

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

SENATE BILL NO. 2012
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of transportation; to amend and reenact section 24-02-37 of the North Dakota Century Code, relating to state highway fund expenditures; to provide for a transfer; to provide for disposition of maintenance section sites; to provide exemptions; to provide for studies; and to provide for reports.

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 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, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$207,778,278	(\$6,299,937)	\$201,478,341
Operating expenses	295,762,751	(66,381,105)	229,381,646
Capital assets	700,081,402	71,020,449	771,101,851
Grants	<u>62,918,030</u>	<u>4,610,000</u>	<u>67,528,030</u>
Total special funds	\$1,266,540,461	\$2,949,407	\$1,269,489,868
Full-time equivalent positions	1,080.50	(33.50)	1,047.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$2,702,395 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding 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>
General fund transfers to highway fund	\$486,982,489	\$0
Transfer to public transportation fund	186,900	0
Short line railroad	7,000,000	0
Transportation distributions - non-oil-producing counties	104,664,000	0
Contingent transfer to highway fund	18,690,000	0
Truck harmonization study	56,070	0
Recreational road access	1,869,000	0
Vehicle registration and titling system replacement	2,500,000	0
Motor coach reimbursement	<u>934,500</u>	<u>0</u>
Total all funds	\$622,882,959	\$0
Total special funds	<u>9,500,000</u>	<u>0</u>
Total general fund	\$613,382,959	\$0

SECTION 4. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made pursuant to this section.

SECTION 5. ADDITIONAL FUNDING FOR FEDERAL HIGHWAY MATCHING FUNDS. The department of transportation may use up to \$16,300,000 of the funding transferred, pursuant to

section 4 of chapter 12 of the 2015 Session Laws, from the general fund to the highway fund to provide state matching funds for federal highway construction funding provided by the federal highway administration during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENT FUNDING. Section 54-44.1-11 does not apply to funding of \$503,115,558 in the capital assets line item relating to enhanced state highway investments in section 1 of chapter 12 of the 2015 Session Laws. Any funds continued into the 2017-19 biennium but not spent by June 30, 2019, must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be expended only for enhanced state highway investments.

SECTION 7. EXEMPTION - SPECIAL ROADS FUND PROJECTS. Funding of \$2,000,000 appropriated to the department of transportation for special road projects, as contained in section 1 of chapter 12 of the 2015 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department of transportation for special road projects during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. DISPOSITION OF MAINTENANCE SECTION SITES. Notwithstanding any other provision of law, the department of transportation may discontinue operations of department maintenance section sites in New England, Starkweather, Fessenden, Courtenay, Gackle, Litchville, Finley, and Mayville as provided in this section.

1. During the biennium beginning July 1, 2017, and ending June 30, 2019, the department may not dispose of any real property assigned to a section site where operations are being discontinued.
2. The department shall consult with representatives of the political subdivisions in which the section site is located, in the following order: first with the county, second with the city, and third with the township. If requested by any of the political subdivisions, the department shall negotiate a lease agreement with that political subdivision regarding the use of the section site and facilities. The lease agreement must address, at a minimum, the following:
 - a. The political subdivision may use the department's maintenance site and building, road oil tank, and shop equipment contained in the building. The political subdivision must be responsible for all routine maintenance and utility costs.
 - b. If requested by the political subdivision, the department may transfer ownership of an equipped snow plow to the political subdivision. The snow plow must be one that the department intends to dispose of as part of its equipment replacement schedule.
 - c. The department may charge a reasonable fee to the political subdivision under the lease.
 - d. The department shall retain the use of salt buildings located on the property, the right to park one vehicle inside the maintenance building during a major winter storm, the use of an electrical outlet to plug in various vehicles for wintertime loading of deicing materials, and the right to use a portion of the site for a salt and sand pile for winter snow and ice control operations.
 - e. If an emergency occurs in or around a section site, and the department is unable to respond, the political subdivision may agree to have an individual available to respond to the emergency. The political subdivision may establish a process that allows emergency response teams to contact the political subdivision to allow it to respond to an emergency occurring within the area currently served by the section site. The response may require the political subdivision to provide snow and ice control on the state highway system for an emergency situation.

3. If the department does not enter a lease agreement for a section site during the biennium beginning July 1, 2017, and ending June 30, 2019, the department may dispose of the section site property in accordance with state law after June 30, 2019.
4. If the department has an employee whose home residence is located within the vicinity of the maintenance section the department intends to discontinue, the department shall locate one of its snow plows at or near the maintenance section site during a major winter storm event from November 1 through March 31 of each fiscal year.

