13.8162.02019

FIRST ENGROSSMENT

Sixty-third Legislative Assembly of North Dakota

ENGROSSED SENATE BILL NO. 2012

Introduced by

Appropriations Committee

(At the request of the Governor)

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue; to amend and reenact sections 39-02-03-and, 39-04-09, and 57-43.2-19 of the North Dakota Century Code and section 27 of chapter 579 of the 2011 Session Laws, relating to department of transportation motor vehicle branch offices and, the issuance of license plates, deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions; to provide for transfers and contingent transfers; to provide exemptions; to provide for budget section reports; to provide for a-legislative management studystudies; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

		Adjustments of	
	Base Level	Enhancements	<u>Appropriation</u>
Salaries and wages	\$165,966,396	\$32,880,464	\$198,846,860
Operating expenses	204,090,250	173,731,465	377,821,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road	0	142,000,000	142,000,000

Adjustments or

Enhanced state highway investments

1	- reconstruction program				
2	County and township bridge	0	27,000,000	27,000,000	
3	reconstruction program				
4	Grants	<u>67,767,407</u>	30,420,623	98,188,030	
5	Total all funds	\$1,146,903,884	\$966,463,928	\$2,113,367,812	
6	Less estimated income	<u>1,146,903,884</u>	<u>956,463,928</u>	2,103,367,812	
7	Total general fund	\$0	\$10,000,000	\$10,000,000	
8	Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585	
9	Accrued leave payments	0	7,280,897	7,280,897	
10	Operating expenses	204,090,250	172,631,465	376,721,715	
11	Capital assets	709,079,831	560,431,376	1,269,511,207	
12	Grants	67,767,407	22,020,623	89,788,030	
13	Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434	
14	Less estimated income	1,146,903,884	773,875,550	1,920,779,434	
15	Total general fund	\$0	\$10,000,000	\$10,000,000	
16	Full-time equivalent positions	1,063.50	16.00	1,079.50	
17	SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO				
18	SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time				
19	funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and				
20	the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:				
21	One-Time Funding Desc	ription	<u>2011-13</u>	<u>2013-15</u>	
22	Federal stimulus funds		\$24,119,575	\$0	
23	Devils Lake area highway project		5,850,000	0	
24	Extraordinary state highway main	tenance	228,600,000	0	
25	County and township road recons	struction	142,000,000	142,000,000	
26	County and township bridge reco	nstruction	0	27,000,000	
27	County and township road recons	struction program	142,000,000	0	
28		in a cuth suit.	200,000,000	0	
20	Emergency relief program borrow	ing authority	200,000,000	J	
29	Road grade raising grants	ing authority	6,000,000	0	

541,600,000

0

1	Federal TIGER III grant match 0 10,000,000				
2	Total all funds \$608,000,575 \$720,600,000				
3	Total special funds <u>602,150,575</u> <u>710,600,000</u>				
4	Total general fund \$5,850,000 \$10,000,000				
5	<u>Total all funds</u> \$608,000,575 \$551,600,000				
6	<u>Total special funds</u> 602,150,575 541,600,000				
7	<u>Total general fund</u> \$5,850,000 \$10,000,000				
8	The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17				
9	biennium. The department of transportation shall report to the appropriations committees of the				
10	sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning				
11	July 1, 2013, and ending June 30, 2015.				
12	SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation				
13	may transfer between the salaries and wages, operating, capital assets, and grants line items in				
14	section 1 of this Act when it is cost-effective for construction and maintenance of highways. The				
15	department of transportation shall notify the office of management and budget of any transfers				
16	made pursuant to this section.				
17	— SECTION 4. COUNTY AND TOWNSHIP ROAD RECONSTRUCTION PROGRAM -				
18	CARRYOVER AUTHORITY.				
19	1. The sum of \$142,000,000, or so much of the sum as may be necessary, included in				
20	the county and township road reconstruction program line item in section 1 of this Act,				
21	must be used to rehabilitate or reconstruct county and township paved and unpaved				
22	roads needed to support oil and gas production and distribution in North Dakota.				
23	a. Funding allocations to counties are to be made by the department of				
24	transportation based on data supplied by the upper great plains transportation-				
25	institute.				
26	b. Counties identified in the data supplied by the upper great plains transportation				
27	institute are eligible for this funding.				
28	2. Each county requesting funding under this section for county or township roads shall				
29	submit the request in accordance with criteria developed by the department of				
30	transportation.				

