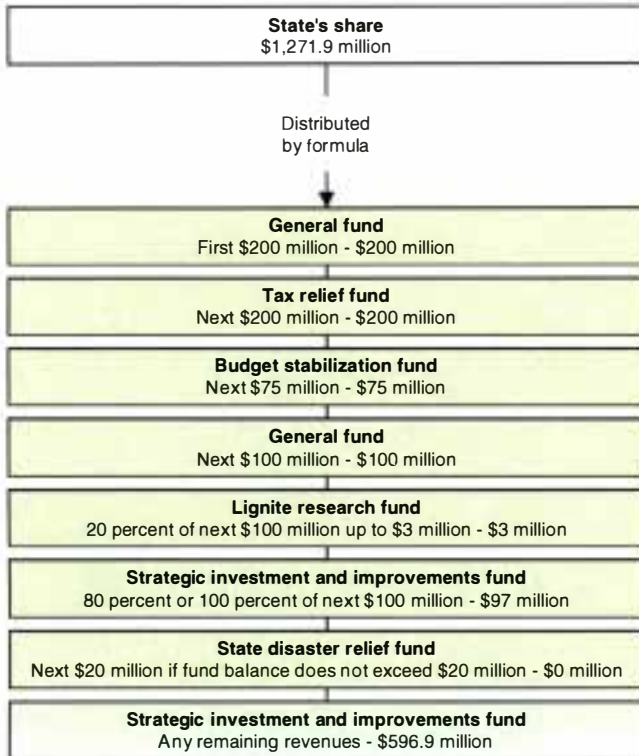
NOTE: The amounts reflected in these schedules are preliminary estimates. **The actual amounts allocated for the 2019-21 biennium may differ significantly from these amounts** based on actual oil price and production.

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ESTIMATED ALLOCATION TO STATE SHARE "BUCKETS"

The charts below compare the estimated allocation of the state's share of oil and gas tax revenues based on current law and Engrossed House Bill No. 1066.

Current Law



Engrossed House Bill No. 1066



OPERATION PRAIRIE DOG

Building North Dakota Infrastructure

PART I. Formula Adjustment of the Oil and Gas Gross Production Tax to Oil and Gas Producing Subdivisions.

A. Move the following from the One Percent Stream to the Four Percent Stream.

Hub Cities	44.0 M
Hub City Schools	14.0 M
School Hold Even	16.1 M
<u>Energy Impact</u>	<u>35.0 M</u>
Total Reduction	109.1 M

B. Leave the percentages after the first 5 million to each county (nine) per year and hub cities and schools 25.0 million per year at 70% State - 30% Political Sub split.

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- C. Moving the Hub Cities, Hub City Schools, School Hold Even, and Energy Impact will free up 59.1 M to go to the state.

The dollars were hard dollars on the One Percent Stream, when the price of oil went down those allocations stayed the same dollar amount. Under the new proposal the money to the Hub Cities, Hub City Schools, Hold Even School and Energy Impact will be moved under the 4% stream of the Oil and Gas Subdivision formula.

TAX DISTRIBUTION
SENATOR RICH WARDNER

ASSUMPTIONS:
Average Price - \$52.50 per barrel
Average Production - 1,200,000 barrels per day. (Both Years)
2019-21 Biennium Forecast - Estimated

Estimated Oil and Gas Tax Revenue Collected
by the North Dakota Tax Department.
\$4,461.0 Million

OIL AND GAS GROSS PRODUCTION TAX
\$2,253.5 Million

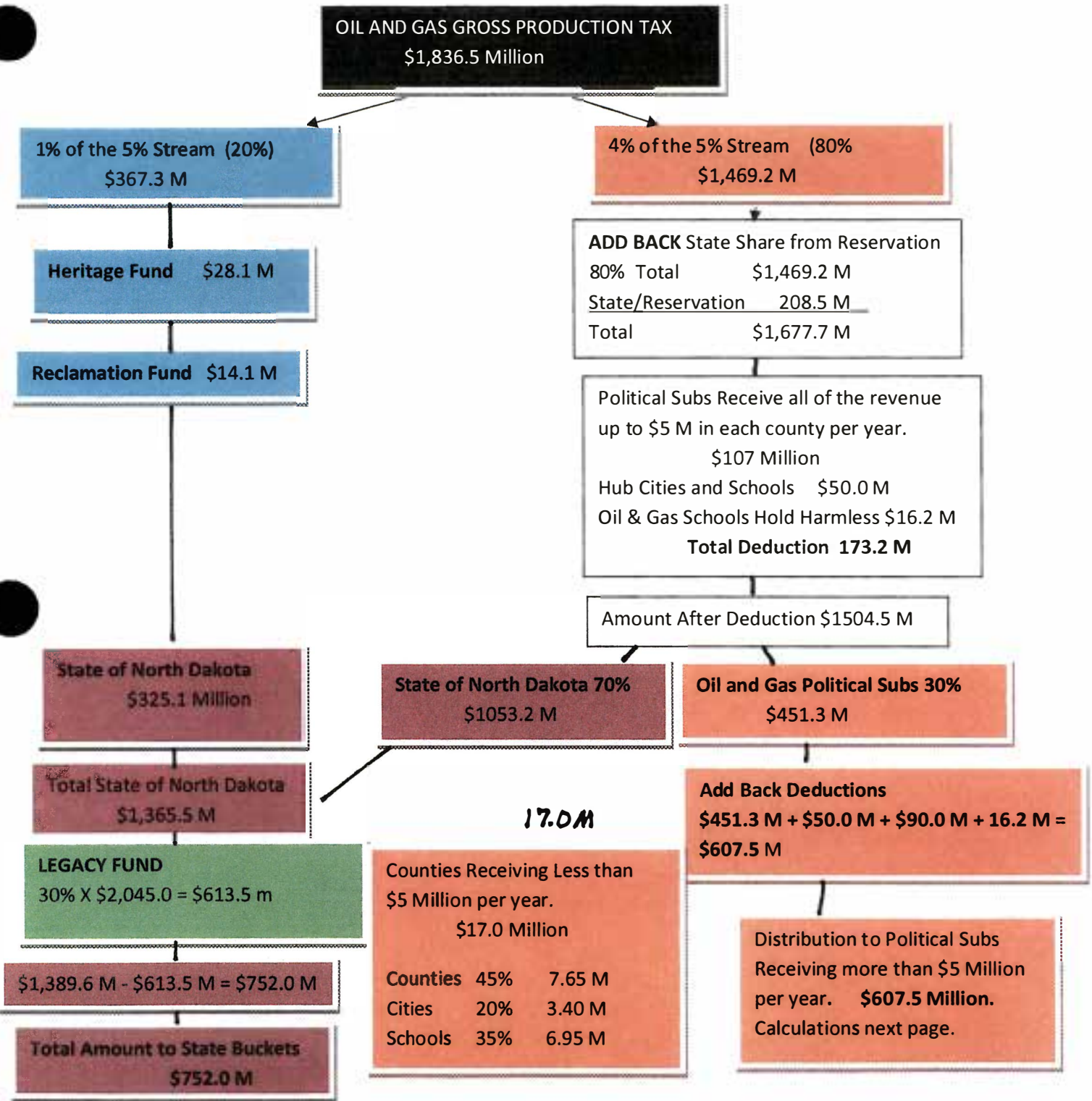
OIL AND GAS EXTRACTION TAX
\$2,207.5 Million

Ft. Berthold Reservation GPT Revenue
Tribal Share \$208.5 M
State Share \$208.5 M
Total \$417.0 M

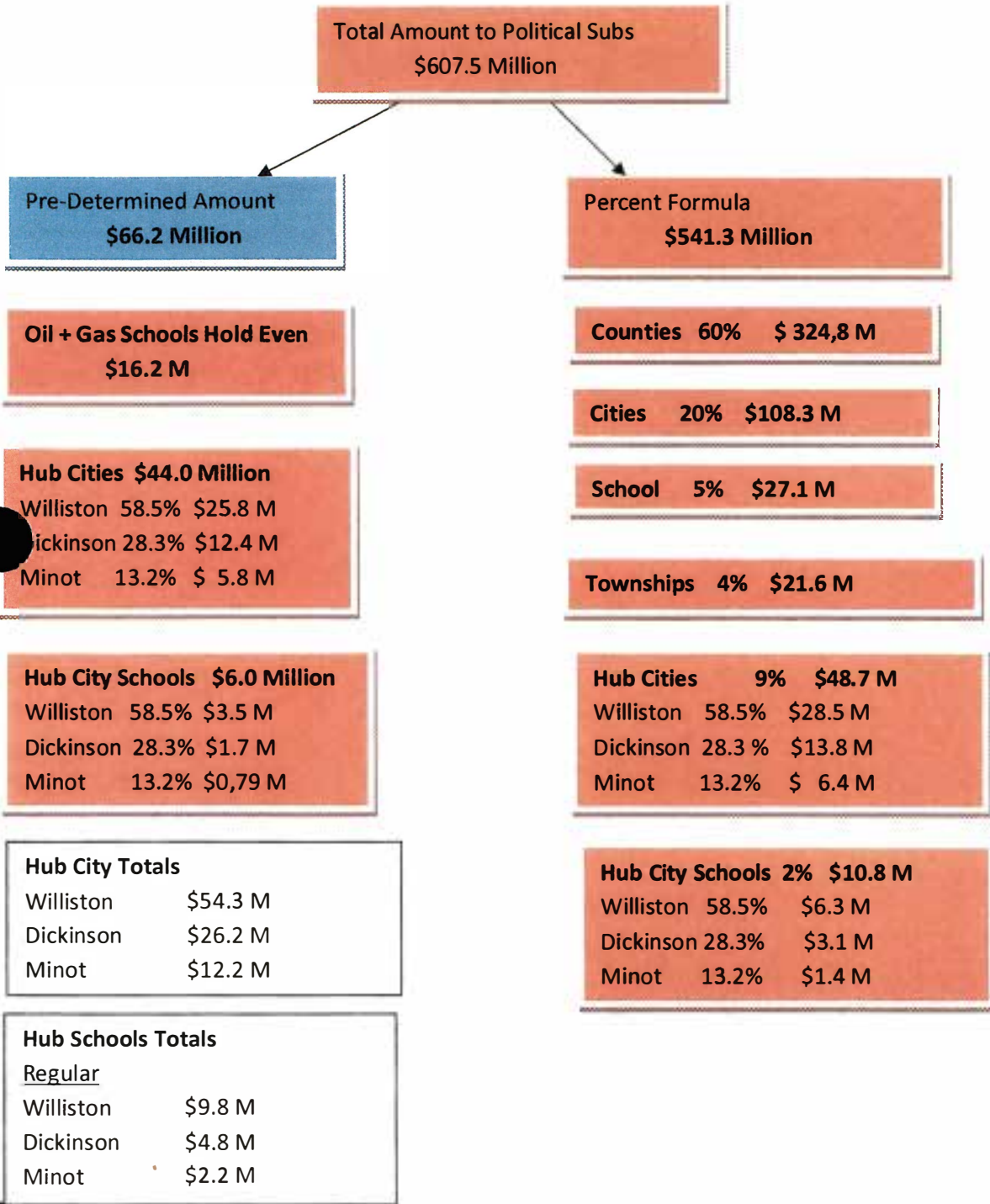
Fr. Berthold Reservation Extraction Revenue
Tribal Share \$219.6 M
State Share \$219.6 M
Total \$439.2 M

Subtract Reservation GPT
Total GPT \$2,253.5 M
Reservation 417.0 M
Net Total \$1,836.5 M

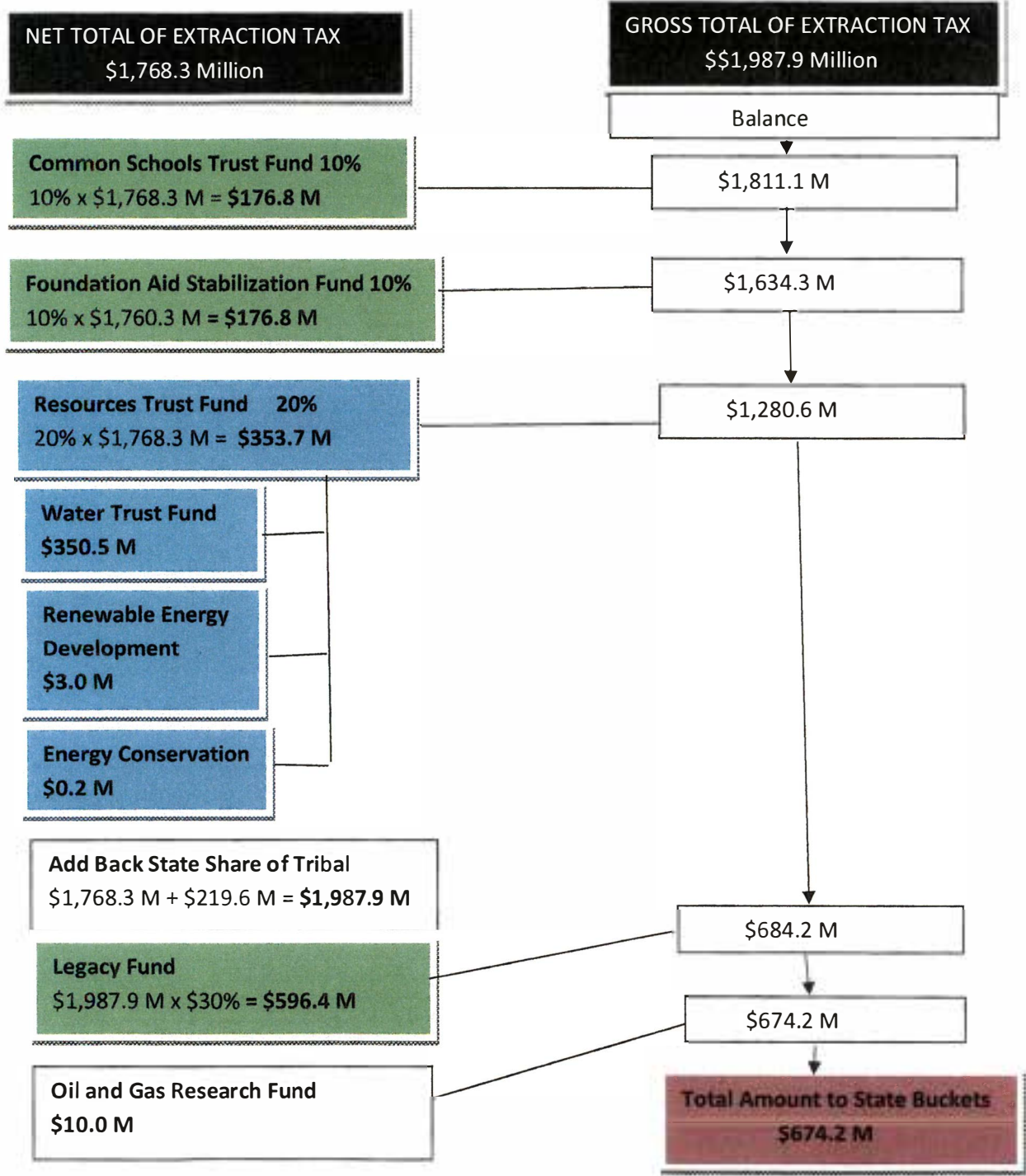
Subtract Reservation Extraction
Total Extraction \$2,207.5 M
Reservation 439.2 M
Net Total \$1,768.3 M



POLITICAL SUBDIVISION DISTRIBUTION OIL AND GAS GROSS PRODUCTION TAX



OIL AND GAS EXTRACTION TAX



STATE BUCKETS AND LEGACY FUND

ASSUMPTIONS: \$52.50 A BARREL FOR OIL

Proposal

1,200,000 BARRELS PER DAY

STATE BUCKET FUND	
Gross Production Tax	\$752.0 M
Extraction Tax	\$674.2 M
Total Bucket Fund	\$1,426,2 M

STATE LEGACY FUND	
Gross Production Tax	\$613,5 M
Extraction Tax	\$596.4 M
Total Placed In Legacy	\$1,209.9 M

State General Fund #1	\$200.0 M
-----------------------	-----------

County Social Services	\$200.0 M
------------------------	-----------

Budget Stabilization Fund	\$75.0 M
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State General Fund #2	\$200.0 M
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Lignite Research Fund	\$10.0 M
-----------------------	----------

Disaster Relief Fund	0.0 M
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Municipal Infrastructure Fund	\$30.4 M
-------------------------------	----------

Strategic Investment and Improvement Fund	\$400 M
-------------------------------------------	---------

County /Township Infrastructure Fund	30.4 M
--------------------------------------	--------

Municipal Infrastructure Fund	\$84.6.0 M
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County/Township Infrastructure Fund	\$84.6 M
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Airport Infrastructure Fund	\$20 M
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Strategic Investment and Improvement Fund	\$91.2 M
-------------------------------------------	----------

**PART II. Municipal and County/Township Infrastructure Fund
For Non-Oil Cities, Counties and Townships.**

Note: It does include the low oil producing Counties.

There are seven Counties in this situation.

Page four shows a proposal on a way to set up the buckets. The Municipal (Cities) and County/Township would fill equally at the same time.

1. If the Infrastructure Fund Buckets do not fill, then what ever is in the buckets would be pro-rated.
2. Example: If the Buckets each ended up with 70 million, then it is prorated and the state **DOES NOT MAKE UP** the balance.
3. What infrastructure can this money can be used on, has to be defined. This money is NOT for buildings, play grounds, swimming pools or any other feel good project!!!!!!!
4. This money would be for streets, sewer, gutter, repairing water lines, roads and repairing roads and streets. Note: This definition still needs to be hammered out!

From: Thompson, Emily L.

Sent: Monday, June 11, 2018 11:44 AM

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To: Cook, Dwight C. <dcook@nd.gov>; Nathe, Mike R. <mrnathe@nd.gov>

Cc: Mathiak, Adam <amathiak@nd.gov>; Knudson, Allen H. <aknudson@nd.gov>; Bjornson, John D. <jbjornson@nd.gov>

Subject: RE: Infrastructure definition

Hi Senator Cook and Representative Nathe,

Adam took a look at the current definition of "essential infrastructure projects" for purposes of the infrastructure revolving loan fund and crafted some proposed language for the definition of "essential infrastructure projects" for use in future infrastructure bill drafts (*summarized below*).

CURRENT LAW EXAMPLE - INFRASTRUCTURE REVOLVING LOAN FUND

The Legislative Assembly created an infrastructure revolving loan fund in North Dakota Century Code Section 6-09-49. The infrastructure revolving loan fund is administered by the Bank of North Dakota to provide loans to political subdivisions for essential infrastructure projects. The section provides the following definition for essential infrastructure projects:

For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:

- a. *New or replacement of existing water treatment plants;*
- b. *New or replacement of existing wastewater treatment plants;*
- c. *New or replacement of existing sewer lines and water lines; and*
- d. *New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.*

PROPOSED DEFINITION FOR ESSENTIAL INFRASTRUCTURE

The following is a proposed definition for essential infrastructure that could be used in a bill draft related to funding for political subdivision infrastructure projects:

For purposes of this section, "essential infrastructure projects" means the following capital construction projects associated with the construction of new infrastructure or the replacement of existing infrastructure, which provide the fixed installations necessary for the function of a county or city:

- a. *Water treatment plants;*
- b. *Wastewater treatment plants;*
- c. *Sewer lines and water lines, including lift stations and pumping systems;*
- d. *Water storage systems, including dams, water tanks, and water towers;*
- e. *Storm water infrastructure, including curb and gutter construction;*
- f. *Road and bridge infrastructure, including paved and unpaved roads and bridges;*
- g. *Airport infrastructure;*
- h. *Electricity transmission infrastructure;*
- i. *Natural gas transmission infrastructure; and*
- j. *Communications infrastructure.*

Allen, John, and myself have reviewed the proposed language and think it might be a good fit for what you were aiming to target in future infrastructure funding bills. Please let us know if you would like any modifications to the proposed definition to make it more or less detailed or restrictive.

Best regards,

Emily Thompson

Legal Counsel

County	City	3 Yr Avg \$ Chg Valuation	Population Estimate - 2017	3 Yr Avg Ann % Chg	Base Infrastructure Aid	3 Yr Avg Change Growth Rate Factor	Valuation Change Factor	Base Infrastructure Funds	Infrastructure Funding
5,000 +									
Cass	Fargo	\$ 46,967,986.00	122,359	1.82%	\$ 18,353,850	\$ 3,338,163.80	\$ 1,174,199.65	\$ 2,500,000	\$ 25,366,213
Burleigh	Bismarck	\$ 28,764,415.67	72,865	1.79%	\$ 10,929,750	\$ 1,955,705.50	\$ 719,110.39	\$ 2,500,000	\$ 16,104,566
Grand Forks	Grand Forks	\$ 13,727,615.33	57,056	0.71%	\$ 8,558,400	\$ 606,116.24	\$ 343,190.38	\$ 2,500,000	\$ 12,007,707
Cass	West Fargo	\$ 100,369,409.33	35,708	3.91%	\$ 5,356,200	\$ 2,092,508.73	\$ 2,509,235.23	\$ 2,500,000	\$ 12,457,944
Morton	Mandan	\$ 9,822,400.33	22,228	1.57%	\$ 3,334,200	\$ 523,231.38	\$ 245,560.01	\$ 2,500,000	\$ 6,602,991
Stutsman	Jamestown	\$ 3,440,029.67	15,387	-0.04%	\$ 2,308,050	\$ -	\$ 86,000.74	\$ 2,500,000	\$ 4,894,051
Richland	Wahpeton	\$ 654,813.67	7,826	-0.10%	\$ 1,173,900	\$ -	\$ 16,370.34	\$ 2,500,000	\$ 3,690,270
Ramsey	Devils Lake	\$ 1,011,969.67	7,293	-0.12%	\$ 1,093,950	\$ -	\$ 25,299.24	\$ 2,500,000	\$ 3,619,249
Barnes	Valley City	\$ 825,245.67	6,447	-0.83%	\$ 967,050	\$ -	\$ 20,631.14	\$ 2,500,000	\$ 3,487,681
2,000 - 5,000									
Walsh	Grafton	\$ 270,770.67	4,224	-0.17%	\$ 633,600	\$ -	\$ 6,769.27	\$ 500,000	\$ 1,140,369
Burleigh	Lincoln	\$ 1,167,367.33	3,730	3.47%	\$ 559,500	\$ 193,885.88	\$ 29,184.18	\$ 500,000	\$ 1,282,570
Mercer	Beulah	\$ 821,244.33	3,266	-0.64%	\$ 489,900	\$ -	\$ 20,531.11	\$ 500,000	\$ 1,010,431
Cass	Horace	\$ 892,714.33	2,717	2.00%	\$ 407,550	\$ 81,508.82	\$ 22,317.86	\$ 500,000	\$ 1,011,377
Pierce	Rugby	\$ 503,802.00	2,703	-2.16%	\$ 405,450	\$ -	\$ 12,595.05	\$ 500,000	\$ 918,045
Cass	Casselton	\$ 583,332.33	2,493	-0.40%	\$ 373,950	\$ -	\$ 14,583.31	\$ 500,000	\$ 888,533
Mercer	Hazen	\$ 376,987.00	2,372	-1.07%	\$ 355,800	\$ -	\$ 9,424.68	\$ 500,000	\$ 865,225
Bottineau	Bottineau	\$ 156,124.33	2,255	-0.74%	\$ 338,250	\$ -	\$ 3,903.11	\$ 500,000	\$ 842,153
Ransom	Lisbon	\$ 552,781.33	2,073	-0.90%	\$ 310,950	\$ -	\$ 13,819.53	\$ 500,000	\$ 824,770
Foster	Carrington	\$ 375,702.67	2,014	-0.68%	\$ 302,100	\$ -	\$ 9,392.57	\$ 500,000	\$ 811,493
1,000 - 1,999									
Trails	Mayville	\$ 269,323.67	1,800	-0.56%	\$ 270,000	\$ -	\$ 6,733.09	\$ 125,000	\$ 401,733
Cavalier	Langdon	\$ 393,463.33	1,738	-1.01%	\$ 260,700	\$ -	\$ 9,836.58	\$ 125,000	\$ 395,537
Wells	Harvey	\$ 102,931.33	1,725	-0.62%	\$ 258,750	\$ -	\$ 2,573.28	\$ 125,000	\$ 386,323
Dickey	Oakes	\$ 258,484.67	1,721	-1.25%	\$ 258,150	\$ -	\$ 6,462.12	\$ 125,000	\$ 389,612
Trails	Hillsboro	\$ 258,979.33	1,592	0.27%	\$ 238,800	\$ 6,492.19	\$ 6,474.48	\$ 125,000	\$ 376,767
McLean	Garrison	\$ 83,539.67	1,505	-0.57%	\$ 225,750	\$ -	\$ 2,088.49	\$ 125,000	\$ 352,838
Ward	Surrey	\$ 97,741.67	1,380	3.36%	\$ 207,000	\$ 69,618.26	\$ 2,443.54	\$ 125,000	\$ 404,062
Walsh	Park River	\$ 160,654.67	1,375	-0.12%	\$ 206,250	\$ -	\$ 4,016.37	\$ 125,000	\$ 335,266
Eddy	New Rockford	\$ 131,795.33	1,356	0.09%	\$ 203,400	\$ 1,898.42	\$ 3,294.88	\$ 125,000	\$ 333,593
Rolette	Rolla	\$ 39,117.67	1,311	-0.58%	\$ 196,650	\$ -	\$ 977.94	\$ 125,000	\$ 322,628
Grand Forks	Larimore	\$ 126,226.00	1,286	-1.03%	\$ 192,900	\$ -	\$ 3,155.65	\$ 125,000	\$ 321,056
McLean	Washburn	\$ 196,278.67	1,283	-0.54%	\$ 192,450	\$ -	\$ 4,906.97	\$ 125,000	\$ 322,357
Pembina	Cavalier	\$ 14,385.67	1,275	-0.39%	\$ 191,250	\$ -	\$ 359.64	\$ 125,000	\$ 316,610
McHenry	Velva	\$ 134,358.33	1,234	-0.54%	\$ 185,100	\$ -	\$ 3,358.96	\$ 125,000	\$ 313,459
Adams	Hettinger	\$ 247,863.33	1,221	-0.80%	\$ 183,150	\$ -	\$ 6,196.58	\$ 125,000	\$ 314,347
Ward	Burlington	\$ 318,696.67	1,206	3.92%	\$ 180,900	\$ 70,841.24	\$ 7,967.42	\$ 125,000	\$ 384,709

