

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2033 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1012

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2003 HOUSE APPROPRIATIONS

HB 1012

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee

☐ Conference Committee

Hearing Date: January 8, 2003

Tape Number	Side A	Side B	Meter #
1	XX	XX	
2	XX	XX	
Committee Clerk Signature <i>Chris S. Svedjan</i>			

Minutes:

Chairman Svedjan called the meeting to order at 8:30 am. Roll Call was taken all members were present: Chairman Svedjan, Vice Chairman Timm, Rep. Martinson, Rep. Brusegaard, Rep. Monson, Rep. Rennerfeldt, Rep. Wald, Rep. Aarsvold, Rep. Gulleon, Rep. Carlisle, Rep. Carlson, Rep. Koppelman, Rep. Skarphol, Rep. Thoreson, Rep. Glassheim, Rep. Kroeber, Rep. Warner, Rep. Delzer, Rep. Warnke, Rep. Bellew, Rep. Kempenich, Rep. Kerzman, and Rep. Metcalf.

David Sprynczynatyk, Director of the Department of Transportation testified. (see written testimony)

Chairman Svedjan asked whether electronic systems save on staff needs.

David Sprynczynatyk responded., we are seeing an efficiency on an overall basis, in areas of traditional. i.e.: Online vehicle registration.

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House Appropriations Committee

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Rep. Delzer asked why Hwy.. 85 is a state corridor instead of an inter regional system. He wanted to know the future plans.

Grant Levi responded that D.O.T. had put together a classification system to determine how the highway functions, and that service and truck travel determined Hwy.. 85 to be a state corridor.

Rep. Delzer asked whether there are plans to upgrade?

Grant Levi responded that the current plan is to keep it classified as a state corridor, public input is being taken and there may be a reconsideration..

Rep. Delzer asked if different classifications have impact on load restrictions.

Mr. Levi responded affirmatively.

Rep. Timm asked what is the update on Hwy.. 2 from Minot to Williston to which

Mr. Levi responded the department had hoped to start construction this summer, but environmental documents still need to be completed.

Rep. Skarphol asked about hay waiver restrictions,

Mr. Levi, width, length and some weight restrictions have been lifted.

Rep. Wald, asked when the Hwy.. 85 corridor project would be developed.

Sprynczynatyk responded if there is interest along Hwy. 85 to further develop the corridor the D.O.T will be working together with those different entities however, no plan has been developed at this time.

Rep. Wald commented other states have made a commitment to this project and the state of ND needs to do the same.

Sprynczynatyk responded the main focus of the DOT will be on the Hwy. 2 corridor rather than Hwy. 85.

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Rep. Rennefeldt asked if there are plans to repair Hwy. 1804 to which

Mr. Levi responded repairs are scheduled for this summer or next.

Rep. Carlisle asked if the Blood Alcohol Count penalty in HB Bill 1161 has any leniency when receiving federal dollars.

Sprynczynatyk responded if the state doesn't pass this now the appropriations may not be available when the state inevitably does pass it.

Rep. Carlisle asked if HB 1161 would be going to the transportation committee.

Sprynczynatyk responded yes.

Rep. Skarphol asked if there are strict traffic violations for the .08 BAC and will the Federal Gov't require those limitations?

Sprynczynatyk responded he didn't know, but would provide the information in committee.

Rep. Delzer commented he would like the Legislative Council to look at those implications.

Chairman Svedjan made a note of the request.

Rep. Gulleeson if there was any input on weigh stations closings.

Sprynczynatyk responded yes, they insure traffic is in compliance with load restrictions and they help to ensure safety.

Rep. Metcalf ask if any BIA money had been appropriated for the New Town Bridge project.

Sprynczynatyk replied 45M has been reserved for the project of that, 35M in federal funds, plus a DOT commitment of 8.3M which requires a cost share with the state.

Rep. Wald asked for confirmation, the state input at 2.5-2.6M.

Sprynczynatyk responded that was correct.

Deanna Guller
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Rep. Aarsvold inquired if the state has looked into using the scale ticket audit system.

Sprynczynatyk responded this had been looked into but it was yet to be determined if it would be the best option.

Rep. Kempenich asked if the scale closing project was a phase-out.

Sprynczynatyk responded yes.

Rep. Wald inquired what the future holds for the closed rest areas and would these areas continue to be a place for truckers to rely.

Sprynczynatyk commented when the area is "Truck Traffic Only" the public uses it too and there is a need for more maintenance which pose some additional costs..

Rep. Carlisle announced the weight station issue would be brought to the Government

Operations committee in the Hwy. Patrol budget January 14th.

Rep. Skarphol asked if the DOT did an exit study on the 1997 strategic business plan and was a summary completed.

Sprynczynatyk responded a exit study was completed, but no formal summary.

Rep. Timm commented he can't understand why it should take 3-4 years to implement a goal to improve customer service, he wondered why that wouldn't be an immediate goal.

Sprynczynatyk responded a formal date is needed to complete analysis.

Rep. Koppelman asked what the status of competition for new hires vs. career employees.

Sprynczynatyk replied the last legislative session allotted the department to help improve the staffing.

Rep. Koppelman asked if there were challenges with career employees being upset over new hire incentives.

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Sprynczynatyk responded it has been difficult, but they try their best to reduce compression.

Rep. Kerzman asked that the DOT share with the committee the results of the Regent speed limit study.

Levl responded it was not the most effective way to protect the highways, but solutions are adding axles to the trucks.

Rep. Kerzman asked about the recruiting effort for state engineers.

Sprynczynatyk responded the department methods are based upon state law, contracts are negotiated. Approximately 30% of the work is contracted to consultants.

Rep. Delzer asked if the department can contract out for snow removal.

Sprynczynatyk replied the department has contracted the excess snow work

Rep. Delzer asked what will be the ownership of the Four Bears Bridge and commented there are concerns regarding the naming of the bridge.

Sprynczynatyk replied the ownership will be with the state of ND and the legislature would have control in the naming of the bridge. A context sensitive analysis is necessary due to federal regulation and there will be a native American theme on the side of the bridge. He also commented he felt it best to call it the 4 Bears Bridge.

Rep. Rennerfeldt asked how this project was able to move so quickly compared to others.

Sprynczynatyk responded the impact of the bridge was only on the fish in the immediate area.

Rep. Wald asked if local money is used when a road is built through a town and doe the state have control access.

Sprynczynatyk responded typically 80% and yes the state maintains access.

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Rep. Timm asked what the percentage of funds go to the interstate system, is it consistent from year to year and is the department required to put that money on that system

Sprynczynatyk responded 85.5M in state dollars is put into the interstate system and the money is put into the interstate system because it carries the bulk of traffic.

Rep. Metcalf asked is there are rest area and decorative fund allotments and if the state was in compliance with road signs

Sprynczynatyk replied money cannot be used for transportation enhancement, yet the department has a lot of discretion. The state is in compliance with road signs

Rep. Monson asked if the state was in compliance with road signs

Sprynczynatyk responded the state is in compliance with road signs

Rep. Wald asked if there was any Federal funding for local business signing

Sprynczynatyk replied there is no current federal funding, it is up to the state.

Rep. Aarsvold asked if a trademark is necessary for signage.

Sprynczynatyk responded no.

Rep. Carlisle asked if deductions for ethanol will be taken from the Hwy. distribution fund.

Sprynczynatyk responded yes.

Rep. Timm asked what was the reason for changing the Hwy. Patrol funding.

Sprynczynatyk responded this was done to minimize the impact.....

Rep. Timm asked what amount was gained.

Sprynczynatyk responded 2.5M.

Rep. Skarphol asked if 1.2M was for tribal agreement, and is it gas tax and usage on the reservation.

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Sprynczynatyk responded that the tribes are entitled to a portion of federal tax collection on reservations which is based on purchased fuel sold on the reservation.

Chairman Svedjan asked whether the reservation has the same gas tax as elsewhere.

Sprynczynatyk responded that this is the issue in some states.

Rep. Monson stated that Richland County has this problem.

Sprynczynatyk stated that this is why the DOT reserves some of the state tax.

Rep. Kempenich asked why there was a \$1 M difference in the figures.

Sprynczynatyk responded that he had not seen that discrepancy but believes it is due to the number of gallons estimated sold in the next biennium.

Alan Knudson added that he was unsure about from where the figures were derived.

OMB asked whether they could get back to the committee regarding the issue.

Rep. Warner wondered whether there are requirements to make the tribe spend the returned state tax dollars on roads.

Sprynczynatyk responded that this was not a requirement on the Standing Rock Reservation.

Rep. Warner asked whether or not the tribes contributed any dollars towards the maintenance of roads that are located on the reservation.

Sprynczynatyk responded that he was unaware of any requirements that the tribes contribute money towards the maintenance of tribal roads. Tribal roads are funded by Congress through the BIA.

Rep. Wald asked whether a bulk dealer is required to collect the tax at the time of fuel delivery.

Sprynczynatyk was unsure of the mechanics of the situation.

Rep. Wald asked about the status of the slush fund in the department.

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Sprynczynatyk responded that the fund was currently at four or five hundred thousand dollars, but will confirm exact amount at a later date.

Rep. Wald continued that he was interested in the process required to access those funds with regard to a Game and Fish recreational project, Dickinson Dyke, in Dickinson.

Sprynczynatyk responded that Game and Fish was already involved in the project.

Rep. Wald asked whether it was a grant-type thing that needs to be applied for.

Sprynczynatyk responded that that was indeed the case. There is an eligibility screening process. The projects are then ranked.

Rep. Wald stated that he would like that information sometime in the next week or so.

OMB stated that the difference in schedules is due to the fact that DOT didn't include revenue sources in the final figure that were derived from sources such as the State Snowmobile fund and the Motorboat Safety fund. In addition, OMB stated that DOT only included funds that directly related to highways.

Rep. Carlson asked who maintains the roads on the reservations.

Sprynczynatyk responded that the DOT maintains the roads if they are state roads.

Rep. Carlson asked whether cities, counties get the money from the \$720.2 M.

Sprynczynatyk Only indirectly. Typically they do not give money to individual cities. The tax dollars are distributed from the state to the counties, then the counties can distribute it.

Rep. Carlson Are there agreements that if a business deals gasoline that they submit the tax?

Sprynczynatyk I do not know, I recommend that someone from the tax department answer that question.

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Rep. Carlson It seems to me that both of these issues tie together. As a committee we need to address the inconsistent policies that are involved in dealing with gasoline tax reimbursements.

Chairman Svedjan In the event Congress increases reallocations for federal highway funds that other states were not using, how do we stand as far as drawing that money into ND?

Sprynczynatyk The timing of that is at the end of the next biennium. The highway authorizations are usually 6 years in length. We have been receiving these funds in recent years and we expect to continue receiving them. We will find a way to not lose those funds. I don't believe it is an issue of concern.

Rep. Delzer Please describe the discrepancy between the 169 and 181 million the last time you came to appropriations. In this scenario you only mention 165 twice. Please speak to how that comes about.

Sprynczynatyk We are showing a surplus when we expected a deficit. Also, as we reviewed that previous biennium budgets, it became apparent that the assumptions made for reimbursement from cities and counties and the amount of match for non-construction funds were not valid. We also learned we will not receive the amount of federal revenue we assumed. The net result of the invalid assumptions is that the department was able to match its federal funds and have an unencumbered balance of state funds. When we make those corrections and project those into the next biennium it works out that the funds available to us are what we need to match the projected federal funds in the 2003-2005 biennium. As a result the 2003-2005 request reflects the large decrease in capital assets and grant line items as compared to the 2001-2003 enrolled budget as adjusted for emergency relief funding.

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Vice Chair Timm What is a penny gas tax bringing in? And you say that gas and fuel consumption is going down.

Sprynczynatyk The net gallons use of use is actually going up. Gasoline consumption is going down, gasohol consumption is going up. When those two are combined with special fuels, the total volume of fuel used is increasing, but it is a shift from pure gas to gasohol.

Vice Chair Timm So we are collecting the penny gas tax on gasohol tax too? Or how about on pure ethanol?

Sprynczynatyk The fuel tax in ND is 21 cents per gallon on gasoline and gasohol. I look at the number of gallons used, and that continues to go up slightly. The one cent "fuel fee" generates about 10.2 million dollars per biennium.

Rep. Kempenich What is the increased demand on the state fleet and what is the turnover rate?

Sprynczynatyk On sedans we average 75,000-80,000 miles per 3 year period, and that is because it gets us the greatest return when we resell these to the public at auction. On pickups we average 100,000 miles and keep them for about 6-7 years. We have added 200 vehicles and that brings our total up to 28,000 in the total fleet.

Rep. Wald Where is the Memorial Bridge in your construction timetable?

Sprynczynatyk Scheduling will be done on that after the 4-Bears Bridge. 2005-2006 is what we are looking at. 4-5 years out until construction.

Rep. Kerzman Are we getting fairly compensated on interstate travel by the federal government?

Sprynczynatyk Even though truckers may not need to purchase fuel in state, we do get a report on how much is used when they cross our state. There is only a small rate of noncompliance.

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We are collecting our share. In regard to the special fund for recreational roads, there is 232,000 in the fund.

Chairman Svedjan Adjournment

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations

☐ Conference Committee

Hearing Date January 14, 2003

Tape Number	Side A	Side B	Meter #
1	XX	XX	
2	XX		
3			
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes:

Chairman Carlisle opened the hearing at 8:30 am, roll was taken and all Rep. Were present:

Rep. Skarphol, Rep. Thoreson, Rep. Koppelman, Rep. Warner, Rep. Kroeber, Rep. Glassheim,
Rep. Timm, Rep. Carlson and Rep. Carlisle.

David Sprynczynatyk, Director, Department of Transportation. Shared written testimony
supporting HB 1012.

Chairman Carlisle asked about the letter sent from the House Majority Leader and the DOT's
response.

David Sprynczynatyk responded a written reply in being prepared.

Rep.. Timm asked about the extra funds that were used for the Devils Lakes area and if all the
funds were used or were other funds needed?

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David Sprynczynatyk responded his department didn't use the specific funds, funds were compiled with SB 2112 to seek additional federal funding and to borrow. DOT chose not to borrow and used other freed up monies within the department. An adjusted figure is shown because of that action.

Shannon Sauer, DOT Financial Management Director shared testimony in support of HB1012 see written testimony on page 5.

Rep. Timm asked for a definition of the Large decrease in capital assets

Shannon Sauer, responded heavy equipment is the largest portion of the budget in the construction program. Building highways is part of the capital asset.

Rep. Carlson asked for an explanation of the 5.3 million overall decrease in the drivers license division.

Shannon Sauer, responded there was more funds than necessary in the last budget.

Chairman Carlisle asked what the average life expectancy is of the license plate.

Keith Kiser, Motor Vehicle Division, Director He responded it hinges on the funding from the Legislature. There is a 6 yr. Guarantee on the plate materials, they average 4-11 years, damaged plates will be replaced at a cost of \$5.00 to the public.

Chairman Carlisle asked how the funds from the Hwy. Tax Distribution Fund have changed from this biennium to the last, and in it's contributions to city and counties.

David Sprynczynatyk responded 2.5 M have been distributed to cities and counties, 1.2M more than the last biennium.

Rep. Timm asked if the city/counties had bought off on that amount

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David Sprynczynatyk responded there had been no formal communication between the cities and the counties.

Rep. Skarphol asked if any of the road construction costs can be assessed.

David Sprynczynatyk responded, typically direct engineering costs are assessed.

Chairman Carlisle asked for a written response of the ethanol incentives. Without the ethanol incentives would the cities and counties receive more funding.

David Sprynczynatyk responded both would increase, he would respond in memo form

Chairman Carlisle asked if there was a cost share with road development

David Sprynczynatyk responded there is usually a 80/20 cost share, if a state hwy. is involved the state will typically pick up 20%, 80% is typically federally funded.

Tom Frier, NDDOT Deputy Director for Business Support shared written testimony, see page 7.

