

Fiscal No. 3

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, after "section" insert "27-02-37.3 as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, and section"

Page 1, line 3, after "to" insert "the flexible transportation fund,"

Page 1, replace lines 15 through 23 with:

"Salaries and wages	\$204,109,585	\$13,636,811	\$217,746,396
Operating expenses	270,888,188	64,493,286	335,381,474
Capital assets	902,431,344	700,463,721	1,602,895,065
Grants	118,085,610	(14,152)	118,071,458
Contingent loan authorization	0	<u>78,500,000</u>	<u>78,500,000</u>
Total all funds	\$1,495,514,727	\$857,079,666	\$2,352,594,393
Less estimated income	<u>1,495,514,727</u>	<u>846,704,666</u>	<u>2,342,219,393</u>
Total general fund	\$0	\$10,375,000	\$10,375,000
Full-time equivalent positions	982.00	16.00	998.00"

Page 2, replace lines 13 and 14 with:

"Federal matching funds	0	290,000,000
State flexible transportation fund	0	100,000,000"

Page 2, replace line 18 with:

"Short line railroad programs	0	4,000,000
United States highway 52 environmental study	0	5,000,000"

Page 2, replace lines 21 and 22 with

"Total all funds	\$889,019,357	\$492,875,000
Less estimated income	<u>889,019,357</u>	<u>482,500,000"</u>

Page 3, line 29, replace "\$328,000,000" with "\$114,000,000"

Page 3, line 31, remove "The sum of \$200,000,000 for matching federal highway discretionary grants;"

Page 4, line 1, remove "2."

Page 4, line 1, replace "\$115,000,000" with "\$100,000,000"

Page 4, line 2, replace "3." with "2."

Page 4, line 2, replace "\$8,000,000" with "\$4,000,000"

Page 4, line 3, remove "and"

Page 4, line 4, replace "4." with "3."

Page 4, line 5, after "flooding" insert "; and

4. The sum of \$5,000,000 for an environmental study of a portion of United States highway 52"

Page 4, after line 14, insert:

**"SECTION 9. AMENDMENT.** Section 24-02-07.3 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**24-02-37.3. Flexible transportation fund.**

There is created in the state treasury the flexible transportation fund. The fund consists of eligible federal or state funding and any contributed private funds.

1. The flexible transportation fund must be administered and expended by the director and may be used for the following:
  - a. Providing a match for federal funding obtained by the department of transportation.
  - b. State-funded road and bridge construction and maintenance, and transportation support costs including staffing, facilities, and operational expenditures on the state highway system.
  - c. State-funded road and bridge construction and maintenance activities within the state but off of the state highway system. The director shall establish the terms and provisions of the program.
2. All money derived from the investment of the flexible transportation fund or any portion of the fund, must be credited to the flexible transportation fund. The director shall monthly transmit all moneys collected and received under this chapter to the state treasurer to be transferred and credited to the flexible transportation fund.
3. The director shall allocate at least twenty-five percent of motor vehicle excise tax collections deposited in the flexible transportation fund pursuant to section 57-40.3-10 for non-oil-producing county and township road and bridge projects as follows:
  - a. The funds must be allocated by the department to counties for projects or grants for the benefit of counties and organized and unorganized townships;
  - b. The department shall establish criteria to distribute the funds;
  - c. The funds must be used for the maintenance and improvement of county and township paved and unpaved roads and bridges;
  - d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors;
  - e. An organized township is not eligible to receive funding if the township does not maintain any roadways or does not levy at least eighteen mills for general purposes; and
  - f. For purposes of this subsection, "non-oil-producing county" means a county that received no allocation of funding or a total

allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium."

Page 4, overstrike lines 18 and 19

Page 4, line 20, overstrike "to the general fund"

Page 4, line 20, remove "who shall deposit fifty percent of collections in the state highway fund and"

Page 4, line 21, remove "fifty percent of collections in the general fund"

Page 4, line 21, overstrike the period and insert immediately thereafter "After the deposits under sections 57-39.2-26.1, 57-39.2-26.2, and 57-39.2-26.3, moneys collected and received under this chapter must be deposited monthly in the state treasury and allocated as follows:

1. Fifty percent to the state highway fund to match federal highway funding; and
2. The remaining fifty percent to the flexible transportation fund."

