



North Dakota Transportation Funding

September 2024

State Highway Funding History (in Millions)

	2019-21	2021-23	2023-25
Federal funding	\$815.3	\$1,513.9	\$1,219.3
State highway funding	412.5	440.3	829.9
Other state funding	235.3	232.3	224.4
Total	\$1,463.1	\$2,186.5	\$2,273.6

Federal Funds (in Millions)

	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium
Federal Highway Administration funding	\$684.4	\$917.5	\$1,154.7
Emergency relief and missile roads	20.4	62.5	20.0
Federal rail funds		22.0	
National Highway Traffic Safety Administration	9.4	9.4	12.2
Federal transit funds	24.8	48.9	32.4
COVID-19 federal funding	76.3	318.6	
Other potential federal grants		135.0	
Total	\$815.3	\$1,513.9	\$1,219.3

Major Increases in State Funding for 2023-25

Flexible transportation fund
(\$222.5 million)

Legacy fund earnings for
transportation (\$100 million)

Strategic investment and
improvements fund to match
federal funds (\$114 million)

Motor Fuels Taxes

Both gasoline and special fuels (diesel) are taxed in North Dakota at a rate of 23 cents per gallon

A one-cent increase in the gas and special fuels tax is estimated to generate an additional \$6.7 million per year or \$13.4 million for a biennium

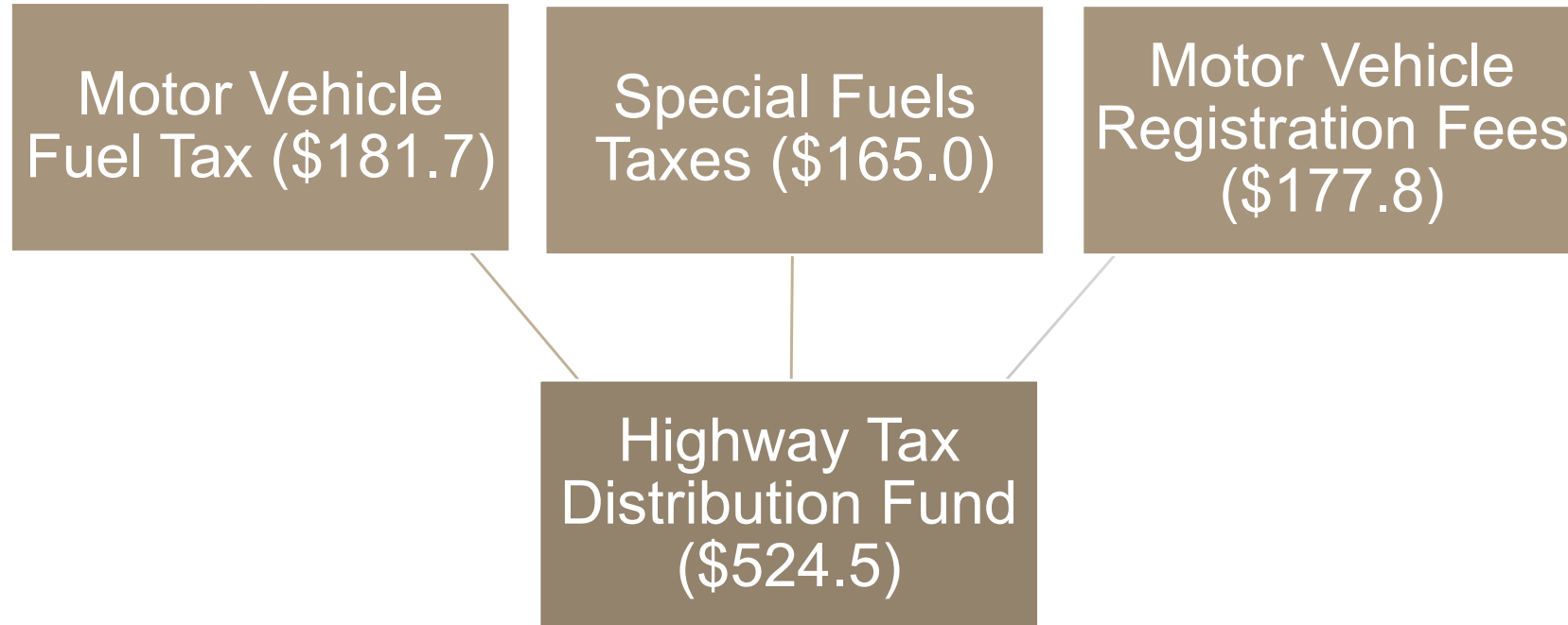
The tax rate was last increased in 2005

The federal tax rate per gallon is 18.4 cents for gasoline and 24.4 cents for diesel fuel

Year	Cents Per Gallon
1919	1/4
1926	2
1929	3
1939	5
1955	6
1970	7
1978	8
1983	13
1987	17
1993	18
1996	20
1999	21
2005	23

Motor Vehicle Fuel Tax History

2023-25 Highway Tax Distribution Fund Revenues (in Millions)



2023-25 Highway Tax Distribution Fund Distributions

	Percentage Distribution	2023-25 Estimated Distributions (in Millions)
State highway fund	61.3%	\$307.8
Counties	22.0%	110.4
Cities	12.5%	62.8
Townships	2.7%	13.5
Public Transit	1.5%	7.5
Total distributions	100.0%	\$502.0
Other deductions ¹		22.5
Total funding		\$524.5
¹ Other deductions includes Highway Patrol operations funding, ethanol subsidy fund, rail safety fund, motorboat fund, snowmobile fund, and other purposes.		



Motor Vehicle Excise Tax

- First implemented in 1935
- Currently 5% of vehicle purchase price
- All collections were deposited in the general fund from 2011 to 2023
- Since 2023 50% of collections have been deposited in the general fund and 50% in the flexible transportation fund



Flexible Transportation Fund

- Created in 2023
- 2023-25 biennium funding includes \$171.5 million of ongoing motor vehicle excise tax collections and \$51 million of one-time funding from the strategic investment and improvements fund
- Can be used road and bridge construction and maintenance both on and off the state highway system
- 25% of funding must be used for projects in non-oil-producing counties and townships

Estimated Construction Costs (Per Mile)

	2020	2022	2024
Two-lane road reconstruction (includes grading and asphalt surfacing)	\$1,600,000	\$1,600,000	\$1,900,000
Interstate concrete paving (two lanes in one direction)	\$2,300,000	\$2,300,000	\$3,500,000
Asphalt surface reconstruction (includes subgrade repair and resurfacing)	\$1,300,000	\$1,300,000	\$1,300,000
3-inch asphalt overlay	\$330,000	\$330,000	\$380,000
Interstate seal coat	\$68,000	\$79,000	\$89,000
Noninterstate seal coat	\$44,000	\$55,000	\$58,000



Miles of Roadway in North Dakota

Roadway	Miles
State highway system	7,415
County roads	15,619
Other rural roads	61,052
City streets	4,361
Total	88,447