

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide appropriations for defraying the expenses of the department of
2 transportation; to provide an appropriation to the state treasurer for allocations to townships in
3 non-oil-producing counties; to provide for transfers; to amend and reenact section 39-02-03 of
4 the North Dakota Century Code, relating to department of transportation motor vehicle branch
5 offices; ~~to provide legislative intent;~~ to provide for legislative management studies; ~~and to~~
6 provide for a department of transportation study; to provide for a report to the legislative
7 management; to provide for a report to the legislative council; to provide exemptions; ~~and to~~
8 provide for application.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
11 as may be necessary, are appropriated out of any moneys in the general fund in the state
12 treasury, not otherwise appropriated, and from special funds derived from federal funds and
13 other income, to the department of transportation for the purpose of defraying the expenses of
14 the department of transportation, for the biennium beginning July 1, 2015, and ending June 30,
15 2017, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
18 Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
19 Accrued leave payments	7,280,897	(7,280,897)	0
20 Operating expenses	376,721,715	18,452,036	395,173,751
21 Capital assets	727,911,207	374,774,753	1,102,685,960
22 Grants	79,788,030	(14,120,000)	65,668,030
23 Total special funds	\$1,379,179,434	\$392,735,442	\$1,771,914,876
24 Full-time equivalent positions	1,079.50	0.00	1,079.50

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1	Salaries and wages	\$187,477,585	\$20,300,693	\$207,778,278
2	Accrued leave payments	7,280,897	(7,280,897)	0
3	Operating expenses	376,721,715	19,101,036	395,822,751
4	Capital assets	727,911,207	379,785,753	1,107,696,960
5	Grants	79,788,030	(16,870,000)	62,918,030
6	Total all funds	\$1,379,179,434	\$395,036,585	\$1,774,216,019
7	Less estimated income	1,379,179,434	394,976,585	1,774,156,019
8	Total general fund	\$0	\$60,000	\$60,000
9	Full-time equivalent positions	1,079.50	1.00	1,080.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

14	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
15	General fund transfer to highway fund	\$541,600,000	\$0
16	Enhanced state highway investments	1,161,600,000	504,115,558
17	TIGER III federal railroad program	10,000,000	0
18	General license plate issue	6,820,000	0
19	Contingent general fund transfer to	1,100,000	0
20	—public transportation fund		
21	Airplane replacement	4,500,000	0
22	Transportation distribution to oil-producing counties	160,000,000	0
23	Transportation distribution to non-oil-producing counties	120,000,000	0
24	Recreational road access	0	1,000,000
25	Vehicle registration and titling system replacement	0	2,500,000
26	Motor coach reimbursement from colleges	0	750,000
27	Total all funds	\$2,005,620,000	\$508,365,558
28	Total special fund	541,600,000	508,365,558
29	Total general fund	\$1,464,020,000	\$0
30	General fund transfer to highway fund	\$541,600,000	\$0
31	Enhanced state highway investments	1,161,600,000	503,115,558

1	<u>TIGER III federal railroad program</u>	<u>10,000,000</u>	<u>0</u>
2	<u>General license plate issue</u>	<u>6,820,000</u>	<u>0</u>
3	<u>Contingent general fund transfer to</u>	<u>1,100,000</u>	<u>0</u>
4	<u> public transportation fund</u>		
5	<u>Airplane replacement</u>	<u>4,500,000</u>	<u>0</u>
6	<u>Transportation distribution to oil-producing counties</u>	<u>160,000,000</u>	<u>0</u>
7	<u>Transportation distribution to non-oil-producing counties</u>	<u>120,000,000</u>	<u>0</u>
8	<u>Recreational road access</u>	<u>0</u>	<u>2,000,000</u>
9	<u>Vehicle registration and titling system replacement</u>	<u>0</u>	<u>2,500,000</u>
10	<u>Truck size and weight harmonization study</u>	<u>0</u>	<u>60,000</u>
11	<u>Total all funds</u>	<u>\$2,005,620,000</u>	<u>\$507,675,558</u>
12	<u>Total special funds</u>	<u>541,600,000</u>	<u>507,615,558</u>
13	<u>Total general fund</u>	<u>\$1,464,020,000</u>	<u>\$60,000</u>

14 The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19
15 biennium. The department of transportation shall report to the appropriations committees of the
16 sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning
17 July 1, 2015, and ending June 30, 2017.

18 **SECTION 3. LINE ITEM TRANSFERS.** The director of the department of transportation
19 may transfer between the salaries and wages, operating, capital assets, and grants line items in
20 section 1 of this Act when it is cost-effective for construction and maintenance of highways. The
21 department of transportation shall notify the office of management and budget of any transfers
22 made under this section.

