

**SECOND ENGROSSMENT**

Sixty-eighth  
Legislative Assembly  
of North Dakota

**REENGROSSED SENATE BILL NO. 2329**

Introduced by

Senators Wanzek, Myrdal, Weber

Representatives Brandenburg, Headland, Thomas

1 A BILL for an Act to create and enact a new section to chapter 54-27 of the North Dakota  
2 Century Code, relating to a county highway aid fund; to amend and reenact sections 54-27-19.1  
3 and 57-40.3-10 of the North Dakota Century Code, relating to allocations to townships from the  
4 township highway aid fund and an allocation of motor vehicle excise tax collections to the  
5 township highway aid fund and the county highway aid fund; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 54-27-19.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **54-27-19.1. Township highway aid fund - Distribution.**

10 1. a. From the moneys allocated from the motor vehicle excise tax under section  
11 57-40.3-10, the state treasurer, at least quarterly, shall allocate the moneys to  
12 counties based on the length of township roads in each county compared to the  
13 length of all township roads in all the counties. The county treasurer shall allocate  
14 the funds received to the organized townships in the county based on the length  
15 of township roads in each organized township compared to the length of all  
16 township roads in the county. The funds received must be deposited in the  
17 township road and bridge fund and used for highway and bridge purposes. If a  
18 county does not have organized townships, or has some organized and some  
19 unorganized townships, the county shall retain a pro rata portion of the funds  
20 received based on the length of roads in unorganized townships compared to the  
21 length of township roads in organized townships in the county. Moneys retained  
22 by a county for the benefit of unorganized townships under this subsection must  
23 be deposited in the county road and bridge fund.

1           b. If an organized township is not levying at least eighteen mills for general  
2           purposes, the tax commissioner shall direct the state treasurer to withhold a  
3           portion of the organized township's allocation under this subsection until the tax  
4           commissioner certifies to the state treasurer that the organized township is  
5           levying at least eighteen mills for general purposes. The portion to be withheld  
6           must be proportional to the difference between eighteen mills and the number of  
7           mills levied by the organized township relative to eighteen mills. The amount  
8           withheld must be retained in the township highway aid fund and must be paid to  
9           the organized township after the tax commissioner certifies that the organized  
10           township is levying at least eighteen mills for general purposes.

11        2. From the moneys transferred from the highway tax distribution fund under section  
12        54-27-19, the state treasurer, at least quarterly, shall no less than quarterly allocate  
13        and distribute all the moneys in the township highway aid fund to the counties of the  
14        state based on the length of township roads in each county compared to the length of  
15        all township roads in the state. To receive any funds under this ~~section~~subsection,  
16        organized townships must provide fifty percent matching funds. The county treasurer  
17        shall allocate the funds received to the organized townships in the county which  
18        provide fifty percent matching funds based on the length of township roads in each of  
19        those organized townships compared to the length of all township roads in the county.  
20        The funds received must be deposited in the township road and bridge fund and used  
21        for highway and bridge purposes. If a county does not have organized townships, or  
22        has some organized and some unorganized townships, the county shall retain a pro  
23        rata portion of the funds received based on the length of roads in unorganized  
24        townships compared to the length of township roads in organized townships in the  
25        county. Moneys retained by a county for the benefit of unorganized townships under  
26        this ~~section~~subsection must be deposited in the county road and bridge fund. Moneys  
27        retained by the county treasurer due to the failure of organized townships to provide  
28        required matching funds must be returned to the state treasurer who shall deposit the  
29        funds in the highway tax distribution fund.

30        3. The board of county commissioners shall certify to the state treasurer any change in  
31        township road mileage when a change occurs and shall, by July first of each

1 even-numbered year, certify the total number of township road mileage in each of the  
2 county's organized and unorganized townships. The state treasurer shall prescribe the  
3 form and manner by which the certification is made.

4 **SECTION 2.** A new section to chapter 54-27 of the North Dakota Century Code is created  
5 and enacted as follows:

6 **County highway aid fund - Distribution.**

7 From the moneys allocated from the motor vehicle excise tax under section 57-40.3-10, the  
8 state treasurer, at least quarterly, shall allocate the moneys to counties based on the most  
9 recent data compiled by the upper great plains transportation institute regarding North Dakota's  
10 county, township, and tribal road and bridge infrastructure needs. The distribution to each  
11 county must be proportional to each county's total estimated road and bridge investment needs  
12 relative to the combined total estimated road and bridge investment needs of all counties. The  
13 total estimated road and bridge investment needs for each county is the twenty-year estimate  
14 for unpaved and paved road and bridge needs as identified by the upper great plains  
15 transportation institute. If the data compiled by the upper great plains transportation institute  
16 includes more than one twenty-year estimate for the total needs of each county, the state  
17 treasurer shall use an average of the twenty-year estimates for each county. Funding distributed  
18 under this section must be used for the construction of new unpaved and paved road and  
19 bridge infrastructure or for the maintenance, repair, or replacement of existing unpaved and  
20 paved road and bridge infrastructure.

21 **SECTION 3. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **57-40.3-10. Transfer of revenue.**

24 All moneys collected and received under this chapter must be transmitted monthly by the  
25 director of the department of transportation to the state treasurer ~~to be transferred and credited~~  
26 ~~to~~, and the state treasurer shall allocate twelve and one-half percent to the township highway  
27 aid fund under section 54-27-19.1, twelve and one-half percent to the county highway aid fund  
28 under section 2 of this Act, and the remaining seventy-five percent to the general fund.

29 **SECTION 4. EFFECTIVE DATE.** This Act is effective for motor vehicle excise tax  
30 collections transmitted to the state treasurer after July 31, 2023.