Sixty-third Legislative Assembly

1	a. The request shall include a proposed plan for funding projects that rehabilitate or
2	reconstruct paved and unpaved roads within the county.
3	b. The plan shall be based on data supplied by the upper great plains transportation
4	institute, actual road conditions, and integration with state highway and other
5	county road projects.
6	c. Funds shall not be used for routine maintenance.
7	3. The department of transportation, in consultation with the county, may approve the
8	plan or approve the plan with amendments.
9	4. The funding included in the county and township road reconstruction program line item
10	in section 1 of this Act may be used for:
11	a. Ninety percent of the cost of the approved roadway projects not to exceed the
12	funding available for that county.
13	b. Funding may be used for construction, engineering, and plan development costs.
14	5. Upon approval of the plan, the department of transportation shall transfer to the county
15	the approved funding for engineering and plan development costs.
16	6. Upon execution of a construction contract by the county, the department of
17	transportation shall transfer to the county the approved funding to be distributed for
18	county and township road rehabilitation and reconstruction projects.
19	7. The recipient counties shall report to the department of transportation upon awarding
20	of each contract and upon completion of each project in a manner prescribed by the
21	department.
22	8. The funding included in the county and township road reconstruction line item in
23	section 1 of this Act may be applied to engineering, design, and construction costs
24	incurred on related projects as of January 1, 2013.
25	9. Section 54-44.1-11 does not apply to funding included in the county and township road
26	reconstruction program line item in section 1 of this Act. Any funds not spent by
27	June 30, 2015, must be continued into the biennium beginning July 1, 2015, and
28	ending June 30, 2017, and may be expended only for county and township paved and
29	unpaved road rehabilitation and reconstruction projects.
30	SECTION 5. COUNTY AND TOWNSHIP BRIDGE RECONSTRUCTION PROGRAM -
31	STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION. The county and

fund.

- June 30, 2015, may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for county and township road bridge rehabilitation and reconstruction projects.
- 8. For purposes of this section, a "bridge" is a structure that extends over a river, stream, depression, or other obstacle and has an end area of fifty square feet [4.65 square meters] or greater.
- 9. To be eligible to receive a grant under this section, the county or township road bridge project must be located within a county that levies a combined total of seven or more mills for county road and bridge, farm-to-market and federal aid road, and county road purposes.

SECTION 4. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS FUND - PILOT

PROGRAM. The grants line item in section 1 of this Act includes the sum of \$640,000 from the highway-rail grade crossing safety projects fund which may be used by the department of transportation to continue highway-rail grade crossing safety projects approved by the department and for which funding was obligated prior to January 1, 2013.

The grants line item in section 1 of this Act includes the sum of \$500,000 from the highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall develop guidelines for the distribution of program funds for rail safety projects the director deems necessary for public safety. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system.

___On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade crossing safety projects fund to the highway tax distribution

SECTION 5. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the sum of

1 \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax 2 distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending 3 June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on 4 July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund 5 are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014. 6 SECTION 6. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION 7 FUNDING DISTRIBUTIONS. There is appropriated out of any moneys in the general fund in the 8 state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as 9 may be necessary, to the state treasurer for the purpose of providing township transportation-10 funding distributions, for the period beginning with the effective date of this Act and ending-11 June 30, 2015. 12 1. The state treasurer shall distribute the funds provided under this section to counties 13 and townships in oil-producing counties through a distribution of \$15,000 to each 14 organized township and a distribution of \$15,000 for each unorganized township to the 15 county in which the unorganized township is located. 16 If any funds remain after the distributions provided under subsection 1, the state-17 treasurer shall distribute the remaining funds to counties and townships in-18 oil-producing counties pursuant to section 54-27-19.1. Organized townships are not 19 required to provide matching funds to receive a distribution under this subsection. 20 For purposes of this section, an "oil-producing county" means a county that received total-21 allocations under section 57-51-15 of \$500,000 or more during state fiscal year 2012. All funds-22 distributed under this section must be used for roadway maintenance purposes. The funding 23 provided in this section is considered a one-time funding item. 24 SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP 25 TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION. There is 26 appropriated out of any moneys in the general fund in the state treasury, not otherwise-27 appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the state-28 treasurer for the purpose of providing transportation funding distributions to counties and 29 townships in accordance with this section, for the period beginning with the effective date of this 30 Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under-

this section to counties and townships that are eligible to receive a distribution under subsection-