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	Ellendale	\$	98,665.00	1,184	-3.4%	\$	177,600	\$	-	\$	2,466.63	\$	125,000	\$	305,067
Towner	Cando	\$	87,926.33	1,102	-0.36%	\$	165,300	\$	-	\$	-	\$	125,000	\$	290,300
Golden Valley	Beach	\$	34,886.00	1,065	-1.59%	\$	159,750	\$	-	\$	872.15	\$	125,000	\$	285,622
Ward	Kenmare	\$	155,442.33	1,035	-1.65%	\$	155,250	\$	-	\$	3,886.06	\$	125,000	\$	284,136
Cass	Mapleton	\$	626,784.00	1,034	5.66%	\$	155,100	\$	87,825.81	\$	15,669.60	\$	125,000	\$	383,595
Grand Forks	Thompson	\$	355,926.00	1,010	0.43%	\$	151,500	\$	6,507.32	\$	8,898.15	\$	125,000	\$	291,905
Emmons	Linton	\$	362,123.00	1,007	-1.31%	\$	151,050	\$	-	\$	9,053.08	\$	125,000	\$	285,103
1 - 999															
Morton	New Salem	\$	176,570.33	938	1.22%	\$	140,700	\$	17,121.71	\$	4,414.26	\$		\$	162,236
McIntosh	Wishek	\$	28,598.00	935	-1.53%	\$	140,250	\$	-	\$	714.95	\$		\$	140,965
Pembina	Walhalla	\$	34,139.33	932	-0.57%	\$	139,800	\$	-	\$	853.48	\$		\$	140,653
Griggs	Cooperstown	\$	33,488.67	919	-0.51%	\$	137,850	\$	-	\$	837.22	\$		\$	138,687
Lamoure	LaMoure	\$	252,987.67	903	-0.08%	\$	135,450	\$	-	\$	6,324.69	\$		\$	141,775
Grand Forks	Northwood	\$	142,871.00	902	-0.15%	\$	135,300	\$	-	\$	3,571.78	\$		\$	138,872
Richland	Hankinson	\$	86,597.67	891	-0.63%	\$	133,650	\$	-	\$	2,164.94	\$		\$	135,815
Sargent	Gwinner	\$	717,643.67	873	1.98%	\$	130,950	\$	25,992.49	\$	17,941.09	\$		\$	174,884
Cass/Ranson	Enderlin	\$	204,205.67	847	-1.17%	\$	127,050	\$	-	\$	5,105.14	\$		\$	132,155
Cass	Harwood	\$	358,149.33	808	2.19%	\$	121,200	\$	26,538.65	\$	8,953.73	\$		\$	156,692
Rolette	Dunseith	\$	1,930.33	788	-0.55%	\$	118,200	\$	-	\$	48.26	\$		\$	118,248
Logan	Napoleon	\$	121,209.00	776	-0.30%	\$	116,400	\$	-	\$	3,030.23	\$		\$	119,430
Pembina	Drayton	\$	94,383.33	768	-0.56%	\$	115,200	\$	-	\$	2,359.58	\$		\$	117,560
Renville	Mohall	\$	53,094.00	767	-1.63%	\$	115,050	\$	-	\$	1,327.35	\$		\$	116,377
Cass	Kindred	\$	276,679.00	762	0.61%	\$	114,300	\$	6,932.86	\$	6,916.98	\$		\$	128,150
McLean	Underwood	\$	75,860.00	758	-0.39%	\$	113,700	\$	-	\$	1,896.50	\$		\$	115,597
Traill	Hatton	\$	69,425.33	748	-0.13%	\$	112,200	\$	-	\$	1,735.63	\$		\$	113,936
Hettinger	Mott	\$	129,656.67	727	-2.14%	\$	109,050	\$	-	\$	3,241.42	\$		\$	112,291
Morton	Glen Ullin	\$	109,599.00	724	-1.45%	\$	108,600	\$	-	\$	2,739.98	\$		\$	111,340
Burleigh/McLea	Wilton	\$	110,495.33	723	-0.05%	\$	108,450	\$	-	\$	2,762.38	\$		\$	111,212
Kidder	Steele	\$	129,264.67	716	0.42%	\$	107,400	\$	4,504.06	\$	3,231.62	\$		\$	115,136
McIntosh	Ashley	\$	22,231.67	689	-1.64%	\$	103,350	\$	-	\$	555.79	\$		\$	103,906
Morton	Hebron	\$	123,360.00	677	-1.12%	\$	101,550	\$	-	\$	3,084.00	\$		\$	104,634
Nelson	Lakota	\$	(9,239.00)	639	-0.85%	\$	95,850	\$	-	\$	-	\$		\$	95,850
Sargent	Milnor	\$	177,699.00	636	-1.30%	\$	95,400	\$	-	\$	4,442.48	\$		\$	99,842
Grant	Elgin	\$	19,759.00	631	0.48%	\$	94,650	\$	4,504.81	\$	493.98	\$		\$	99,649
Richland	Lidgerwood	\$	10,090.00	625	-0.48%	\$	93,750	\$	-	\$	252.25	\$		\$	94,002
Cass	Reile's Acres	\$	292,239.00	611	1.65%	\$	91,650	\$	15,140.93	\$	7,305.98	\$		\$	114,097
Walsh	Minto	\$	55,353.33	610	-0.16%	\$	91,500	\$	-	\$	1,383.83	\$		\$	92,884
Rolette	Rolette	\$	51,996.00	605	-0.66%	\$	90,750	\$	-	\$	1,299.90	\$		\$	92,050
Hettinger	New England	\$	327,317.33	602	-1.48%	\$	90,300	\$	-	\$	8,182.93	\$		\$	98,483
Traill	Portland	\$	63,673.33	591	-0.11%	\$	88,650	\$	-	\$	1,591.83	\$		\$	90,242
Oliver	Center	\$	132,949.00	584	0.45%	\$	87,600	\$	3,975.46	\$	3,323.73	\$		\$	94,899
McLean	Turtle Lake	\$	34,546.00	575	-0.58%	\$	86,250	\$	-	\$	863.65	\$		\$	87,114

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Pembina	Pembina	\$	22,878.00	554	-0.36%	\$	83,100	\$	-	\$	571.95	\$	83,672
Lamoure	Edgeley	\$	94,710.33	552	-0.36%	\$	82,800	\$	-	\$	2,367.76	\$	85,168
McHenry	Towner	\$	40,027.67	545	-1.03%	\$	81,750	\$	-	\$	1,000.69	\$	82,751
Sargent	Forman	\$	151,715.00	514	0.10%	\$	77,100	\$	807.36	\$	3,792.88	\$	81,700

1 - 499

Ward	Berthold	\$	191,527.67	498	-0.34%	\$	74,700	\$	-	\$	-	\$	74,700
Cass	Argusville	\$	27,708.33	474	-0.63%	\$	71,100	\$	-	\$	692.71	\$	71,793
Renville	Glenburn	\$	66,517.33	462	-0.01%	\$	69,300	\$	-	\$	1,662.93	\$	70,963
Benson	Leeds	\$	66,252.00	455	0.07%	\$	68,250	\$	450.72	\$	1,656.30	\$	70,357
Wells	Fessenden	\$	33,699.67	452	-1.09%	\$	67,800	\$	-	\$	842.49	\$	68,642
Grand Forks	Emerado	\$	28,506.67	450	-0.52%	\$	67,500	\$	-	\$	712.67	\$	68,213
Steele	Finley	\$	(77,823.00)	425	-0.16%	\$	63,750	\$	-	\$	-	\$	63,750
Richland	Wyndmere	\$	17,334.00	412	-0.48%	\$	61,800	\$	-	\$	433.35	\$	62,233
Bottineau	Westhope	\$	18,246.33	408	-1.21%	\$	61,200	\$	-	\$	456.16	\$	61,656
Benson	Maddock	\$	20,408.33	387	0.08%	\$	58,050	\$	457.83	\$	510.21	\$	59,018
Sheridan	McClusky	\$	36,555.67	378	-0.01%	\$	56,700	\$	-	\$	913.89	\$	57,614
Emmons	Strasburg	\$	81,356.67	373	-1.24%	\$	55,950	\$	-	\$	2,033.92	\$	57,984
Grand Forks	Manvel	\$	48,965.00	372	-0.36%	\$	55,800	\$	-	\$	1,224.13	\$	57,024
Richland	Fairmount	\$	59,431.67	356	-0.29%	\$	53,400	\$	-	\$	1,485.79	\$	54,886
Rolette	St. John	\$	(863.00)	356	-0.47%	\$	53,400	\$	-	\$	-	\$	53,400
Mercer	Stanton	\$	126,168.00	353	-1.40%	\$	52,950	\$	-	\$	3,154.20	\$	56,104
Pembina	Nече	\$	12,130.33	353	-0.57%	\$	52,950	\$	-	\$	303.26	\$	53,253
McLean	Max	\$	58,659.33	349	-0.76%	\$	52,350	\$	-	\$	1,466.48	\$	53,816
Cass	Arthur	\$	70,272.33	334	-1.88%	\$	50,100	\$	-	\$	1,756.81	\$	51,857
Lamoure	Kulm	\$	61,457.00	334	0.10%	\$	50,100	\$	476.37	\$	1,536.43	\$	52,113
Ward	Sawyer	\$	9,290.33	334	-1.29%	\$	50,100	\$	-	\$	232.26	\$	50,332
Nelson	McVilleville	\$	14,375.33	331	-0.82%	\$	49,650	\$	-	\$	359.38	\$	50,009
Trail	Buxton	\$	106,584.33	315	-0.11%	\$	47,250	\$	-	\$	2,664.61	\$	49,915
Pembina	St. Thomas	\$	5,569.33	311	-0.54%	\$	46,650	\$	-	\$	139.23	\$	46,789
Cass	Oxbow	\$	573,241.67	307	-0.86%	\$	46,050	\$	-	\$	14,331.04	\$	60,381
Grand Forks/Trai	Reynolds	\$	84,718.67	307	-0.43%	\$	46,050	\$	-	\$	2,117.97	\$	48,168
Stutsman	Medina	\$	6,450.67	299	-0.55%	\$	44,850	\$	-	\$	161.27	\$	45,011
Logan	Gackle	\$	18,083.33	289	-0.92%	\$	43,350	\$	-	\$	452.08	\$	43,802
Grant	Carson	\$	40,798.33	284	-0.47%	\$	42,600	\$	-	\$	1,019.96	\$	43,620
Nelson	Michigan	\$	7,266.33	276	-1.09%	\$	41,400	\$	-	\$	181.66	\$	41,582
McHenry	Drake	\$	22,173.00	274	-1.33%	\$	41,100	\$	-	\$	554.33	\$	41,654
McHenry	Granville	\$	22,642.33	269	-0.13%	\$	40,350	\$	-	\$	566.06	\$	40,916
Richland	Abercrombie	\$	19,532.33	261	0.00%	\$	39,150	\$	-	\$	488.31	\$	39,638
Cass	Hunter	\$	93,910.33	257	-0.77%	\$	38,550	\$	-	\$	2,347.76	\$	40,898
Barnes/Cass	Tower City	\$	50,126.33	257	-0.52%	\$	38,550	\$	-	\$	1,253.16	\$	39,803
Cass	Davenport	\$	39,068.33	257	0.25%	\$	38,550	\$	968.00	\$	976.71	\$	40,495
Steele	Hope	\$	43,106.00	256	0.65%	\$	38,400	\$	2,488.33	\$	1,077.65	\$	41,966

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au	Lansford	\$ (169.00)	250	-0.8%	\$ 37,500	\$	\$	\$ 37,500
McHenry	Anamoose	\$ 13,052.67	247	-0.41%	\$ 37,050	\$	\$ 326.32	\$ 37,376
Renville	Sherwood	\$ 49,952.33	243	-1.22%	\$ 36,450	\$	\$ 1,248.81	\$ 37,699
Richland	Walcott	\$ 39,945.33	242	0.55%	\$ 36,300	\$ 1,984.95	\$ 998.63	\$ 39,284
Cass	Page	\$ 48,471.33	238	-0.84%	\$ 35,700	\$	\$ 1,211.78	\$ 36,912
Mercer	Zap	\$ 4,885.33	238	-1.11%	\$ 35,700	\$	\$ 122.13	\$ 35,822
Walsh	Hoople	\$ 8,092.33	236	-0.28%	\$ 35,400	\$	\$ 202.31	\$ 35,602
Grand Forks	Gilby	\$ 8,392.33	232	-0.86%	\$ 34,800	\$	\$ 209.81	\$ 35,010
Cass	Leonard	\$ 37,896.67	229	-0.29%	\$ 34,350	\$	\$ 947.42	\$ 35,297
Benson	Minnewaukan	\$ 1,046.33	229	0.00%	\$ 34,350	\$	\$ 26.16	\$ 34,376
McLean	Riverdale	\$ 109,316.00	226	1.04%	\$ 33,900	\$ 3,524.54	\$ 2,732.90	\$ 40,157
Emmons	Hazelton	\$ 50,134.33	218	-1.36%	\$ 32,700	\$	\$ 1,253.36	\$ 33,953
Cass	Frontier	\$ 66,016.00	216	-1.22%	\$ 32,400	\$	\$ 1,650.40	\$ 34,050
Grant	New Leipzig	\$ 18,687.00	215	-0.16%	\$ 32,250	\$	\$ 467.18	\$ 32,717
Morton	Flasher	\$ 58,327.00	211	-1.40%	\$ 31,650	\$	\$ 1,458.18	\$ 33,108
Kidder	Tappen	\$ 8,063.67	206	0.65%	\$ 30,900	\$ 2,012.29	\$	\$ 32,912
Nelson	Aneta	\$ 7,432.33	205	-1.29%	\$ 30,750	\$	\$ 185.81	\$ 30,936
Walsh	Fordville	\$ 18,924.67	202	-0.66%	\$ 30,300	\$	\$ 473.12	\$ 30,773
Barnes	Wimbledon	\$ 54,310.33	199	-2.14%	\$ 29,850	\$	\$ 1,357.76	\$ 31,208
Sioux	Fort Yates	\$ 2,467.33	199	-1.79%	\$ 29,850	\$	\$ 61.68	\$ 29,912
Cavalier	Munich	\$ 26,938.33	196	-1.18%	\$ 29,400	\$	\$ 673.46	\$ 30,073
Ward	Des Lacs	\$ 7,641.33	194	-1.53%	\$ 29,100	\$	\$ 191.03	\$ 29,291
Cass	Buffalo	\$ 37,436.67	192	-0.52%	\$ 28,800	\$	\$ 935.92	\$ 29,736
Eddy	Sheyenne	\$ 18,547.00	192	-0.70%	\$ 28,800	\$	\$ 463.68	\$ 29,264
Richland	Mooreton	\$ 14,029.33	192	-0.35%	\$ 28,800	\$	\$ 350.73	\$ 29,151
Walsh	Edinburg	\$ 31,580.33	187	-0.53%	\$ 28,050	\$	\$ 789.51	\$ 28,840
Barnes	Sanborn	\$ 21,917.67	180	-2.00%	\$ 27,000	\$	\$ 547.94	\$ 27,548
Cass/Traill	Grandin	\$ 16,817.00	176	-0.38%	\$ 26,400	\$	\$ 420.43	\$ 26,820
Ramsey	Edmore	\$ 3,282.33	175	-0.94%	\$ 26,250	\$	\$ 82.06	\$ 26,332
Nelson	Petersburg	\$ 7,581.33	175	-1.51%	\$ 26,250	\$	\$	\$ 26,250
Sioux	Selfridge	\$ 496.00	173	-0.78%	\$ 25,950	\$	\$ 12.40	\$ 25,962
Mercer	Golden Valley	\$ 12,788.00	172	-1.54%	\$ 25,800	\$	\$ 319.70	\$ 26,120
Griggs	Binford	\$ 8,762.67	170	-0.39%	\$ 25,500	\$	\$ 219.07	\$ 25,719
Stutsman	Streeter	\$ 30,130.67	164	-0.21%	\$ 24,600	\$	\$ 753.27	\$ 25,353
Barnes	Litchville	\$ 13,709.67	163	-1.61%	\$ 24,450	\$	\$ 342.74	\$ 24,793
Bottineau	Willow City	\$ 3,716.00	162	-1.22%	\$ 24,300	\$	\$ 92.90	\$ 24,393
Richland	Christine	\$ 22,743.00	160	1.47%	\$ 24,000	\$ 3,535.20	\$ 568.58	\$ 28,104
Hettinger	Regent	\$ 83,309.33	156	-2.32%	\$ 23,400	\$	\$ 2,082.73	\$ 25,483
Stutsman	Kensal	\$ 36,111.00	156	-0.64%	\$ 23,400	\$	\$ 902.78	\$ 24,303
Adams	Reeder	\$ 19,709.33	156	-1.06%	\$ 23,400	\$	\$ 492.73	\$ 23,893
Nelson	Tolna	\$ 7,497.00	156	-1.07%	\$ 23,400	\$	\$ 187.43	\$ 23,587
Sargent	Rutland	\$ 48,392.00	155	-1.69%	\$ 23,250	\$	\$ 1,209.80	\$ 24,460

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Wing	\$	11,645.67	153	-0.00%	\$	22,950	\$	-	\$	291.14	\$	23,241
Richland	\$	49,729.33	151	3.60%	\$	22,650	\$	8,163.27	\$	-	\$	30,813
Ward	\$	34,514.67	148	-1.34%	\$	22,200	\$	-	\$	862.87	\$	23,063
Ramsey	\$	12,531.33	148	-0.67%	\$	22,200	\$	-	\$	313.28	\$	22,513
Ward	\$	40,257.33	144	-1.83%	\$	21,600	\$	-	\$	1,006.43	\$	22,606
Slope	\$	12,273.00	143	0.00%	\$	21,450	\$	-	\$	306.83	\$	21,757
McHenry	\$	8,896.67	143	-0.24%	\$	21,450	\$	-	\$	222.42	\$	21,672
Mercer	\$	76,039.67	139	-0.01%	\$	20,850	\$	-	\$	1,900.99	\$	22,751
Lamoure	\$	39,031.67	131	0.00%	\$	19,650	\$	-	\$	975.79	\$	20,626
Pembina	\$	34,045.33	128	-0.52%	\$	19,200	\$	-	\$	851.13	\$	20,051
Wells	\$	4,137.67	128	-0.52%	\$	19,200	\$	-	\$	103.44	\$	19,303
Towner	\$	15,093.33	126	-0.26%	\$	18,900	\$	-	\$	377.33	\$	19,277
Cavalier	\$	5,092.33	124	1.35%	\$	18,600	\$	2,508.26	\$	127.31	\$	21,236
Walsh	\$	14,165.67	123	0.00%	\$	18,450	\$	-	\$	354.14	\$	18,804
Morton	\$	37,793.67	122	-0.28%	\$	18,300	\$	-	\$	944.84	\$	19,245
McHenry	\$	12,878.67	121	0.25%	\$	18,150	\$	459.74	\$	321.97	\$	18,932
Walsh	\$	11,304.33	121	0.25%	\$	18,150	\$	451.61	\$	282.61	\$	18,884
Barnes	\$	15,248.33	120	-0.31%	\$	18,000	\$	-	\$	381.21	\$	18,381
Griggs	\$	7,016.67	120	-0.55%	\$	18,000	\$	-	\$	175.42	\$	18,175
Ransom	\$	2,733.67	120	-0.04%	\$	18,000	\$	-	\$	68.34	\$	18,068
Ramsey	\$	4,305.67	116	-0.58%	\$	17,400	\$	-	\$	107.64	\$	17,508
Stutsman	\$	10,851.33	114	0.88%	\$	17,100	\$	1,499.92	\$	271.28	\$	18,871
Wells	\$	10,428.00	111	-0.89%	\$	16,650	\$	-	\$	260.70	\$	16,911
Bottineau	\$	18,102.67	110	-1.20%	\$	16,500	\$	-	\$	452.57	\$	16,953
Walsh	\$	10,376.33	108	0.93%	\$	16,200	\$	1,509.43	\$	259.41	\$	17,969
Trails	\$	40,341.00	104	-0.64%	\$	15,600	\$	-	\$	1,008.53	\$	16,609
Benson	\$	1,994.00	104	-0.64%	\$	15,600	\$	-	\$	49.85	\$	15,650
Towner	\$	23,527.67	103	-0.32%	\$	15,450	\$	-	\$	588.19	\$	16,038
Benson	\$	22,426.67	100	0.00%	\$	15,000	\$	-	\$	560.67	\$	15,561
Barnes	\$	14,157.00	100	-1.33%	\$	15,000	\$	-	\$	353.93	\$	15,354
Stutsman	\$	120,983.00	97	0.34%	\$	14,550	\$	489.47	\$	3,024.58	\$	18,064
Cass	\$	25,487.67	97	-1.02%	\$	14,550	\$	-	\$	637.19	\$	15,187
Sheridan	\$	1,335.00	97	-0.02%	\$	14,550	\$	-	\$	33.38	\$	14,583
Sargent	\$	5,670.33	96	-1.37%	\$	14,400	\$	-	\$	141.76	\$	14,542
McLean	\$	4,714.00	95	-0.70%	\$	14,250	\$	-	\$	117.85	\$	14,368
Walsh	\$	10,434.67	92	-0.72%	\$	13,800	\$	-	\$	260.87	\$	14,061
Steele	\$	5,243.67	92	0.00%	\$	13,800	\$	-	\$	131.09	\$	13,931
McHenry	\$	10,248.00	90	-0.37%	\$	13,500	\$	-	\$	256.20	\$	13,756
Barnes	\$	9,650.67	90	-1.82%	\$	13,500	\$	-	\$	241.27	\$	13,741
Foster	\$	4,727.67	88	-0.75%	\$	13,200	\$	-	\$	118.19	\$	13,318
Lamoure	\$	9,257.33	88	0.00%	\$	13,200	\$	-	\$	-	\$	13,200
Stutsman	\$	9,709.33	87	0.00%	\$	13,050	\$	-	\$	242.73	\$	13,293