SECTION 9. AMENDMENT. Section 24-02-37 of the North Dakota Century Code is amended and reenacted as follows:

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

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

1. Except for investment income as provided in subsection 3, the fund must be applied in the following order of priority:
 - a. The cost of maintaining the state highway system.
 - b. The cost of construction and reconstruction of highways in the amount necessary to match, in whatever proportion may be required, federal aid granted to this state by the United States government for road purposes in North Dakota. Notwithstanding any other provision of law, the department of transportation may repay the United States department of transportation for previous related expenditures from current biennium appropriations to allow the department to reobligate the federal aid to other federal aid projects.
 - c. Any portion of the highway fund not allocated as provided in subdivisions a and b may be expended for the construction of state highways without federal aid or may be expended in the construction, improvement, or maintenance of such state highways.
2. All funds heretofore appropriated or hereafter appropriated or transferred to the department, whether earmarked or designated for special projects or special purposes or not, must be placed or transferred into a single state highway fund in the office of the state treasurer and any claims for money expended by the department upon warrants prepared and issued by the office of management and budget and signed by the state auditor under this title must be paid out of the state highway fund by the state treasurer; provided, however, that the commissioner shall keep and maintain complete and accurate records showing that all expenditures have been made in accordance with legislative appropriations and authorizations.
3. The state treasurer shall deposit the moneys in the state highway fund in an interest-bearing account at the Bank of North Dakota. The state treasurer shall deposit eighty percent of the income derived from the interest-bearing account in a special interest-bearing account in the state treasury known as the special road fund. The special road fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to and roads within recreational, tourist, and historical areas as designated by the special road committee. A political subdivision or state agency may request funds from the special road fund by applying to the committee on forms designated by the committee. The committee may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the special road fund. Any moneys in the fund not obligated by the special road committee by June thirtieth of each odd-numbered year must be held for an additional two years after which the funds revert to the state highway fund.

SECTION 10. DEPARTMENT OF TRANSPORTATION STUDY - SNOW AND ICE CONTROL SERVICES - REPORT TO LEGISLATIVE MANAGEMENT. During the 2017-18 interim, the department of transportation shall study the manner in which it provides snow and ice control services on the state highway system, including the existing costs for these services and any potential savings available in providing these services. Based on its findings, the department shall determine the most efficient and effective manner in which to provide snow and ice control services. The department shall provide a report to the legislative management before July 1, 2018, regarding the results of the study.

SECTION 11. DEPARTMENT OF TRANSPORTATION STUDY - CONSOLIDATION OF SERVICES - REPORT TO LEGISLATIVE MANAGEMENT - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. During the 2017-18 interim, the department of transportation shall study options to consolidate transportation facilities within Williams County and the Williston district headquarters. The department shall provide the final report, including the results of the study, to the legislative management before July 1, 2018. If the results of the study determine that it is beneficial to consolidate facilities, the department may proceed with consolidation efforts. Before the completion of the study and the determination of whether the consolidation of facilities is beneficial, the department may not construct any new buildings at the Williston district headquarters. The department shall provide reports to the appropriations committees of the sixty-sixth legislative assembly regarding the study and the outcomes of the study.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION FUNDING. During the 2017-18 interim, the legislative management shall consider studying the funding mechanisms and options available to the department of transportation, political subdivisions, and public transportation providers, for road construction, maintenance, other transportation infrastructure needs, and transit services. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 13. DEPARTMENT OF TRANSPORTATION FEES - REPORT TO BUDGET SECTION. The department of transportation shall report to the legislative management's budget section by September 30, 2017, and by September 30, 2018, regarding all fees charged by the department in comparison to the actual cost of providing the services for which the fee is charged.

SECTION 14. TELECOMMUNICATIONS INFRASTRUCTURE ON HIGHWAY RIGHTS OF WAY - LIMITATION - DEPARTMENT OF TRANSPORTATION AND INFORMATION TECHNOLOGY DEPARTMENT STUDY - REPORT. Prior to the department of transportation permitting any nonstate owned, controlled, or leased wireless telecommunication infrastructure used for wireless transmission of voice, data, images, or other signals or information within state highway rights of way, the department of transportation and the information technology department shall study, during the 2017-18 interim, the benefits of allowing wireless telecommunication infrastructure within state highway rights of way and what, if any, requirements of allowing the installation may be in the public interest. The department of transportation and the information technology department shall report the results of the study to the legislative management by June 30, 2018.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2012.

Senate Vote: Yeas 44 Nays 1 Absent 2

House Vote: Yeas 53 Nays 40 Absent 1

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,

at _____ o'clock _____ M.

Secretary of State