Page 7, line 8, replace "9" with "10"

Page 7, line 10, remove "10 and"

Page 7, line 10, after "11" insert "and 12"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1012 - Department of Transportation - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$204,109,585	\$232,422,836	(\$14,676,440)	\$217,746,396
Operating expenses	270,888,188	330,381,474	5,000,000	335,381,474
Capital assets	902,431,344	1,644,145,065	(41,250,000)	1,602,895,065
Grants	118,085,610	122,071,458	(4,000,000)	118,071,458
Contingent loan authorization		78,500,000		78,500,000
Total all funds	\$1,495,514,727	\$2,407,520,833	(\$54,926,440)	\$2,352,594,393
Less estimated income	1,495,514,727	2,397,145,833	(54,926,440)	2,342,219,393
General fund	\$0	\$10,375,000	\$0	\$10,375,000
FTE	982.00	998.00	0.00	998.00



**Department 801 - Department of Transportation - Detail of Senate Changes**

	<b>Adjusts Funding for Salary and Benefit Increases<sup>1</sup></b>	<b>Removes Salary Funding for Funding Pool<sup>2</sup></b>	<b>Reclassifies 4 FTE Positions<sup>3</sup></b>	<b>Increases Funding for Federal Highway Funds Match<sup>4</sup></b>	<b>Adjusts Discretionary and Flexible Transportation Funding<sup>5</sup></b>	<b>Reduces Funding for Short Line Railroad Loan Program<sup>6</sup></b>
Salaries and wages	\$3,181,552	(\$17,857,992)				
Operating expenses						
Capital assets				\$2,250,000	(\$43,500,000)	
Grants						
Contingent loan authorization						(\$4,000,000)
<b>Total all funds</b>	<b>\$3,181,552</b>	<b>(\$17,857,992)</b>	<b>\$0</b>	<b>\$2,250,000</b>	<b>(\$43,500,000)</b>	<b>(\$4,000,000)</b>
Less estimated income	3,181,552	(17,857,992)	0	2,250,000	(43,500,000)	(4,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Adds Funding for Environmental Study<sup>7</sup></b>	<b>Total Senate Changes</b>
Salaries and wages		(\$14,676,440)
Operating expenses	\$5,000,000	5,000,000
Capital assets		(41,250,000)
Grants		(4,000,000)
Contingent loan authorization		
<b>Total all funds</b>	<b>\$5,000,000</b>	<b>(\$54,926,440)</b>
Less estimated income	5,000,000	(54,926,440)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	<b>Other Funds</b>
Salary increase	\$3,297,276
Health insurance adjustment	(115,724)
Total	\$3,181,552

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

<sup>2</sup> Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	<b>Other Funds</b>
New FTE positions	(\$2,994,974)
Vacant FTE positions	(14,863,018)
Total	(\$17,857,992)

<sup>3</sup> Four vacant FTE positions are reclassified to 2 FTE driver's license examiner positions and 2 FTE positions to administer the county and township roadway program.

<sup>4</sup> Funding derived from 50 percent of motor vehicle excise tax collections deposited in the highway fund to match regular highway funding is increased based on the March 2023 revised revenue forecast.

<sup>5</sup> Funding for federal discretionary funds match and the flexible transportation fund is adjusted as follows:

House:

Flexible transportation fund - \$115 million from the strategic investment and improvements fund

Discretionary match - \$200 million from the strategic investment and improvements fund

Senate:

Flexible transportation fund, including discretionary match - \$171.5 million from motor vehicle excise tax collections, \$100 million from the strategic investment and improvements fund

<sup>6</sup> Funding added by the House from the strategic investment and improvements fund to enhance the short line railroad loan program is reduced from \$8 million to \$4 million.

<sup>7</sup> One-time funding from the strategic investment and improvements fund is added for an environmental study of US Highway 52 from Minot to Voltaire.

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This amendment also:

- Adjusts statutory language to provide that 50 percent of motor vehicle excise taxes be deposited in the highway fund and the remaining 50 percent be deposited in the flexible transportation fund. The House provided for 50 percent of motor vehicle excise taxes to be deposited in the highway fund and 50 percent to be deposited in the general fund. This will decrease general fund revenues by \$171.5 million.
- Amends statutory language regarding the flexible transportation fund to provide that at least 25 percent of motor vehicle excise taxes deposited in the fund be used for county and township road and bridge projects.