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Solen	\$	(181.00)	87	-0.00%	\$	13,050	\$	-	\$	-	\$	13,050	
McLean	Coleharbor	\$	4,999.00	86	0.00%	\$	12,900	\$	-	\$	124.98	\$	13,025
Stutsman	Cleveland	\$	8,648.67	83	-0.40%	\$	12,450	\$	-	\$	216.22	\$	12,666
Richland	Dwight	\$	12,168.00	82	0.00%	\$	12,300	\$	-	\$	304.20	\$	12,604
Bottineau	Maxbass	\$	4,056.67	82	-1.61%	\$	12,300	\$	-	\$	101.42	\$	12,401
Pembina	Mountain	\$	(398.00)	82	-2.41%	\$	12,300	\$	-	\$	-	\$	12,300
Kidder	Tuttle	\$	6,664.33	81	0.41%	\$	12,150	\$	493.75	\$	166.61	\$	12,810
Wells	Hurdsfield	\$	4,938.67	81	-0.82%	\$	12,150	\$	-	\$	123.47	\$	12,273
Ward	Ryder	\$	23,575.00	79	-1.27%	\$	11,850	\$	-	\$	589.38	\$	12,439
Cass	Briarwood	\$	8,559.00	79	-0.01%	\$	11,850	\$	-	\$	213.98	\$	12,064
McIntosh	Zeeland	\$	2,773.33	78	-2.10%	\$	11,700	\$	-	\$	69.33	\$	11,769
Cass	Gardner	\$	20,211.33	77	-0.87%	\$	11,550	\$	-	\$	505.28	\$	12,055
McLean	Butte	\$	7,294.33	77	1.31%	\$	11,550	\$	1,513.16	\$	182.36	\$	13,246
Walsh	Ardoch	\$	478.00	77	0.87%	\$	11,550	\$	1,000.00	\$	11.95	\$	12,562
McLean	Benedict	\$	6,965.00	75	1.80%	\$	11,250	\$	2,020.27	\$	174.13	\$	13,444
Cass	Prairie Rose	\$	10,465.67	75	-0.88%	\$	11,250	\$	-	\$	261.64	\$	11,512
Sheridan	Martin	\$	3,948.00	75	-0.92%	\$	11,250	\$	-	\$	98.70	\$	11,349
Ransom	Fort Ransom	\$	16,416.67	74	-0.89%	\$	11,100	\$	-	\$	410.42	\$	11,510
Lamoure	Jud	\$	13,130.33	73	0.44%	\$	10,950	\$	486.49	\$	328.26	\$	11,765
Logan/McIntosh	Lehr	\$	3,285.00	73	-1.81%	\$	10,950	\$	-	\$	82.13	\$	11,032
Sargent	Havana	\$	4,961.00	71	-0.48%	\$	10,650	\$	-	\$	124.03	\$	10,774
Kidder	Pettibone	\$	2,133.67	70	0.48%	\$	10,500	\$	500.00	\$	53.34	\$	11,053
Golden Valley	Golva	\$	631.33	68	-0.52%	\$	10,200	\$	-	\$	15.78	\$	10,216
Richland	Mantador	\$	5,793.33	67	1.51%	\$	10,050	\$	1,515.15	\$	144.83	\$	11,710
Benson	Warwick	\$	1,910.67	67	-0.01%	\$	10,050	\$	-	\$	47.77	\$	10,098
Nelson	Pekin	\$	2,578.00	66	-1.02%	\$	9,900	\$	-	\$	64.45	\$	9,964
Emmons	Hague	\$	42,128.33	65	-1.52%	\$	9,750	\$	-	\$	1,053.21	\$	10,803
Kidder	Dawson	\$	7,216.67	63	0.53%	\$	9,450	\$	500.00	\$	-	\$	9,950
Golden Valley	Sentinel Butte	\$	1,266.33	63	-0.55%	\$	9,450	\$	-	\$	31.66	\$	9,482
Ward	Douglas	\$	21,148.33	61	-1.62%	\$	9,150	\$	-	\$	528.71	\$	9,679
Foster	Grace City	\$	2,290.00	61	-1.08%	\$	9,150	\$	-	\$	57.25	\$	9,207
Richland	Great Bend	\$	3,864.00	60	1.11%	\$	9,000	\$	1,000.00	\$	96.60	\$	10,097
Stutsman	Pingree	\$	4,993.00	60	0.54%	\$	9,000	\$	482.76	\$	124.83	\$	9,608
Pembina	Hamilton	\$	545.67	60	0.55%	\$	9,000	\$	491.80	\$	13.64	\$	9,505
Pierce	Balta	\$	413.33	60	-2.18%	\$	9,000	\$	-	\$	10.33	\$	9,010
Barnes	Nome	\$	4,955.33	59	-2.21%	\$	8,850	\$	-	\$	123.88	\$	8,974
Pembina	Bathgate	\$	2,430.00	59	0.00%	\$	8,850	\$	-	\$	60.75	\$	8,911
Cavalier	Milton	\$	3,332.33	56	-1.20%	\$	8,400	\$	-	\$	83.31	\$	8,483
Cass	North River	\$	13,187.33	55	-0.61%	\$	8,250	\$	-	\$	329.68	\$	8,580
Ramsey	Brocket	\$	1,865.67	55	-0.61%	\$	8,250	\$	-	\$	46.64	\$	8,297
Foster	McHenry	\$	(154.67)	55	-1.20%	\$	8,250	\$	-	\$	-	\$	8,250
Bottineau	Souris	\$	20,039.00	53	-1.25%	\$	7,950	\$	-	\$	500.98	\$	8,451

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Donnybrook	\$	17,929.67	53	-1.00%	\$	7,950	\$	-	\$	448.24	\$	8,398
Dickey	\$	2,333.67	52	-0.64%	\$	7,800	\$	-	\$	58.34	\$	7,858
Grand Forks	\$	2,007.33	52	-0.01%	\$	7,800	\$	-	\$	50.18	\$	7,850
Barnes	\$	9,847.00	51	-1.94%	\$	7,650	\$	-	\$	246.18	\$	7,896
Renville	\$	6,835.00	51	-1.94%	\$	7,650	\$	-	\$	170.88	\$	7,821
Richland	\$	7,312.00	50	-0.67%	\$	7,500	\$	-	\$	182.80	\$	7,683
Dickey	\$	86,962.67	49	-1.37%	\$	7,350	\$	-	\$	2,174.07	\$	9,524
Grand Forks	\$	1,193.00	49	-0.68%	\$	7,350	\$	-	\$	29.83	\$	7,380
Cavalier	\$	61,821.00	48	-0.69%	\$	7,200	\$	-	\$	1,545.53	\$	8,746
Stutsman	\$	10,547.67	48	-0.69%	\$	7,200	\$	-	\$	263.69	\$	7,464
Kidder	\$	2,700.00	48	0.69%	\$	7,200	\$	500.00	\$	67.50	\$	7,768
Stutsman	\$	10,157.33	47	0.68%	\$	7,050	\$	477.78	\$	253.93	\$	7,782
McHenry	\$	6,166.67	46	-0.02%	\$	6,900	\$	-	\$	154.17	\$	7,054
Ramsey	\$	3,842.67	46	-0.72%	\$	6,900	\$	-	\$	96.07	\$	6,996
Burleigh	\$	5,558.67	45	0.74%	\$	6,750	\$	500.00	\$	138.97	\$	7,389
Logan	\$	5,212.33	44	0.00%	\$	6,600	\$	-	\$	130.31	\$	6,730
Trails	\$	46,742.67	43	0.00%	\$	6,450	\$	-	\$	1,168.57	\$	7,619
Barnes	\$	42,662.00	43	-1.53%	\$	6,450	\$	-	\$	1,066.55	\$	7,517
Lamoure	\$	3,559.00	41	0.00%	\$	6,150	\$	-	\$	88.98	\$	6,239
Wells	\$	2,216.33	41	-0.81%	\$	6,150	\$	-	\$	55.41	\$	6,205
Cass	\$	3,988.00	39	-0.85%	\$	5,850	\$	-	\$	99.70	\$	5,950
Pembina	\$	1,095.00	39	-0.88%	\$	5,850	\$	-	\$	27.38	\$	5,877
Lamoure	\$	20,969.33	37	0.00%	\$	5,550	\$	-	\$	524.23	\$	6,074
Bottineau	\$	2,185.00	37	-1.78%	\$	5,550	\$	-	\$	54.63	\$	5,605
Walsh	\$	1,158.67	36	-0.93%	\$	5,400	\$	-	\$	28.97	\$	5,429
Benson	\$	648.67	35	0.00%	\$	5,250	\$	-	\$	16.22	\$	5,266
Pierce	\$	7,610.33	34	-1.93%	\$	5,100	\$	-	\$	190.26	\$	5,290
Dickey	\$	666.33	33	-1.99%	\$	4,950	\$	-	\$	16.66	\$	4,967
Cavalier	\$	48,495.00	32	-1.04%	\$	4,800	\$	-	\$	1,212.38	\$	6,012
Steele	\$	19,990.33	31	0.00%	\$	4,650	\$	-	\$	499.76	\$	5,150
Bottineau	\$	14,443.00	29	-1.15%	\$	4,350	\$	-	\$	361.08	\$	4,711
Ramsey	\$	1,532.00	29	0.00%	\$	4,350	\$	-	\$	38.30	\$	4,388
Bottineau	\$	450.33	29	-1.15%	\$	4,350	\$	-	\$	11.26	\$	4,361
Barnes	\$	13,245.67	28	-2.34%	\$	4,200	\$	-	\$	331.14	\$	4,531
Bottineau	\$	3,408.00	28	-0.04%	\$	4,200	\$	-	\$	85.20	\$	4,285
McHenry	\$	2,541.00	28	-1.19%	\$	4,200	\$	-	\$	63.53	\$	4,264
Cavalier	\$	1,870.00	28	-1.19%	\$	4,200	\$	-	\$	46.75	\$	4,247
Cavalier/Towner	\$	2,162.00	27	-1.23%	\$	4,050	\$	-	\$	54.05	\$	4,104
Towner	\$	207.33	27	0.00%	\$	4,050	\$	-	\$	5.18	\$	4,055
Sargent	\$	9,050.33	26	-2.52%	\$	3,900	\$	-	\$	226.26	\$	4,126
Adams	\$	2,905.67	26	-1.28%	\$	3,900	\$	-	\$	72.64	\$	3,973
Benson	\$	4,349.00	25	0.00%	\$	3,750	\$	-	\$	108.73	\$	3,859

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Rosen	Elliott	\$	(1,419.00)	25	-1.3%	\$	3,750	\$	-	\$	-	\$	3,750
Adams	Haynes	\$	6,508.33	24	-1.44%	\$	3,600	\$	-	\$	162.71	\$	3,763
Walsh	Conway	\$	2,912.00	23	1.45%	\$	3,450	\$	500.00	\$	72.80	\$	4,023
Benson	York	\$	265.33	23	0.00%	\$	3,450	\$	-	\$	6.63	\$	3,457
Slope	Amidon	\$	10,063.67	22	0.00%	\$	3,300	\$	-	\$	251.59	\$	3,552
Dickey	Ludden	\$	2,579.00	21	-1.59%	\$	3,150	\$	-	\$	64.48	\$	3,214
Cavalier	Calio	\$	12,309.33	20	-1.67%	\$	3,000	\$	-	\$	307.73	\$	3,308
Emmons	Braddock	\$	11,965.33	20	-1.67%	\$	3,000	\$	-	\$	299.13	\$	3,299
Barnes	Leal	\$	1,319.00	20	-1.67%	\$	3,000	\$	-	\$	32.98	\$	3,033
Wells	Hamberg	\$	611.33	20	-1.67%	\$	3,000	\$	-	\$	15.28	\$	3,015
Rolette	Mylo	\$	68.33	20	0.00%	\$	3,000	\$	-	\$	1.71	\$	3,002
Cavalier	Calvin	\$	1,320.00	18	-1.85%	\$	2,700	\$	-	\$	33.00	\$	2,733
Bottineau	Overly	\$	(49.67)	18	0.00%	\$	2,700	\$	-	\$	-	\$	2,700
Cass	Ayr	\$	14,270.33	17	0.00%	\$	2,550	\$	-	\$	356.76	\$	2,907
McHenry	Bantry	\$	(70.67)	16	0.00%	\$	2,400	\$	-	\$	-	\$	2,400
Cavalier	Loma	\$	35,607.33	15	0.00%	\$	2,250	\$	-	\$	890.18	\$	3,140
Grant	Leith	\$	561.33	15	-2.22%	\$	2,250	\$	-	\$	14.03	\$	2,264
McHenry	Kief	\$	1,191.00	14	-2.38%	\$	2,100	\$	-	\$	29.78	\$	2,130
Cavalier	Hannah	\$	748.33	14	0.00%	\$	2,100	\$	-	\$	18.71	\$	2,119
Towner	Hansboro	\$	870.33	13	0.00%	\$	1,950	\$	-	\$	-	\$	1,950
McIntosh	Venturia	\$	634.33	12	-2.78%	\$	1,800	\$	-	\$	15.86	\$	1,816
Ramsey	Churchs Ferry	\$	192.33	12	0.00%	\$	1,800	\$	-	\$	4.81	\$	1,805
Barnes	Pillsbury	\$	3,846.00	11	-3.03%	\$	1,650	\$	-	\$	96.15	\$	1,746
Renville	Loraine	\$	1,139.67	9	0.00%	\$	1,350	\$	-	\$	28.49	\$	1,378
Renville	Grano	\$	658.33	9	-3.70%	\$	1,350	\$	-	\$	16.46	\$	1,366
Towner	Perth	\$	33.00	9	0.00%	\$	1,350	\$	-	\$	0.83	\$	1,351
McHenry	Bergen	\$	5,467.33	8	0.00%	\$	1,200	\$	-	\$	136.68	\$	1,337
McLean	Ruso	\$	161.00	4	0.00%	\$	600	\$	-	\$	4.03	\$	604
						\$	69,584,700	\$	9,182,783	\$	5,632,619	\$	114,775,102

Table D.16: Total Estimated Road and Bridge Investment Needs, by County - 2017-2036 (Millions of 2016 Dollars)

	Unpaved Road Needs	Paved Road Needs	Bridge Needs	Total 20-year Needs	Total 20-Year Road Needs Non-Oil Only	\$100 Million Allocated by UGPTI Need Study
Adams	\$58.2	\$6.9	\$2.9	\$67.9	\$67.9	\$1,077,465
Barnes	\$132.1	\$74.0	\$0.8	\$206.9	\$206.9	\$3,284,134
Benson	\$75.7	\$20.7	\$1.2	\$97.7	\$97.7	\$1,549,937
* Billings	\$90.5	\$5.2	\$1.2	\$96.9		
Bottineau	\$106.2	\$78.3	\$27.3	\$211.8	\$211.8	\$3,361,742
* Bowman	\$84.7	\$55.2	\$0.9	\$140.7		
* Burke	\$141.3	\$16.7	\$1.6	\$159.6		
Burleigh	\$151.1	\$107.4	\$2.2	\$260.7	\$260.7	\$4,137,187
Cass	\$286.9	\$124.0	\$34.2	\$445.1	\$445.1	\$7,064,229
Cavalier	\$93.3	\$21.5	\$2.7	\$117.4	\$117.4	\$1,863,385
Dickey	\$72.5	\$28.5	\$0.4	\$101.4	\$101.4	\$1,609,453
* Divide	\$180.6	\$23.3	\$1.3	\$205.2		
* Dunn	\$316.9	\$15.0	\$2.6	\$334.4		
Eddy	\$30.1	\$23.7	\$1.0	\$54.8	\$54.8	\$869,082
Emmons	\$76.6	\$4.2	\$2.8	\$83.6	\$83.6	\$1,327,429
Foster	\$33.3	\$45.6	\$1.5	\$80.3	\$80.3	\$1,275,056
Golden Valley	\$87.0	\$7.8	\$3.7	\$98.4	\$98.4	\$1,561,523
Grand Forks	\$203.8	\$96.6	\$27.6	\$328.0	\$328.0	\$5,205,447
Grant	\$124.5	\$0.0	\$19.0	\$143.5	\$143.5	\$2,277,770
Griggs	\$34.1	\$13.4	\$4.1	\$51.6	\$51.6	\$819,248
Hettinger	\$66.5	\$5.5	\$19.0	\$91.0	\$91.0	\$1,444,079
Kidder	\$55.0	\$17.0	\$0.0	\$72.0	\$72.0	\$1,142,376
LaMoure	\$76.7	\$57.7	\$9.2	\$143.6	\$143.6	\$2,278,405
Logan	\$48.9	\$2.6	\$0.7	\$52.2	\$52.2	\$828,136
McHenry	\$204.4	\$39.0	\$16.5	\$259.8	\$259.8	\$4,123,538
McIntosh	\$47.3	\$38.2	\$0.6	\$86.1	\$86.1	\$1,366,154
* McKenzie	\$404.8	\$66.2	\$4.2	\$475.2		
McLean	\$154.9	\$81.2	\$1.9	\$238.0	\$238.0	\$3,777,397
Mercer	\$90.7	\$42.1	\$1.6	\$134.4	\$134.4	\$2,133,346
Morton	\$125.3	\$27.8	\$46.0	\$199.1	\$199.1	\$3,160,025
* Mountrail	\$234.9	\$69.7	\$2.5	\$307.1		
Nelson	\$57.7	\$29.7	\$1.7	\$89.0	\$89.0	\$1,412,655
Oliver	\$34.6	\$8.9	\$0.2	\$43.7	\$43.7	\$692,758
Pembina	\$85.2	\$61.9	\$14.2	\$161.3	\$161.3	\$2,559,476
Pierce	\$108.1	\$2.5	\$1.7	\$112.3	\$112.3	\$1,781,809
Ramsey	\$62.2	\$38.9	\$4.0	\$105.2	\$105.2	\$1,669,920
Ransom	\$56.4	\$18.7	\$9.2	\$84.3	\$84.3	\$1,338,063
Renville	\$59.5	\$31.9	\$3.8	\$95.3	\$95.3	\$1,511,689
Richland	\$167.8	\$108.7	\$29.0	\$305.5	\$305.5	\$4,848,672
Rolette	\$59.2	\$16.1	\$0.4	\$75.8	\$75.8	\$1,203,161
Sargent	\$44.5	\$33.6	\$2.8	\$81.0	\$81.0	\$1,285,055
Sheridan	\$53.8	\$7.4	\$1.6	\$62.8	\$62.8	\$995,889
Sioux	\$57.9	\$0.0	\$0.4	\$58.2	\$58.2	\$924,154
Slope	\$63.0	\$0.0	\$0.7	\$63.7	\$63.7	\$1,010,967
* Stark	\$184.4	\$48.2	\$18.0	\$250.6		
Steele	\$51.2	\$25.5	\$11.3	\$87.9	\$87.9	\$1,395,515
Stutsman	\$112.1	\$87.4	\$2.4	\$202.0	\$202.0	\$3,205,574
Towner	\$72.2	\$0.0	\$3.2	\$75.4	\$75.4	\$1,196,337
Trail	\$71.9	\$58.8	\$46.9	\$177.6	\$177.6	\$2,818,328
Walsh	\$190.6	\$71.0	\$37.0	\$298.6	\$298.6	\$4,739,006
Ward	\$233.9	\$120.1	\$8.9	\$362.9	\$362.9	\$5,760,130
Wells	\$83.9	\$47.7	\$1.6	\$133.2	\$133.2	\$2,114,301
* Williams	\$292.2	\$142.0	\$9.6	\$443.8		
Total	\$6,090.7	\$2,264.5	\$449.4	\$8,703.9	\$6,300.9	\$100,000,000

* Counties receiving more than \$5 million in GPT revenues annually

HOUSE BILL 1066 - TESTIMONY LINEUP (Following Legislators)

Senate Finance & Tax Committee - Lewis & Clark Room

Tuesday - March 5, 2019 - 9:00 a.m. CT

#2

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1. Arik Spencer, GNDC Exec. Director and chair of the Transportation Coalition
2. Bernie Dardis, Mayor City of West Fargo
3. Bruce Strinden, Morton County Commissioner, County Comm. Assoc. Board
4. Scott Decker, Mayor City of Dickinson
5. Trudy Ruland, Mountrail County Commissioner - WDEA/Oil county perspective
6. Scott Davis, Mandan City Commissioner
7. Nick West, Grand Forks County Engineer - Non-oil county perspective
8. Matthew Remyse, President Airport Association North Dakota
9. Steve McCormick Jr., Northern Improvement, ND AGC President
10. Tom Wheeler, ND Townships
11. Kayla Pulvermacher, Farmers Union

**Greater North Dakota Chamber
HB 1066
Senate Finance and Taxation Committee
Senator Cook - Chair
March 5th, 2019**

Mr. Chairman and members of the Senate Finance and Taxation Committee, my name is Arik Spencer, President & CEO of the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, representing businesses of every size, from every sector, and in every corner of our great state. We stand in strong support of House Bill 1066.

When we visit with businesses leaders across the state, transportation infrastructure quickly rises as one of the top two concerns we hear. So why is transportation infrastructure important to ND business? Here is some information for you to consider.

When we look at freight, \$106 Billion in goods is shipped within North Dakota annually, 74% of that is shipped by truck.

In terms of trade, 85% of all North Dakota exports are shipped are to Canada and Mexico, again much of which is shipped on our roadways. In North Dakota's three largest metro areas alone (Fargo, Grand Forks, and Bismarck), \$884 million in goods are exported annually.

Looking at North Dakota jobs, over 215,000 full-time jobs in energy, tourism, retail, agriculture, and manufacturing are completely dependent on North Dakota's transportation infrastructure network. In addition, over 13,000 full-time jobs across all sectors of the state's economy are supported by the design, construction, and maintenance of North Dakota's infrastructure.

Finally, highway accessibility was ranked the number one priority in a recent national survey of corporate executives

While I realize that HB 1066 is about more than transportation infrastructure, if we fail to adequately fund North Dakota's infrastructure needs we threaten our state's economic growth potential.

I also stand here as the chair of the ND Transportation Coalition in favor of HB 1066, which is a group of business, agriculture, and public sector organizations, who care deeply about North Dakota's transportation infrastructure.

In conclusion I ask that HB 1066 receive a do pass recommendation and I stand for any questions the committee has.

North Dakota Transportation Facts

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#2 pg. 3



Transportation is important to maintaining North Dakota's strong economy and quality of life. Annually, \$106 billion in goods are shipped to and from North Dakota. This is vital to North Dakota's top industries of agriculture, energy, manufacturing and tourism.

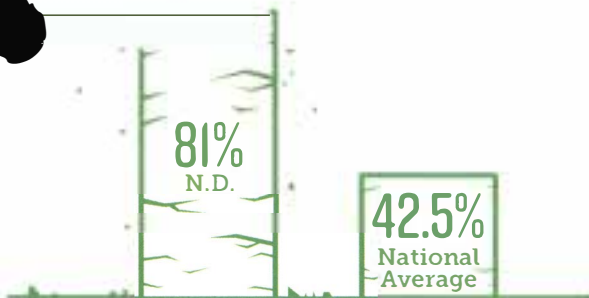
Source: North Dakota TRIP Report

North Dakota needs \$24.6 billion over the next 20 years to maintain current roads and bridges, but there is only \$10 billion in revenue projected. That's a \$14.6 billion funding gap.

Source: Upper Great Plains Transportation Institute



Transportation Budget Dependent on Federal Funds



North Dakota's transportation construction budget is 81 percent federally funded, compared to the national average of 42.5 percent. This is a problem because only 17 percent of North Dakota's 107,000 miles of roadways are eligible for federal funds, and the Federal Highway Trust Fund is going broke.

Source: ND DOT

North Dakota's motor fuel tax of 23 cents per gallon has lost impact since 2005, due to inflation and increased fuel efficiency.

- To make up for inflation, North Dakota's 23-cent motor fuel tax would need to be 30 cents today. However, construction costs in North Dakota during that same period of time have increased even faster than inflation, at 117 percent. For example, asphalt surfacing cost approximately \$500,000 per mile in 2005 and cost \$1.1 million per mile in 2017.
- The owner of a 2005 Ford F-150 getting 14 mpg driving 12,000 miles in a year would pay \$197.14 in state gas taxes, while an owner of a 2018 Ford F-150 getting 21 mpg driving the same number of miles would pay \$131.43.

Sources: BLS Consumer Price Index Inflation Calculator; ND DOT; www.fueleconomy.gov

23¢ IN 2005

23¢ NOW



Recent one-time transportation funding has helped address immediate needs and is very much appreciated. Going forward, long-term predictable funding is needed to generate efficiencies. Each dollar of deferred maintenance on roads and bridges costs an additional \$4-\$5 in needed future repairs. The Right Fix at the Right Time with the Right Asset will lead to lower life-cycle costs. Most transportation projects require a 4 to 6-year lead time.

Source: North Dakota TRIP Report

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Bad roads cost North Dakota motorists an estimated \$250 million annually, or \$449 per driver.

Source: North Dakota TRIP Report

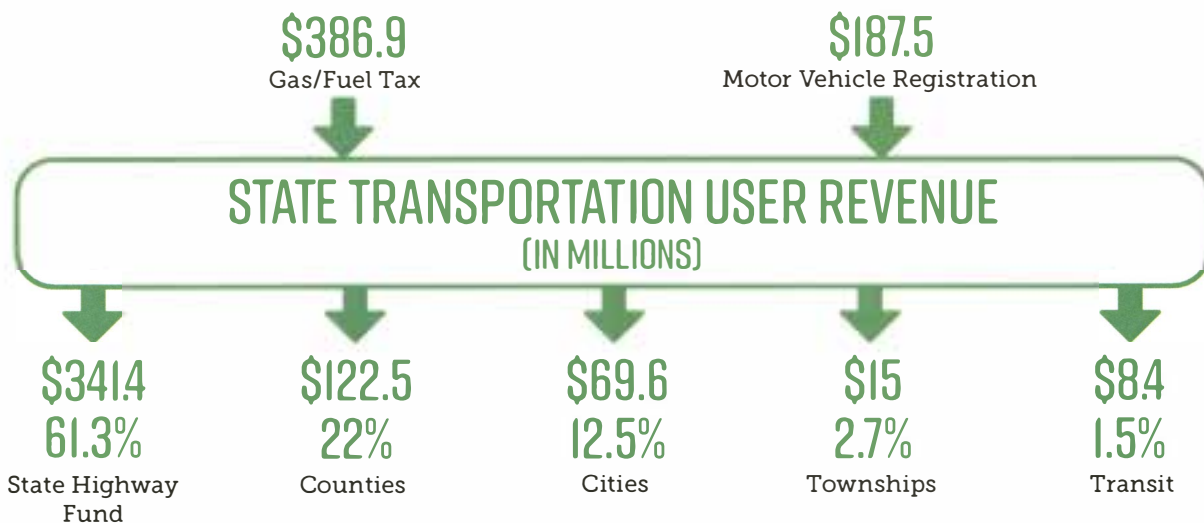


Possible funding options include:

- Dedicating oil revenues, such as proposed in HB 1066, could provide \$280 million per biennium in funding directly to local entities for infrastructure, including transportation infrastructure.
- The motor vehicle excise tax provides \$105 million in annual revenue that currently goes to the general fund and does not fund transportation.
- 1 cent per gallon motor fuel tax generates \$7.4 million in annual revenue.
- If driver's license fees were raised to cover the cost of administering driver's license operations, this would free up \$2.45 million in the State Highway Fund.
- \$1 in registration fees generates \$1 million in annual revenue.