Rep. Carlson asked what the DOT's involvement has been in IT's development of the GIS hub (Geographical Information System)

Tom Frier responded, each department and agency have worked cooperatively in the development of these programs. He wasn't aware of the funding elements, however, the department did have the personnel

Rep. Carlson asked for a written response as to the dollars flowing from DOT to IT

Keith Kiser, Motor Vehicle Division Director shared written testimony in support of HB1012 see page 8 of the testimony.

Rep. Skarphol asked for a breakdown in license processing for walk in, mail, and online processing.

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Keith Kiser responded 3% online, 25% walk in, and 70% mail.

Marsha Lembke, Director, Drivers License, Traffic and Safety Division

Shared written testimony, see page 9, in support of HB 1012

Marsha Lembke responding to a question from Rep. Carlson, reported the Fargo area is facing many challenges with language in testing. Fargo and Grand Forks have the most cases of refugees. The division involves their supervisors to assist in programs that can make the process easier. Refugee's are more challenging than immigrants because of there lack of sponsor assistance.

Grant Levi, ND DOT , Deputy Director, Engineering, see written testimony page 10-12

In a response to a questions from Rep. Timm, Mr. Levi indicated additional staffing will be used for the OT hours in the department. OT time has doubled., however, it will not be used to reduce consultant time.

Rep. Warner asked about competitive wages, and personnel availability.

Grant Levi replied it has been difficult in the past to fill vacant positions, but due to the retention and sign on bonuses there has been many successes.

Paul Feyereisen, State Fleet Director see page 10 of written testimony

In reference to a question from Rep. Carlson 20% of bio diesel fuels are experimental, The International Co. is carrying the warranty on these vehicles. It was also noted the 20% mix was not used in the winter.

David Sprynczynatyk continued his wrap up portion of the presentation followed by a brief period of questions which will be responded to in writing.

The hearing was closed.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 20, 2003 Committee Work

Tape Number	Side A	Side B	Meter #
3	xx		
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: Committee Work

David Sprynczynatyk, Director, DOT covered the responses previously requested from the committee and department funding sources. The legislative control is limited to 1. Gas tax 2. FTE's 3. Highway Patrol 4. Ethanol Marketing Costs.

Rep. Skarphol expressed the disparity in the telephone line item with ITD. Cell phones are not included in the line item.

Rep. Timm brought forth some ideas on leveraging against future funds.

Discussion formulated regarding HB 1112 and the increase in overweight assessment and fees.

The department recommended the support of this bill, North Dakota is the lowest in the Midwest.

It was noted 36 states have passed .08 alcohol levels. A letter is being drafted regarding the .08 issue.

Committee work was completed.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date February 3, 2003

Tape Number	Side A	Side B	Meter #
1	xx		

Committee Clerk Signature *Kelly Schmidt*

Minutes: COMMITTEE WORK

Rep. Timm shared information regarding the visit he and Rep. Glassheim, Rep. Thoreson made on site to the DOT. He outlined the possible change in funding from the Hwy. Fund to the Highway Distribution Fund. This funding would have a total impact of 2.5M in city and county funding. These entities will be visiting with the Governor tomorrow. DOT also anticipates a fund amount of 165M-185M from the Federal Gov. Congress should be making some decisions on this shortly. It was noted if the alcohol bill doesn't pass the department could lose 2.8 M. Department discussion has also indicated a possible increase in licensing fees. Rep. Timm noted there are many variables in this budget. He also shared in regards to ITD services, the department provided a breakdown of their costs and had no problems with the ITD department and their services. There has been an increase in fleet services, these increases are from fuel, maintenance, and the 4 yr. Vehicle purchasing cycle. New license plate issue is planned for the

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next biennium. 1.9M for road maintenance equipment has been previously pulled to match federal funds. Thus, equipment hasn't been replaced. It not has to be replaced due to wear. When asked about the weigh station issues DOT indicated they would like to see them remain open, but would not like to take the weigh stations back into their department.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date February 5, 2003

Tape Number	Side A	Side B	Meter #
1	x		
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: **COMMITTEE WORK**

Discussion was heard regarding HB 1012, and amendment 38012.0101. The Highway Department has no issue with ITD charges or services. Further action may be needed at a later date pending a congressional vote which may add more federal funding to the budget. The majority of the budget is leverage by federal dollars. Votes were taken on the amendment and the bill, (see standing committee report). **A DO PASS AS AMENDED MOTION WAS MADE BY REP. TIMM, SECOND BY REP. THORESON, MOTION CARRIED 8-0 AND ONE ABSENT AND NOT VOTING.**

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee

☐ Conference Committee

Hearing Date 02-14-03

Tape Number	Side A	Side B	Meter #
1	X		0.0 - 19.4
Committee Clerk Signature <i>Chris I. Hughes</i>			

Minutes:

Chairman Svedjan Opened HB 1012 for discussion. A quorum was present.

Rep. Timm There are no general funds in this budget. The funding levels for the next biennium are expected to be about \$734 million dollars. All of these dollars come in by federal funds, special funds, or fees and services for the Department of Transportation. They are receiving 165 million dollars from the federal government which is down from last biennium. They have to

...equipment. The ITD breakdown was given by the Department of Transportation for ITD costs. I move amendment number 38012.0102 to HB 1012. 2nd by Rep. Carlisle.

Chairman Svedjan On the FTE vacancy list, engineers were vacant, are there 5 more in addition to those vacancies?

Rep. Timm Yes. They want less consulting and more in-house employees.

Chairman Svedjan If you can't fill the positions you have, why ask for more?

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Deanna Galt
Operator's Signature

10/30/03
Date

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House Appropriations Committee
Bill/Resolution Number H.R. 1012
Hearing Date 02-14-03

Dave Sprynczynatyk, Director of the Department of Transportation We provide scholarships to engineer students. They are offered a job upon graduation.

Rep. Wald Have vehicle title processing speed picked up?

Rep. Timm They are almost instant now.

Chairman Svedjan What is the reason for the 11.6 million dollars shift?

Sprynczynatyk Its more important to move the money from maintenance to capital improvement.

Motion Carries

Rep. Aarsvold Are there savings from mild winters?

Rep. Timm I'd imagine.

Rep. Delzer What is the computer replacement schedule? Did you make any changes?

Rep. Timm No changes.

Rep. Delzer Did you ask if they used all of it and if not, does it go to maintenance?

Rep. Timm I'd imagine it does go to maintenance.

Rep. Delzer I ask that they keep the weigh scales functional, even though they are closed. It would be good if they had a digital readout visible from the scale.

Sprynczynatyk We need to look into that, but we'll keep them operational. I'm not sure of the digital readout.

Rep. Timm I hope the department has noted the unhappiness about closing the weigh stations. Your department should keep them operational and useful.

Rep. Timm I move a Do Pass As Amended. 2nd by Rep. Carlisle. Motion Carries 21-1-1.

Rep. Timm will carry this bill on the floor.

38012.0101
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations

January 22, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 12, replace "124,852,369" with "113,252,369"

Page 1, line 13, replace "459,496,984" with "471,096,984"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$108,357,711		\$108,357,711
Operating expenses	124,852,369	(\$11,600,000)	113,252,369
Capital assets	459,496,984	11,600,000	471,096,984
Grants	44,085,503		44,085,503
Total all funds	\$734,792,567	\$0	\$734,792,567
Less estimated income	734,792,567	0	734,792,567
General fund	\$0	\$0	\$0
FTE	1046.00	0.00	1046.00

Dept. 801 - Department of Transportation - Detail of House Changes

	Line Item Funding Shift 1	Total House Changes
Salaries and wages		
Operating expenses	(\$11,600,000)	(\$11,600,000)
Capital assets	11,600,000	11,600,000
Grants		
Total all funds	\$0	\$0
Less estimated income	0	0
General fund	\$0	\$0
FTE	0.00	0.00

¹ Appropriates funding for highway maintenance projects that are eligible for federal reimbursement in the capital assets line item rather than the operating expenses line item.

Date:02-05-03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1012

House Appropriations: Government Operations Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38012.0101

Action Taken DO PASS AS AMMENDED

Motion Made By REP. TIMM Seconded By REP. THORESON

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	x				
Vice Chairman Carlson	x				
Rep. Koppelman	x				
Rep. Skarphol					
Rep. Thoreson	x				
Rep. Timm	x				
Rep. Glassheim	x				
Rep. Kroeber	x				
Rep. Warner	x				

Total (Yes) 8 No 0

Absent 1

Floor Assignment REP. TIMM

If the vote is on an amendment, briefly indicate intent:
See attached ammendment

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Deanna Hall
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10/30/03
Date

Date:02-05-03
Roll Call Vote #: 3

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1012

House Appropriations: Government Operations Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38011.0101

Action Taken DO PASS

Motion Made By Rep. Skarphol Seconded By Rep. Warner

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	X				
Vice Chairman Carlson		X			
Rep. Koppelman	X				
Rep. Skarphol	X				
Rep. Thoreson	X				
Rep. Timm	X				
Rep. Glassheim	X				
Rep. Kroeber	X				
Rep. Warner	X				

Total (Yes) 8 No 1

Absent 0

Floor Assignment N/A

If the vote is on an amendment, briefly indicate intent:
See attached ammendment

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10/30/03
Date

REPORT OF STANDING COMMITTEE (410)
February 14, 2003 3:17 p.m.

Module No: HR-29-2837
Carrier: Timm
Insert LC: 38012.0102 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1012: Appropriations Committee (Rep. Svedjan, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (21 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 11, replace "106,357,711" with "105,330,558"

Page 1, line 12, replace "124,852,369" with "113,252,369"

Page 1, line 13, replace "459,496,984" with "471,096,984"

Page 1, line 15, replace "734,792,567" with "733,765,414"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$106,357,711	(\$1,027,153)	\$105,330,558
Operating expenses	124,852,369	(11,600,000)	113,252,369
Capital assets	459,496,984	11,600,000	471,096,984
Grants	44,085,503		44,085,503
Total all funds	\$734,792,567	(\$1,027,153)	\$733,765,414
Less estimated income	734,792,567	(1,027,153)	733,765,414
General fund	\$0	\$0	\$0
FTE	1046.00	0.00	1046.00

Dept. 801 - Department of Transportation - Detail of House Changes

	LINE ITEM FUNDING SHIFT ¹	REMOVES RECOMMENDED SALARY INCREASE ²	TOTAL HOUSE CHANGES
Salaries and wages		(\$1,027,153)	(\$1,027,153)
Operating expenses	(\$11,600,000)		(11,600,000)
Capital assets	11,600,000		11,600,000
Grants			
Total all funds	\$0	(\$1,027,153)	(\$1,027,153)
Less estimated income		(1,027,153)	(1,027,153)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Appropriates funding for highway maintenance projects that are eligible for federal reimbursement in the capital assets line item rather than the operating expenses line item.

² This amendment removes the Governor's recommendation for state employee salary increases and retains the recommended state payment for health insurance.

Deanna Ballantyne
Operator's Signature

10/30/03
Date

2003 SENATE APPROPRIATIONS

HB 1012

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Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 3-6-03

Tape Number	Side A	Side B	Meter #
1	X		0-end
1		X	0-2510
Committee Clerk Signature <i>Sandra Dawson</i>			

Minutes: CHAIRMAN HOLMBERG opened the hearing to HB 1012. A bill providing an appropriation for defraying the expenses of the various divisions under the supervision of the director of the department of transportation; relating to department of transportation authority of emergency borrowing from the Bank of North Dakota.

(Meter 201) DAVE SPRYNCZYNATYK, Director of the North Dakota Department of Transportation. See written testimony Exhibit 1 with Attachment 1A.

(Meter 5168) SENATOR ROBINSON: Referred to Dave's testimony on page 2, about spending 85.5 million dollars on the interstate system. Given that level of spending, how does that rate compare to previous biennium's? And reflecting on the increase costs of maintenance, renovation, replacement, and how are we doing on our schedule of maintaining the interstate system? Past statements were that we were maintaining but losing ground. How old are the oldest segments of the interstate that have not been repaired or replaced?

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10/30/03
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Senate Appropriations Committee
Bill/Resolution Number HB 1012
Hearing Date 3-6-03

(Meter 5303) DAVE SPRYNCZYNATYK: The 85.5 million dollars this past biennium is an increase over the past biennium. The current biennium they spent a fair amount of funds in the Fargo area, West Fargo area to upgrade I-29 and in that area. He feels are making progress in their maintaining the interstate system. He feels they have a long range plan and have put in it place over the past few years and making sure no areas are overlooked. He spoke about some of the challenges that were not anticipated such as high water. He feels they have good plan in place. The age of the oldest parts of the interstate are at 30 years old. If there are areas in each of the Senators' district that need attention, he would be happy visit with them.

(Meter 5679) SENATOR ROBINSON continued on asking giving the increases and the dollars going into the interstate system, off setting that with the increased costs of goods, and fuel, he inquired if we were holding our own - stated it must be a hard ball game especially with the increases like concrete. (Meter 5767) DAVE SPRYNCZYNATK replied that so far they are holding their own but the future is not predicable especially with the world situation and how that is going to impact things.

(Meter 5840) SENATOR SCHOBINGER asked about the motor vehicle registration fees and dealer fees, what is the dealer fees as noted on the bottom of page 24. (Meter 5995) DAVE SPRYNCZYNATK referred to SHANNON SAUER, financial management director. (Meter 6045) SHANNON SAUER explained the off the top fees are simply the funding for the motor vehicle division. The funding for the division is taken off the top of the distribution fund prior to distribution. So in essence, we don't share that portion of the funding with cities and counties. The new and used dealer fees are from last legislative session a provision was passed that provided for a fee for dealer portion. That's is where the \$300,000 is from and again, that is not

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Bill/Resolution Number HB 1012
Hearing Date 3-6-03

shared with the cities and counties. On page 25 the funding request for the motor vehicle program which is the 1.8 million dollars. (Meter 6261) SENATOR SCHOBINGER asked about the match that is needed for federal funding.

Tape 1 Side B

(Meter 6) DAVE SPRYNCZYNATK noted that in the last legislative session, there was a motor vehicle fee increase of \$7 and of the \$7, \$2 went directly to the highway fund and the balance went into the highway tax distribution fund. So the \$5 increase was shared with the counties and cities. He is working with the legislative leadership to develop a delayed bill. At this point, a recommendation of an increase \$5 in motor vehicle registration fees and \$4 of that would go directly into the highway fund and \$1 into the highway tax distribution fund.

(Meter 65) SENATOR THANE, first, complimented his department on a fantastic stretch of road between Fargo and Wahpeton. Then he asked if he had any knowledge of the effects of using ethanol in state vehicles? And reduction in mileage? Are all the new vehicles that you are buying, multi-use fuel vehicles? (Meter 154) DAVE SPRYNCZYNATK replied with a Thank you for Highway 13. Ethanol was used as a research project. He has not seen any significant decrease with using ethanol. He feels it seems as a balance. All state vehicles purchased new are dual fuel vehicles.

(Meter 248) SENATOR THANE wanted to know if DOT has E85 vehicles? (Meter 255) DAVE SPRYNCZYNATK stated yes.

(Meter 258) SENATOR MATHERN asked if the DOT has anticipated needing for the delayed bill to meet this federal projected income? Does that amount cover salary increases for employees to the governor's recommendation? (Meter 302) DAVE SPRYNCZYNATK replied

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Senate Appropriations Committee
Bill/Resolution Number HB 1012
Hearing Date 3-6-03

the bill that is being worked on is a result of an increase of revenue of 6.6 million dollars and from his perspective they are structuring that in such a way that would allow for those salary increases in the even they are granted. There are legislative measures that are happening that could change the additional amount of state funds that are needed.

(Meter 369) SENATOR KRAUTER stated the cooperation that was given to people in western ND with spring load restrictions and offered a big thank you and the willingness of people in the district offices and state office willing to help find some solutions and alternatives.