23 **SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.**

24 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
25 appropriated, the sum of ~~\$504,115,558~~\$503,115,558, or so much of the sum as may be
26 necessary, which the office of management and budget shall transfer to the highway fund during
27 the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and
28 budget shall transfer the funds provided under this section to the state highway fund at the
29 request of the director of the department of transportation. This appropriation is a one-time
30 funding item.

SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - MOTOR

COACH REIMBURSEMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of reimbursing costs incurred from motor coach operations, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

SECTION 6. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD

FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of ~~\$1,000,000~~\$2,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 7. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS

FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of ~~\$2,000,000~~\$7,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 8. APPROPRIATION - STATE TREASURER. There is appropriated out of any

moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of organized and unorganized townships in non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section must be distributed in February 2016. The state treasurer shall distribute the funds provided under this section to counties and the county treasurer shall allocate the funds to or for the benefit of townships in non-oil-producing counties through a one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an

1 appropriate portion of revenues under this section for township roads or other infrastructure
2 needs in those townships. A township is not eligible for an allocation of funds under this section
3 if the township does not maintain any township roads. For the purposes of this section, a
4 "non-oil-producing county" means a county that has received an allocation of funding under
5 section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014. The
6 funding provided in this section is considered a one-time funding item.

7 ~~SECTION 8. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND~~
8 ~~NEW MAJOR INFORMATION TECHNOLOGY PROJECTS.~~ It is the intent of the legislative
9 assembly that the department of transportation refrain from using funds appropriated to the
10 department of transportation in section 1 of this Act for construction or improvements to
11 buildings and any new major information technology projects during the biennium beginning
12 July 1, 2015, and ending June 30, 2017, unless the department receives at least the amount of
13 federal highway construction funds that was anticipated by the sixty-fourth legislative assembly.

14 **SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT**

15 **HARMONIZATION.** The operating expenses line item in section 1 of this Act, includes the sum
16 of \$60,000 from the general fund, for the department of transportation to collaborate with the
17 upper great plains transportation institute to study the impacts in this state of harmonizing truck
18 size and weight regulations with states in the western states transportation alliance regarding
19 standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight
20 or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1,
21 2015, and ending June 30, 2017.

22 **SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT**

23 **HARMONIZATION.** During the 2015-16 interim, the legislative management shall study the
24 truck size and weight provisions under chapter 39-12 relating to size, width, and height
25 restrictions, in order to ensure the state of North Dakota may harmonize its truck size and
26 weight regulations with the regulations of the states in the western states transportation
27 alliance, and shall utilize the findings of the collaborative study of the department of
28 transportation and the upper great plains transportation institute to determine appropriate
29 changes to state law. The legislative management shall report its findings and
30 recommendations, together with any legislation required to implement the recommendations, to
31 the sixty-fifth legislative assembly.

1 **SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO**
2 **PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general
3 fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the
4 sum as may be necessary, which the office of management and budget shall transfer to the
5 public transportation fund pursuant to this section during the biennium beginning July 1, 2015,
6 and ending June 30, 2017. The office of management and budget shall transfer the sum of
7 \$100,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax
8 distribution fund are \$5,200,000 or less during the period beginning July 1, 2014, and ending
9 June 30, 2015. The office of management and budget shall transfer the sum of \$100,000 on
10 July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund
11 are \$5,200,000 or less during the period beginning July 1, 2015, and ending June 30, 2016.

12 **SECTION 12. DEPARTMENT OF TRANSPORTATION STUDY - REPORT TO**
13 **LEGISLATIVE MANAGEMENT.** The department of transportation shall study state funding
14 distributions and allocations to public transportation providers. The study must include a review
15 of distributions and allocations, including contingent funding provided, a review of distribution
16 and allocation formulas, and the public transportation providers use of the funds received from
17 the distributions, allocations, and contingent funding, including uses for operating costs and
18 capital asset purchases. The department of transportation shall report to the legislative
19 management regarding the results of its study by June 30, 2016.

20 **SECTION 13. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS**
21 **FUND.** The amount appropriated to the department of transportation from the highway-rail
22 grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session
23 Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
24 appropriation are available to the department highway-rail grade crossing safety projects during
25 the biennium beginning July 1, 2015, and ending June 30, 2017.

26 **SECTION 14. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER**
27 **AUTHORITY.** Section 54-44.1-11 does not apply to funding of ~~\$504,115,558~~\$503,115,558 in the
28 capital assets line item relating to enhanced state highway investments in section 1 of this Act.
29 Any funds not spent by June 30, 2017, must be continued into the biennium beginning July 1,
30 2017, and ending June 30, 2019, and may be expended only for enhanced state highway
31 investments.