Source: North Dakota Symposium on Transportation Funding

State Transportation Revenues go into Highway Tax Distribution Fund



Approximately \$17.5 million in deductions before distributions. Source: 2019-2021 Biennium Executive State Budget

Transportation Coalition





**Testimony on HB 1066
Presented to the Senate Finance and Taxation Committee
Prepared by Bernie Dardis, Commission President, City of West Fargo
Tuesday, March 5, 2019**

1 Chairman Cook and members of the Senate Finance and Taxation Committee: I
2 appear before you today in support of House Bill 1066. To put it simply, the City of West
3 Fargo's infrastructure needs far outpace the funds and tools available to us. If House Bill
4 1066 passes, the City of West Fargo would use these funds to support the reconstruction
5 and maintenance of existing infrastructure to lessen the burden on taxpayers. The
6 reduction of special assessments that this bill would allow has the potential to reduce
7 the overall tax burden to our citizens.

8 "A city on the grow" has been the proud slogan of West Fargo for more than 20
9 years. During that time, our population has increased 106 percent and our school
10 district has grown to the third largest district in the state. To put it in perspective, the
11 growth of our school district during the 2017-18 school year was just shy of exceeding
12 that of Williston, Dickinson and McKenzie County combined. The city itself is the third
13 fastest growing city in North Dakota, outpacing Dickinson, Minot and Mandan. During
14 this time, approximately 90 percent of our levied funds have gone to the police and fire
15 departments to ensure proper staffing to protect our cities. The remaining balance has
16 funded all other parts of the city, including streets, municipal court, public library,
17 building inspections, finance, planning and engineering.

18 During this time, the burden of creating, maintaining and improving infrastructure
19 has remained on our taxpayers, and this was compounded by a 20 percent decrease
20 in funds from the state. The rapid growth in West Fargo has created a surge in needs for
21 expanded roads and water and sewer systems at a pace that normally would not
22 happen. Over the past five years, we have financed \$195.9 million in infrastructure
3 projects with \$168.1 million coming through special assessments. The city's capital

24 improvement plan has identified \$352.1 million worth of projects for the next 10 years.
25 This is impossible to fund without significantly raising property taxes or leveraging special
26 assessments.

27 When looking at House Bill 1066, of particular hope to us is that the funding from
28 this bill could support the infrastructure needs of the core area of West Fargo. This core
29 area is 143 blocks with issues of deteriorating sanitary sewer pipes, rough roads and
30 overtaxed storm and water sewer systems and deficiencies in regional infrastructure. In
31 some areas of town, pipes have completely disintegrated – meaning water and
32 sewage is flowing through voids in the system.

33 The City of West Fargo is currently engaged in a comprehensive study of this
34 area and initial estimates have identified more than \$50 million worth of projects that
35 need completion over the next 20 years. This is in addition to the projects already
36 included in the capital improvement plan. The projects needed are essential to the
37 health, safety and quality of life for the residents in this area and must be tackled.

38 What concerns us most about this situation is that the core area of town is West
39 Fargo's primary source of affordable housing for our residents. Placing large special
40 assessment burdens in this area of town will be a tremendous obstacle for the future
41 prosperity of our city, as it will result in a major blow to the affordable housing
42 options. Some of these existing homeowners simply do not have the means to carry
43 large increases to their tax bill in the form of special assessments that would be
44 necessary to fund these projects.

45 The City of West Fargo has used a multifaceted approach when funding these
46 improvement projects – using collected sales tax, special assessments to the benefiting
47 property owners and low interest Bank of North Dakota loan. However, we need more
48 or expanded tools for funding, such as direct aid from the state. The City of West Fargo
49 has carried the burden of infrastructure improvement projects largely on the backs of its
50 taxpayers. We now ask for your assistance in helping your voters maintain an affordable
51 cost of living.

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52 For these reasons, the City of West Fargo supports HB 1066. I would answer any
53 questions that you have at this time, or you can certainly contact me later by email at
54 bernie.dardis@westfargond.gov.

Testimony to the

Senate Finance & Taxation Committee

Prepared March 5, 2019

By Bruce Strinden, Morton County Commissioner

NDCCA Legislative Committee

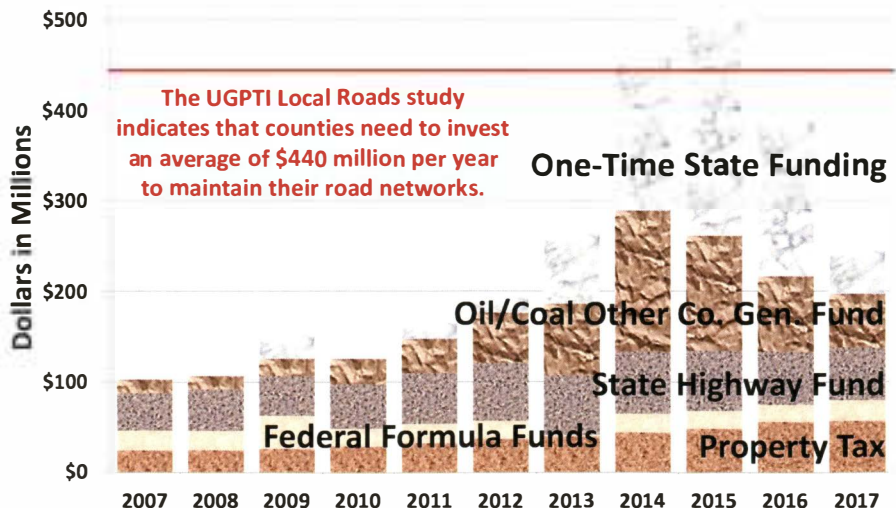
RE: Support for HB1066 – Infrastructure Funding

Chairman Cook and members of the Finance and Taxation Committee, I am Bruce Strinden, a Morton County Commissioner and a member of the North Dakota County Commissioners Association Board of Directors. I appreciate the opportunity to speak to you about the counties’ solid support of this long-term funding proposal for local infrastructure.

The Legislature has been wise in its past efforts to address local infrastructure needs, and county officials are extremely grateful for those efforts. The way you have addressed gross production tax allocations and the multiple times that you have allocated one-time funding have been significant in addressing the enormous unmet need for local road improvement. This bill today will improve upon these efforts by bringing a degree of certainty to future funding – allowing counties to more effectively plan and program improvements for greater efficiency and cost-effectiveness.

You are undoubtedly familiar with the Upper Great Plains Transportation Institute’s Local Roads Study. It is really the “gold standard” when it comes to quantifying the needs for county and township roads. Their past research, involving pavement testing, historical construction data, traffic/load analysis, equipment and input costs, demonstrated the long-term investment needs of our roads. I provided just one chart that contrasts, over time, past county highway funding sources –

County Road Funding vs. Need



including the significant one-time infusions of state allocations – with the statewide local road needs. The UGPTI study identifies that collectively, local road needs total \$8.7 billion dollars over the next 20 years, or, on average, an annual investment of \$440 million.

I believe the chart clearly demonstrates how vital, the funding this bill provides, will be for bringing the needs and resources together. Will we able to address all the needs? That is unlikely, but it would be a huge step in filling that gap.

As I mentioned when I began, the degree of certainty that the on-going nature of this bill brings to infrastructure planning to so very important. We see this as a great strength of the proposal and urge you to retain this critical element.

Mr. Chairman and Committee Members, on behalf of our state’s counties, I would like to thank the sponsors and all those that have worked to bring this bill forward, and I urge you to give it favorable consideration and a Do Pass Recommendation.

Local Road Needs - UGPTI

Dollars in Millions

	Unpaved Road Needs	Paved Road Needs	Bridge Needs	Total 20-year Needs
Adams	\$58.2	\$6.9	\$2.9	\$67.9
Barnes	\$132.1	\$74.0	\$0.8	\$206.9
Benson	\$75.7	\$20.7	\$1.2	\$97.7
Billings	\$90.5	\$5.2	\$1.2	\$96.9
Bottineau	\$106.2	\$78.3	\$27.3	\$211.8
Bowman	\$84.7	\$55.2	\$0.9	\$140.7
Burke	\$141.3	\$16.7	\$1.6	\$159.6
Burleigh	\$151.1	\$107.4	\$2.2	\$260.7
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Cavalier	\$93.3	\$21.5	\$2.7	\$117.4
Dickey	\$72.5	\$28.5	\$0.4	\$101.4
Divide	\$180.6	\$23.3	\$1.3	\$205.2
Dunn	\$316.9	\$15.0	\$2.6	\$334.4
Eddy	\$30.1	\$23.7	\$1.0	\$54.8
Emmons	\$76.6	\$4.2	\$2.8	\$83.6
Foster	\$33.3	\$45.6	\$1.5	\$80.3
Golden Valley	\$87.0	\$7.8	\$3.7	\$98.4
Grand Forks	\$203.8	\$96.6	\$27.6	\$328.0
Grant	\$124.5	\$0.0	\$19.0	\$143.5
Griggs	\$34.1	\$13.4	\$4.1	\$51.6
Hettinger	\$66.5	\$5.5	\$19.0	\$91.0
Kidder	\$55.0	\$17.0	\$0.0	\$72.0
LaMoure	\$76.7	\$57.7	\$9.2	\$143.6
Logan	\$48.9	\$2.6	\$0.7	\$52.2
McHenry	\$204.4	\$39.0	\$16.5	\$259.8
McIntosh	\$47.3	\$38.2	\$0.6	\$86.1
McKenzie	\$404.8	\$66.2	\$4.2	\$475.2
McLean	\$154.9	\$81.2	\$1.9	\$238.0
Mercer	\$90.7	\$42.1	\$1.6	\$134.4
Morton	\$125.3	\$27.8	\$46.0	\$199.1
Mountrail	\$234.9	\$69.7	\$2.5	\$307.1
Nelson	\$57.7	\$29.7	\$1.7	\$89.0
Oliver	\$34.6	\$8.9	\$0.2	\$43.7
Pembina	\$85.2	\$61.9	\$14.2	\$161.3
Pierce	\$108.1	\$2.5	\$1.7	\$112.3
Ramsey	\$62.2	\$38.9	\$4.0	\$105.2
Ransom	\$56.4	\$18.7	\$9.2	\$84.3
Renville	\$59.5	\$31.9	\$3.8	\$95.3
Richland	\$167.8	\$108.7	\$29.0	\$305.5
Rolette	\$59.2	\$16.1	\$0.4	\$75.8
Sargent	\$44.5	\$33.6	\$2.8	\$81.0
Sheridan	\$53.8	\$7.4	\$1.6	\$62.8
Sioux	\$57.9	\$0.0	\$0.4	\$58.2
Slope	\$63.0	\$0.0	\$0.7	\$63.7
Stark	\$184.4	\$48.2	\$18.0	\$250.6
Steele	\$51.2	\$25.5	\$11.3	\$87.9
Stutsman	\$112.1	\$87.4	\$2.4	\$202.0
Towner	\$72.2	\$0.0	\$3.2	\$75.4
Traill	\$71.9	\$58.8	\$46.9	\$177.6
Walsh	\$190.6	\$71.0	\$37.0	\$298.6
Ward	\$233.9	\$120.1	\$8.9	\$362.9
Wells	\$83.9	\$47.7	\$1.6	\$133.2
Williams	\$292.2	\$142.0	\$9.6	\$443.8
Total	\$6,090.7	\$2,264.5	\$449.4	\$8,703.9

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March 4, 2019

TO: Senator Cook, Senate Finance and Taxation
and Committee members

RE: HB 1066

My name is Scott Decker, Mayor of Dickinson. The City of Dickinson stands in support of HB 1066.

Even though oil impacts have lessened, it does not mean they are over. We accepted the risk based on the need for hub cities to house the workers who came to North Dakota to make the development of the Bakken a reality. HB 1066 is an equitable piece of legislation that pays back dollars to those that bore the brunt of the impact and it also pays forward dollars to ALL areas of North Dakota.

As you are aware, the City of Dickinson has experienced oil impacts for several years. With an explosive population gain due to rapid growth, the City has built much of the core infrastructure required to deal with tremendous population gain. Our capital infrastructure plan is much lower than previous years but still requires a minimum \$6 million spend each year to maintain. According to the AE2S 6-city study, the City of Dickinson is to spend over \$20 million annually in the next 7 years to deal with the 3.7% population gain anticipated. The hospital administrator has reported record births for the last four years.

We now have over \$87 million in debt that must be serviced for the next 20 years. This debt requires an annual payment of \$5.3 million. We had to add staff in several departments. These staff additions plus the burden of paying for short-term capital leases and maintaining the new infrastructure and lane miles has required an infusion of cash into our general fund in 2019 of \$4.5 million. This annual subsidy is most likely going to increase based on the 6-city study recently completed by AE2S. It conclusively showed that the City of Dickinson has operated lean from a staffing point of view for many years. It is time to increase staff in our emergency operations departments (PD, FD, & Streets). We believe we have been fiscally responsible. We have raised fees. We have implemented water and sewer impact fees. The AE2S study indicated that the City of Dickinson has a very well balanced fiscal approach to meeting local needs; and our successful approach is attributable to the receipt of Hub City funding.

I want to specifically acknowledge the importance of establishing the airport infrastructure fund in Section 1. Access to these services is integral to development in any area of the State. As a member of the TFR regional airport board I can attest to the costs associated with maintaining and improving our airports.

I am asking you for a green vote, DO PASS, on HB 1066.

Sincerely,



Scott Decker, Mayor
City of Dickinson
99 2nd St. East
Dickinson, ND 58601

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WAYNE OLSON
District # 1
(701) 497-3898

JOAN M
HOLLEKIM
District #2
(701) 628-3080

TRUDY
RULAND
District #3
(701) 627-3588

DAN URAN
District #4
(701) 627-3511

GARRY A.
JACOBSON
District #5
(701) 453-3315

Mountrail County Commissioners

Mountrail County Courthouse
101 North Main Street - Box 69
Stanley, North Dakota 58784-0069
Tel. (701) 628-2145 Fax (701) 628-2276

Dear Chairman Dwight Cook and Honorable Members of the Senate Finance & Taxation Committee:

It is an honor to stand before you. My name is Trudy Ruland. I am a farmer/rancher, resident of Big Bend Township, the chair of the Mountrail County Board of Commissioners and a Member of WDEA Executive Committee.

For over a decade the oil industry has had an huge impact in western North Dakota. Mountrail County along with other oil producing counties and political subdivisions need the oil and gas production tax revenues to provide needed infrastructure, maintain essential services and insure safety to all in our communities.

This revenue is "in lieu of property tax". The counties and townships have no zoning authority over the oil industry nor can we levy property tax on their installations. We do understand the reasoning behind this but we all still need funding we can count on. If the funding is inadequate, the tax burden falls into on our farmers and ranchers. And the young farmers and ranchers usually do not have the mineral rights of the land they are operating.

Mountrail County has about 150 miles of paved road, many of these roads have been built to a 20 year life expectancy. Many of these roads are experiencing between 600 to 900 vehicles a day with the majority being semi trucks. These heavily traveled oil roads will not hold up for 20 years.

This summer Mountrail County will be overlaying approximately 9 miles of paved road built in 2012 and 11 miles of road built in 2013. The county will also begin an upgrading approximately 9 miles of gravel road to a paved road this summer. The construction, engineering and other costs is anticipated to be around \$20 million. This road is a major artery between 1804 and HWY 2 for the oil industry in western Mountrail. We will be using 100% of our share of the GPT funding for this construction. Also without adequate funding from the GPT, we will not have the means to adequately maintain our current paved road system.

We also manage 250 miles of county gravel roads and assist townships with approximately 1500 miles gravel roads throughout the County. The majority of these gravels roads are "mucker" roads. They are adequate for the ag industry but not for the demands of the oil industry. And please remember the farmers and ranchers still have to use these busy "oil roads".

Couple of examples:

- Two southern townships share a one mile stretch of gravel road. It currently has about 900-1000 vehicles a day, 75% of which are semi trucks. The gravel road is just not standing up to the impact. They are planning to reconstruct the road and pave it at a estimated cost of \$1.3 million.
- Four miles of a shared township road which is heavily used by the oil industry became dangerous last summer. The townships, concerned about the safety of the road, restricted the its use, thus hampering the oil industry. A consortium of the County and the townships will be reworking the gravel road and bring it up to county gravel road standards for a estimated cost of \$1.7 million.

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Even at current funding level, it is very difficult for townships to have these projects pencil out. Most of the townships in Mountrail are at the maximum levy of 18 mills.

Finally, the oil producing counties and political subdivisions need certainty. In other words - a GPT distribution formula with no sunset. It's very difficult for counties and other entities to plan major projects because of potential legislative changes to the distribution formula and the funding uncertainty that results. We would like to see the legislature agree upon a permanent distribution level that, while still subject to the changes of the oil price and production, provides some assurance that dollars will be available. This assurance will be especially important due to recent outreach by the oil industry to more closely collaborate with counties and townships to align their drilling plans with road improvement projects.

Your support in passing HB1066 is greatly appreciated.

Trudy Ruland



"WHERE THE WEST BEGINS"

CITY OF MANDAN

MANDAN CITY HALL - 205 2nd Avenue NW

MANDAN, NORTH DAKOTA 58554

701-667-3215 • FAX: 701-667-3223 • www.cityofmandan.com

CITY DEPARTMENTS

ADMINISTRATION	667-3215
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BUSINESS DEVELOPMENT	667-3485
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SPECIAL ASSESSMENTS	667-3271
UTILITY BILLING	667-3219
WATER TREATMENT	667-3275

Senate Finance & Taxation Committee

March 5, 2019

HB 1066

Chairman Cook and members of the Senate Finance & Taxation Committee, my name is Scott Davis, City Commissioner for Mandan. I am here today in support of House Bill 1066.

Today you have heard from Mayors and County Commissioners from across the state along with representatives from various other organizations in support of this bill. Infrastructure funding is not simply isolated to a few regions of North Dakota; it is an issue for all of North Dakota.

Essential infrastructure projects as defined in this bill include, water and wastewater treatment plants, water and sewer lines, lift and pumping stations, storm water systems, road, bridges, airports, electricity and natural gas transmission infrastructure, and communications infrastructure. All items that our citizens expect us to provide. Maintaining this infrastructure has become increasingly expensive over time and funding to do so is limited.

Water and sewer rates are generally increased annually to pay for replacement of outdated pipe and systems or to account for additional regulations that are imposed upon us. While there are several loan programs that we can take advantage of, they are just that, loans that must be paid back through increasing our rates to our citizens. Streets do not last forever, no matter how much preventative maintenance is performed on them. At some point they need reconstruction and the amount of special assessments that are placed upon property owners is increasingly burdensome.

Comparative studies are done when looking at different city mill levies and the funding that House Bill 1066 will provide will not only provide some much needed relief to our residents, but help keep mill levies reasonable when compared to others.

On behalf of Mayor Helbling and the Mandan City Commission, I urge a do pass on House Bill 1066.

Thank you for your time and should you have any questions I will do my best to answer them.

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Testimony Prepared for the
Senate Finance and Taxation Committee

March 5, 2019

By: Nick West, Grand Forks County Highway Engineer

RE: Support for HB 1066 – Infrastructure Funding

Chairman Cook and members of the Senate Finance and Taxation Committee, thank you for the opportunity to provide testimony on HB 1066. My name is Nick West and I am the Grand Forks County Highway Engineer. I am also a Director for the North Dakota Association of County Engineers, I'm the Chairman of my local Township, and a school board member for the Thompson Public School. I am here to encourage support of this bill as proposed.

While the previous legislatures provided great one-time funding bills, some of the requirements posed additional challenges to some local governments. HB 1066 would eliminate much of those concerns by providing a continuous and more reliable source of infrastructure revenue that the local governing boards would have direct control over. This allows the local boards to determine what their individual needs are, what works best in their communities, and how to blend all the available revenue sources together to make projects possible. What one County needs are, is different than another County.

The Infrastructure Needs Study completed by the Upper Great Plains Transportation Institute, places a 20-year need of \$333 million in Grand Forks County alone for paved and unpaved roads, and major bridges only. One item in that study that was originally estimated in general terms was the culverts and minor structures. In Grand Forks, we've chosen to do a detailed analysis and inventory expansion in GRIT of those culverts and minor structures, and the results are not good. We have 35% of our road system inventoried or 1,157 culverts. 30% are in poor shape and in need of attention today. If we pro-rate these percentages to our entire system, it is reasonable to estimate that we have 1,200 culverts in need of attention, today, on County roads. If we add in small bridges on the Township system, and pro-rate the same conditions across the board, we are looking at replacement dollars, just for culverts and minor bridges, in

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Grand Forks County only, in the \$25 to \$30 million dollar range, as a real need today, these are dollars need to simply catch up.

We support the distribution of funds to be dispersed according to the UGPTI Needs Study, as this would lift our entire statewide roadway network proportionally to a similar level of service, so that one region of the state isn't significantly better or worse than another. In Grand Forks County we have 279 major bridges on county and township roads. Of those 279, 70 have a ton limit, and need work today. Some counties only have a handful of bridges, and bridges are expensive, therefore it takes more money in a bridge rich county to maintain the same access.

We understand that the amount of tax revenue collected determines the availability of funding to be distributed, we understand that, and we're good with that. We believe HB1066 provides a responsible method to distribute that revenue resource justly.

As the chairman of my local township, I've heard nothing but positive comments about this bill from the 41 townships in Grand Forks County. Having each township receive the same dollar amount is a good simple way to run the program. \$10,000 per township may not seem like much, but believe me, it's a big boost, makes a huge difference.

Now wearing my school board hat, this is a good bill, offers additional funding stability, and maintains funding levels, so thumbs up here too.

This bill will be used for the betterment of our roadway network. Everyone benefits from good roads and bridges. Grand Forks County as a whole supports this bill.

This bill would change the lives of every citizen in North Dakota, for the better.

We ask for your support on this bill as proposed, we recommend no changes, and recommend a DO Pass vote. Thank you for your time, thank you for being legislature and all that entails. Are there any questions for me?



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Airport Association of North Dakota

Matthew Remyse - President Kelly Braun - Vice President
Jordan Dahl - Sec. / Treasurer
P.O. Box 991 Bismarck, North Dakota 58502-0991
(701) 355-1808

March 5, 2019

RE: Testimony to Senate Finance and Taxation Committee – HB 1066 – Oil and Gas Tax Revenue Allocation

Chairman Cook and members of the committee,

I am Matthew Remyse, the President of the Airport Association of North Dakota (AAND). I want to thank you for the opportunity to speak here today and thank you for your past support of North Dakota airports. AAND is the professional organization for North Dakota Airports and it serves to promote airports, aviation, and safety across the state. Among its members are all eight commercial service airports, 70 of 81 general aviation airports and aviation engineering and planning firms. I'm here today on behalf of the association to express our support of HB 1066 specifically, the development of the airport infrastructure fund and associated \$20 million.

Airports are a valuable asset for North Dakota's economy and touch all major industries, including agriculture, manufacturing, healthcare, tourism, energy and technology. According to the 2015 Statewide Economic Impact of Aviation study, North Dakota's 89 airports generate an economic impact of \$1.56 billion annually and employ 4,439 individuals. Over the last two years, airports from across the state have seen growth. Although, the 2017 annual enplanements at commercial airports decreased slightly from 2016, 2018 was a strong year. 2018 enplanements were up 5% over 2017. That is an additional 52,478 passengers year over year. Also, several airports saw new operations come to their fields. For example, Fargo Airport now has a regional UPS operation and Dickinson Airport has a new hangar for a based air ambulance service. In

addition, some airports in the state are seeing a new and exciting growth related to unmanned aircraft. Additionally, the number of registered aircraft in the state has grown. In 2018, there were 2,099 registered aircraft in the state compared to 2,043 registered aircraft in 2017.

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HB 1066

With this growth, comes the continued need to develop and maintain our state's airports. According to the Federal Aviation Administration (FAA), the capital improvement needs for airports that are eligible to receive federal funding is \$469 million from 2019 to 2023. Enclosed with this testimony is a breakdown by airport of the \$469 million in needs. The projects factored into this amount include runways in Dickinson, Grand Forks, Mohall, Jamestown, and Watford City, aprons in Fargo, Bismarck and Devils Lake. To move these project forward, our airport leaders work closely with FAA officials and ND Aeronautics Commission staff to develop sound financial plans. A key piece in these plans, is federal funding through the FAA's Airport Improvement Program (AIP). Federal grants received through the AIP can be used to fund up to 90% of eligible capital improvement projects, however due to the high cost of certain projects and an inadequate level of federal funds available nationwide, this level of funding is not attained for certain projects. Additionally, the amount of federal funding available through the AIP has remained flat, while the cost of developing and constructing airport projects throughout the country has continued to increase due to rising passenger levels, rising construction costs, and inflation. These factors have increased the competition for federal funding and has made it more and more difficult for airports in North Dakota to receive federal funds. Also, not every project at an airport is eligible for federal funding as each project must meet certain criteria. I have enclosed with this testimony, a paper on the federal funding process.

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As a result of decreased federal funds, airports are making the difficult decision of passing on a project or going into debt to complete their project. This why state and local funds are so important to airport projects. The availability of state and local funding helps to ensure that airports can quickly navigate the planning, environmental, and design phases that are required to be ready for a federal grant request. If approved, HB 1066 would provide an

additional \$20 million in state funding that could be used to fund key projects that are short on or unable to obtain federal funds. It's not that these project are not important or not needed, it's that they couldn't compete on a national level for limited federal funding. These grants would be used to assure that crucial projects are being completed on time and would reduce the amount of debt airports would have to take on. Additionally, the appropriation would provide the ND Aeronautics Commission and airports more stability in planning future projects, which assists in leveraging AIP grants.

