

OFFICE OF STATE

# TREASURER

**NORTH DAKOTA**

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*State Treasurer*

Nicole Krivoruchka  
*Director of Finance*

***NDTOA – December 2025***

# Agenda



- Infrastructure Funding
  - Highway Tax Distribution
  - County & Township Infrastructure Fund (Prairie Dog)
  - Flexible Transportation Fund
- Township Eligibility Requirements
  - Mill Levy Information
  - General Fund Balance

# Infrastructure Funding- Highway Tax Distribution



- Senate Bill 2012 (SB 2012) adjusted the Highway Tax Distribution
  - Increased percentage to city/county from 34.5% to 35%
  - Increased percentage to townships from 2.70% to 3.40%
  - Added 25% of revenues from Motor Vehicle Excise Tax to be distributed through formula (*and reduced portion of revenues going to the Flexible Transportation Fund by 25%*)
  - Distributed to ALL counties (monthly) & townships (quarterly) in the state with no additional eligibility requirements. No changes in distribution formula
- Additional note: SB 2012 repealed the Legacy Earnings Highway Tax Distribution and Legacy Earnings Township Distribution created during the 2023 Legislative Session

# Infrastructure Funding- County & Township Infrastructure



- Senate Bill 2012 (SB 2012) made substantial changes to the County & Township Infrastructure distribution, or Prairie Dog (PD) funding.
  - Bucket reduced from \$115 M to \$80 M
  - Moved the PD bucket forward in the Oil & Gas distribution formula
  - \$40 M Direct Distribution by Office of State Treasurer & \$40 M Grants by Department of Transportation (DOT)
    - Grants by DOT funded through the County & Township Infrastructure Fund will use the new definition of non-oil producing county created in SB 2012
  - Added eligibility requirements for township portion of distribution
- House Bill 1065 (HB 1065) amended the distribution to townships from the equal allocation to an allocation proportional to road miles.