3

4

5

6 7

8 9

10 11

12 13

14 15

16 17

18

19 20

21 22

23 24

25

26 27

28

29

30 31

SECTION 8. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL LICENSE PLATE ISSUE - BUDGET SECTION APPROVAL - EXEMPTION. There is

3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision toreturn an overpayment of funds received from distributions under the section.

SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act. section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section.

SECTION 7. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$415,000\$385,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distribution to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2015. The state treasurer shall use the funding provided under this section to ensure that all eligible counties and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the distributions to eligible counties and townships must be distributed by the state treasurer pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,200,000\$6,820,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses for a general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of transportation may not use embossed printed license plates for the general license plate issue. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates. The one-time general fund appropriation provided under this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017. SECTION 9. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - GENERAL LICENSE PLATE ISSUE. There is appropriated from special funds and other income received, the sum of \$4,280,000\$4,900,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for expenses incurred by roughrider industries related to the general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. SECTION 10. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$683,600,000\$541,600,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. The funding provided in this section is considered a one-time funding item. SECTION 11. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER **AUTHORITY.** Section 54-44.1-11 does not apply to funding of \$541,600,000 in the capital assets line item relating to enhanced state highway investments in section 1 of this Act. Any

funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015,

- 1 and ending June 30, 2017, and may be expended only for enhanced state highway
- 2 investments.

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

3 SECTION 12. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE

- 4 RAISING GRANTS. The amount appropriated to the department of transportation from the
- 5 state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579
- 6 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any
- 7 unexpended funds from this appropriation are available to the department to provide road grade
- 8 raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.
- 9 **SECTION 13. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is
- 10 amended and reenacted as follows:

11 39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. In addition, the The director shallmay provide for a uniform-maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other everhead costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 14. AMENDMENT. Section 39-04-09 of the North Dakota Century Code is amended and reenacted as follows:

39-04-09. Director may design and issue number plates.

The director may design and issue plates of distinctly different color for each classification of motor vehicle, and there must at all times be a marked contrast between the background color of the plates and that of the numerals and letters thereonon the plateplates. License plates

- 1 must be acquired from the North Dakota state penitentiary if the penitentiary has the facilities to
- 2 manufacture license plates. The director shall make a general issue during the biennium
- 3 <u>beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning</u>
- 4 July 1, 2015, and ending June 30, 2017.

SECTION 15. AMENDMENT. Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-19. Transfer, deposit, and distribution of funds.

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

SECTION 16. AMENDMENT. Section 27 of chapter 579 of the 2011 Session Laws is amended and reenacted as follows:

SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS. If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.

One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
 Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized

3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year 20112010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE

PROGRAMS. During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING. During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL

STANDARDS. During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 20. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH

OFFICES. During the 2013-14 interim, the legislative management shall consider studying the use of branch offices by the department of transportation. The study must include a review of the structure of agreements with operators of branch offices, the number of motor vehicles registered at each office, the current locations of offices, the quality of data provided by the offices, the staffing needs of the offices, and the fees received by offices for services provided. The study must also include a review of the future use of branch offices, including office locations, alternative uses for facilities, and other changes that may promote efficiencies. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 21. EFFECTIVE DATE - EXPIRATION DATE. Section 15 of this Act is effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter ineffective.

SECTION 22. EMERGENCY. Sections 4, 5, 8, 9, and 106, 7, and 16 of this Act and funding of \$142,000,000 in the county and township road reconstruction program line item in section 1 of this Act, funding of \$27,000,000 in the county and township bridge reconstruction program line item in section 1 of this Act, and funding of \$10,000,000 in the grants line item in section 1 of this Act to match a federal TIGER III grant for railroad improvements are declared to be an emergency measure.