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Additionally, it is important to note that only 54 of North Dakota's 89 airport are eligible for federal funding. The other 35 airports rely solely on state local funding for infrastructure projects. If approved, 1066 would offer a great deal of assistance to these airport as they develop and maintain their infrastructure. For instance, funding from 1066 could be used to assistance an airport with the development of a public ramp or pavement maintenance.

When there is a funding shortfall, our airport's ability to grow becomes limited. Airport leaders are forced to prioritize and make tough decision on growth versus maintenance, which is a must to assure the longevity of pavement and other vital infrastructure. If proper maintenance is not completed on time, vital airport infrastructure requires major repair sooner, compounding the need for federal, state and local funding. Also, when an airport forgoes a growth project, it passing on future revenues which help with future local shares. Also, passing on certain projects can create a safety issues, such as a congested parking apron or loose aggregate from a failing pavement section. As previously stated, there are \$469 million worth of needs in our state over the next five years. At this time, its anticipated that the FAA will provide \$200 in federal funding, airports will provide \$65 million in local funding and the ND Aeronautic commission will provide total \$15 million. That leaves a short \$189 million shortfall in funding over a five-year period. If approved, HB 1066 would provide \$50 million in funding for airport infrastructure grants and reduce the funding shortfall to \$139 million.

In conclusion, I ask that you approve HB 1066, including the development of the Airport Infrastructure fund and the associated \$20 million in funding. Airports play a large role in North Dakota's economy and have great funding challenges. Federal and state funding programs are underfunded and the additional from funding HB 1066 would go a long way to assure our airports are being properly maintained, while at the same time able to grow. I thank you for the opportunity to provide testimony today and I will take any questions the committee may have for me.

Respectfully,

Matthew Remyse
President, AAND

Enclosures:

1. North Dakota Airport's Five Year Capital Need
2. Federal Funding of North Dakota's Airports

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Federal Funding of North Dakota's Airports

As we work to maintain our airport infrastructure, federal funding has and will continue to be a key part of solving the infrastructure funding challenges that our state is currently facing. Federal funding for airports is complex and it is very important to understand a few key points:

- Federal funding for airport projects is not guaranteed as airports compete nationally for this funding.
- 54 out of 89 of the public airports in North Dakota are eligible to receive federal funding. The other 35 airports rely solely on state and local funds for infrastructure projects.
- Of those 54 airports that qualify to receive federal funds - not all of their projects are eligible to receive federal funding as each project must meet certain criteria.
- There have been many cases where federal grants have been provided at less than the maximum allowed 90% federal funding level due to inadequate levels of federal funding availability.

First and foremost - to be eligible for federal funding, an airport must be in the National Plan of Integrated Airport Systems (NPIAS). By being classified within the NPIAS, an airport has been deemed to be a benefit to the national airspace system. Gaining this status requires strong justification and can take several years to obtain if an airport meets certain criteria that is based on airport location and aircraft activity levels.

The Federal Airport Improvement Program (AIP), is the national grant program administered by the Federal Aviation Administration (FAA) for airport capital projects. Funding for this program has remained flat at \$3.3 billion annually since 2001 however, the cost of developing and constructing airport projects throughout the country has continued to increase due to rising passenger levels, rising construction costs, and inflation. These factors have increased the competition for federal funding and has made it more and more difficult for airports to receive federal funds. The Airports Council International-North America report for 2017-2021 estimates that a total of \$15 billion funding shortfall per year exists for public airport projects within the United States.

As mentioned above, federal grants received through the AIP can be used to fund up to 90% of eligible capital improvement projects, however due to the high cost of certain projects and an inadequate level of federal funds available nationwide, this funding level is not realized for many projects. A recent example of this can be found by analyzing the primary runway reconstruction project at the Bismarck Airport. Over a three-year time period, the Bismarck runway reconstruction project has been under construction, and the federal government has provided approximately 70% funding for the \$63 million-dollar project which has left approximately \$19 million in remaining costs for the state or local governments to pick up in order to complete the project.

Our airport leaders along with the staff at the North Dakota Aeronautics Commission work closely with upper level FAA personnel to ensure that they are aware of the state's capital improvement needs. The state has recently seen historic success in leveraging federal funding into the state due to multiple factors that include:

- Identifying good justifiable projects that receive high national priority consideration
- Working towards shovel ready airport projects that are prepared to receive federal grants during the federal fiscal year window. State and local fund availability helps to ensure that the airport can also quickly navigate the planning, environmental, and design phases that are required to be ready for a federal grant request.
- Lastly, ensuring the availability of adequate amounts of state and local funding so that federal funds can be accepted with the cost sharing requirements.

In conclusion, it is very important to understand that the federal government doesn't provide every airport project with a 90% grant. State funding availability is also critical to ensure that our airports are being properly maintained while at the same time able to grow and accommodate our growing communities.

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North Dakota

City	Airport	LocID	Owner-ship	Hub	Role	Category		Current		2019-2023
						Current	Year 5	Expended	Based	Dev Estimate
Ashley	Ashley Municipal	ASY	PU		Basic	GA	GA	0	13	\$1,150,000
Beach	Beach	20U	PU		Basic	GA	GA	0	8	\$5,034,185
Bismarck	Bismarck Municipal	BIS	PU	N		P	P	273,980	118	\$42,595,964
Bottineau	Bottineau Municipal	D09	PU		Local	GA	GA	0	17	\$2,663,708
Bowman	Bowman Regional	BWW	PU		Local	GA	GA	0	18	\$7,232,890
Cando	Cando Municipal	9D7	PU		Basic	GA	GA	0	10	\$2,252,945
Carrington	Carrington Municipal	46D	PU		Local	GA	GA	0	17	\$2,653,011
Casselton	Casselton Robert Miller Regional	5N8	PU		Local	GA	GA	0	53	\$7,454,533
Cavalier	Cavalier Municipal	2C8	PU		Local	GA	GA	0	22	\$1,814,474
Cooperstown	Cooperstown Municipal	S32	PU		Basic	GA	GA	0	13	\$1,770,389
Crosby	Crosby Municipal	D50	PU		Basic	GA	GA	0	8	\$3,927,778
Devils Lake	Devils Lake Regional	DVL	PU		Local	CS	CS	8,209	29	\$5,971,051
Dickinson	Dickinson-Theodore Roosevelt Regional	DIK	PU	N		P	P	16,822	34	\$80,950,000
Dunseith	International Peace Garden	S28	PU		Basic	GA	GA	0	0	\$1,755,556
Edgeley	Edgeley Municipal	51D	PU		Basic	GA	GA	0	11	\$1,977,778
Ellendale	Ellendale Municipal	4E7	PU		Basic	GA	GA	0	11	\$1,432,163
Fargo	Hector International	FAR	PU	N		P	P	402,976	190	\$20,477,778
Fort Yates	Standing Rock	Y27	NA		Basic	GA	GA	0	0	\$1,968,948
Garrison	Garrison Municipal	D05	PU		Basic	GA	GA	0	14	\$1,828,509
Glen Ullin	Glen Ullin Regional	D57	PU		Basic	GA	GA	0	6	\$1,352,778
Grafton	Hutson Field	GAF	PU		Local	GA	GA	0	24	\$1,076,024
Grand Forks	Grand Forks International	GFK	PU	N		P	P	132,557	135	\$53,311,850
Gwinner	Gwinner-Roger Melroe Field	GWR	PU		Basic	GA	GA	0	12	\$3,229,786
Harvey	Harvey Municipal	5H4	PU		Basic	GA	GA	0	13	\$2,685,087
Hazen	Mercer County Regional	HZE	PU		Basic	GA	GA	0	14	\$5,113,960
Hettinger	Hettinger Municipal	HEI	PU		Local	GA	GA	0	20	\$3,448,977
Hillsboro	Hillsboro Municipal	3H4	PU		Local	GA	GA	0	41	\$7,444,444
Jamestown	Jamestown Regional	JMS	PU	N		P	P	11,123	46	\$3,952,223
Kenmare	Kenmare Municipal	7K5	PU		Local	GA	GA	0	32	\$1,730,849
Kindred	Robert Odegaard Field	K74	PU		Local	GA	GA	0	37	\$2,791,636
Lakota	Lakota Municipal	5L0	PU		Basic	GA	GA	0	12	\$3,791,666
LaMoure	LaMoure Rott Municipal	4F9	PR		Unclassified	GA	GA	0	7	\$0
Langdon	Robertson Field	D55	PU		Local	GA	GA	0	16	\$1,462,461
Linton	Linton Municipal	7L2	PU		Local	GA	GA	0	15	\$3,403,708
Lisbon	Lisbon Municipal	6L3	PU		Basic	GA	GA	0	13	\$1,316,667
Mandan	Mandan Municipal	Y19	PU		Local	GA	GA	0	95	\$20,722,223
Minot	Minot International	MOT	PU	N		P	P	150,634	117	\$43,665,186
Mohall	Mohall Municipal	HBC	PU		Local	GA	GA	0	42	\$4,277,778
Mott	Mott Municipal	3P3	PU		Basic	GA	GA	0	9	\$1,735,380

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City	Airport	LocID	Owner-ship	Hub	Role	Category		Current		2019-2023 Dev Estimate
						Current	Year 5	Enplaned	Based	
Northwood	Northwood Municipal-Vince Field	4V4	PU		Local	GA	GA	0	18	\$1,918,128
Oakes	Oakes Municipal	2D5	PU		Local	GA	GA	0	16	\$1,643,276
Park River	Park River-W C Skjerven Field	Y37	PU		Basic	GA	GA	0	11	\$1,277,778
Parshall	Parshall-Hankins	Y74	PU		Basic	GA	GA	0	10	\$3,981,112
Pembina	Pembina Municipal	PMB	PU		Basic	GA	GA	0	11	\$1,671,847
Rolla	Rolla Municipal	06D	PU		Basic	GA	GA	0	13	\$3,152,405
Rugby	Rugby Municipal	RUG	PU		Basic	GA	GA	0	9	\$1,055,556
Stanley	Stanley Municipal	08D	PU		Local	GA	GA	0	31	\$2,477,486
Tioga	Tioga Municipal	D60	PU		Local	GA	GA	0	23	\$9,517,794
Valley City	Barnes County Municipal	BAC	PU		Local	GA	GA	0	41	\$1,142,259
Wahpeton	Harry Stern	BWP	PU		Local	GA	GA	0	60	\$2,611,111
Walhalla	Walhalla Municipal	96D	PU		Unclassified	GA	GA	0	6	\$0
Washburn	Washburn Municipal	5C8	PU		Basic	GA	GA	0	14	\$4,125,557
Watford City	Watford City Municipal	S25	PU		Local	GA	GA	0	34	\$52,468,790
Williston	New	+09N	PU				P	0	0	\$21,066,635

Total North Dakota Airport Needs (2019-2023): \$469,534,077

March 5, 2019

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Senate Finance & Taxation Committee

Testimony – HB 1066

Mr. Chairman and Committee Members;

My name is Steve McCormick Jr. I am a fourth generation North Dakota contractor and oversee field operations for Northern Improvement Company (we are the ones with the green shamrock logos). I am also the “president” of the Associated General Contractors of North Dakota (AGC of ND).

We, along with other transportation supporters, strongly support HB 1066 and ask for your favorable consideration.

How did we get to this point?

1 “Dramatic” increased material costs, along with increases in labor and equipment. I worked in the field 12 years prior to estimating / putting together bids back in 1995. I distinctly remember asphalt cement (the black glue material that holds the aggregates together) cost \$85 per ton, for easy math call it \$100, now in 2019, 24 years later, but easy math call it 25 years, asphalt cement is running \$500 per ton – “5 fold increase in 25 years”. I use asphalt cement because “I thought it was expensive back then in 1995” but “more significantly”, the asphalt cement is roughly ½ of the cost for an asphalt overlay project.

2 On both the federal and state level, there has been no action as far as increased user fees to keep up with inflation, Fed side last increase on fuel tax was in 1993 and state side was 2005 with a 2 cent increase. So, “no increased stable funding” to keep pace with increased costs. We do

sincerely thank the Legislature for the one time funding resources implemented earlier this decade.

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These factors have contributed to creating the “perfect storm”.

Here is an extremely important piece of information: North Dakota receives 81% of its transportation funding from federal dollars. The national average for other states is a “43%” reliance on federal funding. The other states are also starting to understand the predicament we are in and taking the proactive measures to best utilize funding, making their dollars to go further in the investment they have in their infrastructure, thru increased various user fees. **HB 1066 greatly assists with increasing state investment in a stable way for infrastructure funding.**

I would like to close with just a couple of points of why this bill is timely and important.

One, this is a great time to implement infrastructure investments. With the decrease in funding the past couple of years, the bidding process is “very competitive”. Projects that used to receive 3 or 4 bids typically are now receiving “9 plus bids”. Competition is very tight and owners get good value from the investment.

Last year the mainline asphalt market in ND was brutal and was a year of survival to try and make equipment payments. For 2019, our mainline asphalt paving operation is performing 3 jobs down in Wyoming, and previously we have not worked in the state of Wyoming since the boom approximately 10 years ago. There just simply is not enough work to go around for the amount of capacity the contractors can perform, so there should be no fear or concern if the industry can handle the additional work.

My second point is - during the 2017 legislative session, the DOT testified that at the proposed funding levels the state would be forced to move strictly into a maintenance program as opposed to a building/improvement program. I suspect Cities and Counties are doing the same. It has been proven that in the long run, it will cost much more to keep the infrastructure operational under a pure maintenance program as opposed to build/improve program. HB 1066 is a piece to allow the certainty of long term planning. Certainty provides a multiplier effect by allowing both the owner and the contractor to plan better, thus reducing costs "getting more bang for the buck" and will end up with a smoother run and better "end quality project". HB 1066 helps provide the "Right Fix at the Right Time" with the "Right Assets" (targeted oil tax revenue for the funding) which will lead to lower life cycle costs. Many studies have proven that \$1 spent on maintenance today, is the equivalent of \$5 plus dollars spent 10 years from now. I am not aware of any other tool we have in the toolbox that can provide the citizens of ND that type of return on investment, which HB 1066 would provide.

J/S
HB1066
#2
pg. 25

I appreciate the opportunity to testify and bring the construction industry's support to the many who urge the passage of HB 1066. Mr. Chairman and members of the committee, please issue HB 1066 with a "Do Pass" recommendation.

If there are any questions of the committee, I would be more than happy to try and address them.

Thank You

3/5 HB 1066 # 2 pg. 26

Testimony to ND Finance and Taxation

Chairman Dwight Cook

HB 1066 Lewis and Clark March 5, 2019

Chairman Cook and committee members I am Thomas Wheeler, Northwest district director of North Dakota Township Officers Association. All of the counties in my district have some oil activity but as one of six directors I also share responsibility for concerns of all townships in North Dakota. That encompasses close to 6000 township officers.

It is clear that much thought and energy was used in writing 1066. With all the entities involved it is difficult to make everyone happy. The North Dakota Township Officers Association is in full support of 1066. It could be a solution to providing a more permanent source of special funding. The monies expressed for townships will be very appreciated throughout North Dakota. Many different projects will benefit.

Will try to answer any questions

Thomas Wheeler

6561 115 ave NW

Ray, ND 58849-9411

701-641-1073

wheelert@nccray.com



3/5 HB 1066 # 2 pg. 27

Contact:
Kayla Pulvermacher, Lobbyist
kpulvermacher@ndfu.org | 701.952.0104
Mary Jensen, Lobbyist
mjensen@ndfu.org | 701.952.0107

**Testimony of
Mary Jensen
North Dakota Farmers Union
Before the
Senate Finance and Taxation Committee on HB 1066
March 2019**

Chairman and Members of the Committee,

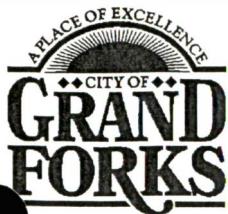
My name is Mary Jensen and I am here to provide testimony on behalf of the members of North Dakota Farmers Union on House Bill No. 1066.

Infrastructure serves an essential role in agriculture. A well maintained infrastructure allows North Dakota's family farmers and ranchers producers to safely transport their products to consumers. North Dakota's family farmers and ranchers are some of the most productive producers in the world. A good rural infrastructure is necessary so they can maintain and grow their productivity and remain competitive in today's markets.

Thank you for your time and we urge a do pass on this bill.

I will stand for questions.





Michael R. Brown
Mayor

City of Grand Forks

255 North Fourth Street • P.O. Box 5200 • Grand Forks, ND 58206-5200

(701) 746-2607
Fax: (701) 787-3773

TESTIMONY ON SENATE BILL 2306

Senate Finance & Taxation Committee

March 5, 2019

Todd Feland, City Administrator, City of Grand Forks, ND

3/5 HB 1066
#3 pg. 1

Chairman Cook and members of the Senate Finance & Taxation Committee, my name is Todd Feland and I am the City Administrator for the City of Grand Forks. I want to thank you for the opportunity to provide testimony and express my and the City's official support for HB 1066.

The City of Grand Forks, like many communities in North Dakota, has a lot of strategic and essential infrastructure needs. Whether its road repairs and replacements or watermain repairs and replacements, the need to renew and repair critical and essential infrastructure is always a key driving force on our city's agenda.

These state infrastructure funds serve as a critical funding compliment to city infrastructure funds in helping to close the needed infrastructure funding gap.

The passage of HB 1066 will give Grand Forks a key funding source for infrastructure repairs. This funding will also ease the burden to our taxpayers as these repairs become essential.

The City of Grand Forks asks for a DO PASS for HB 1066

3/5 HB 1066 # 3 pg. 2

Senate Finance & Taxation Committee

Senator Dwight Cook, Chair

Senator Jordan Kannianen, Vice-Chair

March 5, 2019

Chairman Cook, Members of the Senate Finance and Taxation Committee:

My name is Keith Hunke and I am the City Administrator for the City of Bismarck.

I am providing written testimony on behalf of the City of Bismarck in support of House Bill 1066.

The Bismarck City Commission voted unanimously at its January 8, 2019 city commission meeting to support HB 1066.

Bismarck's capital improvement plan for streets is near \$250 million dollars. Our water utility capital improvement plan includes \$27 million dollars for our wastewater treatment plant expansion. Our Airport is in the midst of a three phase \$65 million-dollar runway reconstruction project.

HB 1066 is a critical piece of legislation that has the opportunity to provide Bismarck with a sustainable revenue source which will help pay for portions of the greatly needed infrastructure improvements to our streets, wastewater treatment plant, and airport.

On behalf of the City of Bismarck, I urge you to give HB 1066 a DO PASS recommendation.

Thank you for the opportunity to provide our support for House Bill 1066.

Keith J. Hunke, City Administrator

City of Bismarck

701-355-1300

khunke@bismarcknd.gov

Blake Crosby

From: CandoBilling <candobilling@gondtc.com>
To: Monday, March 04, 2019 11:55 AM
Subject: Blake Crosby
HB 1066

3/5 NB 1066 #3pg. 3

Attn: Senator Cook, Chair, Senate Finance and Taxation and Committee members

RE: Testimony for HB 1066

It is very important to the City of Cando that your committee passes the HB 1066.

Thank You for your yes vote.

Annette Johnson
City Auditor
City of Cando
701-968-3632

CITY OF JAMESTOWN



NORTH DAKOTA

OFFICE OF MAYOR
102 THIRD AVENUE SOUTHEAST
JAMESTOWN, NORTH DAKOTA 58401

PHONE (701) 252-5900
FAX (701) 252-5903

3/5 DB 1066
#3 pg. 4

March 4, 2019

Senator Dwight Cook, Chair
ND Senate Finance & Taxation Committee

RE: House Bill 1066

Dear Senator Cook and Members of the Committee:

Our city is one of those with significant infrastructure needs. We are also a city with a low per-capita taxable valuation which of course translates to a higher per-capita property tax burden.

This legislation is very important, not only to Jamestown and Stutsman County and its taxpayers, but also other political subdivisions across the State of North Dakota.

The favorable consideration of this bill by your committee would be greatly appreciated.

With Best Regards,

A handwritten signature in black ink that reads "Dwaine Heinrich". The signature is written in a cursive, slightly slanted style.

Dwaine Heinrich, Mayor
City of Jamestown, North Dakota

Blake Crosby

From: Starla Siewert <starrn3722@yahoo.com>
To: Sunday, March 03, 2019 3:06 PM
Subject: Blake Crosby
HB 1066

This bill is very important to all of the small and big towns of North Dakota. Most of operate on a very small budget and monies for infrastructure is not available to most of us. I am encouraged that this bill is front of the legislature at this time and hope that they will invest in the future of all of the towns and cities of this great state. Thank you,

Starla Hoyer
Galesburg, ND

3/5 HB 1066 #3 pg. 5

Blake Crosby

From: flygare@restel.com
To: Monday, March 04, 2019 9:57 AM
CC: Blake Crosby
Subject: Prairie Dog Bill, HB 1066

3/5 HB 1066 #3pg. 6

March 4, 2019

Re: Prairie Dog bill, HB 1066

To the Honorable Senator Cook, Chair, Senate Finance and Taxation, and Committee members:

If passed, this bill will give North Dakota cities another avenue of funding which will benefit all citizens, communities, and surrounding areas.

It is essential to growth and, as we move into the future, will positively contribute to the sustaining and maintaining of our vibrant cities and communities.

As Mayor of Kenmare, I, Dwight Flygare, am requesting a "Yes" vote to pass the Prairie Dog bill. In closing, I would like to thank everyone for their time and consideration.

erely,

Dwight Flygare
Mayor of Kenmare



March 4, 2019

3/5 HB 1066 #3 pg. 7

To: Senator Dwight Cook, Chair
Member Senators
Finance and Taxation Committee

From: Dan Buchanan
Jamestown City Council

Re: HB 1066, Prairie Dog Bill

Senator Cook and members of the committee:

I serve on the city council for Jamestown and am the group's president. During my service for the last 6 years, the city has increased in area, and as a result of that, coupled with aging infrastructure, has not only incurred debt that results in special assessments but has had to struggle to match our ongoing and new capital costs within budgetary restrictions.

This legislation will greatly relieve our situation of unmet needs and scarce revenue available. We need this relief and will use the funds wisely.

Please give favorable consideration to this bill for the benefit of the state's cities and other political subdivisions.

Testimony Presented on House Bill 1066 to the
Senate Finance and Taxation Committee
Senator Cook, Chair, and Committee Members
by Bruce P. Grubb, City Administrator
for the City of Fargo
March 5, 2019

3/5 HB 1066
#3 pg. 8

Mr. Chairman and Members of the Committee:

The City of Fargo supports House Bill 1066, to create a municipal infrastructure fund. The fund will provide grants to cities located in non-oil-producing counties to be used for essential infrastructure.

By way of background, the City of Fargo initiated a Specials Assessment Taskforce in August, 2018. The task force is reviewing the history of special assessments in Fargo to include current and past funding methodology for new housing development and upgrading the City of Fargo existing neighborhood infrastructure (streets, arterials, public safety, water & sewer) with the goal of reducing the cost of special assessments to address housing affordability. Combining voter approved infrastructure sales taxes, city utility rates with state financial investment per intent of HB 1066 will provide a new cost share funding model that will provide tangible results in achieving our affordable housing goal.

The definition of essential infrastructure includes both new and replacement infrastructure. The need for replacement of aging and end-of-life infrastructure is common to all cities in North Dakota. I am confident that the committee will receive similar supporting testimony from other cities and we ask that the committee accept this testimony on behalf of the City of Fargo. The infrastructure needs in Fargo will be significant for the foreseeable future as explained in the following sections.

3/5 NB 1066 #3 pg.9

Water Utility Capital Improvements Plan (CIP)

Recently, Fargo has expanded its role as a regional provider of water and sewer services with the addition of the City of West Fargo as a regional partner. An essential element of regional water and sewer systems is adequate infrastructure and treatment capacity to accommodate the regional service area .

Fargo is presently completing a \$110 million expansion of its water treatment plant which will increase the treatment capacity from 30 million gallons per day (MGD) to 45 MGD. This increase in capacity will be sufficient to serve the regional water system well in to the future. On an annual basis the Water Utility updates a 10-year CIP for the water treatment plant and related infrastructure (water towers, etc.) that are not located in the public right-of-way. A copy of the 10-year Water Utility CIP is included as Attachment #1. Over the next 10-years, the Water Utility CIP identifies approximately \$200 million in infrastructure needs. Presently, the City of Fargo funds the Water Utility infrastructure through special assessments, sales tax and water utility rates.

Water distribution system infrastructure located within the public right-of way is included in the City Engineering 10-year CIP.

Wastewater Utility CIP

Additionally, Fargo will begin construction on a \$140 million expansion of its wastewater treatment plant to increase its capacity from 26 MGD to 50 MGD. Similarly, this increase in capacity will be sufficient to serve the regional wastewater system well in to the future. On an annual basis the Wastewater Utility updates a 10-year CIP for the wastewater treatment plant and related infrastructure (wastewater lift stations, etc.) that are not located in the public right-of-way. A copy

3/5 NB 1066 #3 pg.10

of the 10-year wastewater Utility CIP is included as Attachment #2. Over the next 10-years, the Wastewater Utility CIP identifies approximately \$175 million in infrastructure needs. Presently, the City of Fargo funds the Wastewater Utility infrastructure through special assessments, sales tax and wastewater utility rates.