# Infrastructure Funding- County & Township Infrastructure

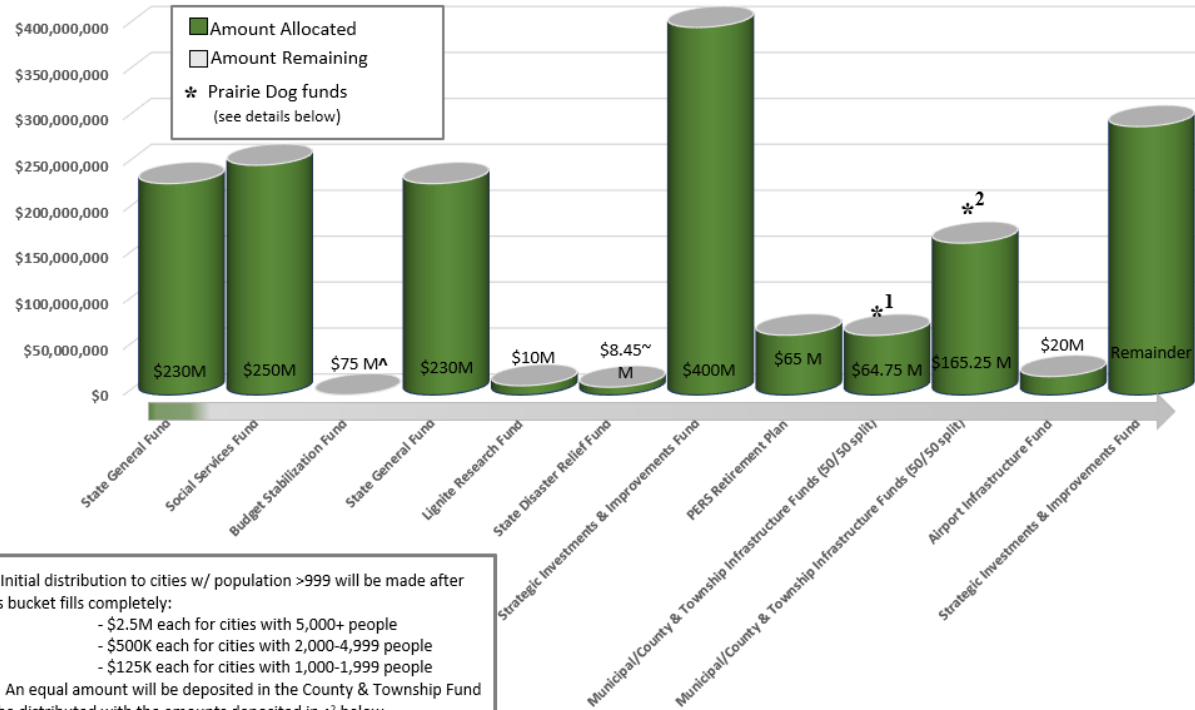


- County & Township Infrastructure Distribution (\$40 M per Biennium)
  - 87% to Non-Oil-Producing Counties
  - 13% to Non-Oil-Producing Townships that meet eligibility requirements
  - County portion, \$34.8 M, allocated based on the most recently completed ND Upper Great Plains Transportation Institute infrastructure needs study
  - Township portion, \$5.2 M, will be distributed based on mileage to eligible townships
  - Non-oil-producing county definition for County & Township Infrastructure unchanged and is based on county allocations received through the Oil & Gas Distribution based on the most recent even-numbered fiscal year before the start of the biennium (currently FY 2024).
  - Funds must be used for road and bridge infrastructure projects as associated with the construction of new unpaved and paved road and bridge infrastructure or associated with the maintenance, repair, or replacement of existing unpaved and paved road and bridge infrastructure.
- Reporting requirement remains the same and counties will need to report on funds received for the 2023-2025 biennium by **November 30, 2026** on the State Treasurer's website. **Reminder:** *No reporting due on funds received for townships.*

# Oil and Gas Revenue Flow

Status of "General Fund Share" Buckets

2023 - 2025 Biennium



\*<sup>1</sup> Initial distribution to cities w/ population >999 will be made after this bucket fills completely:

- \$2.5M each for cities with 5,000+ people
- \$500K each for cities with 2,000-4,999 people
- \$125K each for cities with 1,000-1,999 people

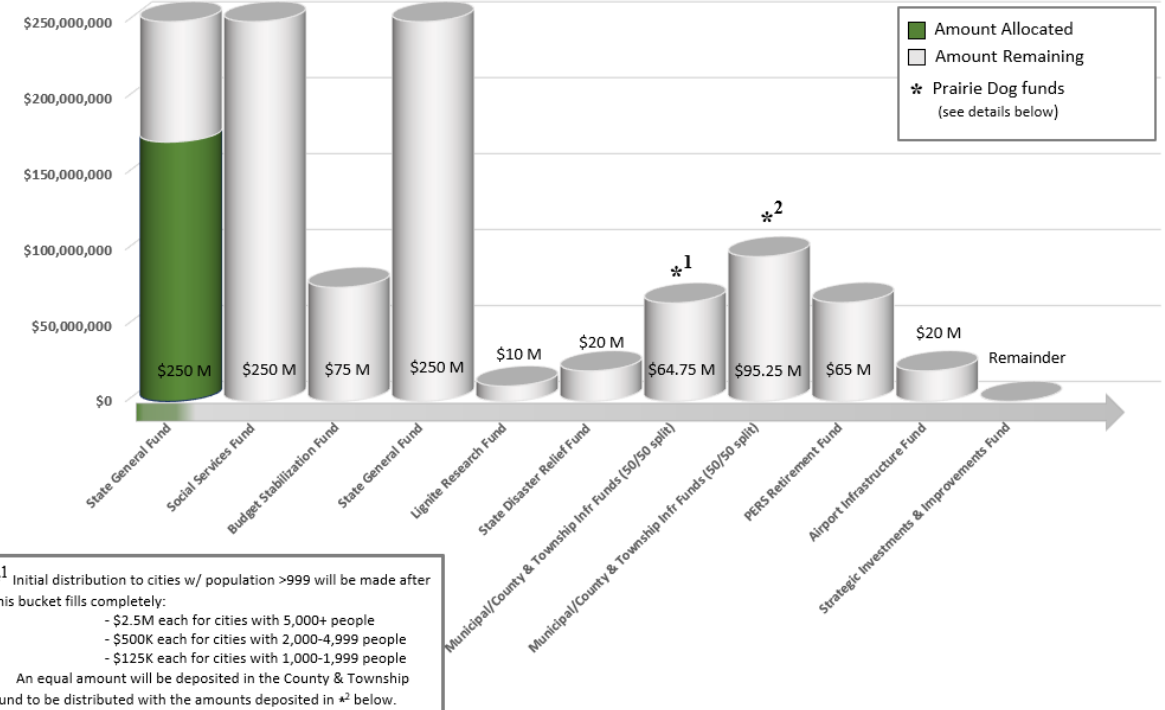
An equal amount will be deposited in the County & Township Fund to be distributed with the amounts deposited in \*<sup>2</sup> below.

