

Sixty-fifth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2072**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 transportation; to amend and reenact section 24-02-37 of the North Dakota Century Code,  
3 relating to state highway fund expenditures; to provide for a transfer; and to provide  
4 exemptions.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
7 as may be necessary, are appropriated from special funds derived from federal funds and other  
8 income, to the department of transportation for the purpose of defraying the expenses of the  
9 department of transportation, for the biennium beginning July 1, 2017, and ending June 30,  
10 2019, as follows:

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Salaries and wages	\$207,778,278	(\$2,948,924)	\$204,829,354
14	Operating expenses	393,262,751	(158,867,379)	234,395,372
15	Capital assets	602,581,402	167,536,066	770,117,468
16	Grants	<u>62,918,030</u>	<u>4,610,000</u>	<u>67,528,030</u>
17	Total special funds	\$1,266,540,461	\$10,329,763	\$1,276,870,224
18	Full-time equivalent positions	1,080.50	(26.50)	1,054.00

19 **SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding  
20 items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
21			
22	General fund transfers to highway fund	\$486,982,489	\$0
23	Transfer to public transportation fund	186,900	0
24	Short line railroad	7,000,000	0

1	Transportation distributions - non-oil-producing counties	104,664,000	0
2	Contingent transfer to highway fund	18,690,000	0
3	Truck harmonization study	56,070	0
4	Recreational road access	1,869,000	0
5	Vehicle registration and titling system replacement	2,500,000	0
6	Motor coach reimbursement	<u>934,500</u>	<u>0</u>
7	Total all funds	\$622,882,959	\$0
8	Total special funds	<u>9,500,000</u>	<u>0</u>
9	Total general fund	\$613,382,959	\$0

10       **SECTION 3. LINE ITEM TRANSFERS.** The director of the department of transportation  
11 may transfer between the salaries and wages, operating, capital assets, and grants line items in  
12 section 1 of this Act when it is cost-effective for construction and maintenance of highways. The  
13 department of transportation shall notify the office of management and budget of any transfers  
14 made pursuant to this section.

15       **SECTION 4. FUNDING FOR FEDERAL MATCH COSTS.** \$12,600,000, or so much of the  
16 sum as may be necessary, of the funding provided in section 4 of chapter 12 of the 2015  
17 Session Laws may be used to pay state match costs for federal highway funding provided by  
18 the federal highway administration during the biennium beginning July 1, 2017, and ending  
19 June 30, 2019.

20       **SECTION 5. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER**  
21 **AUTHORITY.** Section 54-44.1-11 does not apply to funding of \$503,115,558 in the capital  
22 assets line item relating to enhanced state highway investments in section 1 of chapter 12 of  
23 the 2015 Session Laws. Any funds not spent by June 30, 2019, must be continued into the  
24 biennium beginning July 1, 2019, and ending June 30, 2021, and may be expended only for  
25 enhanced state highway investments.

26       **SECTION 6. EXEMPTION - CONTINGENT TRANSFER - GENERAL FUND TO SPECIAL**  
27 **ROADS FUND.** The amount appropriated to the department of transportation from the general  
28 fund for special road projects, as contained in section 6 of chapter 12 of the 2015 Session  
29 Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this  
30 appropriation are available to the department of transportation for special road projects during  
31 the biennium beginning July 1, 2017, and ending June 30, 2019.

1       **SECTION 7. AMENDMENT.** Section 24-02-37 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **24-02-37. State highway fund - Priorities for expenditure - Use of investment income.**

4       The state highway fund, created by law and not otherwise appropriated and allocated, must  
5 be applied and used for the purposes named in this section, as follows:

6       1. Except for investment income as provided in subsection 3, the fund must be applied in  
7 the following order of priority:

8       a. The cost of maintaining the state highway system.

9       b. The cost of construction and reconstruction of highways in the amount necessary  
10 to match, in whatever proportion may be required, federal aid granted to this  
11 state by the United States government for road purposes in North Dakota.  
12 Notwithstanding any other provisions of law, the department of transportation  
13 may repay the United States department of transportation for previous related  
14 expenditures out of current biennium appropriations so that the department may  
15 reobligate the federal aid to other federal aid projects.

16       c. Any portion of the highway fund not allocated as provided in subdivisions a and b  
17 may be expended for the construction of state highways without federal aid or  
18 may be expended in the construction, improvement, or maintenance of such  
19 state highways.

20       2. All funds heretofore appropriated or hereafter appropriated or transferred to the  
21 department, whether earmarked or designated for special projects or special purposes  
22 or not, must be placed or transferred into a single state highway fund in the office of  
23 the state treasurer and any claims for money expended by the department upon  
24 warrants prepared and issued by the office of management and budget and signed by  
25 the state auditor under this title must be paid out of the state highway fund by the state  
26 treasurer; provided, however, that the commissioner shall keep and maintain complete  
27 and accurate records showing that all expenditures have been made in accordance  
28 with legislative appropriations and authorizations.

29       3. The state treasurer shall deposit the moneys in the state highway fund in an  
30 interest-bearing account at the Bank of North Dakota. The state treasurer shall deposit  
31 eighty percent of the income derived from the interest-bearing account in a special

1 interest-bearing account in the state treasury known as the special road fund. The  
2 special road fund may be used, within the limits of legislative appropriation, exclusively  
3 for the construction and maintenance of access roads to and roads within recreational,  
4 tourist, and historical areas as designated by the special road committee. A political  
5 subdivision or state agency may request funds from the special road fund by applying  
6 to the committee on forms designated by the committee. The committee may require  
7 the political subdivision or state agency to contribute to the cost of the project as a  
8 condition of any expenditure authorized from the special road fund. Any moneys in the  
9 fund not obligated by the special road committee by June thirtieth of each  
10 odd-numbered year must be held for an additional two years after which the funds  
11 revert to the state highway fund.