(Meter 411) SENATOR CHRISTMANN: does the multi-fuel use vehicles cost extra or is that a standard? (Meter 433) DAVE SPRYNCZYNATK replied they don't notice an increase in costs, it seems to be a standard if we ask for it. (Meter 457) SENATOR CHRISTMANN continued on about page 22, what is the general rule for replacement vehicles? Do you trade them in or auction them off? (518) DAVE SPRYNCZYNATK stated the department sells all of the vehicles at auction. Through the course of the year, sales are held throughout the state in Bismarck and Fargo. These are advertised for the most maximum return. The replacement cycle is usually a smaller vehicle of 3-4 years with 75,000-80,000 miles. This works out the best for the return for investment ability.

(Meter 609) SENATOR KILZER asked about the shortage of engineers in the department? At some of those times, there was then experienced delays for some projects. Still a problem with shortages? (Meter 650) DAVE SPRYNCZYNATK stated that the department is better with employment of engineers than they were a few years ago. One of the reason is that last session made available to offer recruiting incentives and bonuses in hard to fill areas and additional salary adjustments. They now have several students that have committed themselves to

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Hearing Date 3-6-03

employment with the department after graduation in June this year. For several years now they have offered a scholarship program to engineer students which entail that do not have to pay that back if they come to work for the department, if they do not, they then have to pay it back. They have grants allowed by the DOT to hire students. They still have several vacant positions open.

(Meter 830) SENATOR BOWMAN referenced to the map and inquired about the eastern side of the state on the north-south corridor. He wanted to know what the reasoning was for eliminating a stretch of road going from Williston into Canada? (Meter 922) DAVE SPRYNCZYNATK explained that part of the reason for that is on Highway 16 west of Williston into Montana and then into Canada. Montana has upgraded that portion of the road into Canada. Both states are trying to maximize their resources and we made the decision of Highway 16 not being too far to the west and going straight up into Canada, therefore, we would not have to upgrade our road in North Dakota. The DOT had to look at the availability of resource and priority decisions. (Meter 1033) SENATOR BOWMAN feels that having North Dakota traffic going into Montana is taking away from North Dakota resources. (Meter 1050) DAVE SPRYNCZYNATK stated there are very few communities along that corridor. (Meter 1106) SENATOR BOWMAN expressed he was speaking about the Highway 85 corridor. Why not open Highway 85 from Williston to Montana? (Meter 1145) DAVE SPRYNCZYNATK expressed that they both believe they want the same thing. It is something they could look at.

(Meter 1214) SENATOR ANDRIST stated the Williston area in particular is concerned with the trade corridor because there is an empty spot in there, Highway 85 is the most direct route to hit that trans-Canada highway connecting through Wayhurn. He feels that needs to be a priority highway. He stated that Highway 85 is in terrible shape 30 miles north of Williston. (Meter

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(1274) DAVE SPRYNCZYNATK promised to look at that with the cost issues, what the requirements would be, and what has been done in that area.

(Meter 1290) SENATOR SCHOBINGER referenced to his previous question, it was mentioned that in the previous biennium we had put a certain amount of money of \$3 that went into a distribution fund and \$2 was able to by pass that. He was looking for where that was included in the 182.7 million noted on page 24 or is that specifically noted somewhere. (Meter 1351) DAVE SPRYNCZYNATK noted that on page 24, that \$2 to the Highway fund had a sunset clause on it of June 30, 2003. So what is seen on page 24, reflects that \$2 going into the Highway Tax distribution fund. That \$2 raised about 3 million dollars. (Meter 1430) SENATOR SCHOBINGER asked if that fee was to be continued, we could at least partially match the 6.6 we are looking to match. (Meter 1468) DAVE SPRYNCZYNATK agreed.

(Meter 1490) SENATOR ROBINSON and other senators began asking questions about each of their individual roads and highways. GRANT LEVI from the DOT helped answer questions.

(Meter 1913) SENATOR GRINDBERG asked about the bonding bill that was passed about the Heritage center expansion and others. The highway department has special funds for building projects? (Meter 1987) DAVE SPRYNCZYNATK explained there are opportunities under what is called the transportation enhancement program where they able to provide funds if the project can be tied to transportation in some way. He gave some examples of what this fund has been used for. More discussion about personal district roads from the senators.

(Meter 2276) SENATOR LINDAAS asked if the recreational road fund still available and DAVE SPRYNCZYNATK answered yes with about \$400,000 in it.

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Senate Appropriations Committee
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Hearing Date 3-6-03

(Meter 2313) SENATOR KRINGSTAD asked for clarification of revenue that would be through the titles and registration fees, talked about sunseted at \$7. (Meter 2364) DAVE

SPRYNCZYNATK explained what is being sunseted is in last session motor vehicle registration fees were increased by \$7. \$5 into the tax distribution fund where normally they would have gone and \$2 went into the highway fund. What is being sunseted is the direction of the \$2, instead of going to the highway fund, it is now scheduled to go to the tax distribution fund.

(Meter 2452) CHAIRMAN HOLMBERG announced the subcommittee of SENATORS BOWMAN, SCHOBINGER AND TALLACKSON.

(Meter 2510) CHAIRMAN HOLMBERG closed the hearing to HB 1012.

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 04/02/03

Tape Number	Side A	Side B	Meter #
1	x		0 - 3703
Committee Clerk Signature <i>Sandra Dawson</i>			

Minutes:

CHAIRMAN HOLMBERG opened the hearing on HB 1012 to discuss additional matching federal funds for highway construction. These funds have recently become available. The state of North Dakota has to come up with some additional dollars to get the matching funds.

DAVE SPRYNCZYNATYK, director of the Department of Transportation, gave a brief overview of the funding that has become available and the DOT recommendation as to how to generate the match. (meter 145)

On February 13 the Congress passed the appropriation for 2003 and DOT learned there would be an additional \$25 million available in federal FY 2003. Part is regular federal highway funding, requiring a match, and part (\$7 million) is 100% federal dollars for special projects. Estimates for the second year of the biennium were built on the assumption that federal dollars would be the same as 2003. The new budget requires an additional match from the state for \$4.4 million. DOT will receive at a minimum \$35 million that needs a match and some additional money for

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Bill/Resolution Number HB 1012
Hearing Date 04/02/03

the cities and counties as well as some 100% federal dollars. These are low estimates. If the funding in year two of the biennium is greater, which he thinks it will be, they will handle it internally and will be back next session, perhaps to ask for a deficiency appropriation to be sure they get all the federal funds possible. (meter 472)

He recommends an increase in motor vehicle registration fees on all vehicles a total of \$3, \$1 to the highway distribution fund (37% divided with the cities and counties as required by law and the balance to the state highway fund) and \$2 to the highway fund. A precedence for this was set two years ago with \$2 directed to the highway fund which he recommends stays in place.

This does not address employee salaries which he still thinks need to be addressed. This would provide funding for required matching funds and leave a balance of \$400,000 at the end of the biennium.

CHAIRMAN HOLMBERG confirmed the \$3 would raise \$4.8 million and that would leave the cushion?

DAVE SPRYNCZYNATYK said yes.

CHAIRMAN HOLMBERG asked about the economic impact of the additional federal dollars.
(meter # 622)

DAVE SPRYNCZYNATYK said the \$35 million would create jobs, mostly in the construction industry and also to engineers and consultants. It turns over in the community. They developed a map for the subcommittee chairman showing the program for the next two years which he will get for the committee. Interstate runs about \$1 million per mile. Rehabilitating two lane road runs about \$400,000 to \$500,000 per mile. \$35 million in the next two years with the match

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Senate Appropriations Committee
Bill/Resolution Number HB 1012
Hearing Date 04/02/03

results in over \$140 million over the next two years. Without the 4 Bears bridge, the match requirement would be the same. (meter 927)

SENATOR TALLACKSON asked if they propose removing the sunset and the counties would receive additional money from what they are getting now?

DAVE SPRYNCZYNYATYK said that is correct. The counties would get an additional \$300,000 and an additional \$200,000 for the cities.

SENATOR KRAUTER asked what has historically been the motor vehicle fee increases?

DAVE SPRYNCZYNYATYK said last session the motor vehicle registration fees were increased \$7. Staff indicated there was an increase of \$2 - \$3 in the previous four years.

SENATOR KRAUTER asked when the gas tax was last raised?

DAVE SPRYNCZYNYATYK said in 1997 it was increased 1 cent. (meter 1077)

CHAIRMAN HOLMBERG said the council has a memo they have prepared regarding changes over the past 3 or 4 years and he asked DAVE SPRYNCZYNYATYK to get a copy to the committee.

SENATOR THANE asked for arguments against raising the gas tax.

DAVE SPRYNCZYNYATYK said given the high and volatile fuel prices now, they are hesitant to do so. They are also interested in generating just enough funding to provide for the match and an increase of 1 cent in the gas tax would generate \$4 million more than raising the registration fee \$3. In comparison with neighboring states, we are about the same as South Dakota but we are much lower than Montana or Minnesota in registration fees. The petroleum industry likes to compare fuel cost with Minnesota and they are afraid if the price is lower in Minnesota, North Dakotans might drive across the river to buy fuel.

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Senate Appropriations Committee
Bill/Resolution Number HB 1012
Hearing Date 04/02/03

CHAIRMAN HOLMBERG said no matter how high or low registration fees become, residents near neighboring states cannot go out of state to register their vehicles but they can go out of state to buy gas.

SENATOR THANE said registration fee increases are punitive to the agricultural segment. They use the highways less than the general public but need to own many vehicles. It won't make or break the farmers but its a little unfair. He would be more supportive of an increase in gas tax.

DAVE SPRYNCZYNATYK passed out the map he referred to earlier. (meter # 1469)

DAVE SPRYNCZYNATYK said SENATOR THANE is absolutely correct, farm vehicles do not drive as many miles. The impact of the larger, heavier vehicles on the road is considerable.

He also said there are a number of Minnesota residents who register their vehicles in North Dakota because it is cheaper. It's okay with him.

SENATOR BOWMAN said regarding the weight problems, this was discussed in the subcommittee regarding closing the weigh stations and adding a dollar to keep them open over the next two years.

DAVE SPRYNCZYNATYK said they have had discussion with the subcommittee regarding closing the weigh stations in Bowman, Beach and Morton. The suggestion has been made to phase them out over the next two years and study the impact of closing them. DOT concurs that could be done if the legislature desires and DOT will come back with the information next session. The suggestion has been made to increase the fees another \$1 and use the funds to keep the weigh stations open.

SENATOR MATHERN asked if the governor is supportive of the \$3 increase? What happened to the match money available between the House and the Senate? (meter 1988)

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Senate Appropriations Committee
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DAVE SPRYNCZYNATYK said the governor is supportive of the \$3 fee increase. The \$4.4 million shortfall reflects the action of the House to remove the state employees compensation package and also the defeat of the repeat offender bill. There is a sanction on the state by not passing the repeat offender bill that takes 3% of funding for the highway program and shifts it from highway construction to safety or projects. That will amount to \$9.4 million for the next biennium. The good news is there is no match requirement. DOT has done a lot of safety projects over the past few years and it is lower on the priority list now and they would much prefer to use the funds on construction and maintenance. (meter # 2168)

SENATOR LINDAAS asked how much the 1 cent per gallon gas tax provides?

DAVE SPRYNCZYNATYK said a 1 cent increase in the fuel tax (it applies to gas, diesel and gasahol) would generate \$5.1 million per year.

SENATOR ROBINSON asked regarding the map of construction projects, there is an area west of Jamestown that has got to be as tough as any in the state and its not on the map. How are priorities established?

DAVE SPRYNCZYNATYK said they gather input from district engineers with priorities. They do it every year and publish a two year plan. He can't say offhand why its not on the list. They try to look out at least 10 years. The section of road could be on the schedule for this year which would not be on the map.

SENATOR ROBINSON asked regarding the 75 MPH speed limit, will it weaken the roads?

DAVE SPRYNCZYNATYK said its not speed, its weight that damages roads. South Dakota recently completed an extensive study that shows speed has very little to do with damage.

SENATOR ANDRIST asked how many vehicles are registered in the state?

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Senate Appropriations Committee
Bill/Resolution Number HB 1012
Hearing Date 04/02/03

DAVE SPRYNCZYNATYK said just shy of 700,000, not including motorcycles and trailers.

SENATOR ANDRIST said if we don't use all of the money, can some be banked?

DAVE SPRYNCZYNATYK said they have to obligate the money by the end of the federal fiscal year. (meter 2686) If not, it is redistributed. North Dakota has been the beneficiary of this redistribution in each of the last several years, for about \$3 million this past year.

SENATOR ANDRIST asked about the same increase for a truck as for a small car?

DAVE SPRYNCZYNATYK said its easiest to adjust the fee schedule this way.

SENATOR KRAUTER said when you do the multiplication it doesn't add up. He comes up short.

DAVE SPRYNCZYNATYK said you have to remember that not all funds go to the highway distribution fund, some go to the counties and cities.

SENATOR KRAUTER asked about the house amendments, is DOT asking for funds to reverse them?

DAVE SPRYNCZYNATYK said no, the numbers he is presenting reflect the changes in the house and the repeat offender bill. (meter # 2940)

LEROY ERNST, from the North Dakota Motor Carrier's Association, testified. (meter # 3089)

In their business fuel cost is second only to labor in direct costs. An average over the road truck running 100,000 miles annually uses 20,000 gallons of fuel. A 1 cent increase would increase cost of operating one vehicle \$200 per year. They are looking at a 50 cent per gallon increase since last year, a \$10,000 annual increase in operating cost. There is a misconception that the typical trucking company has big fleets but it is really a primarily family owned businesses with 5 or 6 trucks. There are increased bankruptcies in the industry today. The trucks running across

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North Dakota are paying registration fees based on their North Dakota miles, through the IRP program. In a survey of their membership, a majority supports the registration fee increase.

Curt Peterson, representing the Associated General Contractors, are supportive of generating more federal funds because they provide good jobs. (meter # 3666).

CHAIRMAN HOLMBERG closed the hearing on HB 1012.

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Dean Holmberg
Operator's Signature

10/30/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012 vote

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 4-8-03

Tape Number	Side A	Side B	Meter #
2	x		6087 - end
		x	0 - 2890
Committee Clerk Signature <i>Sandra Davis</i>			

Minutes:

CHAIRMAN HOLMBERG opened the discussion on HB 1012.

SENATOR BOWMAN has prepared three sets of amendments to fund the Department of Transportation for the matching money for highway construction with new monies that were not available when the House heard the bill.

(Tape 2 side B)

There are three different options on the funding mechanism:

1. An increase of \$2 (for the highway trust fund) and \$1.62 (for the highway distribution fund) in registration fees. This option also provides funding for the three weigh stations that were cut due to the 95% budget.
2. An increase of \$2 (for the highway trust fund) and \$1.00 (for the highway distribution fund) in registration fees.
3. A 1 cent increase in gas tax.

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

Page 2
Senate Appropriations Committee
Bill/Resolution Number 1012
Hearing Date 04/08/03

It was moved by SENATOR TALLACKSON and seconded by SENATOR THANE that the committee adopt the amendment 38012.0209 (with \$2 and \$1.62 increase in registration fees).

SENATOR BOWMAN said there is a little more to this than just closing weigh stations. The safety of the truck driver has not been addressed. When they come into a weigh station, they shut down their trucks. If the weigh station is closed, they keep on going until they get tired or until they get caught. The highway patrol wants to put out some portable scales. This has some merit. However, word travels quickly among the truckers when the portable scales are out and the truckers take another route. The scale in Bowman is the highest revenue producing scale in the state. It is important to keep the chemicals and oil products moving. Waiting is very expensive for the industry.

SENATOR MATHERN asked why they don't just increase the fees for truckers and have them pay the cost of the scales? (meter 450)

SENATOR BOWMAN said they had to come up with a funding mechanism until they can get some sound data for next session.