Wastewater distribution system infrastructure located within the public right-of way is included in the City Engineering 10-year CIP.

City Engineering CIP

Similar to the Water and Wastewater Utilities, on an annual basis the City Engineer's office updates a 10-year CIP for streets, storm sewer and related infrastructure, not included in the Water and Wastewater Utility CIPs. The City Engineering CIP is produced based on the following factors:

- Pavement Condition Index
- Water Main Break History
- Street Lighting/Traffic Signal Needs
- Coordination with Public Works Department
- Coordination with Planning Department

A copy of the 10-year City Engineering CIP is included as Attachment #3. Over the next 10-years, the City Engineering CIP identifies approximately \$700 million in street and storm sewer infrastructure needs. Presently, the City of Fargo funds the City Engineering CIP infrastructure through special assessments, sales tax and water, wastewater, storm sewer and street light utility rates.

3/5 DR 1066 #3 pg. 11

Based on the historic replacement schedule for infrastructure contained in the City Engineering CIP, the following table illustrates the critical need for additional funding.

Category	Fargo Total	Expected Life	Expected Replacement	Actual Replacement	Required Life
Water Main	545.46 miles	120 yrs.	4.55 miles	1.23 miles	444 yrs.
Sanitary Sewer	540.03 miles	100 yrs.	5.40 miles	2.32 miles	232 yrs.
Concrete Pvmt.	3,908,797 SY	80 yrs.	48,860 SY	56,260 SY	69 yrs.
Asphalt Pvmt .	5,333,987 SY	50 yrs.	106,680 SY	26,480 SY	201 yrs.
Combined Pvmt.	9,242,784 SY	63 yrs.	147,443 SY	82,740 SY	112 yrs.

The City of Fargo greatly appreciates the committee's consideration of this written testimony and supports a Do Pass of House Bill 1066.

3/5 HB 1066 #3 pg. 12

March 5, 2019 9:00 AM

Senate Finance and Taxation Committee

HB 1066

Senator Cook and members of the committee, for the record I am Diane Affeldt, city auditor for the City of Garrison and a board member for the North Dakota League of Cities. I am providing written testimony today to express support of HB 1066, Prairie Dog Bill.

I would like a big DO PASS from the committee on HB 1066 the Prairie Dog Bill. This is very, very important to cities and counties to repair/replace old aging infrastructure to make our cities, counties and State better on the Grade Level.

Providing funds to cities and counties to repair/replace aging infrastructure on a yearly basis will enhance our communities and could provide clean water, productive sewage systems and good paved streets to all residents and visitors.

Diane Affeldt
city auditor
city of Garrison
March 4, 2019

Senate Finance and Taxation Committee
Chairman Dwight Cook
February 5, 2019

3/5 HB 1066 # 4 pg. 1

By: Shaun Sipma
Mayor, City of Minot
shaun.sipma@minotnd.org
701.721.6839

HB 1066

Chairman Cook and Members of the Senate Finance and Taxation Committee, my name is Shaun Sipma. As Minot's Mayor, and on behalf of the City, I am delighted to have the opportunity to provide testimony in support of HB 1066. HB 1066 proposes to help all of the state's counties, townships, and communities develop infrastructure to continue to support a strong and vibrant economy and a growing population, and to attract new workers for available jobs.

In western North Dakota, oil and gas development has brought a lot of new companies, and a lot of new people, who now call western North Dakota "home." Some of the largest company names in the oil and gas industry choose to call Minot home – companies like Hess, Baker Hughes, Enbridge, and Cameron Surface Systems, just to name a few. While new companies and new people now call Minot "home," they also needed new industrial parks and new housing developments, creating demands on our city utilities.

During the last ten years, Minot's footprint nearly doubled. Our population jumped from 36,587 to nearly 50,000. This continues to be reflected in our student enrollment numbers. While growth has meant higher school enrollment numbers and new schools, it has also required new and updated facilities and equipment for emergency services. The number of sanitary lift stations has nearly doubled from 23 to 45. While increased demands on our health care system means a new Trinity Hospital will soon be under construction, that same growth has challenged our

3/5 HB 1066 #4 pg. 2

landfill in accepting waste from the surrounding region. These are just a few of the facts and statistics that reflect the tremendous growth our community experienced in the last decade.

This tremendous growth requires financing – and the rapid development we continue to experience has overwhelmed our ability to do that at the local level. That’s why sustained and permanent HUB City funding, not only for Minot, but also for Dickinson and Williston, is so critically important.

HUB cities receive their funding from the oil and gas production tax, which, according to the North Dakota Tax Department, is in lieu of property taxes on oil and gas producing properties. This makes sense. If local cities and counties were to simply assess a property tax on every well, there would be great variability between political subdivisions. A tax at the state level, on a gross production basis, is fairer and more consistent. While many industrial, commercial and residential properties are assessed a property tax, the rationale of this method is to help provide for local services that support those local properties and the region those properties may impact. In the case of an industrial oil well, the local impact is much broader. In fact, it’s regional. We know this from experience. The state, counties and cities that are in and adjacent to the oil fields are substantially impacted by oil and gas development; other industries simply do not have the same impact. The industrial footprint is considerably larger than a single refinery, or the multiple coal plants located between Minot and Bismarck regions. The oil and gas sector puts bigger demands on our city and county infrastructure because of its sheer size and scope, as well as the number of employees demanded by the industry. Minot is no exception to these large-scale impacts.

HB 1066 proposes to change the definition of HUB City slightly. While maintaining a minimum threshold population of 12,500, the definition shifts from a percent of mining employment to one that examines whether such a city is in an oil producing county. Currently,

Minot, Dickinson and Williston would fit that definition. We accept and support this redefinition of “HUB City.”

HB 1066 also changes the way HUB City funding is allocated among HUB Cities. A great deal of time and energy was invested in this new approach. During the 2017-18 interim, the Energy Development and Transmission Committee spent two days in each of the three HUB Cities examining the many factors that were challenging our respective growth. On the heels of these intense examinations of HUB Cities, all three HUB Cities came together to propose the weighted allocation formula you see on pages 9-11 of the current bill. We all agreed that we should measure and allocate impacts among us based on our respective percentage of mining, quarrying, and oil and gas extraction employment in our counties and regions, the number of companies located in our home counties, the percentage of oil production in our regions, and the percentage change of our city and county populations over a five-year period.

After weighting all these factors, we arrived at a data driven allocation that we believe deserves permanence in law. That permanence can help each of the HUB Cities engage in more efficient planning for our ongoing energy-driven growth in the months and years ahead.

And we have a lot of planning to do. Minot is truly the “Gateway to the Bakken.” The oil producing region immediately surrounding Minot includes Bottineau, Renville, Burk, Ward and Mountrail Counties. We have been, and continue to be, an important part of commerce, travel, water, waste management, etc., to the entire northwest central portion of the state and much of northwest North Dakota. We are an economic hub city. Below are some examples of how Minot serves many in the Bakken.

- Water – Minot supplies water to about 80,000 people in 6 counties via NAWS. All six counties lie within the Bakken.
- Airport – Between 1989 and 2009, the Minot International Airport averaged 76,000 passenger boardings. In 2011, that number topped 150,000 boardings. In 2012, it jumped to 220,000 boardings, more than double the intended capacity of the old terminal.

3/5 HUB 1066 #4 pg. 4

- Landfill - Our landfill serves the region, not just Minot. We accept waste from neighboring counties as far west at Mountrail and as far south as about 13 miles north of Bismarck. Our capacity was greatly impacted during the boom. That impact was on typical household waste, which is independent from the flood disposal impacts of 2011.
- Commerce – Since 2010, the number of business memberships to the Minot Chamber of Commerce has steadily risen: from 691 in 2010; to 690 in 2011; to 720 in 2012; to 743 in 2013; to 754 in 2014; to 778 in 2015.
- Streets – In 10 years we’ve grown our annexed land by 85%. That means we needed to grow our street infrastructure to accommodate this growth. When built, the financial commitment then shifts to general maintenance (snow removal, sweeping, mill and overlay, etc.)
- Recreation – Minot is home to the Roosevelt Park Zoo, Mesa Ice Area, the State Fair Grounds, the Scandinavian Heritage Park, multiple passive and active recreational facilities, golf courses, parks and pathways. These facilities draw people to Minot to live, work, and play from all around the Bakken Region.

To continue this level of service we need continued assistance from the Oil and Gas Gross Production Tax distribution formula. We and our sister HUB Cities need permanence in policy and funding. This certainty is what we are asking for today.

Finally, as I close, let me also say that the City of Minot supports the sustained airport funding present in HB 1066. There has never been a time in this state’s history that air travel has been more important than in the last decade. To accommodate our business and population growth as a state, our airports need to expand and modernize their capabilities. That’s what the funding called for in this bill represents.

We also support the new weighted formula for distribution to HUB City schools. Like our HUB Cities themselves, this new and permanent weighted factor approach will help our schools plan for the long term as well.

Thank you for the time you have afforded this critically important funding bill. Modern infrastructure is critical for future economic growth. HB 1066 recognizes this reality and applies it across the state. Thank you for time. Please give this important bill a “do pass” recommendation.

HB 1066
3-11-19
#1
P1

OPERATION PRAIRIE DOG
HOUSE BILL 1066

Senator Rich Wardner

Mr. Chairman and members of the Senate Appropriations today a bring before you HB 1066. I will concentrate on the money.

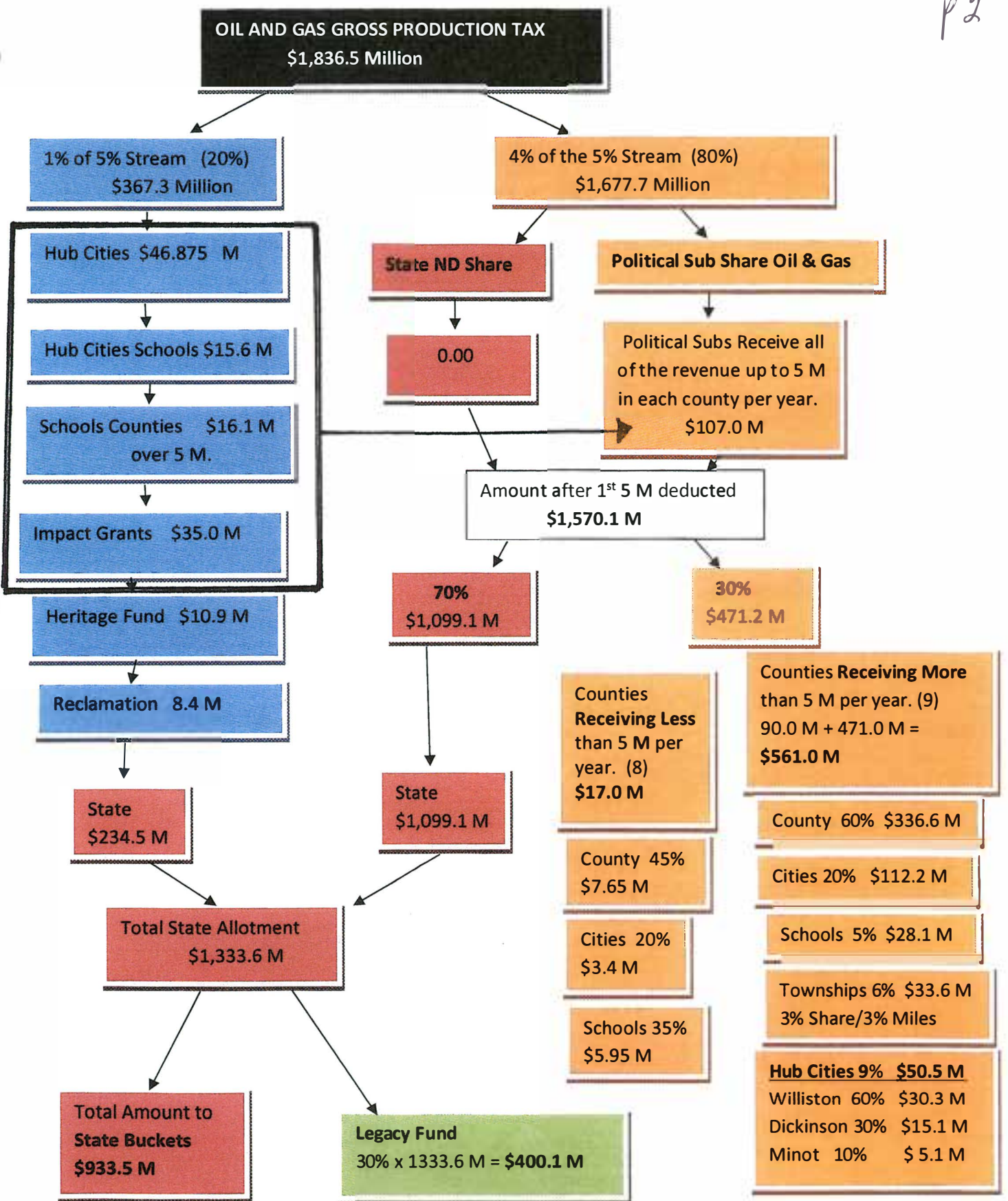
Prairie Dog One

- Provides certainty of funding for the oil and gas producing communities.
- Moves the Hub Cities, Hub City Schools and hold even money for schools in oil and gas counties that receive just over the 5 million per year from the 1/5th side to the 4/5th side of the Gross Production Tax Formula.
- Eliminates the Energy Impact Grants.
- Saves the State of North Dakota money.

Prairie Dog Two

- Creates two buckets of 115 million each, one bucket for Municipal Infrastructure and one bucket for Counties (100 million) and Townships (15 million).
- Creates one bucket for Airports of 20 million
- Municipal dollars are distributed by a formula that considers population, property valuations, population growth and density.
- County dollars are distributed using the Upper Great Plains Transportation Institutes Needs Study for roads and bridges.
- Township dollars are distributed by dividing all the non-oil counties into the 15 million.
- 400 million of SIIF dollars were moved ahead of the Prairie Dog Buckets in the House. This takes the risk from the state.
- An oil price 45 dollars per barrel and 1.3 million barrels per day will fill all the buckets.

HB 1066
3-11-19
#1
P2



HB 1066
 3-11-19
 # 1
 p 3

**GROSS PRODUCTION TAX DISTRIBUTION
 SHIFT FROM 1/5TH SIDE TO 4/5TH SIDE OF FORMULA**

CURRENT METHOD

Hub Cities						
<u>City</u>	<u>Dollars</u>	x	<u>Mining%</u>	x	<u>Years</u>	<u>Total</u>
Williston	375,000	x	37%	x	2	27.375 M
Dickinson	375,000	x	19%	x	2	14.250 M
Minot	375,000	x	7%	x	2	5.250 M
Hub City Totals						46.875 M

Hub City Schools						
<u>School</u>	<u>Dollars</u>	x	<u>Mining%</u>	x	<u>Years</u>	<u>Total</u>
Williston Schools	125,000	x	37%	x	2	9.125 M
Dickinson Schools	125,000	x	19%	x	2	4.750 M
Minot Schools	125,000	x	7%	x	2	1.750 M
Hub City School Totals						15,625 M

Oil County Schools Hold Even	16.100 M
Energy Impact Grants	35.000 M
Grand Total of Current System From the 1/5 th Side (State)	113.575 M

PROPOSED METHOD

Hub Cities and Hub City Schools	50.0 M	x 70% =	35.000 M
Oil Country Schools Hold Even	16.1 M	x 70% =	11.270 M
Energy Impact Grants	0.0 M	x 70% =	0.000 M
Total of State Share on the 4/5 th Side			46.270 M

STATE GAIN BY SHIFT FROM 1/5TH SIDE TO 4/5TH SIDE

State's Share on 1/5 th Side	113.575 M
State's Share on 4/5 th Side	46.270 M
Difference	67.305 M

HB 1066
3-11-19
#1
P4

OIL AND GAS GROSS PRODUCTION TAX
\$1,836.5 Million

1% of the 5% Stream (20%)
\$367.3 M

4% of the 5% Stream (80%)
\$1,469.2 M

Heritage Fund \$28.1 M

Reclamation Fund \$14.1 M

ADD BACK State Share from Reservation
80% Total \$1,469.2 M
State/Reservation 208.5 M
Total \$1,677.7 M

Political Subs Receive all of the revenue up to \$5 M in each county per year.
\$107 Million
Hub Cities and Schools \$50.0 M
Oil & Gas Schools Hold Harmless \$16.2 M
Total Deduction 173.2 M

Amount After Deduction \$1504.5 M

State of North Dakota
\$325.1 Million

State of North Dakota 70%
\$1053.2 M

Oil and Gas Political Subs 30%
\$451.3 M

Total State of North Dakota
\$1,365.5 M

LEGACY FUND
30% X \$2,045.0 = \$613.5 m

\$1,389.6 M - \$613.5 M = \$752.0 M

Total Amount to State Buckets
\$752.0 M

17.0M
Counties Receiving Less than \$5 Million per year.
\$17.0 Million

Counties	45%	7.65 M
Cities	20%	3.40 M
Schools	35%	6.95 M

Add Back Deductions
\$451.3 M + \$50.0 M + \$90.0 M + 16.2 M = \$607.5 M

Distribution to Political Subs Receiving more than \$5 Million per year. **\$607.5 Million.**
Calculations next page.

HB 1066
 3-11-19
 #1
 PG

POLITICAL SUBDIVISION DISTRIBUTION OIL AND GAS GROSS PRODUCTION TAX

Total Amount to Political Subs
\$607.5 Million

Pre-Determined Amount
\$66.2 Million

Oil + Gas Schools Hold Even
\$16.2 M

Hub Cities \$44.0 Million
 Williston 58.5% \$25.8 M
 Dickinson 28.3% \$12.4 M
 Minot 13.2% \$ 5.8 M

Hub City Schools \$6.0 Million
 Williston 58.5% \$3.5 M
 Dickinson 28.3% \$1.7 M
 Minot 13.2% \$0,79 M

Hub City Totals
 Williston \$54.3 M
 Dickinson \$26.2 M
 Minot \$12.2 M

Hub Schools Totals
Regular
 Williston \$9.8 M
 Dickinson \$4.8 M
 Minot \$2.2 M

Percent Formula
\$541.3 Million

Counties 60% \$ 324,8 M

Cities 20% \$108.3 M

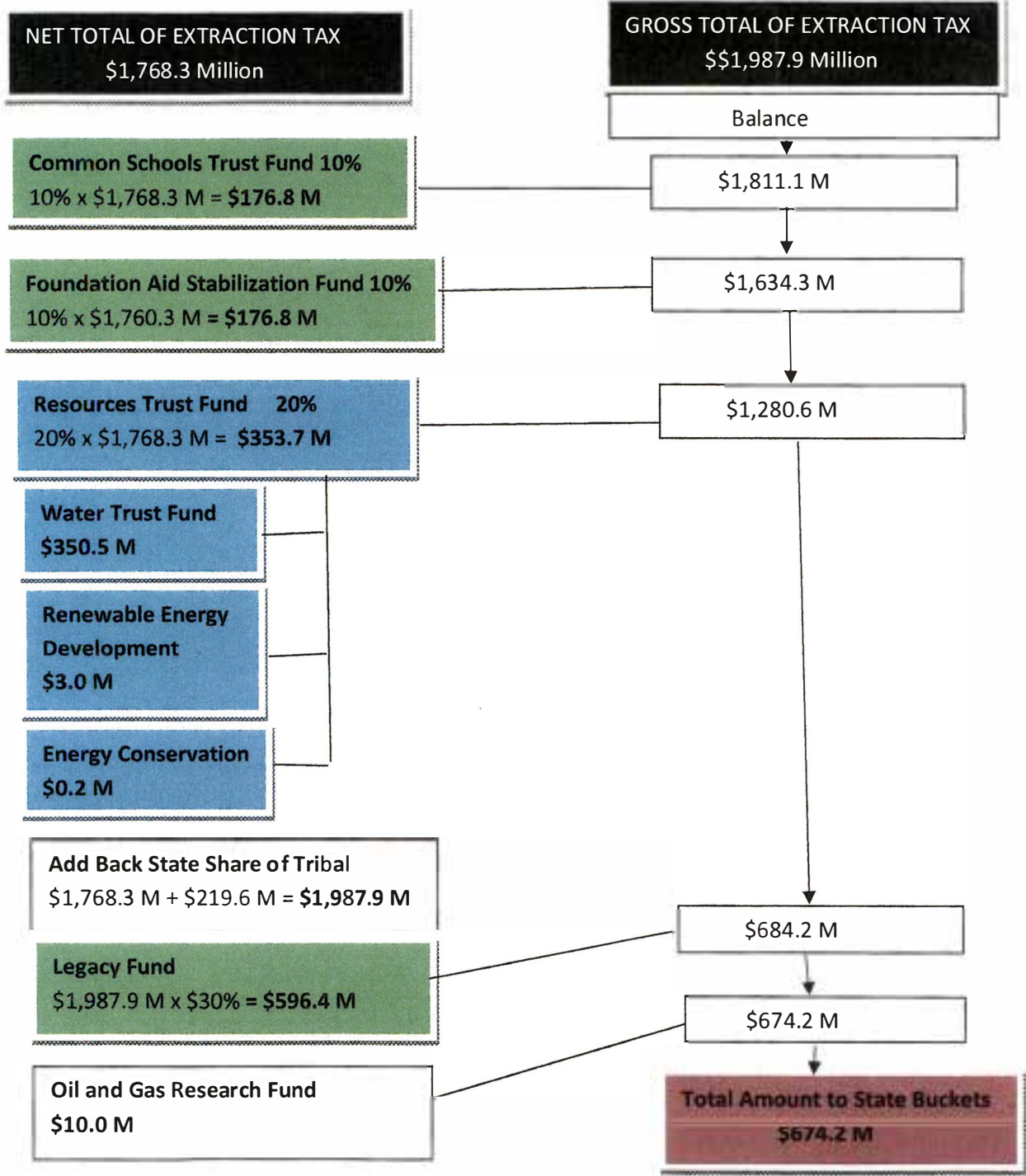
School 5% \$27.1 M

Townships 4% \$21.6 M

Hub Cities 9% \$48.7 M
 Williston 58.5% \$28.5 M
 Dickinson 28.3% \$13.8 M
 Minot 13.2% \$ 6.4 M

Hub City Schools 2% \$10.8 M
 Williston 58.5% \$6.3 M
 Dickinson 28.3% \$3.1 M
 Minot 13.2% \$1.4 M

OIL AND GAS EXTRACTION TAX



HB 1066
3-11-19
#1
p 7

STATE BUCKETS AND LEGACY FUND

ASSUMPTIONS: \$52.50 A BARREL FOR OIL

Proposal

1,200,000 BARRELS PER DAY

STATE BUCKET FUND	
Gross Production Tax	\$752.0 M
Extraction Tax	\$674.2 M
Total Bucket Fund	\$1,426,2 M

STATE LEGACY FUND	
Gross Production Tax	\$613,5 M
Extraction Tax	\$596.4 M
Total Placed In Legacy	\$1,209.9 M

State General Fund #1 \$200.0 M

County Social Services \$200.0 M

Budget Stabilization Fund \$75.0 M

State General Fund #2 \$200.0 M

Lignite Research Fund \$10.0 M

Disaster Relief Fund 0.0 M

Municipal Infrastructure Fund \$30.4 M

Strategic Investment and Improvement Fund \$400 M

County /Township Infrastructure Fund 30.4 M

Municipal Infrastructure Fund \$84.6.0 M

County/Township Infrastructure Fund \$84.6 M

Airport Infrastructure Fund \$20 M

Strategic Investment and Improvement Fund \$91.2 M

**PART II. Municipal and County/Township Infrastructure Fund
For Non-Oil Cities, Counties and Townships.**

Note: It does include the low oil producing Counties.

There are seven Counties in this situation.

Page four shows a proposal on a way to set up the buckets. The Municipal (Cities) and County/Township would fill equally at the same time.

1. If the Infrastructure Fund Buckets do not fill, then what ever is in the buckets would be pro-rated.
2. Example: If the Buckets each ended up with 70 million, then it is prorated and the state **DOES NOT MAKE UP** the balance.
3. What infrastructure can this money can be used on, has to be defined. This money is NOT for buildings, play grounds, swimming pools or any other feel good project!!!!!!!
4. This money would be for streets, sewer, gutter, repairing water lines, roads and repairing roads and streets. Note: This definition still needs to be hammered out!

From: Thompson, Emily L.

Sent: Monday, June 11, 2018 11:44 AM

To: Cook, Dwight C. <dcook@nd.gov>; Nathe, Mike R. <mrnathe@nd.gov>

Cc: Mathiak, Adam <amathiak@nd.gov>; Knudson, Allen H. <aknudson@nd.gov>; Bjornson, John D. <jbjornson@nd.gov>

Subject: RE: Infrastructure definition

Hi Senator Cook and Representative Nathe,

Adam took a look at the current definition of "essential infrastructure projects" for purposes of the infrastructure revolving loan fund and crafted some proposed language for the definition of "essential infrastructure projects" for use in future infrastructure bill drafts (*summarized below*).