\*<sup>2</sup> Remaining distributions to cities, counties, and townships will be made after these buckets fill completely.

Updated June 25 (thru 23 Months)  
^ Budget Stabilization Fund above statutory limit as state in NDCC 54-27.2-01  
~ State Disaster Relief Fund limited to \$8.45 M due to unobligated fund balance cap of \$20 M

Status of "General Fund Share" Buckets

2025 - 2027 Biennium



\*<sup>1</sup> Initial distribution to cities w/ population >999 will be made after this bucket fills completely:

- \$2.5M each for cities with 5,000+ people
- \$500K each for cities with 2,000-4,999 people
- \$125K each for cities with 1,000-1,999 people

An equal amount will be deposited in the County & Township Fund to be distributed with the amounts deposited in \*<sup>2</sup> below.

\*<sup>2</sup> Remaining distributions for a max of \$80 M to cities, counties, and townships will be made after these buckets fill completely. Remaining \$80 M will be grants through Department of Transportation.

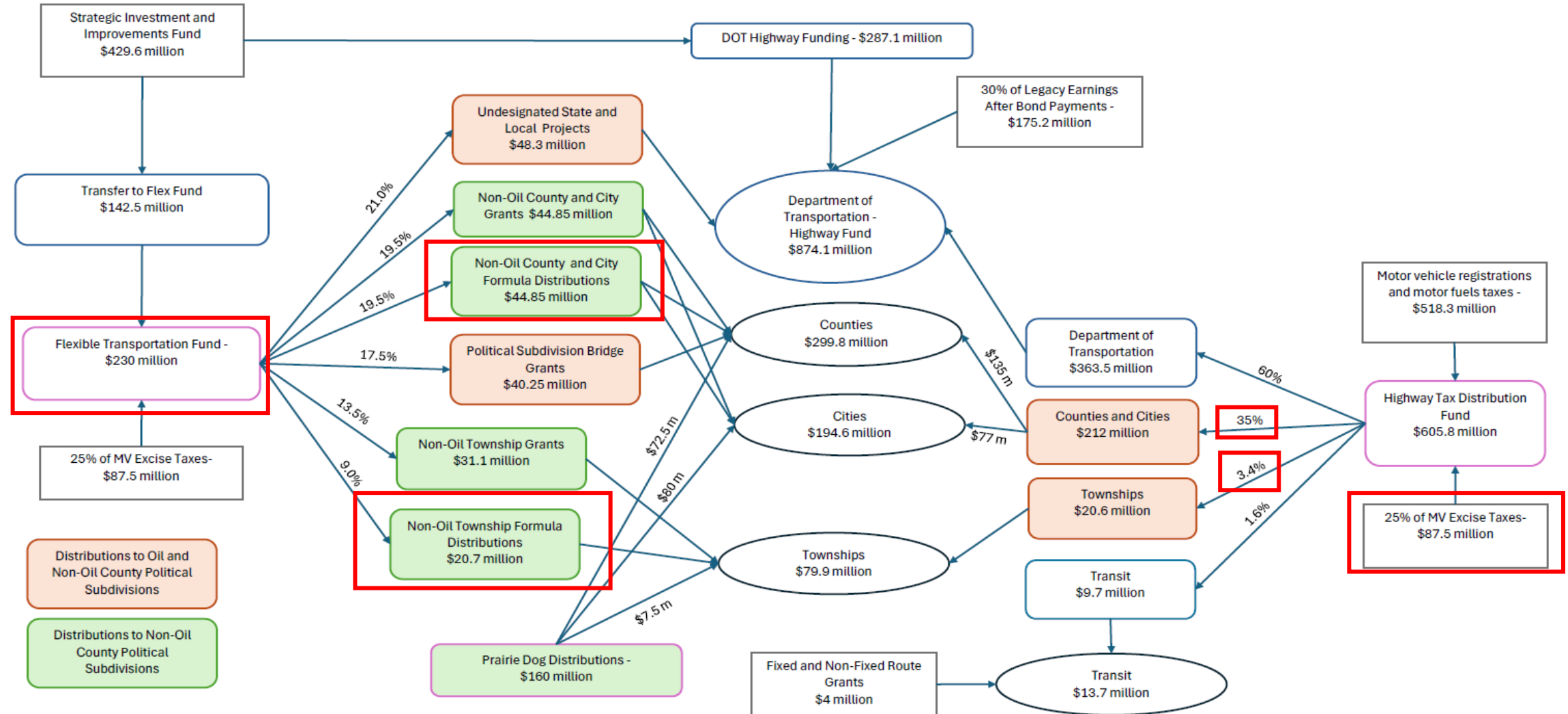
Updated October 25 (thru 03 Months)