SENATOR TALLACKSON said he was persuaded to go with this option because of the governor's cut of a dozen patrolman. In the next two years they will study the loss of the weigh stations. This amendment will help ease the burden on the highway patrol.

SENATOR THANE said he supports the amendments. Truckers have told him they welcome the opportunity to stop because of safety factors. (meter 770)

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10/30/03
Date

Page 3
Senate Appropriations Committee
Bill/Resolution Number 1012
Hearing Date 04/08/03

SENATOR SCHOBINGER said the testimony from the department said the funding requirements could be higher and the match may need to be increased, what is the rationale for the 62 cents instead of rounding up to the next dollar?

SENATOR BOWMAN said excessive dollars in the budget seem to be important. One dollar raises \$1.3 million, 62% comes as close to the actual dollars of the match as possible.

There was some discussion of rounding the \$1.62 increase (meter 880)

SENATOR ANDRIST said he will support the amendment. He is disappointed that they are adding funding for weigh stations without the truckers paying for it.

SENATOR KRAUTER said he agrees. He would prefer for those who use the scales to pay for them. There is no major increase in rig activity. Gauges on the semi trailers these days can come within 200# of there actual weight. Weigh in motion is used in several states.

SENATOR BOWMAN said the cost incurred of heavy equipment moving down the highway without being checked has not been discussed. This amendment would keep the scales open until an accurate study can be done.

The motion to adopt amendment 38012.0209 passed on a roll call vote, 8 yes, 6 no, 0 absent and not voting.

SENATOR BOWMAN introduced another amendment proposed by DOT on no mow or managed mow areas.

Discussion of method of funding weigh stations and matching federal dollars with the amendments just passed (meter 1800) with a representative of DOT.

It was moved by SENATOR BOWMAN and seconded by SENATOR THANE that the committee adopt the no mow amendment. (amendment did not have a number)

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SENATOR BOWMAN reviewed the history of no mow areas. They were originally established in the 70's to replace wetlands used for roads. They have since discovered the no mow areas are a good place for deer to hide and then come onto the roadway at dusk. They have worked out a deal with the school lands trust department to purchase enough acres to exchange for the ditch acres.

SENATOR TALLACKSON said another advantage is Fish and Game will manage the land and there will be tax income to the counties. He said it is a safety issue. The counties and townships will benefit.

SENATOR KILZER asked about the new section 3. Is the term "state's roadways" defined?
(meter 2489)

A DOT representative (Tom) said most of US Highway 2 and US Highway 83.

SENATOR SCHOBINGER asked about the reason for the January, 2006 effective date?

A DOT representative (Tom) said it is because it is not clear in section 3 if the department will acquire the land. This will give the department some time for the required public hearings.

Motion for the no mow amendment passed on a roll call vote. (Meter 2704)

It was moved by SENATOR BOWMAN, seconded by SENATOR THANE and passed on a roll call vote (10 yes, 4 no, 0 absent and not voting) that the committee take a DO PASS AS AMENDED ACTION on HB 1012. SENATOR BOWMAN will carry the bill to the floor.

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012 Vote

Senate Appropriations Committee

☐ Conference Committee

Hearing Date April 9, 2003

Tape Number	Side A	Side B	Meter #
1		X	2836 - 4600
Committee Clerk Signature <i>Jan Hendrickson</i>			

Minutes:

Meeting was called to order by Senator Ray Holmberg, chair. Roll was called on HB 1012 all members were present.

Motion from Sen Kringstad to reconsider the bill and seconded by Sen Bowan to discuss and further amend.

Sen Kringstad discussed results of a meeting earlier that morning with a person. I voted wrong and would like to present an amendment. All were not in favor but motion passed. The difference was a one dollar amount to change \$4 dollars back to \$5. Legislative council number 38012.0208.

Recessed for floor session.

Meeting was called back to order by Senator Holmberg, chair. Roll was called on HB 1012 all members were present.

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Date

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB 1012
Hearing Date April 9, 2003

Sen Holmberg opened with the discussion of amendments. Discussion of the amounts of money, who could access it, and how it would be spent.

Motion made to remove the amendment previously placed on the bill in a voice vote.

Majority in favor-one against.

Motion to add amendment #38012.028 title .0300 to HB 1012 by Sen Kringstad and seconded by Sen. Greenberg

Voice vote majority in favor-one against.

Motion to Do Pass HB 1012 as amended by Sen Andrist and seconded by Sen. Kringstad

Roll Call Vote: 12 Yes. 2 No. 0 Absent

Motion Passed

Floor Assignment: Sen. Bowman

Senator Ray Holmberg, Chairman closed the hearing.

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Deanna G. Sullivan
Operator's Signature

10/30/03
Date

REPORT OF STANDING COMMITTEE (410)
April 9, 2003 5:45 p.m.

Module No: SR-64-7232
Carrier: Bowman
Insert LC: 38012.0214 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1012, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 2, replace the first "and" with "to authorize the department of transportation to acquire lands;"

Page 1, line 3, replace "section" with "sections 24-01-51," after "24-02-44" insert ", and 39-04-19", after "Code" insert "and section 7 of chapter 331 of the 2001 Session Laws", and after "to" insert "haying of no-mow areas,"

Page 1, line 4, after "Dakota" insert ", and motor vehicle registration fees; and to repeal section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee allocation"

Page 1, line 11, replace "105,330,558" with "105,222,404"

Page 1, line 12, replace "113,252,369" with "122,650,587"

Page 1, line 13, replace "471,096,984" with "512,175,642"

Page 1, line 15, replace "733,765,414" with "784,134,136"

Page 1, after line 15, insert:

"SECTION 2. ACQUIRING LAND IN NO-MOW AND MANAGED-MOW AREAS. The department of transportation may acquire land to eliminate no-mow and managed-mow areas adjacent to the state's roadways. If the department intends to acquire public land to eliminate no-mow and managed-mow areas, the department shall hold a public hearing in the county in which the land is located before the land is acquired.

SECTION 3. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2004 2006) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 2, after line 3, insert:

"SECTION 5. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.

2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	\$57.00 \$60	\$49.00 \$52	\$41.00 \$44	\$33.00 \$36
3,200 - 4,499	77.00 80	65.00 68	53.00 56	41.00 44
4,500 - 4,999	95.00 98	78.00 81	63.00 66	47.00 50
5,000 - 5,999	126.00 129	104.00 107	82.00 85	60.00 63
6,000 - 6,999	159.00 162	130.00 133	101.00 104	73.00 76
7,000 - 7,999	192.00 195	156.00 159	121.00 124	86.00 89
8,000 - 8,999	225.00 228	183.00 186	141.00 144	99.00 102
9,000 and over	258.00 261	209.00 212	161.00 164	112.00 115

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$55.00 \$58	\$42.00 \$45	\$37.00 \$40	\$34.00 \$37	\$33.00 \$36
4,001 - 6,000	60.00 63	47.00 50	41.00 44	35.00 38	34.00 37
6,001 - 8,000	65.00 68	52.00 55	45.00 48	36.00 39	35.00 38
8,001 - 10,000	70.00 73	57.00 60	49.00 52	38.00 41	37.00 40
10,001 - 12,000	75.00 78	62.00 65	53.00 56	40.00 43	39.00 42
12,001 - 14,000	80.00 83	67.00 70	57.00 60	43.00 46	42.00 45
14,001 - 16,000	85.00 88	72.00 75	61.00 64	46.00 49	45.00 48
16,001 - 18,000	90.00 93	77.00 80	65.00 68	48.00 51	47.00 50
18,001 - 20,000	93.00 96	80.00 83	67.00 70	49.00 52	48.00 51

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$123.00 \$126	\$97.00 \$100	\$84.00 \$87
22,001 - 26,000	175.00 178	145.00 148	129.00 132
26,001 - 30,000	236.00 239	194.00 197	172.00 175
30,001 - 34,000	302.00 305	247.00 250	219.00 222

REPORT OF STANDING COMMITTEE (410)
April 9, 2003 5:45 p.m.

Module No: SR-64-7232
Carrier: Bowman
Insert LC: 38012.0214 Title: .0300

34,001 - 38,000	363.00 366	296.00 299	262.00 265
38,001 - 42,000	424.00 427	345.00 348	304.00 307
42,001 - 46,000	485.00 488	393.00 396	347.00 350
46,001 - 50,000	546.00 549	442.00 445	390.00 393
50,001 - 54,000	616.00 619	500.00 503	441.00 444
54,001 - 58,000	677.00 680	549.00 552	484.00 487
58,001 - 62,000	739.00 742	598.00 601	527.00 530
62,001 - 66,000	799.00 802	646.00 649	570.00 573
66,001 - 70,000	860.00 863	695.00 698	612.00 615
70,001 - 74,000	921.00 924	744.00 747	655.00 658
74,001 - 78,000	982.00 985	793.00 796	698.00 701
78,001 - 82,000	1,043.00 1,046	842.00 845	741.00 744
82,001 - 86,000	1,104.00 1,107	891.00 894	784.00 787
86,001 - 90,000	1,165.00 1,168	940.00 943	827.00 830
90,001 - 94,000	1,226.00 1,229	989.00 992	870.00 873
94,001 - 98,000	1,287.00 1,290	1,038.00 1,041	913.00 916
98,001 - 102,000	1,348.00 1,351	1,087.00 1,090	956.00 959
102,001 - 105,500	1,409.00 1,412	1,136.00 1,139	999.00 1,002

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period

Dean G. Ball
Operator's Signature

10/30/03
Date

REPORT OF STANDING COMMITTEE (410)
April 9, 2003 5:45 p.m.

Module No: SR-64-7232
Carrier: Bowman
Insert LC: 38012.0214 Title: .0300

the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	\$95.00 \$98	\$81.00 \$84	\$67.00 \$70	\$49.00 \$52
22,001 - 24,000	100.00 103	85.00 88	70.00 73	51.00 54
24,001 - 26,000	108.00 111	91.00 94	74.00 77	53.00 56
26,001 - 28,000	110.00 122	99.00 102	80.00 83	57.00 60
28,001 - 30,000	128.00 131	107.00 110	86.00 89	61.00 64
30,001 - 32,000	143.00 146	120.00 123	97.00 100	70.00 73
32,001 - 34,000	153.00 156	128.00 131	103.00 106	74.00 77
34,001 - 36,000	163.00 166	136.00 139	109.00 112	78.00 81
36,001 - 38,000	173.00 176	144.00 147	115.00 118	82.00 85
38,001 - 40,000	183.00 186	152.00 155	121.00 124	86.00 89
40,001 - 42,000	193.00 196	160.00 163	127.00 130	90.00 93
42,001 - 44,000	203.00 206	168.00 171	133.00 136	94.00 97
44,001 - 46,000	213.00 216	176.00 179	139.00 142	98.00 101
46,001 - 48,000	223.00 226	184.00 187	145.00 148	102.00 105
48,001 - 50,000	233.00 236	192.00 195	151.00 154	106.00 109
50,001 - 52,000	253.00 256	210.00 213	167.00 170	120.00 123
52,001 - 54,000	263.00 266	218.00 221	173.00 176	124.00 127
54,001 - 56,000	273.00 276	226.00 229	179.00 182	128.00 131
56,001 - 58,000	283.00 286	234.00 237	185.00 188	132.00 135
58,001 - 60,000	293.00 296	242.00 245	191.00 194	136.00 139
60,001 - 62,000	303.00 306	250.00 253	197.00 200	140.00 143
62,001 - 64,000	313.00 316	258.00 261	203.00 206	144.00 147
64,001 - 66,000	323.00 326	266.00 269	209.00 212	148.00 151
66,001 - 68,000	333.00 336	274.00 277	215.00 218	152.00 155
68,001 - 70,000	343.00 346	282.00 285	221.00 224	156.00 159
70,001 - 72,000	353.00 356	290.00 293	227.00 230	160.00 163
72,001 - 74,000	363.00 366	298.00 301	233.00 236	164.00 167
74,001 - 76,000	373.00 376	306.00 309	239.00 242	168.00 171
76,001 - 78,000	383.00 386	314.00 317	245.00 248	172.00 175
78,001 - 80,000	393.00 396	322.00 325	251.00 254	176.00 179
80,001 - 82,000	403.00 406	330.00 333	257.00 260	180.00 183
82,001 - 84,000	413.00 416	352.00 355	300.00 303	256.00 259
84,001 - 86,000	433.00 436	369.00 372	314.00 317	268.00 271
86,001 - 88,000	453.00 456	386.00 389	328.00 331	280.00 283
88,001 - 90,000	473.00 476	403.00 406	342.00 345	292.00 295
90,001 - 92,000	493.00 496	420.00 423	356.00 359	304.00 307
92,001 - 94,000	513.00 516	437.00 440	370.00 373	316.00 319
94,001 - 96,000	533.00 536	454.00 457	384.00 387	328.00 331
96,001 - 98,000	553.00 556	471.00 474	398.00 401	340.00 343
98,001 - 100,000	573.00 576	488.00 491	412.00 415	352.00 355
100,001 - 102,000	593.00 596	505.00 508	426.00 429	364.00 367
102,001 - 104,000	613.00 616	522.00 525	440.00 443	376.00 379
104,001 - 105,500	633.00 636	539.00 542	454.00 457	388.00 391

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

SECTION 6. AMENDMENT. Section 7 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

(2) DESK, (3) COMM

Page No. 4

SR-64-7232

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Operator's Signature

Date

10/30/03

REPORT OF STANDING COMMITTEE (410)
April 9, 2003 5:45 p.m.

Module No: SR-64-7232
Carrier: Bowman
Insert LC: 38012.0214 Title: .0300

SECTION 7. TEMPORARY ALLOCATION. TwoFour dollars of each registration fee collected under subsection 2 or 5 of section 39-04-19 must be deposited in the state highway fund.

SECTION 7. REPEAL. Section 10 of chapter 331 of the 2001 Session Laws is repealed."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$108,357,711	\$105,330,556	(\$108,154)	\$105,222,404
Operating expenses	124,652,389	113,252,389	9,399,218	122,650,587
Capital assets	459,408,984	471,008,984	41,078,658	512,175,842
Grants	<u>44,085,503</u>	<u>44,085,503</u>		<u>44,085,503</u>
Total all funds	\$734,792,567	\$733,765,414	\$50,368,722	\$784,134,136
Less estimated income	<u>734,792,567</u>	<u>733,765,414</u>	<u>50,368,722</u>	<u>784,134,136</u>
General fund	\$0	\$0	\$0	\$0
FTE	1,046.00	1,046.00	0.00	1,046.00

Dept. 801 - Department of Transportation - Detail of Senate Changes

	ADDS HIGHWAY CONSTRUCTION FUNDING ¹	ADDS FEDERAL HIGHWAY FUNDING ²	ADDS FUNDING FOR HIGHWAY PROJECTS ³	REDUCES THE RECOMMENDED FUNDING FOR HEALTH INSURANCE ⁴	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ⁵	TOTAL SENATE CHANGES
Salaries and wages				(\$108,154)		(\$108,154)
Operating expenses	\$10,000,000				(\$601,782)	9,399,218
Capital assets	33,750,000	\$7,100,000	\$228,658			41,078,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$228,658	(\$108,154)	(\$601,782)	\$50,368,722
Less estimated income	<u>43,750,000</u>	<u>7,100,000</u>	<u>228,658</u>	<u>(108,154)</u>	<u>(601,782)</u>	<u>50,368,722</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ The capital assets line item is increased by \$33,750,000 for highway construction projects, and the operating expenses line item is increased by \$10 million for costs relating to consulting engineers. These increases reflect federal highway construction funding available to North Dakota of \$182.5 million for each year of the 2003-05 biennium, an increase of \$17.5 million per year compared to the \$165 million per year anticipated in the executive budget and House version. Of the total increase of \$43,750,000, \$35 million is from federal funds and \$8,750,000 is from the highway fund.

² The capital assets line item is increased by \$7,100,000 of federal funds for highway projects that do not require a state match.