1 **SECTION 15. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE**

2 **RAISING GRANTS.** The amount appropriated to the department of transportation from the state
3 disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of
4 the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended
5 funds from this appropriation are available to the department to provide road grade raising
6 grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

7 **SECTION 16. PAYBACK AND REALLOCATION OF FEDERAL AID.** Notwithstanding any
8 other provisions of law, the department of transportation may repay the United States
9 department of transportation for previous related expenditures out of current biennium
10 appropriations so that the department may re-obligate the federal aid to other federal aid
11 projects.

12 **SECTION 17. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **39-02-03. Powers and duties of director and department.**

15 The director, ~~subject to the approval of the governor,~~ may adopt and enforce such
16 administrative rules and designate such agencies and establish such branch offices as may be
17 necessary to carry out the laws applicable to the director's office and department. The director
18 shall provide suitable forms for applications, registration cards, license number plates, and all
19 other forms requisite for the operation of the director's office and department, and shall prepay
20 all transportation charges thereon. Branch office contracts entered ~~into~~ under this section may
21 extend five years and may be renewed in accordance with this section. At ~~least one year before~~
22 the end of each ~~current~~ branch office contract term, the department shall consider entering ~~into~~
23 contracts with new branch office vendors. Notwithstanding any other provision of law, the
24 director may enter ~~into~~ direct negotiations and contract with qualified vendors to provide branch
25 office services. The director may provide for a maximum fee schedule for the various services
26 provided by the branch offices, not to exceed ten dollars for each service provided. Any branch
27 office may establish a different fee schedule if the schedule does not contain a fee that exceeds
28 a maximum fee established by the director and is approved by the director. All branch office
29 managers must be bonded. The department may lease or provide office space or other costs as
30 necessary to independent motor vehicle branch managers. All rents collected under this section

1 must be deposited in the state highway fund. The department and the officers thereof shall
2 enforce the provisions of all laws pertaining to the director and the department.

3 **SECTION 18. RAIL SAFETY - REPORT TO LEGISLATIVE MANAGEMENT.** The
4 department of transportation shall report to a committee designated by the legislative
5 management, regarding the department's updated North Dakota state rail plan and the director
6 of the department of transportation shall post the department's updated North Dakota state rail
7 plan report on the department's public website and provide an electronic copy to the legislative
8 council for placement on the legislative branch public website for the biennium beginning July 1,
9 2015, and ending June 30, 2017.

10 **SECTION 19. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD**
11 **INFRASTRUCTURE.** During the 2015-16 interim, the legislative management shall consider
12 studying short line railroad expansion, spurs, switches, or other infrastructure enhancements
13 and the effect of short line railroads on reducing commercial traffic on the state highway system.
14 The legislative management shall report its findings and recommendations, together with any
15 legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

16 **SECTION 20. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES.**
17 During the 2015-16 interim, the legislative management shall consider studying the potential
18 effect high-efficiency vehicles may have on the revenue generated from motor vehicle
19 registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol
20 taxes. The legislative management shall report its findings and recommendations, together with
21 any legislation required to implement the recommendations, to the sixty-fifth legislative
22 assembly.

23 ~~—SECTION 19. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR VEHICLE—~~
24 ~~During the 2015-16 interim, the legislative management shall consider studying potential~~
25 ~~statutory changes that may be necessary to accommodate the introduction or testing of~~
26 ~~automated motor vehicles in North Dakota and any automated corridors affecting North Dakota.~~
27 ~~"Automated motor vehicle" means a vehicle capable of operating in a full automation mode~~
28 ~~where full automation is defined by the Society of Automotive Engineers Standard, J3016,~~
29 ~~section 5.6 issued January 2014, as the unconditional, full-time performance by an automated~~
30 ~~driving system of all aspects of the dynamic driving task. The study may include research into~~
31 ~~the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing~~

1 ~~or eliminating driver error and the degree that automated motor vehicles could reduce~~
2 ~~congestion and improve fuel economy through better utilization of existing highway capacity and~~
3 ~~more efficient operation of the vehicles' acceleration and braking controls. The legislative~~
4 ~~management shall report its findings and recommendations, together with any legislation~~
5 ~~required to implement the recommendations, to the sixty-fifth legislative assembly.~~

6 **SECTION 21. APPLICATION.** Section 17 of this Act applies to applicable contracts,
7 regardless of whether entered before or after the effective date of this Act.