# Infrastructure Funding-Flexible Transportation Fund



- SB 2012 created a new distribution from the Office of State Treasurer (OST) for Flexible Transportation Fund (FTF) to counties and townships.
  - FTF estimated \$230 M of available funds during the 2025-2027 biennium
    - \$142 M from SIIF, Remainder (\$87.5 M) reflects 25% of Motor Vehicle Excise Tax
      - 19.5% (\$44.85m) Non-Oil County & City Grants
      - 19.5% (\$44.85m) Non-Oil County and City Distributions (OST\_MONTHLY DISTRIBUTION)
      - 13.5% (\$31.1m) Non-Oil Township Grants
      - 9% (\$20.7m) Non-Oil Township Distributions (OST\_QUARTERLY DISTRIBUTION)
      - 21% (\$48.3m) Undesignated State and Local Projects
      - 17.5% (\$40.25m) Political Subdivision Bridge Grants
    - Eligibility requirements for township portion of distribution
    - New definition of “non-oil-county” for distribution

# Infrastructure Funding-Flexible Transportation Fund





# Infrastructure Funding- Flexible Transportation Fund (City/County)



- Flexible Transportation Fund (City & County, \$44.85 M)
  - 19.5% of revenues in the FTF to Non-Oil-Producing Counties & Cities
  - Monthly distribution calculated using the formula detailed in the highway tax distribution fund based on the proportion of number of vehicle registrations credited to each county and census population
  - **Non-oil-producing county** definition for FTF is a county that has an average annual oil production of fewer than 10 million barrels based on the average annual oil production in the three-year period ending with the most recently completed even-numbered fiscal year before the start of the biennium (currently FY 2024).
  - Funds need to be used for road, bridge, and other infrastructure projects.
  - No reporting requirement on use of funds for the Office of State Treasurer

# Infrastructure Funding- Flexible Transportation Fund (Township)



- Flexible Transportation Fund (Township, \$20.7 M)
  - 9% of revenues in the FTF to Non-Oil-Producing Counties for Townships that meet eligibility requirements
  - Quarterly distribution for the benefit of organized and unorganized townships road needs based on the length of township road miles in each county
  - Township distribution has delayed effective date so first distribution for townships will be April 2026
  - **Non-oil-producing county** definition for FTF is a county that has an average annual oil production of fewer than 10 million barrels based on the average annual oil production in the three-year period ending with the most recently completed even-numbered fiscal year before the start of the biennium (currently FY 2024)
  - No reporting requirement on the use of funds for the Office of State Treasurer

# Eligibility Requirements: Organized Townships



- PD & FTF requires additional information on **Townships** in your county. **This data must be reflected in the mill rate data published by the Tax Commissioner (TAP system)**
  - To be eligible for the distributions:
    - Organized Townships **must** levy at least 18 mills for general purposes **and** have a general fund balance of less than \$100k
      - TAP Reporting Codes
        - District Type: 1500
        - Levy: 1501
      - General Fund Balance Reporting
        - The general fund balance will be reported directly to the Office of State Treasurer in the same manner our office requests the township road mileage. The Office of State Treasurer will send out correspondence via email in January requesting the December 31, **2025** general fund balance.
        - The email will contain a template for your county to fill out and return

# Eligibility Requirements: Unorganized Townships



- PD & FTF requires additional information on **Townships** in your county. **This data must be reflected in the mill rate data published by the Tax Commissioner (TAP system)**
  - To be eligible for the distributions:
    - Counties **must** levy at least 18 mills for Unorganized Townships for road and bridge purposes
      - TAP Reporting Code:
        - District Type: 1200
        - Levy: 1259

# Questions?



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