³ The capital assets line item is increased by \$228,658 to utilize federal funding (\$182,926) and related state matching funds (\$45,732) removed by the House for the state employee salary increase for highway construction projects.

⁴ Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

⁵ This amendment reduces funding for information technology by \$601,782 of special funds which represents a reduction in information technology funding of approximately 4 percent.

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Operator's Signature

Date

REPORT OF STANDING COMMITTEE (410)
April 9, 2003 5:45 p.m.

Module No: SR-64-7232
Carrier: Bowman
Insert LC: 38012.0214 Title: .0300

Sections are added increasing motor vehicle registration fees by \$3 per year. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$2 to \$4 and removes the expiration date of June 30, 2005, for this allocation.

A section is added authorizing the department to acquire land to eliminate no-mow or managed-mow areas along state highways.

A section is added delaying the effective date from January 1, 2004, to January 1, 2006, of a section allowing a landowner owning land next to a no-mow or managed-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

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Deanna Hall
Operator's Signature

10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☒ Conference Committee

Hearing Date April 14, 2003

Tape Number	Side A	Side B	Meter #
1	xx		0-35.4
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: Conference Committee

Chairman Timm called the Conference Committee to order, Roll was taken with **Rep. Timm**, **Rep. Carlson**, **Rep. Glassheim** and **Sen. Bowman**, **Sen. Schobinger**, **Sen. Tallackson** in attendance.

Sen. Bowman reviewed the Senate changes with the committee (See yellow Senate amendment) and the Statement of Purpose of Amendment. An explanation of the motor vehicle registration fee increase, as seen on handout.

Rep. Timm inquired the intent of the changes in the No Mow language

Dave Sprynczynatyk, Director, DOT 8300 acres are included in the no mow/ditch, all acres would be eliminated and mowing would be possible. This would address some of the safety issues. Originally, this was a formal agreement with the Federal Gov. Because of wetland impacts.

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10/30/03
Date

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Government Operations Division
Bill/Resolution Number HB 1012
Hearing Date April 14, 2003

Rep. Carlson asked if the \$2 increase was needed for the Federal Match? Do we match both funds to the max. level?

Dave Sprynczynatyk, Director, DOT The combination of the \$3 of new registration fee and the repeal of the sunset provides us adequate money to match all of the federal money at the state level. What goes into the Distribution Fund goes to the Counties and Cities. What we get from the Distribution Fund and what goes directly into the Hwy. Fund will allow us to match the Fed. Money. Funds come into the State Hwy Fund are either directly through fees & permits and then an additional 63% from all of the funds that go into the Distribution Fund plus the gas tax of .21. 25% of Federal funds are passed through to the City/County we retain 75% for the state system. City/County also receive a total of 37% of the Hwy. Tax Distribution Fund. They use it as they see fit.

Rep. Carlson Do we need the extra \$1 in the Distribution Fund?

Dave Sprynczynatyk, Director, DOT yes, we need it because the state gets 63% of the extra dollar and that's factored into what we need for the Fed. Match through the state Hwy. Fund. We would come up about \$400,000 short without it. The projected match, we need 3.4M, we will have \$200,000 left over in the State Hwy. Fund.

Rep. Carlson What extra goes to the City/County they would not receive before this?

Dave Sprynczynatyk, Director, DOT It would be roughly \$500,000, \$300,000 to the counties. There is not a requirement as to how they spend this money. It's fair to say most is used for their Streets and highways, we don't track that.

Sen Schobinger If we were to reverse the funding vehicle would we be within the margin to make the match.

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Government Operations Division
Bill/Resolution Number HB 1012
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Dave Sprynczynatyk, Director, DOT If that were reversed, instead of \$200,000 remaining in the fund, we would have a deficit of approximately \$300,000 at the end of the biennium.

Rep. Timm Early on our caucus took the position of funding the DOT a gas tax. Has there been any discussion on your side regarding the gas tax?

Sen. Bowman I had an amendment drafted for a .01 gas tax increase. The gas tax was never voted on, we felt the best one we had to get through was the change in fees.

Sen. Tallackson The trucking industry would be severely effected by the gas tax, more so than an increase in fees.

Rep. Timm The argument on the gas tax was everyone would share, tourists etc. The registration increase would just be state residents. .01 would have raised enough money.

Dave Sprynczynatyk, Director, DOT actually .01 would raise more than what we would need to balance the budget on the state level. That would raise approximately 10.2M if that all goes into the Tax Distribution fund the state would get 6.3M. The departments position, is we recommend an increase of \$3 in motor vehicle fee. 1) We don't need to raise more to balance Our budget. 2) The gas tax is surrounding states, we are in the ball park with those states. 3) Motor Vehicle registration fees in surrounding states are higher.

Rep. Carlson The city/county would be anticipating some additional revenue, if we were to lift the sunset.

Dave Sprynczynatyk, Director, DOT That's correct

Sen. Bowman we wanted to raise only the money necessary

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10/30/03
Date

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Government Operations Division
Bill/Resolution Number HB 1012
Hearing Date April 14, 2003

Rep. Glassheim If we raised more, there would be a significant increase to cities and counties. Which would be a welcomed, in terms of property tax. If we raised the .01 is would lessen the burden. You might double it.

Dave Sprynczynatyk, Director, DOT Under the bill passed by the Senate the counties will receive about \$200,000 more in the next biennium than in the current, and the cities will receive about \$100,000. Because we are now going to be required to spend 9.4M on safety projects we have made the decision the counties/city will have to share the impact of having to build those safety projects. There is not match required for those projects. The counties/cities will receive 2.5M that does not require a federal match, they will have to come up with \$600,000 less to match the federal money. In addition to the \$300,000 of additional state money, we have now freed up about \$600,000 available to the counties/cities without a match. So that helps them too.

Rep. Glassheim With the .01 gas tax what additional amount would they receive

Dave Sprynczynatyk, Director, DOT Roughly 3.7M

Rep. Glassheim instead of \$300,000

Dave Sprynczynatyk, Director, DOT That's correct.

Rep. Weisz introduced amendment 38012.0211 to the committee. This amendment extended the sunset on the \$2 fee for 2 years and triggers the .01 gas tax 12 months into the biennium. The DOT brought the Hwy. Patrol into the Highway Distribution Fund, that's costing the counties/cities 2.4M. By adding the sunset, Cities/Counties lose and additional 1M, now they are short 3.4M. This will make up 2M of the 3.4M they are losing. State citizens pay less on a .01 gas tax than they will on a increased registration fee.

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Dean Glassheim
Operator's Signature

10/30/03
Date

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Connie Sprynczynatyk, League of Cities. There are no use requirements for streets and roads with cities and counties, however the funding is being used for that purpose. Rep. Weisz is correct, we are losing ground, maintenance delays add to the increased cost. We would have some lively discussion on the support of the gas tax or the registration fee. We are in full support for more funding for the streets/road of cities and counties. If the Senate proposal is passed we will live with that, we receive more money through gas tax, that would be very good news for us.

Mark Johnson, Association of Counties. Reviewed the City/County funding (see handout) Entering into the idea of gas tax and an increase in motor vehicle fees we would like to see additional money on the county side. We have recommended a 2-2-2. \$2 sunset goes off., stays with the Highway Dept. The State Hwy. Fund gets an additional 2 and Cities/Counties get 2. That requires you raise the registration fee by \$4. Should the house favor a gas tax and that becomes the battle, we would support Rep. Weisz proposal. The .01 gas tax makes it cleaner. **Sen. Bowman** requested Legislative Council to prepare a proposal using a 1/2 cent gas tax increase and \$1.50 fee increase.

Dave Sprynczynatyk, Director, DOT Noted the reduction in ITD, and the impact on his dept. He would like to address these issues at a later time.

Meeting adjourned.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☒ Conference Committee

Hearing Date April 15, 2003

Tape Number	Side A	Side B	Meter #
2		xx	-13.9
Committee Clerk Signature <i>Kelly Schmitt</i>			

Minutes: **Conference Committee**

Chairman Timm called the conference committee to order, all members were present.

Members include **Rep. Timm, Rep. Carlson, Rep. Glassheim Sen. Bowman, Sen.**

Schobinger, Sen. Tallackson.

Sen. Bowman reviewed the handout from Legislative Council referencing the 1/2 cent gas tax increase and the \$1.50 increase in motor vehicle registration fee. Will we reach the goal necessary?

Legislative Council This will allow for 4.5M in the Hwy. Fund and 2.6M to Cities/Counties.

Rep. Timm HB 1011 the amendment added the 3 weigh stations back, the funding comes from DOT?

Sen. Bowman with the 4% IT reduction and the rollback of \$600,000 in DOT, and the Hwy.

Patrol rollback it is funded.

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10/30/03
Date

Page 2

Government Operations Division

Bill/Resolution Number HB 1012

Hearing Date April 15, 2003

Sen. Tallackson Noted he is hearing more support for the \$4 increase in Motor Vehicle

Registration than a gas tax increase. He commented, he would like to see an increase to \$4 vs.

\$3 to help out the cities and counties.

Dave Sprynczynatyk, DOT Director supplied the committee with a hand out, Composition of

Amendment to HB 1012 and Computation of required additional state revenue. (see handout)

These numbers take into consideration a reduction in ethanol subsidies and \$840,000 with the

weigh station issue in HB 1011. Our budget reflects what we try to spend, we try to break even.

Sen. Bowman Which scenario meets all budget concerns with cities/counties? 1. Federal Match

(Hwy. Trust Fund) 2. County and City Shortage 3. The adjustment with the Hwy. Patrol to

keep weigh stations open.

Dave Sprynczynatyk, DOT Director all scenarios fund the Hwy Patrol. One does not match all

federal funding (schobinger scenario) The greatest money to cities/counties would be (bowmanB)

We feel the gas tax increase would not be appropriate at this time.

Rep. Carlson How much went to cities and counties in 01-03 and what in 03-05?

Dave Sprynczynatyk, DOT Director shown on the last page of the hand out.

Rep. Carlson The overall picture wasn't the Hwy Patrol out of the Hwy. Fund (yes)

Ethanol out of Tax Distribution fund? (yes) Would it be logical to move this to another fund?

Dave Sprynczynatyk, DOT Director The increase in the Hwy Fund was made in the legislature

2 years ago to maximize federal funding.

Rep. Carlson Historically, what happens to the rollback

Dave Sprynczynatyk, DOT Director it rolls back to Hwy. Fund, our projected turn back for the

biennium is 1.2M

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Diana G. Hall
Operator's Signature

10/30/03
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Government Operations Division

Bill/Resolution Number HB 1012

Hearing Date April 15, 2003

Rep. Welsz I agree, we need to general dollars to maximize federal dollars. We departed from history and put funding into the Distribution Fund. 37% generated enough for cities and counties. We sunset the \$2, we didn't want to raise registration more than necessary. So we came up with a split formula.

Sen. Schobinger noted his formula from the last meeting, shown as Schobinger proposal was informational only and not a proposal.

Rep. Timm asked what the registration averages were in neighboring states.

Dave Sprynczynatyk, DOT Director Legislative Council did a comparison, On a passenger vehicle MN \$198, MT \$292, NE \$308, ND \$72, SD \$68 with a fee also collected at the local level.

Rep. Timm we aren't even in the ball park, when comparing.

Rep. Carlson I don't see us short changing the cities and counties.

Meeting adjourned.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☒ Conference Committee

Hearing Date April 22, 2003

Tape Number	Side A	Side B	Meter #
1	xx		8.2-31.4
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: Conference Committee

Chairman Timm called the conference committee to order with all members present, including **Rep. Timm, Rep. Carlson, Rep. Glassheim, Sen. Bowman, Sen. Schobinger, Sen. Tallackson**

Dave Sprynczynatyk, DOT distributed information pertaining to the current scenarios and details and there effect, **hand out dated 4/22/03** This reflects the latest Hwy. Patrol action of holding \$840,000 for the weigh stations. The IT issue remains , that would have a large impact, projections do not include any salary adjustments. The trucking industry would have impact regarding their reporting if a temporary tax was put into effect. The ending fund balance would remain in the fund and any carry over would be used to attain additional federal funding, if available, in the 2nd year of the biennium. We would go to the emergency commission if necessary.

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Government Operations Division
Bill/Resolution Number HB 1012
Hearing Date April 22, 2003

Rep. Carlson asked what the desirable carry over would be.

Dave Sprynczynatyk, DOT 1M - 2M

Rep. Carlson ideal is being missed on most of these scenarios

Dave Sprynczynatyk, DOT currently, the Senate shows a reduction of \$600,000 in IT adjustments. The Concern with HB 1022 is 1) a reduction of \$750,000 from the DOT budget, we would be \$750,000 short in each scenario. 2) We should look at what we include in our IT budget (see handout, IT breakdown) the 5% reduction should be taken from the 4.3M. When the Senate acted and reduced the IT line item, we assumed it remained in the budget. We didn't know it would be removed for the pool. We can rerun the ideas with the IT reduction.

Rep. Timm has IT been resolved?

Sen. Schobinger we need to discuss this issue with DOT

Rep. Timm we can't complete this budget until IT is completed. To save money from the Hwy. Fund, we need to use the lower figure.

Rep. Glassheim this isn't pool money, this is general fund money. The general fund money is being discussed. We have to go to a higher side.

Sen. Tallackson can we recommend IT be taken from the 4M?

Sen. Schobinger it wouldn't effect the IT budget entirely

Sen. Tallackson made a motion to recommend to the IT conference committee, the IT 5% reduction apply to the 4,348,789 of the DOT budget, second by Rep. Carlson. Motion

Carries on unanimous vote.

Meeting adjourned

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☒ Conference Committee

Hearing Date April 23, 03

Tape Number	Side A	Side B	Meter #
1	xx		0-20.00
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: Conference Committee

Chairman Timm called the conference committee to order, members in attendance were Rep. Timm, Rep. Carlson, Sen. Bowman, Sen. Schobinger, Sen. Tallackson, absent was Rep. Glassheim.

Rep. Timm noted a county representative has requested the language from HB 1047 be added to this bill, the governor may veto that bill, I agreed to discussion. HB 1047 addressed speed limit.

Wade Wilson, Assn. Counties HB 1047 may be vetoed, limits would for to 65 mph, our county and township roads are not designed for 65. They are in need of being signed for 55 mph.

Liability issues may exist.

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10/30/03
Date

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Government Operations Division
Bill/Resolution Number HB 1012
Hearing Date April 23, 2003

Rep. Carlson moved the adoption of the "Timm" proposal as noted on the DOT handout,
(.01 gas tax in second yr. of biennium, \$2 mv reg.) **Second by Sen. Tallackson.**

Rep. Carlson The House caucus was voted half and half on the tax and registration, not have merit. Fairness would include a mix of both, state residents and nonresidents. This would leave the right balance in the fund and the cities and counties would look good too.

Sen. Tallackson commented, this was a reasonable proposal

Rep. Timm the Johnson proposals tax just a segment of the population with a limited time period, we'd like to see something else.

Dave Sprynczynatyk, DOT the appropriate turn back amount we'd like to see for our budget if 1M-1.5M. He also noted there is discussion in MN for an increase in their gas tax.\

Sen. Bowman with the \$200,000 reduction in IT, would you still have enough funds available?

Dave Sprynczynatyk, DOT noted the last column in the handout, these numbers represent the IT adjustment.

OMB, Celeste, commented the numbers do not reflect a salary adjustment. HB 2015 includes a contingency salary package, DOT dollars for an increase would have to come from their funding sources. That amount would be \$800,000.

Rep. Carlson noted this budget would cover that.

Sen. Bowman I like the registration fee increase, the trucking industry is opposed to a tax increase, Agriculture is divided on the issue, it hurts some industries more than others, the fee increase is equal.

Rep. Timm noted the rural community representatives felt the increase in registration hurt that sector.

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Government Operations Division
Bill/Resolution Number HB 1012
Hearing Date April 23, 2003

Sen. Tallackson noted the differences in the price of gas is various parts of the state, people aren't going to notice .01, I would favor this.

