

Local Transportation Funding Sources

North Dakota Symposium on Transportation Funding

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North Dakota State University

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Overview

- For each jurisdiction, the traditional funding mechanisms are presented – also found in the green funding tables
- Funding levels are on a statewide basis and do not distinguish oil and non-oil counties
- One-time funding is excluded to present the continuing funding levels
- Unique situations are described where possible
- Each jurisdiction was asked about limitations and concerns

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Ongoing Township Funding

- Current Sources
 - Highway Tax Distribution Fund
 - Mill Levies
 - Gross Production Tax (Oil Counties)
 - 3% of County GPT distributed to Townships relative to share of miles within county
 - 3% of Total all County GPT distributed to all Oil Townships equally (Counties receiving more than \$5 million)



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Ongoing Township Funding

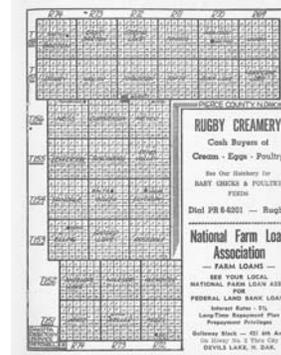
Year	Highway Tax Distribution (\$million)	Gross Production Tax (\$million)	Property Tax (\$million)	Total (\$million)
2017	\$7.28	\$11.6	\$28.45	\$47.33
2016	\$7.31	\$9.9	\$26.90	\$44.11
2015	\$8.58	\$11.6	\$22.80	\$42.98
2014	\$8.17	\$18.1	\$22.80	\$49.07
2013	\$8.03	\$7.1	\$18.50	\$33.63
2012	\$7.35		\$18.50	\$25.85

Source: State Treasurer, ND Township Officer's Association

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Ongoing Township Funding

- Limitations
 - Mill Levy
 - Special Assessments – allowable, but not used
- Not Allowable
 - Sales tax
 - Repair levy
 - Disaster levy
- Concerns
 - Shrinking fuel tax fund
 - 36 mill general fund limitation



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Ongoing County Funding

- Current Sources
 - Highway Tax Distribution Fund
 - Mill Levies
 - Sales Tax – Home Rule Counties
 - Only Steele County has a Sales Tax for Roads
 - Gross Production Tax/Coal Tax



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Ongoing County Funding

Year	Property Tax (\$million)	Federal Formula (\$million)	Highway Tax Distribution (\$million)	Oil/Coal (\$million)	Total (\$million)
2017	\$57.00	\$19.91	\$58.00	\$60.00	\$194.91
2016	\$55.98	\$19.86	\$58.27	\$83.84	\$217.95
2015	\$48.46	\$19.98	\$66.17	\$127.37	\$261.98
2014	\$44.07	\$20.06	\$68.59	\$156.21	\$283.93
2013	\$39.69	\$19.94	\$65.49	\$79.37	\$204.49
2012	\$36.94	\$19.53	\$63.78	\$55.98	\$176.23

Source: State Treasurer, ND Association of Counties, North Dakota Department of Transportation

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Ongoing County Funding

- Limitations
 - County commission changes, election requirement
 - Special assessments – difficult to pass
 - Bonding – must be approved by voters
 - 30 Mills for Roads– SB 2144
 - Exception with farm-to-market provision – 10 years
- Not Allowable
 - Sales Tax – outside Home Rule counties
- Concerns
 - Reductions Highway Distribution Fund
 - Inflation in Road and Improvement Costs



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Ongoing Urban Funding

- Current Sources
 - Highway Tax Distribution Fund
 - Federal Formula
 - Property Tax*
 - Sales Tax*
 - Oil/Coal Tax*
 - State Aid*



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*Only a portion is available for road maintenance and improvement

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Ongoing Urban Funding

Year	Property Tax (\$million)*	Federal Formula (\$million)**	Highway Tax Distribution (\$million)	Oil/Coal Tax (\$million)*	City Sales Tax (\$million)*	State Aid (\$million)*	Total (\$million)
2017	\$161.1 (2016)	\$19.13	\$33.9	\$98.3	\$183.9	\$39.6	\$535.93
2016	\$161.1	\$19.21	\$33.0	\$103.7	\$185.4	\$43.5	\$545.91
2015	\$149.9	\$18.03	\$37.5	\$99.0	\$216.5	\$59.3	\$580.23
2014	\$138.9	\$18.11	\$39.0	\$125.5	\$209.5	\$56.2	\$587.21
2013	\$129.3	\$18.00	\$37.4	\$51.3	\$190.3	\$52.9	\$470.20
2012	\$120.8	\$17.63	\$35.2	\$17.0	\$177.3	\$49.6	\$417.53

* Not all funds available for road improvements

**Includes non-state urban routes

Source: North Dakota Treasurer, North Dakota League of Cities, North Dakota Department of Transportation

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Ongoing Urban Funding

- Limitations
 - 105 mills in General Fund – covers more than roads
 - Property value decline in small cities
 - New revenue sources under home rule
- Not Allowable
 - City gas tax
 - Anything not previously allowed under home rule
- Concerns
 - Maintenance of existing system is more of a concern than building new roads
 - Future population in small cities – revenue distribution
 - Cost of maintaining infrastructure
 - Increased axle weights (if allowed in cities)

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Ongoing Transit Funding

- Current Sources
 - Federal Transit Administration
 - Up to 80% of capital and administration and 50% of operating expenses with local match
 - Highway Tax Distribution Fund – 1.5%
 - Local Government
 - Property Taxes
 - Fares
 - Other Funds (Advertising, Grants, Medicaid, Donations, etc.)



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Ongoing Transit Funding

Year	Federal Government (\$million)	State Government (\$million)	Local Government (\$million)	Fares (\$million)	Other Funds (\$million)	Total (\$million)
2017						
2016	\$13.31	\$4.36	\$5.59	\$2.87	\$1.49	\$27.61
2015	\$13.19	\$5.17	\$5.27	\$2.64	\$1.52	\$27.80
2014	\$9.97	\$4.34	\$4.60	\$2.66	\$2.51	\$24.08
2013	\$13.69	\$4.44	\$5.03	\$2.80	\$2.14	\$28.10
2012	\$10.32	\$3.62	\$4.67	\$2.96	\$1.83	\$23.40

Source: National Transit Database, Federal Transit Administration

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Ongoing Transit Funding

- Limitations
 - Mill levy limit: 5 mills
- Concerns
 - Lack of growth in mill levy revenue
 - Lack of dedicated local government funding source for many agencies
 - Decrease in State Highway Tax Distribution Fund
 - Uncertainty about Federal funding after FAST Act expires

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Further Information

- Alan Dybing – UGPTI
- Patty Schock - NDDOT
- Terry Traynor - NDACO
- Larry Syverson - NDTOA
- Blake Crosby – NDLC
- Dale Bergman – City of Grand Forks