

## Highway/Transit Funding

**BACKGROUND:** The regional transportation forums have clearly demonstrated the desperate need for funding by all State and local road authorities as well as among both rural and urban transit providers. Additionally, comments in a number of locations highlighted the increasing competition for funds that results from the growing needs.

This funding concept is proposed to create an immediate increase in funding for all sectors, but also provide for a long-term, cooperative approach to funding stability.

**PROPOSAL:** While the primary source of new funds, motor vehicle excise tax, was mentioned by numerous individuals at the regional forums, this proposal would use it as a means to implement a permanent, long-term funding strategy. The elements of the proposal are:

**Revenue.** Redirect all motor fuel and special fuel taxes, all motor vehicle registration fees, and all motor vehicle excise taxes into the State Highway Distribution Fund, including:

- The township 1¢ fuels tax,
- The transit \$3 registration fee,
- The DOT \$13 registration fee,
- The 10% DOT excise tax (and \$1 million to transit), and
- The excise tax going to local government through the State Aid Distribution Fund

**Allocation.** Rewrite the over-riding formula for allocating the State Highway Distribution to include all “distribution fund” and “non-distribution fund” beneficiaries of these revenue streams. In this way, the following entities and interests would receive a statutory share of the State Highway Distribution Fund:

- ND Department of Transportation
- County Highways
- City Streets
- Township Roads
- Transit Programs
- Ethanol Production Support
- Highway Patrol – Truck Regulatory
- Motor Boat Safety
- Snowmobile Program \*

Obviously the percentages of each could create some debate, but if each entity looked for a proportionate increase over current (total) allocations, the result would be a unified proposal that would strengthen all future efforts to enhance transportation funding in this State.

\* Note: Tribal Tax revenues would obviously need to be addressed, but since the implications of State and federal law were unknown, this was omitted from the discussion at this point.