Roll Call was taken, 3 yeah (Timm, Carlson, Tallackson) 2 nay (Schobinger, Bowman), 1 absent and not voting (Glasshelm) **MOTION FAILS**

Dave Sprynczynatyk, DOT noted .50 of state money raises \$750,000, he also noted increase in fees have been at whole dollar amounts this has been convenience for the public.

Sen. Schobinger, noted the IT adjustment needed in this budget, these numbers could be different when those adjustments are made.

Dave Sprynczynatyk, DOT assuming diversion of \$200,000, and a decrease in spending authority, the effect would remain the same using the same IT adjustment (5%)

Sen. Schobinger the critical needs pool still needs adjustment, relative to the Bank of ND and the DOT.

Rep. Carlson asked, do we need to address the final action here or will the 1022 conference committee?

Rep. Timm we haven't received an answer yet.

Rep. Carlson Sen. Schobinger can be our messenger, he serves on that committee.

Sen. Schobinger asked what the ending fund balance was 2 years ago,

Dave Sprynczynatyk, DOT negative \$600,000, we knew an adjustment would be needed, there was an accounting correction and we ended with 1.2M

Meeting adjourned.

Deanna Ball
Operator's Signature

10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☒ Conference Committee

Hearing Date April 23, 2003

Tape Number	Side A	Side B	Meter #
1	xx		55-end
		xx	0-17.7
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: Conference Committee

Chairman Timm called the conference committee to order, all members are present including
Rep. Timm, Rep. Carlson, Rep. Glassheim, Sen. Bowman, Sen. Schobinger, Sen. Tallackson.

Rep. Timm noted the IT adjustment and a reduction in the Hwy. Patrol of \$847,000

Sen. Schobinger noted in the "schobinger plan" the tribal agreements have been taken into account.

Sen. Tallackson I would agree with the concept, but we should go 2 and 2 and make it fair to all.

Rep. Glassheim the Schobinger has the least going to counties and cities. I would like all to go into a gas tax. The gas tax is the best measurement on the road usage which shows dollars used, using gas equals using roads, it's logical.

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Date

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Government Operations Division

Bill/Resolution Number HB 1012

Hearing Date April 23, 2003

Sen. Bowman Minnesota is talking a 5 cent increase in gas tax at the border. We have the majority of people in on the borders in the east, more people will come to ND to buy gas at cheaper price. More gas sold has more merit.

Rep. Carlson using that logic, gas tax shouldn't be an issue in western ND. They tax at the rack in MN, I don't see one cent as a reward or penalty. I favor a combination, I see no reason to leave the fund short, are we just postponing the payback?

Sen. Schobinger 1.2M is the tribal agreement is built into this

Dave S. DOT Federal law doesn't require the tribes to collect gas tax and reimburse the state.

We have an agreement with Standing Rock, they collect the tax and maintain 75% and reimburse the state 25%. We are in negotiation with the other 4 reservations to do the same, the payoff will vary by reservation, based on the amount of road within the reservation. Some of the funds have been built into the budget, but we don't know the impact. The amount projected and collected could be in the area of 1.2M, that is estimated, the payout would come in the 2nd yr. Of the biennium.

Sen. Tallackson I still like Rep. Carlson's idea, let's run it again.

Rep. Carlson made a Do Pass motion on the "Timm" proposal \$2 fee increase with 1 cent gas tax. Second by Sen. Tallackson. Roll Call vote 4 yeah, 2 nay (Bowman/Schobinger)

MOTION FAILS

Rep. Carlson moved a DO Pass on the Bowman (A) proposal, half cent gas tax, \$1.50 motor vehicle increase. Second, by Sen. Tallackson

Sen. Tallackson My idea was the best, however I think we need a compromise. We don't want to be here until June.

Page 3
Government Operations Division
Bill/Resolution Number HB 1012
Hearing Date April 23, 2003

Sen. Bowman I need to pull myself off this committee, I can't support this. That was intended for discussion not a proposal.

Roll call vote taken, 3 yeah, 3 nay (Glassheim, Schobinger, Bowman)

MOTION FAILS.

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10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Government Operations Division

☒ Conference Committee

Hearing Date April 23, 2003

Tape Number	Side A	Side B	Meter #
one		xx	21.3
Committee Clerk Signature			

Minutes:Conference Committee

Meeting reconvened, all members present.

Sen. Bowman motioned a DO Pass on the "Schobinger amendment".0217, second by Rep.

Carlson. A Roll call vote was taken 4 yeah, 2 nay (Glassheim/Tallackson)

MOTION CARRIES

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Dennis Glassheim
Operator's Signature

10/30/03
Date

38012.0215
Title.

Prepared by the Legislative Council staff for
Representative D. Johnson
April 18, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, remove the first "and"

Page 1, line 3, after "24-02-44" insert "and subsection 1 of section 57-43.1-02"

Page 1, line 4, after "Dakota" insert "and the rate of motor vehicle fuels taxes; and to declare an emergency"

Page 2, after line 3, insert:

"SECTION 3. AMENDMENT. Subsection 1 of section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as otherwise provided in this section, a tax of twenty-one cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state. During the period beginning May fifteenth and ending September fifteenth of each year, an additional tax of two cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.

SECTION 4. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO.1012

Page 1, line 2, remove the first "and"

Page 1, line 4, after "Dakota" insert "; to provide the department with authority to acquire land; and to amend and reenact section 24-01-51 of the North Dakota Century Code, relating to haying of no-mow areas"

Page 2, after line 3, insert:

"SECTION 3. NO-MOW AND MANAGED-MOW AREAS. The department is authorized to acquire land to eliminate no-mow and managed-mow areas adjacent to the state's roadways. If the department intends to acquire public land to eliminate no-mow and managed-mow acres, a public hearing must be held in the county in which the land is located, and before the land is acquired.

SECTION 4. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2004 2006) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty.

Renumber accordingly

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Operator's signature

Deanna Bell

10/30/03

Date

38012.0211
Title.

Prepared by the Legislative Council staff for
Representative Weisz
April 9, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, remove the first "and"

Page 1, line 3, after "24-02-44" insert ", subsection 1 of section 57-43.1-02, and section 57-43.2-02" and after "Code" insert "and section 10 of chapter 331 of the 2001 Session Laws"

Page 1, line 4, after "Dakota" insert ", rates of motor vehicle and special fuels taxes, and temporary allocation of motor vehicle registration fees; and to provide an effective date"

Page 2, after line 3, insert:

"SECTION 3. AMENDMENT. Subsection 1 of section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-two cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.

SECTION 4. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2003) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the

payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.

6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2003) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-two cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 5. AMENDMENT. Section 10 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

SECTION 10. EXPIRATION DATE. Section 7 of this Act is effective through June 30, 2003 2005, and after that date is ineffective.

SECTION 6. EFFECTIVE DATE. Sections 3 and 4 of this Act are effective for taxable events occurring after June 30, 2004."

Renumber accordingly

38012.0212
Title.

Prepared by the Legislative Council staff for
Representative Weisz
April 10, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 3, replace "section" with "sections", after "24-02-44" insert "and 39-04-19", and
after "Code" insert "and section 10 of chapter 331 of the 2001 Session Laws"

Page 1, line 4, after "Dakota" insert "and motor vehicle registration fees"

Page 2, after line 3, insert:

"SECTION 3. AMENDMENT. Section 39-04-19 of the North Dakota Century
Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles
required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when
authorized to do so by the department, shall pay a fee of twenty dollars for
a trip permit which is valid for a period of seventy-two hours. All fees
collected under the provisions of this subsection must be credited to the
highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished
license plates upon the payment of the following annual fees; however, if a
motor vehicle, including a motorcycle or trailer, first becomes subject to
registration other than at the beginning of the registration period, such fees
must be prorated on a monthly basis. The minimum fee charged
hereunder must be five dollars:
 - a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years	
Less than 3,200	\$57.00 \$60	\$40.00 \$52	\$41.00 \$43	\$32.00 \$35	
3,200 - 4,499	77.00 82	65.00 69	53.00 56	41.00 43	
4,500 - 4,999	95.00 101	78.00 83	63.00 67	47.00 50	
5,000 - 5,999	126.00 134	104.00 110	82.00 87	60.00 64	
6,000 - 6,999	159.00 169	130.00 138	104.00 107	73.00 77	
7,000 - 7,999	192.00 204	156.00 165	124.00 128	86.00 91	
8,000 - 8,999	225.00 239	183.00 194	141.00 149	99.00 105	
9,000 and over	258.00 273	209.00 222	164.00 171	112.00 119	

A house car is subject to registration at the rates prescribed for other
vehicles under this subdivision modified by using the weight
applicable to a vehicle whose weight is forty percent of that of the
house car, but not using a weight of less than four thousand pounds
[1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious,
charitable, or nonprofit organizations and used exclusively for

religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$55.00 \$58	\$42.00 \$45	\$37.00 \$39	\$34.00 \$36	\$33.00 \$35
4,001 - 6,000	60.00 64	47.00 50	41.00 43	35.00 37	34.00 36
6,001 - 8,000	65.00 69	52.00 55	45.00 48	36.00 38	35.00 37
8,001 - 10,000	70.00 74	57.00 60	48.00 52	38.00 40	37.00 39
10,001 - 12,000	75.00 80	62.00 66	53.00 56	40.00 42	39.00 41
12,001 - 14,000	80.00 85	67.00 71	57.00 60	43.00 46	42.00 45
14,001 - 16,000	85.00 90	72.00 76	61.00 65	46.00 49	45.00 48
16,001 - 18,000	90.00 95	77.00 82	65.00 69	48.00 51	47.00 50
18,001 - 20,000	93.00 99	80.00 85	67.00 71	49.00 52	48.00 51

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$123.00 \$130	\$97.00 \$103	\$84.00 \$89
22,001 - 26,000	175.00 186	145.00 154	120.00 137
26,001 - 30,000	236.00 250	194.00 206	172.00 182
30,001 - 34,000	302.00 320	247.00 262	219.00 232
34,001 - 38,000	363.00 379	296.00 314	262.00 278
38,001 - 42,000	424.00 449	345.00 366	304.00 322
42,001 - 46,000	485.00 514	393.00 417	347.00 368
46,001 - 50,000	546.00 579	442.00 469	390.00 413
50,001 - 54,000	616.00 653	500.00 530	441.00 467
54,001 - 58,000	677.00 718	549.00 582	484.00 513
58,001 - 62,000	739.00 783	598.00 634	527.00 559
62,001 - 66,000	799.00 847	646.00 685	570.00 604
66,001 - 70,000	860.00 912	695.00 737	612.00 649
70,001 - 74,000	921.00 976	744.00 789	655.00 694
74,001 - 78,000	982.00 1,041	793.00 841	698.00 740
78,001 - 82,000	1,043.00 1,106	842.00 893	741.00 785
82,001 - 86,000	1,166.00 1,236	947.00 1,004	828.00 878
86,001 - 90,000	1,288.00 1,365	1,051.00 1,114	915.00 970
90,001 - 94,000	1,410.00 1,495	1,156.00 1,225	1,002.00 1,062
94,001 - 98,000	1,532.00 1,624	1,261.00 1,337	1,090.00 1,155
98,001 - 102,000	1,654.00 1,753	1,365.00 1,447	1,177.00 1,248
102,001 - 105,500	1,776.00 1,883	1,470.00 1,558	1,264.00 1,340

c. Motorcycles, fifteen dollars.

- Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
- Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a

twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.

5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	\$95.00 \$101	\$81.00 \$86	\$67.00 \$71	\$49.00 \$52
22,001 - 24,000	100.00 106	85.00 90	70.00 74	51.00 54
24,001 - 26,000	108.00 114	91.00 96	74.00 78	53.00 56
26,001 - 28,000	119.00 126	99.00 105	80.00 85	57.00 60
28,001 - 30,000	128.00 136	107.00 113	86.00 91	61.00 64
30,001 - 32,000	143.00 159	120.00 127	97.00 103	70.00 74
32,001 - 34,000	153.00 162	128.00 136	103.00 109	74.00 78
34,001 - 36,000	163.00 173	136.00 144	109.00 116	78.00 83
36,001 - 38,000	173.00 183	144.00 153	115.00 122	82.00 87
38,001 - 40,000	183.00 194	152.00 161	121.00 128	86.00 91
40,001 - 42,000	193.00 205	160.00 170	127.00 135	90.00 95
42,001 - 44,000	203.00 215	168.00 178	133.00 141	94.00 100
44,001 - 46,000	213.00 226	176.00 187	139.00 147	98.00 104
46,001 - 48,000	223.00 236	184.00 195	145.00 154	102.00 108
48,001 - 50,000	233.00 247	192.00 204	151.00 160	106.00 112
50,001 - 52,000	253.00 268	210.00 223	167.00 177	120.00 127
52,001 - 54,000	263.00 279	218.00 231	173.00 183	124.00 131
54,001 - 56,000	273.00 289	226.00 240	179.00 190	128.00 136
56,001 - 58,000	283.00 300	234.00 248	185.00 196	132.00 140
58,001 - 60,000	293.00 311	242.00 257	191.00 202	136.00 144
60,001 - 62,000	303.00 321	250.00 265	197.00 209	140.00 148
62,001 - 64,000	313.00 332	258.00 273	203.00 215	144.00 153
64,001 - 66,000	323.00 342	266.00 282	209.00 222	148.00 157
66,001 - 68,000	333.00 353	274.00 290	215.00 228	152.00 161
68,001 - 70,000	343.00 364	282.00 299	221.00 234	156.00 165
70,001 - 72,000	353.00 374	290.00 307	227.00 241	160.00 170
72,001 - 74,000	363.00 385	298.00 316	233.00 247	164.00 174

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Deanna G. Hall
Operator's Signature

10/30/03
Date

74,001 - 76,000	373.00 395	306.00 324	230.00 253	168.00 178
76,001 - 78,000	383.00 406	314.00 333	245.00 260	172.00 182
78,001 - 80,000	393.00 417	322.00 341	251.00 266	176.00 177
80,001 - 82,000	403.00 427	330.00 350	257.00 272	180.00 191
82,001 - 84,000	413.00 438	352.00 373	300.00 318	256.00 271
84,001 - 86,000	433.00 459	360.00 391	314.00 333	268.00 284
86,001 - 88,000	453.00 480	386.00 409	328.00 348	280.00 297
88,001 - 90,000	473.00 501	403.00 427	342.00 363	292.00 310
90,001 - 92,000	493.00 523	420.00 445	356.00 377	304.00 322
92,001 - 94,000	513.00 544	437.00 463	370.00 392	316.00 335
94,001 - 96,000	533.00 565	454.00 481	384.00 407	328.00 348
96,001 - 98,000	553.00 586	471.00 499	398.00 422	340.00 360
98,001 - 100,000	573.00 607	488.00 517	412.00 437	352.00 373
100,001 - 102,000	593.00 629	505.00 535	426.00 452	364.00 386
102,001 - 104,000	613.00 650	522.00 553	440.00 466	376.00 399
104,001 - 105,500	633.00 671	530.00 571	454.00 481	388.00 411

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

SECTION 4. AMENDMENT. Section 10 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

SECTION 10. EXPIRATION DATE. Section 7 of this Act is effective through June 30, ~~2003~~ 2005, and after that date is ineffective."

Renumber accordingly

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Deanna Ballarín
Operator's Signature

10/30/03
Date

38012.0213
Title.
Fiscal No. 5

Prepared by the Legislative Council staff for
Senate Appropriations
April 9, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, replace the first "and" with "to authorize the department to acquire lands;"

Page 1, line 3, replace "section" with "sections 24-01-51," after "24-02-44" insert ", and 39-04-19", after "Code" insert "and section 7 of chapter 331 of the 2001 Session Laws", and after "to" insert "haying of no-mow areas,"

Page 1, line 4, after "Dakota" insert ", and motor vehicle registration fees; and to repeal section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee allocation"

Page 1, line 11, replace "105,330,558" with "105,222,404"

Page 1, line 12, replace "113,252,369" with "122,650,587"

Page 1, line 13, replace "471,096,984" with "512,175,642"

Page 1, line 15, replace "733,765,414" with "784,134,136"

Page 1, after line 15, insert:

"SECTION 2. ACQUIRING LAND IN NO-MOW AND MANAGED-MOW AREAS. The department may acquire land to eliminate no-mow and managed-mow areas adjacent to the state's roadways. If the department intends to acquire public land to eliminate no-mow and managed-mow areas, a public hearing must be held in the county in which the land is located before the land is acquired.