CURRENT LAW EXAMPLE - INFRASTRUCTURE REVOLVING LOAN FUND

The Legislative Assembly created an infrastructure revolving loan fund in North Dakota Century Code Section 6-09-49. The infrastructure revolving loan fund is administered by the Bank of North Dakota to provide loans to political subdivisions for essential infrastructure projects. The section provides the following definition for essential infrastructure projects:

For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:

- a. *New or replacement of existing water treatment plants;*
- b. *New or replacement of existing wastewater treatment plants;*
- c. *New or replacement of existing sewer lines and water lines; and*
- d. *New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.*

PROPOSED DEFINITION FOR ESSENTIAL INFRASTRUCTURE

The following is a proposed definition for essential infrastructure that could be used in a bill draft related to funding for political subdivision infrastructure projects:

For purposes of this section, "essential infrastructure projects" means the following capital construction projects associated with the construction of new infrastructure or the replacement of existing infrastructure, which provide the fixed installations necessary for the function of a county or city:

- a. *Water treatment plants;*
- b. *Wastewater treatment plants;*
- c. *Sewer lines and water lines, including lift stations and pumping systems;*
- d. *Water storage systems, including dams, water tanks, and water towers;*
- e. *Storm water infrastructure, including curb and gutter construction;*
- f. *Road and bridge infrastructure, including paved and unpaved roads and bridges;*
- g. *Airport infrastructure;*
- h. *Electricity transmission infrastructure;*
- i. *Natural gas transmission infrastructure; and*
- j. *Communications infrastructure.*

Allen, John, and myself have reviewed the proposed language and think it might be a good fit for what you were aiming to target in future infrastructure funding bills. Please let us know if you would like any modifications to the proposed definition to make it more or less detailed or restrictive.

Best regards,

Emily Thompson

Legal Counsel

County	City	3 Yr Avg \$ Chg Valuation	Population Estimate - 2017	3 Yr Avg Ann % Chg	Base Infrastructure Aid	3 Yr Avg Change Growth Rate Factor	Valuation Change Factor	Base Infrastructure Funds	Infrastructure Funding
5,000 +									
Cass	Fargo	\$ 46,967,986.00	122,359	1.82%	\$ 18,353,850	\$ 3,338,163.80	\$ 1,174,199.65	\$ 2,500,000	\$ 25,366,213
Burleigh	Bismarck	\$ 28,764,415.67	72,865	1.79%	\$ 10,929,750	\$ 1,955,705.50	\$ 719,110.39	\$ 2,500,000	\$ 16,104,566
Grand Forks	Grand Forks	\$ 13,727,615.33	57,056	0.71%	\$ 8,558,400	\$ 606,116.24	\$ 343,190.38	\$ 2,500,000	\$ 12,007,707
Cass	West Fargo	\$100,369,409.33	35,708	3.91%	\$ 5,356,200	\$ 2,092,508.73	\$ 2,509,235.23	\$ 2,500,000	\$ 12,457,944
Morton	Mandan	\$ 9,822,400.33	22,228	1.57%	\$ 3,334,200	\$ 523,231.38	\$ 245,560.01	\$ 2,500,000	\$ 6,602,991
Stutsman	Jamestown	\$ 3,440,029.67	15,387	-0.04%	\$ 2,308,050	\$ -	\$ 86,000.74	\$ 2,500,000	\$ 4,894,051
Richland	Wahpeton	\$ 654,813.67	7,826	-0.10%	\$ 1,173,900	\$ -	\$ 16,370.34	\$ 2,500,000	\$ 3,690,270
Ramsey	Devils Lake	\$ 1,011,969.67	7,293	-0.12%	\$ 1,093,950	\$ -	\$ 25,299.24	\$ 2,500,000	\$ 3,619,249
Barnes	Valley City	\$ 825,245.67	6,447	-0.83%	\$ 967,050	\$ -	\$ 20,631.14	\$ 2,500,000	\$ 3,487,681
2,000 - 5,000									
Walsh	Grafton	\$ 270,770.67	4,224	-0.17%	\$ 633,600	\$ -	\$ 6,769.27	\$ 500,000	\$ 1,140,369
Burleigh	Lincoln	\$ 1,167,367.33	3,730	3.47%	\$ 559,500	\$ 193,885.88	\$ 29,184.18	\$ 500,000	\$ 1,282,570
Mercer	Beulah	\$ 821,244.33	3,266	-0.64%	\$ 489,900	\$ -	\$ 20,531.11	\$ 500,000	\$ 1,010,431
Cass	Horace	\$ 892,714.33	2,717	2.00%	\$ 407,550	\$ 81,508.82	\$ 22,317.86	\$ 500,000	\$ 1,011,377
Pierce	Rugby	\$ 503,802.00	2,703	-2.16%	\$ 405,450	\$ -	\$ 12,595.05	\$ 500,000	\$ 918,045
Cass	Casselton	\$ 583,332.33	2,493	-0.40%	\$ 373,950	\$ -	\$ 14,583.31	\$ 500,000	\$ 888,533
Mercer	Hazen	\$ 376,987.00	2,372	-1.07%	\$ 355,800	\$ -	\$ 9,424.68	\$ 500,000	\$ 865,225
Bottineau	Bottineau	\$ 156,124.33	2,255	-0.74%	\$ 338,250	\$ -	\$ 3,903.11	\$ 500,000	\$ 842,153
Ransom	Lisbon	\$ 552,781.33	2,073	-0.90%	\$ 310,950	\$ -	\$ 13,819.53	\$ 500,000	\$ 824,770
Foster	Carrington	\$ 375,702.67	2,014	-0.68%	\$ 302,100	\$ -	\$ 9,392.57	\$ 500,000	\$ 811,493
1,000 - 1,999									
Traill	Mayville	\$ 269,323.67	1,800	-0.56%	\$ 270,000	\$ -	\$ 6,733.09	\$ 125,000	\$ 401,733
Cavalier	Langdon	\$ 393,463.33	1,738	-1.01%	\$ 260,700	\$ -	\$ 9,836.58	\$ 125,000	\$ 395,537
Wells	Harvey	\$ 102,931.33	1,725	-0.62%	\$ 258,750	\$ -	\$ 2,573.28	\$ 125,000	\$ 386,323
Dickey	Oakes	\$ 258,484.67	1,721	-1.25%	\$ 258,150	\$ -	\$ 6,462.12	\$ 125,000	\$ 389,612
Traill	Hillsboro	\$ 258,979.33	1,592	0.27%	\$ 238,800	\$ 6,492.19	\$ 6,474.48	\$ 125,000	\$ 376,767
McLean	Garrison	\$ 83,539.67	1,505	-0.57%	\$ 225,750	\$ -	\$ 2,088.49	\$ 125,000	\$ 352,838
Ward	Surrey	\$ 97,741.67	1,380	3.36%	\$ 207,000	\$ 69,618.26	\$ 2,443.54	\$ 125,000	\$ 404,062
Walsh	Park River	\$ 160,654.67	1,375	-0.12%	\$ 206,250	\$ -	\$ 4,016.37	\$ 125,000	\$ 335,266
Eddy	New Rockford	\$ 131,795.33	1,356	0.09%	\$ 203,400	\$ 1,898.42	\$ 3,294.88	\$ 125,000	\$ 333,593
Rolette	Rolla	\$ 39,117.67	1,311	-0.58%	\$ 196,650	\$ -	\$ 977.94	\$ 125,000	\$ 322,628
Grand Forks	Larimore	\$ 126,226.00	1,286	-1.03%	\$ 192,900	\$ -	\$ 3,155.65	\$ 125,000	\$ 321,056
McLean	Washburn	\$ 196,278.67	1,283	-0.54%	\$ 192,450	\$ -	\$ 4,906.97	\$ 125,000	\$ 322,357
Pembina	Cavalier	\$ 14,385.67	1,275	-0.39%	\$ 191,250	\$ -	\$ 359.64	\$ 125,000	\$ 316,610
McHenry	Velva	\$ 134,358.33	1,234	-0.54%	\$ 185,100	\$ -	\$ 3,358.96	\$ 125,000	\$ 313,459
Adams	Hettinger	\$ 247,863.33	1,221	-0.80%	\$ 183,150	\$ -	\$ 6,196.58	\$ 125,000	\$ 314,347
Ward	Burlington	\$ 318,696.67	1,206	3.92%	\$ 180,900	\$ 70,841.24	\$ 7,967.42	\$ 125,000	\$ 384,709

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Ellendale	\$	98,665.00	1,184		\$	177,600	\$	-	\$	2,466.63	\$	125,000	\$	305,067	
Towner	Cando	\$	87,926.33	1,102	-0.36%	\$	165,300	\$	-	\$	-	\$	125,000	\$	290,300
Golden Valley	Beach	\$	34,886.00	1,065	-1.59%	\$	159,750	\$	-	\$	872.15	\$	125,000	\$	285,622
Ward	Kenmare	\$	155,442.33	1,035	-1.65%	\$	155,250	\$	-	\$	3,886.06	\$	125,000	\$	284,136
Cass	Mapleton	\$	626,784.00	1,034	5.66%	\$	155,100	\$	87,825.81	\$	15,669.60	\$	125,000	\$	383,595
Grand Forks	Thompson	\$	355,926.00	1,010	0.43%	\$	151,500	\$	6,507.32	\$	8,898.15	\$	125,000	\$	291,905
Emmons	Linton	\$	362,123.00	1,007	-1.31%	\$	151,050	\$	-	\$	9,053.08	\$	125,000	\$	285,103

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Morton	New Salem	\$	176,570.33	938	1.22%	\$	140,700	\$	17,121.71	\$	4,414.26	\$		\$	162,236
McIntosh	Wishek	\$	28,598.00	935	-1.53%	\$	140,250	\$	-	\$	714.95	\$		\$	140,965
Pembina	Walhalla	\$	34,139.33	932	-0.57%	\$	139,800	\$	-	\$	853.48	\$		\$	140,653
Griggs	Cooperstown	\$	33,488.67	919	-0.51%	\$	137,850	\$	-	\$	837.22	\$		\$	138,687
Lamoure	LaMoure	\$	252,987.67	903	-0.08%	\$	135,450	\$	-	\$	6,324.69	\$		\$	141,775
Grand Forks	Northwood	\$	142,871.00	902	-0.15%	\$	135,300	\$	-	\$	3,571.78	\$		\$	138,872
Richland	Hankinson	\$	86,597.67	891	-0.63%	\$	133,650	\$	-	\$	2,164.94	\$		\$	135,815
Sargent	Gwinner	\$	717,643.67	873	1.98%	\$	130,950	\$	25,992.49	\$	17,941.09	\$		\$	174,884
Cass/Ranson	Enderlin	\$	204,205.67	847	-1.17%	\$	127,050	\$	-	\$	5,105.14	\$		\$	132,155
Cass	Harwood	\$	358,149.33	808	2.19%	\$	121,200	\$	26,538.65	\$	8,953.73	\$		\$	156,692
Rolette	Dunseith	\$	1,930.33	788	-0.55%	\$	118,200	\$	-	\$	48.26	\$		\$	118,248
Logan	Napoleon	\$	121,209.00	776	-0.30%	\$	116,400	\$	-	\$	3,030.23	\$		\$	119,430
Pembina	Drayton	\$	94,383.33	768	-0.56%	\$	115,200	\$	-	\$	2,359.58	\$		\$	117,560
Renville	Mohall	\$	53,094.00	767	-1.63%	\$	115,050	\$	-	\$	1,327.35	\$		\$	116,377
Cass	Kindred	\$	276,679.00	762	0.61%	\$	114,300	\$	6,932.86	\$	6,916.98	\$		\$	128,150
McLean	Underwood	\$	75,860.00	758	-0.39%	\$	113,700	\$	-	\$	1,896.50	\$		\$	115,597
Traill	Hatton	\$	69,425.33	748	-0.13%	\$	112,200	\$	-	\$	1,735.63	\$		\$	113,936
Hettinger	Mott	\$	129,656.67	727	2.14%	\$	109,050	\$	-	\$	3,241.42	\$		\$	112,291
Morton	Glen Ullin	\$	109,599.00	724	-1.45%	\$	108,600	\$	-	\$	2,739.98	\$		\$	111,340
Burleigh/McLea	Wilton	\$	110,495.33	723	-0.05%	\$	108,450	\$	-	\$	2,762.38	\$		\$	111,212
Kidder	Steele	\$	129,264.67	716	0.42%	\$	107,400	\$	4,504.06	\$	3,231.62	\$		\$	115,136
McIntosh	Ashley	\$	22,231.67	689	-1.64%	\$	103,350	\$	-	\$	555.79	\$		\$	103,906
Morton	Hebron	\$	123,360.00	677	-1.12%	\$	101,550	\$	-	\$	3,084.00	\$		\$	104,634
Nelson	Lakota	\$	(9,239.00)	639	-0.85%	\$	95,850	\$	-	\$	-	\$		\$	95,850
Sargent	Milnor	\$	177,699.00	636	-1.30%	\$	95,400	\$	-	\$	4,442.48	\$		\$	99,842
Grant	Elgin	\$	19,759.00	631	0.48%	\$	94,650	\$	4,504.81	\$	493.98	\$		\$	99,649
Richland	Lidgerwood	\$	10,090.00	625	-0.48%	\$	93,750	\$	-	\$	252.25	\$		\$	94,002
Cass	Reile's Acres	\$	292,239.00	611	1.65%	\$	91,650	\$	15,140.93	\$	7,305.98	\$		\$	114,097
Walsh	Minto	\$	55,353.33	610	-0.16%	\$	91,500	\$	-	\$	1,383.83	\$		\$	92,884
Rolette	Rolette	\$	51,996.00	605	-0.66%	\$	90,750	\$	-	\$	1,299.90	\$		\$	92,050
Hettinger	New England	\$	327,317.33	602	-1.48%	\$	90,300	\$	-	\$	8,182.93	\$		\$	98,483
Traill	Portland	\$	63,673.33	591	-0.11%	\$	88,650	\$	-	\$	1,591.83	\$		\$	90,242
Oliver	Center	\$	132,949.00	584	0.45%	\$	87,600	\$	3,975.46	\$	3,323.73	\$		\$	94,899
McLean	Turtle Lake	\$	34,546.00	575	-0.58%	\$	86,250	\$	-	\$	863.65	\$		\$	87,114

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Pembina	Pembina	\$ 22,878.00	554	-0.36%	\$ 83,100	\$ -	\$ 571.95	\$ 83,672
Lamoure	Edgeley	\$ 94,710.33	552	-0.36%	\$ 82,800	\$ -	\$ 2,367.76	\$ 85,168
McHenry	Towner	\$ 40,027.67	545	-1.03%	\$ 81,750	\$ -	\$ 1,000.69	\$ 82,751
Sargent	Forman	\$ 151,715.00	514	0.10%	\$ 77,100	\$ 807.36	\$ 3,792.88	\$ 81,700
1 - 499								
Ward	Berthold	\$ 191,527.67	498	-0.34%	\$ 74,700	\$ -	\$ -	\$ 74,700
Cass	Argusville	\$ 27,708.33	474	-0.63%	\$ 71,100	\$ -	\$ 692.71	\$ 71,793
Renville	Glenburn	\$ 66,517.33	462	-0.01%	\$ 69,300	\$ -	\$ 1,662.93	\$ 70,963
Benson	Leeds	\$ 66,252.00	455	0.07%	\$ 68,250	\$ 450.72	\$ 1,656.30	\$ 70,357
Wells	Fessenden	\$ 33,699.67	452	-1.09%	\$ 67,800	\$ -	\$ 842.49	\$ 68,642
Grand Forks	Emerado	\$ 28,506.67	450	-0.52%	\$ 67,500	\$ -	\$ 712.67	\$ 68,213
Steele	Finley	\$ (77,823.00)	425	-0.16%	\$ 63,750	\$ -	\$ -	\$ 63,750
Richland	Wyndmere	\$ 17,334.00	412	-0.48%	\$ 61,800	\$ -	\$ 433.35	\$ 62,233
Bottineau	Westhope	\$ 18,246.33	408	-1.21%	\$ 61,200	\$ -	\$ 456.16	\$ 61,656
Benson	Maddock	\$ 20,408.33	387	0.08%	\$ 58,050	\$ 457.83	\$ 510.21	\$ 59,018
Sheridan	McClusky	\$ 36,555.67	378	-0.01%	\$ 56,700	\$ -	\$ 913.89	\$ 57,614
Emmons	Strasburg	\$ 81,356.67	373	-1.24%	\$ 55,950	\$ -	\$ 2,033.92	\$ 57,984
Grand Forks	Manvel	\$ 48,965.00	372	-0.36%	\$ 55,800	\$ -	\$ 1,224.13	\$ 57,024
Richland	Fairmount	\$ 59,431.67	356	-0.29%	\$ 53,400	\$ -	\$ 1,485.79	\$ 54,886
Rolette	St. John	\$ (863.00)	356	-0.47%	\$ 53,400	\$ -	\$ -	\$ 53,400
Mercer	Stanton	\$ 126,168.00	353	-1.40%	\$ 52,950	\$ -	\$ 3,154.20	\$ 56,104
Pembina	Neché	\$ 12,130.33	353	-0.57%	\$ 52,950	\$ -	\$ 303.26	\$ 53,253
McLean	Max	\$ 58,659.33	349	-0.76%	\$ 52,350	\$ -	\$ 1,466.48	\$ 53,816
Cass	Arthur	\$ 70,272.33	334	-1.88%	\$ 50,100	\$ -	\$ 1,756.81	\$ 51,857
Lamoure	Kulm	\$ 61,457.00	334	0.10%	\$ 50,100	\$ 476.37	\$ 1,536.43	\$ 52,113
Ward	Sawyer	\$ 9,290.33	334	-1.29%	\$ 50,100	\$ -	\$ 232.26	\$ 50,332
Nelson	McVillie	\$ 14,375.33	331	-0.82%	\$ 49,650	\$ -	\$ 359.38	\$ 50,009
Trail	Buxton	\$ 106,584.33	315	-0.11%	\$ 47,250	\$ -	\$ 2,664.61	\$ 49,915
Pembina	St. Thomas	\$ 5,569.33	311	-0.54%	\$ 46,650	\$ -	\$ 139.23	\$ 46,789
Cass	Oxbow	\$ 573,241.67	307	-0.86%	\$ 46,050	\$ -	\$ 14,331.04	\$ 60,381
Grand Forks/Trai	Reynolds	\$ 84,718.67	307	-0.43%	\$ 46,050	\$ -	\$ 2,117.97	\$ 48,168
Stutsman	Medina	\$ 6,450.67	299	-0.55%	\$ 44,850	\$ -	\$ 161.27	\$ 45,011
Logan	Gackle	\$ 18,083.33	289	-0.92%	\$ 43,350	\$ -	\$ 452.08	\$ 43,802
Grant	Carson	\$ 40,798.33	284	-0.47%	\$ 42,600	\$ -	\$ 1,019.96	\$ 43,620
Nelson	Michigan	\$ 7,266.33	276	-1.09%	\$ 41,400	\$ -	\$ 181.66	\$ 41,582
McHenry	Drake	\$ 22,173.00	274	-1.33%	\$ 41,100	\$ -	\$ 554.33	\$ 41,654
McHenry	Granville	\$ 22,642.33	269	-0.13%	\$ 40,350	\$ -	\$ 566.06	\$ 40,916
Richland	Abercrombie	\$ 19,532.33	261	0.00%	\$ 39,150	\$ -	\$ 488.31	\$ 39,638
Cass	Hunter	\$ 93,910.33	257	-0.77%	\$ 38,550	\$ -	\$ 2,347.76	\$ 40,898
Barnes/Cass	Tower City	\$ 50,126.33	257	-0.52%	\$ 38,550	\$ -	\$ 1,253.16	\$ 39,803
Cass	Davenport	\$ 39,068.33	257	0.25%	\$ 38,550	\$ 968.00	\$ 976.71	\$ 40,495
Steele	Hope	\$ 43,106.00	256	0.65%	\$ 38,400	\$ 2,488.33	\$ 1,077.65	\$ 41,966

Bottineau	Lansford	\$ (169.00)	250	-0.41%	\$ 37,500	\$ -	\$ -	\$ 37,500
McHenry	Anamoose	\$ 13,052.67	247	-0.41%	\$ 37,050	\$ -	\$ 326.32	\$ 37,376
Renville	Sherwood	\$ 49,952.33	243	-1.22%	\$ 36,450	\$ -	\$ 1,248.81	\$ 37,699
Richland	Walcott	\$ 39,945.33	242	0.55%	\$ 36,300	\$ 1,984.95	\$ 998.63	\$ 39,284
Cass	Page	\$ 48,471.33	238	-0.84%	\$ 35,700	\$ -	\$ 1,211.78	\$ 36,912
Mercer	Zap	\$ 4,885.33	238	-1.11%	\$ 35,700	\$ -	\$ 122.13	\$ 35,822
Walsh	Hoople	\$ 8,092.33	236	-0.28%	\$ 35,400	\$ -	\$ 202.31	\$ 35,602
Grand Forks	Gilby	\$ 8,392.33	232	-0.86%	\$ 34,800	\$ -	\$ 209.81	\$ 35,010
Cass	Leonard	\$ 37,896.67	229	-0.29%	\$ 34,350	\$ -	\$ 947.42	\$ 35,297
Benson	Minnewaukan	\$ 1,046.33	229	0.00%	\$ 34,350	\$ -	\$ 26.16	\$ 34,376
McLean	Riverdale	\$ 109,316.00	226	1.04%	\$ 33,900	\$ 3,524.54	\$ 2,732.90	\$ 40,157
Emmons	Hazelton	\$ 50,134.33	218	-1.36%	\$ 32,700	\$ -	\$ 1,253.36	\$ 33,953
Cass	Frontier	\$ 66,016.00	216	-1.22%	\$ 32,400	\$ -	\$ 1,650.40	\$ 34,050
Grant	New Leipzig	\$ 18,687.00	215	-0.16%	\$ 32,250	\$ -	\$ 467.18	\$ 32,717
Morton	Flasher	\$ 58,327.00	211	-1.40%	\$ 31,650	\$ -	\$ 1,458.18	\$ 33,108
Kidder	Tappen	\$ 8,063.67	206	0.65%	\$ 30,900	\$ 2,012.29	\$ -	\$ 32,912
Nelson	Aneta	\$ 7,432.33	205	-1.29%	\$ 30,750	\$ -	\$ 185.81	\$ 30,936
Walsh	Fordville	\$ 18,924.67	202	-0.66%	\$ 30,300	\$ -	\$ 473.12	\$ 30,773
Barnes	Wimbledon	\$ 54,310.33	199	-2.14%	\$ 29,850	\$ -	\$ 1,357.76	\$ 31,208
Sioux	Fort Yates	\$ 2,467.33	199	-1.79%	\$ 29,850	\$ -	\$ 61.68	\$ 29,912
Cavalier	Munich	\$ 26,938.33	196	-1.18%	\$ 29,400	\$ -	\$ 673.46	\$ 30,073
Ward	Des Lacs	\$ 7,641.33	194	-1.53%	\$ 29,100	\$ -	\$ 191.03	\$ 29,291
Cass	Buffalo	\$ 37,436.67	192	-0.52%	\$ 28,800	\$ -	\$ 935.92	\$ 29,736
Eddy	Sheyenne	\$ 18,547.00	192	-0.70%	\$ 28,800	\$ -	\$ 463.68	\$ 29,264
Richland	Mooreton	\$ 14,029.33	192	-0.35%	\$ 28,800	\$ -	\$ 350.73	\$ 29,151
Walsh	Edinburg	\$ 31,580.33	187	-0.53%	\$ 28,050	\$ -	\$ 789.51	\$ 28,840
Barnes	Sanborn	\$ 21,917.67	180	-2.00%	\$ 27,000	\$ -	\$ 547.94	\$ 27,548
Cass/Traill	Grandin	\$ 16,817.00	176	-0.38%	\$ 26,400	\$ -	\$ 420.43	\$ 26,820
Ramsey	Edmore	\$ 3,282.33	175	-0.94%	\$ 26,250	\$ -	\$ 82.06	\$ 26,332
Nelson	Petersburg	\$ 7,581.33	175	-1.51%	\$ 26,250	\$ -	\$ -	\$ 26,250
Sioux	Selfridge	\$ 496.00	173	-0.78%	\$ 25,950	\$ -	\$ 12.40	\$ 25,962
Mercer	Golden Valley	\$ 12,788.00	172	-1.54%	\$ 25,800	\$ -	\$ 319.70	\$ 26,120
Griggs	Binford	\$ 8,762.67	170	-0.39%	\$ 25,500	\$ -	\$ 219.07	\$ 25,719
Stutsman	Streeter	\$ 30,130.67	164	-0.21%	\$ 24,600	\$ -	\$ 753.27	\$ 25,353
Barnes	Litchville	\$ 13,709.67	163	-1.61%	\$ 24,450	\$ -	\$ 342.74	\$ 24,793
Bottineau	Willow City	\$ 3,716.00	162	-1.22%	\$ 24,300	\$ -	\$ 92.90	\$ 24,393
Richland	Christine	\$ 22,743.00	160	1.47%	\$ 24,000	\$ 3,535.20	\$ 568.58	\$ 28,104
Hettinger	Regent	\$ 83,309.33	156	-2.32%	\$ 23,400	\$ -	\$ 2,082.73	\$ 25,483
Stutsman	Kensal	\$ 36,111.00	156	-0.64%	\$ 23,400	\$ -	\$ 902.78	\$ 24,303
Adams	Reeder	\$ 19,709.33	156	-1.06%	\$ 23,400	\$ -	\$ 492.73	\$ 23,893
Nelson	Tolna	\$ 7,497.00	156	-1.07%	\$ 23,400	\$ -	\$ 187.43	\$ 23,587
Sargent	Rutland	\$ 48,392.00	155	-1.69%	\$ 23,250	\$ -	\$ 1,209.80	\$ 24,460