SECTION 3. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2004 2006) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 2, after line 3, insert:

"SECTION 5. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.

2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	\$57.00 \$60	\$49.00 \$52	\$41.00 \$44	\$33.00 \$36
3,200 - 4,499	77.00 80	65.00 68	53.00 56	41.00 44
4,500 - 4,999	95.00 98	78.00 81	63.00 66	47.00 50
5,000 - 5,999	126.00 129	104.00 107	82.00 85	60.00 63
6,000 - 6,999	159.00 162	130.00 133	101.00 104	73.00 76
7,000 - 7,999	192.00 195	156.00 159	121.00 124	86.00 89
8,000 - 8,999	225.00 228	183.00 186	141.00 144	99.00 102
9,000 and over	258.00 261	209.00 212	161.00 164	112.00 115

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$55.00 \$58	\$42.00 \$45	\$37.00 \$40	\$34.00 \$37	\$32.00 \$36
4,001 - 6,000	60.00 63	47.00 50	41.00 44	35.00 38	34.00 37
6,001 - 8,000	65.00 68	52.00 55	45.00 48	36.00 39	35.00 38
8,001 - 10,000	70.00 73	57.00 60	49.00 52	38.00 41	37.00 40
10,001 - 12,000	75.00 78	62.00 65	53.00 56	40.00 43	39.00 42
12,001 - 14,000	80.00 83	67.00 70	57.00 60	43.00 46	42.00 45
14,001 - 16,000	85.00 88	72.00 75	61.00 64	46.00 49	45.00 48
16,001 - 18,000	90.00 93	77.00 80	65.00 68	48.00 51	47.00 50
18,001 - 20,000	93.00 96	80.00 83	67.00 70	49.00 52	48.00 51

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$123.00 \$126	\$97.00 \$100	\$84.00 \$87
22,001 - 26,000	175.00 178	145.00 148	129.00 132
26,001 - 30,000	236.00 239	194.00 197	172.00 175
30,001 - 34,000	302.00 305	247.00 250	219.00 222
34,001 - 38,000	363.00 366	296.00 299	262.00 265
38,001 - 42,000	424.00 427	345.00 348	304.00 307
42,001 - 46,000	485.00 488	393.00 396	347.00 350

46,001 - 50,000	546.00 549	442.00 445	390.00 393
50,001 - 54,000	616.00 619	500.00 503	441.00 444
54,001 - 58,000	677.00 680	540.00 552	484.00 487
58,001 - 62,000	730.00 742	598.00 601	527.00 530
62,001 - 66,000	790.00 802	646.00 649	570.00 573
66,001 - 70,000	860.00 863	696.00 698	612.00 615
70,001 - 74,000	921.00 924	744.00 747	655.00 658
74,001 - 78,000	982.00 985	793.00 796	698.00 701
78,001 - 82,000	1,043.00 1,046	842.00 845	741.00 744
82,001 - 86,000	1,166.00 1,169	947.00 950	828.00 831
86,001 - 90,000	1,288.00 1,291	1,051.00 1,054	915.00 918
90,001 - 94,000	1,410.00 1,413	1,156.00 1,159	1,002.00 1,005
94,001 - 98,000	1,532.00 1,535	1,261.00 1,264	1,090.00 1,093
98,001 - 102,000	1,654.00 1,657	1,365.00 1,368	1,177.00 1,180
102,001 - 105,500	1,776.00 1,779	1,470.00 1,473	1,264.00 1,267

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years

Page No. 3

38012.0213

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Deanna G. Hall
Operator's Signature

10/30/03
Date

20,001 - 22,000	\$95.00 \$98	\$81.00 \$84	\$67.00 \$70	\$49.00 \$52
22,001 - 24,000	100.00 103	85.00 88	70.00 73	51.00 54
24,001 - 26,000	108.00 111	91.00 94	74.00 77	53.00 56
26,001 - 28,000	110.00 122	99.00 102	80.00 83	57.00 60
28,001 - 30,000	128.00 131	107.00 110	86.00 89	61.00 64
30,001 - 32,000	143.00 146	120.00 123	97.00 100	70.00 73
32,001 - 34,000	153.00 156	128.00 131	103.00 106	74.00 77
34,001 - 36,000	163.00 166	136.00 139	109.00 112	78.00 81
36,001 - 38,000	173.00 176	144.00 147	115.00 118	82.00 85
38,001 - 40,000	183.00 186	152.00 155	121.00 124	86.00 89
40,001 - 42,000	193.00 196	160.00 163	127.00 130	90.00 93
42,001 - 44,000	203.00 206	168.00 171	133.00 136	94.00 97
44,001 - 46,000	213.00 216	176.00 179	139.00 142	98.00 101
46,001 - 48,000	223.00 226	184.00 187	145.00 148	102.00 105
48,001 - 50,000	233.00 236	192.00 195	151.00 154	106.00 109
50,001 - 52,000	253.00 256	210.00 213	167.00 170	120.00 123
52,001 - 54,000	263.00 266	218.00 221	173.00 176	124.00 127
54,001 - 56,000	273.00 276	226.00 229	179.00 182	128.00 131
56,001 - 58,000	283.00 286	234.00 237	185.00 188	132.00 135
58,001 - 60,000	293.00 296	242.00 245	191.00 194	136.00 139
60,001 - 62,000	303.00 306	250.00 253	197.00 200	140.00 143
62,001 - 64,000	313.00 316	258.00 261	203.00 206	144.00 147
64,001 - 66,000	323.00 326	266.00 269	209.00 212	148.00 151
66,001 - 68,000	333.00 336	274.00 277	215.00 218	152.00 155
68,001 - 70,000	343.00 346	282.00 285	221.00 224	156.00 159
70,001 - 72,000	353.00 356	290.00 293	227.00 230	160.00 163
72,001 - 74,000	363.00 366	298.00 301	233.00 236	164.00 167
74,001 - 76,000	373.00 376	306.00 309	239.00 242	168.00 171
76,001 - 78,000	383.00 386	314.00 317	245.00 248	172.00 175
78,001 - 80,000	393.00 396	322.00 325	251.00 254	176.00 179
80,001 - 82,000	403.00 406	330.00 333	257.00 260	180.00 183
82,001 - 84,000	413.00 416	352.00 355	300.00 303	256.00 259
84,001 - 86,000	433.00 436	369.00 372	314.00 317	268.00 271
86,001 - 88,000	453.00 456	386.00 389	328.00 331	280.00 283
88,001 - 90,000	473.00 476	403.00 406	342.00 345	292.00 295
90,001 - 92,000	493.00 496	420.00 423	356.00 359	304.00 307
92,001 - 94,000	513.00 516	437.00 440	370.00 373	316.00 319
94,001 - 96,000	533.00 536	454.00 457	384.00 387	328.00 331
96,001 - 98,000	553.00 556	471.00 474	398.00 401	340.00 343
98,001 - 100,000	573.00 576	488.00 491	412.00 415	352.00 355
100,001 - 102,000	593.00 596	505.00 508	426.00 429	364.00 367
102,001 - 104,000	613.00 616	522.00 525	440.00 443	376.00 379
104,001 - 105,500	633.00 636	539.00 542	454.00 457	388.00 391

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

SECTION 6. AMENDMENT. Section 7 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

SECTION 7. TEMPORARY ALLOCATION. Two ~~Four~~ dollars of each registration fee collected under subsection 2 or 5 of section 39-04-1C must be deposited in the state highway fund.

SECTION 7. REPEAL. Section 10 of chapter 331 of the 2001 Session Laws is repealed."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$106,357,711	\$105,330,556	(\$108,154)	\$105,222,404
Operating expenses	124,852,369	113,252,369	9,398,218	122,650,587
Capital assets	459,496,984	471,096,984	41,078,658	512,175,642
Grants	<u>44,085,503</u>	<u>44,085,503</u>		<u>44,085,503</u>
Total all funds	\$734,792,567	\$733,765,414	\$50,368,722	\$784,134,136
Less estimated income	<u>734,792,567</u>	<u>733,765,414</u>	<u>50,368,722</u>	<u>784,134,136</u>
General fund	\$0	\$0	\$0	\$0
FTE	1,046.00	1,046.00	0.00	1,046.00

Dept. 801 - Department of Transportation - Detail of Senate Changes

	ADDS HIGHWAY CONSTRUCTION FUNDING 1	ADDS FEDERAL HIGHWAY FUNDING 2	ADDS FUNDING FOR HIGHWAY PROJECTS 3	REDUCES THE RECOMMENDED FUNDING FOR HEALTH INSURANCE 4	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 5	TOTAL SENATE CHANGES
Salaries and wages				(\$108,154)		(\$108,154)
Operating expenses	\$10,000,000				(\$601,782)	9,398,218
Capital assets	33,750,000	\$7,100,000	\$228,658			41,078,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$228,658	(\$108,154)	(\$601,782)	\$50,368,722
Less estimated income	<u>43,750,000</u>	<u>7,100,000</u>	<u>228,658</u>	<u>(108,154)</u>	<u>(601,782)</u>	<u>50,368,722</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 The capital assets line item is increased by \$33,750,000 for highway construction projects, and the operating expenses line item is increased by \$10 million for costs relating to consulting engineers. These increases reflect federal highway construction funding available to North Dakota of \$162.5 million for each year of the 2003-05 biennium, an increase of \$17.5 million per year compared to the \$145 million per year anticipated in the executive budget and House version. Of the total increase of \$43,750,000, \$35 million is from federal funds and \$8,750,000 is from the highway fund.

2 The capital assets line item is increased by \$7,100,000 of federal funds for highway projects that do not require a state match.

3 The capital assets line item is increased by \$228,658 to utilize federal funding (\$182,928) and related state matching funds (\$45,732) removed by the House for the state employee salary increase for highway construction projects.

4 Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

5 This amendment reduces funding for information technology by \$601,782 of special funds which represents a reduction in information technology funding of approximately 4 percent.

Sections are added increasing motor vehicle registration fees by \$3 per year. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$2 to \$4 and removes the expiration date of June 30, 2005, for this allocation.

A section is added authorizing the department to acquire land to eliminate no-mow or managed-mow areas along state highways.

A section is added delaying the effective date from January 1, 2004, to January 1, 2006, of a section allowing a landowner owning land next to a no-mow or managed-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

38012.0209
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for
Senator Bowman
April 4, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, remove the first "and"

Page 1, line 3, replace "section" with "sections", after "24-02-44" insert "and 39-04-19", and
after "Code" insert "and section 7 of chapter 331 of the 2001 Session Laws"

Page 1, line 4, after "Dakota" insert "and motor vehicle registration fees; and to repeal
section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee
allocation"

Page 1, line 11, replace "105,320,558" with "105,222,404"

Page 1, line 12, replace "113,252,369" with "122,650,587"

Page 1, line 13, replace "471,096,984" with "512,175,642"

Page 1, line 15, replace "733,765,414" with "784,134,136"

Page 2, after line 3, insert:

"SECTION 3. AMENDMENT. Section 39-04-19 of the North Dakota Century
Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles
required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when
authorized to do so by the department, shall pay a fee of twenty dollars for
a trip permit which is valid for a period of seventy-two hours. All fees
collected under the provisions of this subsection must be credited to the
highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished
license plates upon the payment of the following annual fees; however, if a
motor vehicle, including a motorcycle or trailer, first becomes subject to
registration other than at the beginning of the registration period, such fees
must be prorated on a monthly basis. The minimum fee charged
hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years	
Less than 3,200	\$57.00 \$60.62	\$40.00 \$52.62	\$41.00 \$44.62	\$33.00 \$36.62	
3,200 - 4,499	77.00 80.62	65.00 68.62	53.00 56.62	41.00 44.62	
4,500 - 4,999	95.00 98.62	78.00 81.62	63.00 66.62	47.00 50.62	
5,000 - 5,999	126.00 129.62	104.00 107.62	82.00 85.62	60.00 63.62	
6,000 - 6,999	159.00 162.62	130.00 133.62	104.00 107.62	73.00 76.62	
7,000 - 7,999	192.00 195.62	156.00 159.62	124.00 127.62	86.00 89.62	

Page No. 1

38012.0209

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Operator's Signature

Date

10/30/03

8,000 - 8,999	225.00 <u>228.62</u>	183.00 <u>186.62</u>	141.00 <u>144.62</u>	99.00 <u>102.62</u>
9,000 and over	258.00 <u>261.62</u>	209.00 <u>212.62</u>	161.00 <u>164.62</u>	112.00 <u>115.62</u>

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$55.00 <u>\$58.62</u>	\$42.00 <u>\$45.62</u>	\$37.00 <u>\$40.62</u>	\$34.00 <u>\$37.62</u>	\$33.00 <u>\$36.62</u>
4,001 - 6,000	60.00 <u>63.62</u>	47.00 <u>50.62</u>	41.00 <u>44.62</u>	35.00 <u>38.62</u>	34.00 <u>37.62</u>
6,001 - 8,000	65.00 <u>68.62</u>	52.00 <u>55.62</u>	45.00 <u>48.62</u>	36.00 <u>39.62</u>	35.00 <u>38.62</u>
8,001 - 10,000	70.00 <u>73.62</u>	57.00 <u>60.62</u>	49.00 <u>52.62</u>	38.00 <u>41.62</u>	37.00 <u>40.62</u>
10,001 - 12,000	75.00 <u>78.62</u>	62.00 <u>65.62</u>	53.00 <u>56.62</u>	40.00 <u>43.62</u>	39.00 <u>42.62</u>
12,001 - 14,000	80.00 <u>83.62</u>	67.00 <u>70.62</u>	57.00 <u>60.62</u>	43.00 <u>46.62</u>	42.00 <u>45.62</u>
14,001 - 16,000	85.00 <u>88.62</u>	72.00 <u>75.62</u>	61.00 <u>64.62</u>	46.00 <u>49.62</u>	45.00 <u>48.62</u>
16,001 - 18,000	90.00 <u>93.62</u>	77.00 <u>80.62</u>	65.00 <u>68.62</u>	48.00 <u>51.62</u>	47.00 <u>50.62</u>
18,001 - 20,000	93.00 <u>96.62</u>	80.00 <u>83.62</u>	67.00 <u>70.62</u>	49.00 <u>52.62</u>	48.00 <u>51.62</u>