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Wing	\$	11,645.67	153	-0.00%	\$	22,950	\$	-	\$	291.14	23,241
Richland	\$	49,729.33	151	3.60%	\$	22,650	\$	8,163.27	\$	-	30,813
Ward	\$	34,514.67	148	-1.34%	\$	22,200	\$	-	\$	862.87	23,063
Ramsey	\$	12,531.33	148	-0.67%	\$	22,200	\$	-	\$	313.28	22,513
Ward	\$	40,257.33	144	-1.83%	\$	21,600	\$	-	\$	1,006.43	22,606
Slope	\$	12,273.00	143	0.00%	\$	21,450	\$	-	\$	306.83	21,757
McHenry	\$	8,896.67	143	-0.24%	\$	21,450	\$	-	\$	222.42	21,672
Mercer	\$	76,039.67	139	-0.01%	\$	20,850	\$	-	\$	1,900.99	22,751
Lamoure	\$	39,031.67	131	0.00%	\$	19,650	\$	-	\$	975.79	20,626
Pembina	\$	34,045.33	128	-0.52%	\$	19,200	\$	-	\$	851.13	20,051
Wells	\$	4,137.67	128	-0.52%	\$	19,200	\$	-	\$	103.44	19,303
Towner	\$	15,093.33	126	-0.26%	\$	18,900	\$	-	\$	377.33	19,277
Cavalier	\$	5,092.33	124	1.35%	\$	18,600	\$	2,508.26	\$	127.31	21,236
Walsh	\$	14,165.67	123	0.00%	\$	18,450	\$	-	\$	354.14	18,804
Morton	\$	37,793.67	122	-0.28%	\$	18,300	\$	-	\$	944.84	19,245
McHenry	\$	12,878.67	121	0.25%	\$	18,150	\$	459.74	\$	321.97	18,932
Walsh	\$	11,304.33	121	0.25%	\$	18,150	\$	451.61	\$	282.61	18,884
Barnes	\$	15,248.33	120	-0.31%	\$	18,000	\$	-	\$	381.21	18,381
Griggs	\$	7,016.67	120	-0.55%	\$	18,000	\$	-	\$	175.42	18,175
Ransom	\$	2,733.67	120	-0.04%	\$	18,000	\$	-	\$	68.34	18,068
Ramsey	\$	4,305.67	116	-0.58%	\$	17,400	\$	-	\$	107.64	17,508
Stutsman	\$	10,851.33	114	0.88%	\$	17,100	\$	1,499.92	\$	271.28	18,871
Wells	\$	10,428.00	111	-0.89%	\$	16,650	\$	-	\$	260.70	16,911
Bottineau	\$	18,102.67	110	-1.20%	\$	16,500	\$	-	\$	452.57	16,953
Walsh	\$	10,376.33	108	0.93%	\$	16,200	\$	1,509.43	\$	259.41	17,969
Traill	\$	40,341.00	104	-0.64%	\$	15,600	\$	-	\$	1,008.53	16,609
Benson	\$	1,994.00	104	-0.64%	\$	15,600	\$	-	\$	49.85	15,650
Towner	\$	23,527.67	103	-0.32%	\$	15,450	\$	-	\$	588.19	16,038
Benson	\$	22,426.67	100	0.00%	\$	15,000	\$	-	\$	560.67	15,561
Barnes	\$	14,157.00	100	-1.33%	\$	15,000	\$	-	\$	353.93	15,354
Stutsman	\$	120,983.00	97	0.34%	\$	14,550	\$	489.47	\$	3,024.58	18,064
Cass	\$	25,487.67	97	-1.02%	\$	14,550	\$	-	\$	637.19	15,187
Sheridan	\$	1,335.00	97	-0.02%	\$	14,550	\$	-	\$	33.38	14,583
Sargent	\$	5,670.33	96	-1.37%	\$	14,400	\$	-	\$	141.76	14,542
McLean	\$	4,714.00	95	-0.70%	\$	14,250	\$	-	\$	117.85	14,368
Walsh	\$	10,434.67	92	-0.72%	\$	13,800	\$	-	\$	260.87	14,061
Steele	\$	5,243.67	92	0.00%	\$	13,800	\$	-	\$	131.09	13,931
McHenry	\$	10,248.00	90	-0.37%	\$	13,500	\$	-	\$	256.20	13,756
Barnes	\$	9,650.67	90	-1.82%	\$	13,500	\$	-	\$	241.27	13,741
Foster	\$	4,727.67	88	-0.75%	\$	13,200	\$	-	\$	118.19	13,318
Lamoure	\$	9,257.33	88	0.00%	\$	13,200	\$	-	\$	-	13,200
Stutsman	\$	9,709.33	87	0.00%	\$	13,050	\$	-	\$	242.73	13,293

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Solen	\$	(181.00)	87	-0.00%	\$	13,050	\$	-	\$	-	\$	13,050	
McLean	Coleharbor	\$	4,999.00	86	0.00%	\$	12,900	\$	-	\$	124.98	\$	13,025
Stutsman	Cleveland	\$	8,648.67	83	-0.40%	\$	12,450	\$	-	\$	216.22	\$	12,666
Richland	Dwight	\$	12,168.00	82	0.00%	\$	12,300	\$	-	\$	304.20	\$	12,604
Bottineau	Maxbass	\$	4,056.67	82	-1.61%	\$	12,300	\$	-	\$	101.42	\$	12,401
Pembina	Mountain	\$	(398.00)	82	-2.41%	\$	12,300	\$	-	\$	-	\$	12,300
Kidder	Tuttle	\$	6,664.33	81	0.41%	\$	12,150	\$	493.75	\$	166.61	\$	12,810
Wells	Hurdsfield	\$	4,938.67	81	-0.82%	\$	12,150	\$	-	\$	123.47	\$	12,273
Ward	Ryder	\$	23,575.00	79	-1.27%	\$	11,850	\$	-	\$	589.38	\$	12,439
Cass	Briarwood	\$	8,559.00	79	-0.01%	\$	11,850	\$	-	\$	213.98	\$	12,064
McIntosh	Zeeland	\$	2,773.33	78	-2.10%	\$	11,700	\$	-	\$	69.33	\$	11,769
Cass	Gardner	\$	20,211.33	77	-0.87%	\$	11,550	\$	-	\$	505.28	\$	12,055
McLean	Butte	\$	7,294.33	77	1.31%	\$	11,550	\$	1,513.16	\$	182.36	\$	13,246
Walsh	Ardoch	\$	478.00	77	0.87%	\$	11,550	\$	1,000.00	\$	11.95	\$	12,562
McLean	Benedict	\$	6,965.00	75	1.80%	\$	11,250	\$	2,020.27	\$	174.13	\$	13,444
Cass	Prairie Rose	\$	10,465.67	75	-0.88%	\$	11,250	\$	-	\$	261.64	\$	11,512
Sheridan	Martin	\$	3,948.00	75	-0.92%	\$	11,250	\$	-	\$	98.70	\$	11,349
Ransom	Fort Ransom	\$	16,416.67	74	-0.89%	\$	11,100	\$	-	\$	410.42	\$	11,510
Lamoure	Jud	\$	13,130.33	73	0.44%	\$	10,950	\$	486.49	\$	328.26	\$	11,765
Logan/McIntosh	Lehr	\$	3,285.00	73	-1.81%	\$	10,950	\$	-	\$	82.13	\$	11,032
Sargent	Havana	\$	4,961.00	71	-0.48%	\$	10,650	\$	-	\$	124.03	\$	10,774
Kidder	Pettibone	\$	2,133.67	70	0.48%	\$	10,500	\$	500.00	\$	53.34	\$	11,053
Golden Valley	Golva	\$	631.33	68	-0.52%	\$	10,200	\$	-	\$	15.78	\$	10,216
Richland	Mantador	\$	5,793.33	67	1.51%	\$	10,050	\$	1,515.15	\$	144.83	\$	11,710
Benson	Warwick	\$	1,910.67	67	-0.01%	\$	10,050	\$	-	\$	47.77	\$	10,098
Nelson	Pekin	\$	2,578.00	66	-1.02%	\$	9,900	\$	-	\$	64.45	\$	9,964
Emmons	Hague	\$	42,128.33	65	-1.52%	\$	9,750	\$	-	\$	1,053.21	\$	10,803
Kidder	Dawson	\$	7,216.67	63	0.53%	\$	9,450	\$	500.00	\$	-	\$	9,950
Golden Valley	Sentinel Butte	\$	1,266.33	63	-0.55%	\$	9,450	\$	-	\$	31.66	\$	9,482
Ward	Douglas	\$	21,148.33	61	-1.62%	\$	9,150	\$	-	\$	528.71	\$	9,679
Foster	Grace City	\$	2,290.00	61	-1.08%	\$	9,150	\$	-	\$	57.25	\$	9,207
Richland	Great Bend	\$	3,864.00	60	1.11%	\$	9,000	\$	1,000.00	\$	96.60	\$	10,097
Stutsman	Pingree	\$	4,993.00	60	0.54%	\$	9,000	\$	482.76	\$	124.83	\$	9,608
Pembina	Hamilton	\$	545.67	60	0.55%	\$	9,000	\$	491.80	\$	13.64	\$	9,505
Pierce	Balta	\$	413.33	60	-2.18%	\$	9,000	\$	-	\$	10.33	\$	9,010
Barnes	Nome	\$	4,955.33	59	-2.21%	\$	8,850	\$	-	\$	123.88	\$	8,974
Pembina	Bathgate	\$	2,430.00	59	0.00%	\$	8,850	\$	-	\$	60.75	\$	8,911
Cavalier	Milton	\$	3,332.33	56	-1.20%	\$	8,400	\$	-	\$	83.31	\$	8,483
Cass	North River	\$	13,187.33	55	-0.61%	\$	8,250	\$	-	\$	329.68	\$	8,580
Ramsey	Brocket	\$	1,865.67	55	-0.61%	\$	8,250	\$	-	\$	46.64	\$	8,297
Foster	McHenry	\$	(154.67)	55	-1.20%	\$	8,250	\$	-	\$	-	\$	8,250
Bottineau	Souris	\$	20,039.00	53	-1.25%	\$	7,950	\$	-	\$	500.98	\$	8,451

Donnybrook	\$	17,929.67	53	-1.00%	\$	7,950	\$	-	\$	448.24	8,398
Dickey	\$	2,333.67	52	-0.64%	\$	7,800	\$	-	\$	58.34	7,858
Grand Forks	\$	2,007.33	52	-0.01%	\$	7,800	\$	-	\$	50.18	7,850
Barnes	\$	9,847.00	51	-1.94%	\$	7,650	\$	-	\$	246.18	7,896
Renville	\$	6,835.00	51	-1.94%	\$	7,650	\$	-	\$	170.88	7,821
Richland	\$	7,312.00	50	-0.67%	\$	7,500	\$	-	\$	182.80	7,683
Dickey	\$	86,962.67	49	-1.37%	\$	7,350	\$	-	\$	2,174.07	9,524
Grand Forks	\$	1,193.00	49	-0.68%	\$	7,350	\$	-	\$	29.83	7,380
Cavalier	\$	61,821.00	48	-0.69%	\$	7,200	\$	-	\$	1,545.53	8,746
Stutsman	\$	10,547.67	48	-0.69%	\$	7,200	\$	-	\$	263.69	7,464
Kidder	\$	2,700.00	48	0.69%	\$	7,200	\$	500.00	\$	67.50	7,768
Stutsman	\$	10,157.33	47	0.68%	\$	7,050	\$	477.78	\$	253.93	7,782
McHenry	\$	6,166.67	46	-0.02%	\$	6,900	\$	-	\$	154.17	7,054
Ramsey	\$	3,842.67	46	-0.72%	\$	6,900	\$	-	\$	96.07	6,996
Burleigh	\$	5,558.67	45	0.74%	\$	6,750	\$	500.00	\$	138.97	7,389
Logan	\$	5,212.33	44	0.00%	\$	6,600	\$	-	\$	130.31	6,730
Trails	\$	46,742.67	43	0.00%	\$	6,450	\$	-	\$	1,168.57	7,619
Barnes	\$	42,662.00	43	-1.53%	\$	6,450	\$	-	\$	1,066.55	7,517
Lamoure	\$	3,559.00	41	0.00%	\$	6,150	\$	-	\$	88.98	6,239
Wells	\$	2,216.33	41	-0.81%	\$	6,150	\$	-	\$	55.41	6,205
Cass	\$	3,988.00	39	-0.85%	\$	5,850	\$	-	\$	99.70	5,950
Pembina	\$	1,095.00	39	-0.88%	\$	5,850	\$	-	\$	27.38	5,877
Lamoure	\$	20,969.33	37	0.00%	\$	5,550	\$	-	\$	524.23	6,074
Bottineau	\$	2,185.00	37	-1.78%	\$	5,550	\$	-	\$	54.63	5,605
Walsh	\$	1,158.67	36	-0.93%	\$	5,400	\$	-	\$	28.97	5,429
Benson	\$	648.67	35	0.00%	\$	5,250	\$	-	\$	16.22	5,266
Pierce	\$	7,610.33	34	-1.93%	\$	5,100	\$	-	\$	190.26	5,290
Dickey	\$	666.33	33	-1.99%	\$	4,950	\$	-	\$	16.66	4,967
Cavalier	\$	48,495.00	32	-1.04%	\$	4,800	\$	-	\$	1,212.38	6,012
Steele	\$	19,990.33	31	0.00%	\$	4,650	\$	-	\$	499.76	5,150
Bottineau	\$	14,443.00	29	-1.15%	\$	4,350	\$	-	\$	361.08	4,711
Ramsey	\$	1,532.00	29	0.00%	\$	4,350	\$	-	\$	38.30	4,388
Bottineau	\$	450.33	29	-1.15%	\$	4,350	\$	-	\$	11.26	4,361
Barnes	\$	13,245.67	28	-2.34%	\$	4,200	\$	-	\$	331.14	4,531
Bottineau	\$	3,408.00	28	-0.04%	\$	4,200	\$	-	\$	85.20	4,285
McHenry	\$	2,541.00	28	-1.19%	\$	4,200	\$	-	\$	63.53	4,264
Cavalier	\$	1,870.00	28	-1.19%	\$	4,200	\$	-	\$	46.75	4,247
Cavalier/Towner	\$	2,162.00	27	-1.23%	\$	4,050	\$	-	\$	54.05	4,104
Towner	\$	207.33	27	0.00%	\$	4,050	\$	-	\$	5.18	4,055
Sargent	\$	9,050.33	26	-2.52%	\$	3,900	\$	-	\$	226.26	4,126
Adams	\$	2,905.67	26	-1.28%	\$	3,900	\$	-	\$	72.64	3,973
Benson	\$	4,349.00	25	0.00%	\$	3,750	\$	-	\$	108.73	3,859

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Rosen	Elliott	\$ (1,419.00)	25	-1.3%	\$ 3,750	\$ -	\$ -	\$ 3,750
Adams	Haynes	\$ 6,508.33	24	-1.44%	\$ 3,600	\$ -	\$ 162.71	\$ 3,763
Walsh	Conway	\$ 2,912.00	23	1.45%	\$ 3,450	\$ 500.00	\$ 72.80	\$ 4,023
Benson	York	\$ 265.33	23	0.00%	\$ 3,450	\$ -	\$ 6.63	\$ 3,457
Slope	Amidon	\$ 10,063.67	22	0.00%	\$ 3,300	\$ -	\$ 251.59	\$ 3,552
Dickey	Ludden	\$ 2,579.00	21	-1.59%	\$ 3,150	\$ -	\$ 64.48	\$ 3,214
Cavalier	Calio	\$ 12,309.33	20	-1.67%	\$ 3,000	\$ -	\$ 307.73	\$ 3,308
Emmons	Braddock	\$ 11,965.33	20	-1.67%	\$ 3,000	\$ -	\$ 299.13	\$ 3,299
Barnes	Leal	\$ 1,319.00	20	-1.67%	\$ 3,000	\$ -	\$ 32.98	\$ 3,033
Wells	Hamberg	\$ 611.33	20	-1.67%	\$ 3,000	\$ -	\$ 15.28	\$ 3,015
Rolette	Mylo	\$ 68.33	20	0.00%	\$ 3,000	\$ -	\$ 1.71	\$ 3,002
Cavalier	Calvin	\$ 1,320.00	18	-1.85%	\$ 2,700	\$ -	\$ 33.00	\$ 2,733
Bottineau	Overly	\$ (49.67)	18	0.00%	\$ 2,700	\$ -	\$ -	\$ 2,700
Cass	Ayr	\$ 14,270.33	17	0.00%	\$ 2,550	\$ -	\$ 356.76	\$ 2,907
McHenry	Bantry	\$ (70.67)	16	0.00%	\$ 2,400	\$ -	\$ -	\$ 2,400
Cavalier	Loma	\$ 35,607.33	15	0.00%	\$ 2,250	\$ -	\$ 890.18	\$ 3,140
Grant	Leith	\$ 561.33	15	2.22%	\$ 2,250	\$ -	\$ 14.03	\$ 2,264
McHenry	Kief	\$ 1,191.00	14	-2.38%	\$ 2,100	\$ -	\$ 29.78	\$ 2,130
Cavalier	Hannah	\$ 748.33	14	0.00%	\$ 2,100	\$ -	\$ 18.71	\$ 2,119
Towner	Hansboro	\$ 870.33	13	0.00%	\$ 1,950	\$ -	\$ -	\$ 1,950
McIntosh	Venturia	\$ 634.33	12	-2.78%	\$ 1,800	\$ -	\$ 15.86	\$ 1,816
Ramsey	Churchs Ferry	\$ 192.33	12	0.00%	\$ 1,800	\$ -	\$ 4.81	\$ 1,805
Barnes	Pillsbury	\$ 3,846.00	11	-3.03%	\$ 1,650	\$ -	\$ 96.15	\$ 1,746
Renville	Loraine	\$ 1,139.67	9	0.00%	\$ 1,350	\$ -	\$ 28.49	\$ 1,378
Renville	Grano	\$ 658.33	9	-3.70%	\$ 1,350	\$ -	\$ 16.46	\$ 1,366
Towner	Perth	\$ 33.00	9	0.00%	\$ 1,350	\$ -	\$ 0.83	\$ 1,351
McHenry	Bergen	\$ 5,467.33	8	0.00%	\$ 1,200	\$ -	\$ 136.68	\$ 1,337
McLean	Ruso	\$ 161.00	4	0.00%	\$ 600	\$ -	\$ 4.03	\$ 604
					\$ 69,584,700	\$ 9,182,783	\$ 5,632,619	\$ 114,775,102

Table D.16: Total Estimated Road and Bridge Investment Needs, by County - 2017-2036 (Millions of 2016 Dollars)

	Unpaved Road Needs	Paved Road Needs	Bridge Needs	Total 20-year Needs	Total 20-Year Road Needs Non-Oil Only	\$100 Million Allocated by UGPTI Need Study
Adams	\$58.2	\$6.9	\$2.9	\$67.9	\$67.9	\$1,077,465
Bames	\$132.1	\$74.0	\$0.8	\$206.9	\$206.9	\$3,284,134
Benson	\$75.7	\$20.7	\$1.2	\$97.7	\$97.7	\$1,549,937
* Billings	\$90.5	\$5.2	\$1.2	\$96.9		
Bottineau	\$106.2	\$78.3	\$27.3	\$211.8	\$211.8	\$3,361,742
* Bowman	\$84.7	\$55.2	\$0.9	\$140.7		
* Burke	\$141.3	\$16.7	\$1.6	\$159.6		
Burleigh	\$151.1	\$107.4	\$2.2	\$260.7	\$260.7	\$4,137,187
Cass	\$286.9	\$124.0	\$34.2	\$445.1	\$445.1	\$7,064,229
Cavalier	\$93.3	\$21.5	\$2.7	\$117.4	\$117.4	\$1,863,385
Dickey	\$72.5	\$28.5	\$0.4	\$101.4	\$101.4	\$1,609,453
* Divide	\$180.6	\$23.3	\$1.3	\$205.2		
* Dunn	\$316.9	\$15.0	\$2.6	\$334.4		
Eddy	\$30.1	\$23.7	\$1.0	\$54.8	\$54.8	\$869,082
Emmons	\$76.6	\$4.2	\$2.8	\$83.6	\$83.6	\$1,327,429
Foster	\$33.3	\$45.6	\$1.5	\$80.3	\$80.3	\$1,275,056
Golden Valley	\$87.0	\$7.8	\$3.7	\$98.4	\$98.4	\$1,561,523
Grand Forks	\$203.8	\$96.6	\$27.6	\$328.0	\$328.0	\$5,205,447
Grant	\$124.5	\$0.0	\$19.0	\$143.5	\$143.5	\$2,277,770
Griggs	\$34.1	\$13.4	\$4.1	\$51.6	\$51.6	\$819,248
Hettinger	\$66.5	\$5.5	\$19.0	\$91.0	\$91.0	\$1,444,079
Kidder	\$55.0	\$17.0	\$0.0	\$72.0	\$72.0	\$1,142,376
LaMoure	\$76.7	\$57.7	\$9.2	\$143.6	\$143.6	\$2,278,405
Logan	\$48.9	\$2.6	\$0.7	\$52.2	\$52.2	\$828,136
McHenry	\$204.4	\$39.0	\$16.5	\$259.8	\$259.8	\$4,123,538
McIntosh	\$47.3	\$38.2	\$0.6	\$86.1	\$86.1	\$1,366,154
* McKenzie	\$404.8	\$66.2	\$4.2	\$475.2		
McLean	\$154.9	\$81.2	\$1.9	\$238.0	\$238.0	\$3,777,397
Mercer	\$90.7	\$42.1	\$1.6	\$134.4	\$134.4	\$2,133,346
Morton	\$125.3	\$27.8	\$46.0	\$199.1	\$199.1	\$3,160,025
* Mountrail	\$234.9	\$69.7	\$2.5	\$307.1		
Nelson	\$57.7	\$29.7	\$1.7	\$89.0	\$89.0	\$1,412,655
Oliver	\$34.6	\$8.9	\$0.2	\$43.7	\$43.7	\$692,758
Pembina	\$85.2	\$61.9	\$14.2	\$161.3	\$161.3	\$2,559,476
Pierce	\$108.1	\$2.5	\$1.7	\$112.3	\$112.3	\$1,781,809
Ramsey	\$62.2	\$38.9	\$4.0	\$105.2	\$105.2	\$1,669,920
Ransom	\$56.4	\$18.7	\$9.2	\$84.3	\$84.3	\$1,338,063
Renville	\$59.5	\$31.9	\$3.8	\$95.3	\$95.3	\$1,511,689
Richland	\$167.8	\$108.7	\$29.0	\$305.5	\$305.5	\$4,848,672
Rolette	\$59.2	\$16.1	\$0.4	\$75.8	\$75.8	\$1,203,161
Sargent	\$44.5	\$33.6	\$2.8	\$81.0	\$81.0	\$1,285,055
Sheridan	\$53.8	\$7.4	\$1.6	\$62.8	\$62.8	\$995,889
Sioux	\$57.9	\$0.0	\$0.4	\$58.2	\$58.2	\$924,154
Slope	\$63.0	\$0.0	\$0.7	\$63.7	\$63.7	\$1,010,967
* Stark	\$184.4	\$48.2	\$18.0	\$250.6		
Steele	\$51.2	\$25.5	\$11.3	\$87.9	\$87.9	\$1,395,515
Stutsman	\$112.1	\$87.4	\$2.4	\$202.0	\$202.0	\$3,205,574
Towner	\$72.2	\$0.0	\$3.2	\$75.4	\$75.4	\$1,196,337
Trail	\$71.9	\$58.8	\$46.9	\$177.6	\$177.6	\$2,818,328
Walsh	\$190.6	\$71.0	\$37.0	\$298.6	\$298.6	\$4,739,006
Ward	\$233.9	\$120.1	\$8.9	\$362.9	\$362.9	\$5,760,130
Wells	\$83.9	\$47.7	\$1.6	\$133.2	\$133.2	\$2,114,301
* Williams	\$292.2	\$142.0	\$9.6	\$443.8		
Total	\$6,090.7	\$2,264.5	\$449.4	\$8,703.9	\$6,300.9	\$100,000,000

* Counties receiving more than \$5 million in GPT revenues annually

HB 1010
3-11-19

March 11, 2019
HB 1066 (AKA Operation Prairie Dog)
Senate Appropriations
Senator Ray Holmberg, Chairman

#2
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Chairman Holmberg and members of the Committee. For the record, Blake Crosby, Executive Director of the North Dakota League of Cities.

I am here in support of HB 1066 as you have it before you. My cities have been talking about the Prairie Dog bill since it was announced last summer. This funding will allow projects to move forward that may have been in the works for a number of years but were never completed because not even matching funds were available. This bill will also take pressure off property taxes and specials.

The bill sponsor has done his usual comprehensive job of explaining the bill so nothing more needs to be added.

I respectfully ask for a unanimous DO-PASS on HB 1066 and will try to answer any questions. Thank you.

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