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$123.00 <u>\$126.62</u>	\$97.00 <u>\$100.62</u>	\$84.00 <u>\$87.62</u>
22,001 - 26,000	175.00 <u>178.62</u>	145.00 <u>148.62</u>	129.00 <u>132.62</u>
26,001 - 30,000	236.00 <u>239.62</u>	194.00 <u>197.62</u>	172.00 <u>175.62</u>
30,001 - 34,000	302.00 <u>305.62</u>	247.00 <u>250.62</u>	219.00 <u>222.62</u>
34,001 - 38,000	363.00 <u>366.62</u>	296.00 <u>299.62</u>	262.00 <u>265.62</u>
38,001 - 42,000	424.00 <u>427.62</u>	345.00 <u>348.62</u>	304.00 <u>307.62</u>
42,001 - 46,000	485.00 <u>488.62</u>	393.00 <u>396.62</u>	347.00 <u>350.62</u>
46,001 - 50,000	546.00 <u>549.62</u>	442.00 <u>445.62</u>	390.00 <u>393.62</u>
50,001 - 54,000	616.00 <u>619.62</u>	500.00 <u>503.62</u>	441.00 <u>444.62</u>
54,001 - 58,000	677.00 <u>680.62</u>	549.00 <u>552.62</u>	484.00 <u>487.62</u>
58,001 - 62,000	739.00 <u>742.62</u>	598.00 <u>601.62</u>	527.00 <u>530.62</u>
62,001 - 66,000	799.00 <u>802.62</u>	646.00 <u>649.62</u>	570.00 <u>573.62</u>
66,001 - 70,000	860.00 <u>863.62</u>	695.00 <u>698.62</u>	612.00 <u>615.62</u>
70,001 - 74,000	921.00 <u>924.62</u>	744.00 <u>747.62</u>	655.00 <u>658.62</u>
74,001 - 78,000	982.00 <u>985.62</u>	793.00 <u>796.62</u>	698.00 <u>701.62</u>
78,001 - 82,000	1,043.00 <u>1,046.62</u>	842.00 <u>845.62</u>	741.00 <u>744.62</u>
82,001 - 86,000	1,104.00 <u>1,107.62</u>	891.00 <u>894.62</u>	784.00 <u>787.62</u>
86,001 - 90,000	1,165.00 <u>1,168.62</u>	940.00 <u>943.62</u>	827.00 <u>830.62</u>
90,001 - 94,000	1,226.00 <u>1,229.62</u>	989.00 <u>992.62</u>	870.00 <u>873.62</u>
94,001 - 98,000	1,287.00 <u>1,290.62</u>	1,038.00 <u>1,041.62</u>	913.00 <u>916.62</u>
98,001 - 102,000	1,348.00 <u>1,351.62</u>	1,087.00 <u>1,090.62</u>	956.00 <u>959.62</u>
102,001 - 105,500	1,409.00 <u>1,412.62</u>	1,136.00 <u>1,139.62</u>	1,000.00 <u>1,003.62</u>

- c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years	
20,001 - 22,000	\$95.00 \$98.62	\$81.00 \$84.62	\$67.00 \$70.62	\$49.00 \$52.62	
22,001 - 24,000	100.00 103.62	85.00 88.62	70.00 73.62	51.00 54.62	
24,001 - 26,000	108.00 111.62	91.00 94.62	74.00 77.62	53.00 56.62	
26,001 - 28,000	112.00 122.62	99.00 102.62	80.00 83.62	57.00 60.62	
28,001 - 30,000	128.00 131.62	107.00 110.62	86.00 89.62	61.00 64.62	
30,001 - 32,000	142.00 146.62	120.00 123.62	97.00 100.62	70.00 73.62	
32,001 - 34,000	153.00 156.62	128.00 131.62	103.00 106.62	74.00 77.62	
34,001 - 36,000	163.00 166.62	136.00 139.62	109.00 112.62	78.00 81.62	
36,001 - 38,000	173.00 176.62	144.00 147.62	115.00 118.62	82.00 85.62	
38,001 - 40,000	183.00 186.62	152.00 155.62	121.00 124.62	86.00 89.62	
40,001 - 42,000	193.00 196.62	160.00 163.62	127.00 130.62	90.00 93.62	
42,001 - 44,000	203.00 206.62	168.00 171.62	133.00 136.62	94.00 97.62	
44,001 - 46,000	213.00 216.62	176.00 179.62	139.00 142.62	98.00 101.62	
46,001 - 48,000	223.00 226.62	184.00 187.62	145.00 148.62	102.00 105.62	
48,001 - 50,000	233.00 236.62	192.00 195.62	151.00 154.62	106.00 109.62	
50,001 - 52,000	253.00 256.62	210.00 213.62	167.00 170.62	120.00 123.62	
52,001 - 54,000	263.00 266.62	218.00 221.62	173.00 176.62	124.00 127.62	
54,001 - 56,000	273.00 276.62	226.00 229.62	179.00 182.62	128.00 131.62	

56,001 - 58,000	283.00 <u>286.62</u>	234.00 <u>237.62</u>	185.00 <u>188.62</u>	132.00 <u>135.62</u>
58,001 - 60,000	293.00 <u>296.62</u>	242.00 <u>245.62</u>	191.00 <u>194.62</u>	136.00 <u>139.62</u>
60,001 - 62,000	303.00 <u>306.62</u>	250.00 <u>253.62</u>	197.00 <u>200.62</u>	140.00 <u>143.62</u>
62,001 - 64,000	313.00 <u>316.62</u>	258.00 <u>261.62</u>	203.00 <u>206.62</u>	144.00 <u>147.62</u>
64,001 - 66,000	323.00 <u>326.62</u>	266.00 <u>269.62</u>	209.00 <u>212.62</u>	148.00 <u>151.62</u>
66,001 - 68,000	333.00 <u>336.62</u>	274.00 <u>277.62</u>	215.00 <u>218.62</u>	152.00 <u>155.62</u>
68,001 - 70,000	343.00 <u>346.62</u>	282.00 <u>285.62</u>	221.00 <u>224.62</u>	156.00 <u>159.62</u>
70,001 - 72,000	353.00 <u>356.62</u>	290.00 <u>293.62</u>	227.00 <u>230.62</u>	160.00 <u>163.62</u>
72,001 - 74,000	363.00 <u>366.62</u>	298.00 <u>301.62</u>	233.00 <u>236.62</u>	164.00 <u>167.62</u>
74,001 - 76,000	373.00 <u>376.62</u>	306.00 <u>309.62</u>	239.00 <u>242.62</u>	168.00 <u>171.62</u>
76,001 - 78,000	383.00 <u>386.62</u>	314.00 <u>317.62</u>	245.00 <u>248.62</u>	172.00 <u>175.62</u>
78,001 - 80,000	393.00 <u>396.62</u>	322.00 <u>325.62</u>	251.00 <u>254.62</u>	176.00 <u>179.62</u>
80,001 - 82,000	403.00 <u>406.62</u>	330.00 <u>333.62</u>	257.00 <u>260.62</u>	180.00 <u>183.62</u>
82,001 - 84,000	413.00 <u>416.62</u>	338.00 <u>341.62</u>	263.00 <u>266.62</u>	184.00 <u>187.62</u>
84,001 - 86,000	423.00 <u>426.62</u>	346.00 <u>349.62</u>	269.00 <u>272.62</u>	188.00 <u>191.62</u>
86,001 - 88,000	433.00 <u>436.62</u>	354.00 <u>357.62</u>	275.00 <u>278.62</u>	192.00 <u>195.62</u>
88,001 - 90,000	443.00 <u>446.62</u>	362.00 <u>365.62</u>	281.00 <u>284.62</u>	196.00 <u>199.62</u>
90,001 - 92,000	453.00 <u>456.62</u>	370.00 <u>373.62</u>	287.00 <u>290.62</u>	200.00 <u>203.62</u>
92,001 - 94,000	463.00 <u>466.62</u>	378.00 <u>381.62</u>	293.00 <u>296.62</u>	204.00 <u>207.62</u>
94,001 - 96,000	473.00 <u>476.62</u>	386.00 <u>389.62</u>	299.00 <u>302.62</u>	208.00 <u>211.62</u>
96,001 - 98,000	483.00 <u>486.62</u>	394.00 <u>397.62</u>	305.00 <u>308.62</u>	212.00 <u>215.62</u>
98,001 - 100,000	493.00 <u>496.62</u>	402.00 <u>405.62</u>	311.00 <u>314.62</u>	216.00 <u>219.62</u>
100,001 - 102,000	503.00 <u>506.62</u>	410.00 <u>413.62</u>	317.00 <u>320.62</u>	220.00 <u>223.62</u>
102,001 - 104,000	513.00 <u>516.62</u>	418.00 <u>421.62</u>	323.00 <u>326.62</u>	224.00 <u>227.62</u>
104,001 - 105,500	523.00 <u>526.62</u>	426.00 <u>429.62</u>	329.00 <u>332.62</u>	228.00 <u>231.62</u>

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

SECTION 4. AMENDMENT. Section 7 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

SECTION 7. TEMPORARY ALLOCATION. Two Four dollars of each registration fee collected under subsection 2 or 5 of section 39-04-19 must be deposited in the state highway fund.

SECTION 5. REPEAL. Section 10 of chapter 331 of the 2001 Session Laws is repealed."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$108,357,711	\$105,330,558	(\$108,154)	\$105,222,404
Operating expenses	124,852,389	113,252,309	9,398,218	122,650,587
Capital assets	459,498,984	471,098,984	41,078,658	512,178,642
Grants	44,085,503	44,085,503		44,085,503
Total all funds	\$734,792,587	\$733,765,414	\$50,368,722	\$784,134,136
Less estimated income	734,792,587	733,765,414	50,368,722	784,134,136
General fund	\$0	\$0	\$0	\$0
FTE	1,046.00	1,046.00	0.00	1,046.00

Dept. 801 - Department of Transportation - Detail of Senate Changes

	ADDS HIGHWAY CONSTRUCTION FUNDING ¹	ADDS FEDERAL HIGHWAY FUNDING ²	ADDS FUNDING FOR HIGHWAY PROJECTS ³	REDUCES THE RECOMMENDED FUNDING FOR HEALTH INSURANCE ⁴	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ⁵	TOTAL SENATE CHANGES
Salaries and wages				(\$108,154)		(\$108,154)
Operating expenses	\$10,000,000				(\$601,782)	9,398,218
Capital assets	33,750,000	\$7,100,000	\$228,658			41,078,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$228,658	(\$108,154)	(\$601,782)	\$50,368,722
Less estimated income	43,750,000	7,100,000	228,658	(108,154)	(601,782)	50,368,722
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ The capital assets line item is increased by \$33,750,000 for highway construction projects, and the operating expenses line item is increased by \$10 million for costs relating to consulting engineers. These increases reflect federal highway construction funding available to North Dakota of \$182.5 million for each year of the 2003-05 biennium, an increase of \$17.5 million per year compared to the \$165 million per year anticipated in the executive budget and House version. Of the total increase of \$43,750,000, \$35 million is from federal funds and \$8,750,000 is from the highway fund.

² The capital assets line item is increased by \$7,100,000 of federal funds for highway projects that do not require a state match.

³ The capital assets line item is increased by \$228,658 to utilize federal funding (\$182,928) and related state matching funds (\$45,732) removed by the House for the state employee salary increase for highway construction projects.

⁴ Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

⁵ This amendment reduces funding for information technology by \$601,782 of special funds which represents a reduction in information technology funding of approximately 4 percent.

Sections are added increasing motor vehicle registration fees by \$3.62 per year. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$2 to \$4 and removes the expiration date of June 30, 2005, for this allocation.

*Amendment
Vote*

Date: 4-8-03
Roll Call Vote #: 1

**2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.**

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38012.0209

Action Taken Do PASS

Motion Made By Tallackson Seconded By Thane

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman		✓			
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair		✓			
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter		✓			
Senator Kringstad	✓				
Senator Lindaas		✓			
Senator Mathern		✓			
Senator Robinson		✓			
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 8 No 6

Absent Amendment

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Deanna Tallackson
Operator's Signature

10/30/03
Date

no more
Amendment
proposed
no #

Bowman
2nd Andrist
Voice Vote

Date: 4-8-03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1012

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Bowman Seconded By Thane

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓	✓			
Senator Kringstad	✓				
Senator Lindaas		✓			
Senator Mathern		✓			
Senator Robinson		✓			
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 10 No 4

Absent _____

Floor Assignment Bowman

If the vote is on an amendment, briefly indicate intent:

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Deanna Gellera
Operator's Signature

10/30/03
Date

38012.0208
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
Senator Bowman
April 3, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, remove the first "and"

Page 1, line 3, replace "section" with "sections", after "24-02-44" insert "and 39-04-19", and
after "Code" insert "and section 7 of chapter 331 of the 2001 Session Laws"

Page 1, line 4, after "Dakota" insert "and motor vehicle registra" n fees; and to repeal
section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee
allocation"

Page 1, line 11, replace "105,330,558" with "105,222,404"

Page 1, line 12, replace "113,252,369" with "122,650,587"

Page 1, line 13, replace "471,096,984" with "512,175,642"

Page 1, line 15, replace "733,765,414" with "784,134,136"

Page 2, after line 3, insert:

"SECTION 3. AMENDMENT. Section 39-04-19 of the North Dakota Century
Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles
required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when
authorized to do so by the department, shall pay a fee of twenty dollars for
a trip permit which is valid for a period of seventy-two hours. All fees
collected under the provisions of this subsection must be credited to the
highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished
license plates upon the payment of the following annual fees; however, if a
motor vehicle, including a motorcycle or trailer, first becomes subject to
registration other than at the beginning of the registration period, such fees
must be prorated on a monthly basis. The minimum fee charged
hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years	
Less than 3,200	\$57.00 \$60	\$49.00 \$52	\$41.00 \$44	\$33.00 \$36	
3,200 - 4,499	77.00 80	65.00 68	53.00 56	41.00 44	
4,500 - 4,999	95.00 98	78.00 81	63.00 66	47.00 50	
5,000 - 5,999	126.00 129	104.00 107	82.00 85	60.00 63	
6,000 - 6,999	150.00 162	130.00 133	101.00 104	73.00 76	
7,000 - 7,999	192.00 195	156.00 159	121.00 124	86.00 89	

Page No. 1

38012.0208

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document being filmed.

Deanna Ball
Operator's Signature

10/30/03
Date

8,000 - 8,999	226.00 228	483.00 180	141.00 144	99.00 102
9,000 and over	258.00 261	299.00 212	161.00 164	112.00 115

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$55.00 58	\$42.00 45	\$37.00 40	\$34.00 37	\$33.00 36
4,001 - 6,000	60.00 63	47.00 50	41.00 44	35.00 38	34.00 37
6,001 - 8,000	65.00 68	52.00 55	45.00 48	36.00 39	35.00 38
8,001 - 10,000	70.00 73	57.00 60	49.00 52	38.00 41	37.00 40
10,001 - 12,000	75.00 78	62.00 65	53.00 56	40.00 43	39.00 42
12,001 - 14,000	80.00 83	67.00 70	57.00 60	43.00 46	42.00 45
14,001 - 16,000	85.00 88	72.00 75	61.00 64	46.00 49	45.00 48
16,001 - 18,000	90.00 93	77.00 80	65.00 68	48.00 51	47.00 50
18,001 - 20,000	93.00 96	80.00 83	67.00 70	49.00 52	48.00 51

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$123.00 126	\$97.00 100	\$84.00 87
22,001 - 26,000	175.00 178	145.00 148	129.00 132
26,001 - 30,000	236.00 239	194.00 197	172.00 175
30,001 - 34,000	302.00 305	247.00 250	219.00 222
34,001 - 38,000	363.00 366	296.00 299	262.00 265
38,001 - 42,000	424.00 427	345.00 348	304.00 307
42,001 - 46,000	485.00 488	393.00 396	347.00 350
46,001 - 50,000	546.00 549	442.00 445	390.00 393
50,001 - 54,000	616.00 619	500.00 503	441.00 444
54,001 - 58,000	677.00 680	549.00 552	484.00 487
58,001 - 62,000	739.00 742	598.00 601	527.00 530
62,001 - 66,000	799.00 802	646.00 649	570.00 573
66,001 - 70,000	860.00 863	695.00 698	612.00 615
70,001 - 74,000	921.00 924	744.00 747	655.00 658
74,001 - 78,000	982.00 985	793.00 796	698.00 701
78,001 - 82,000	1,043.00 1,046	842.00 845	741.00 744
82,001 - 86,000	1,104.00 1,107	891.00 894	784.00 787
86,001 - 90,000	1,165.00 1,168	940.00 943	827.00 830
90,001 - 94,000	1,226.00 1,229	989.00 992	870.00 873
94,001 - 98,000	1,287.00 1,290	1,038.00 1,041	913.00 916
98,001 - 102,000	1,348.00 1,351	1,087.00 1,090	956.00 959
102,001 - 105,500	1,409.00 1,412	1,136.00 1,139	1,000.00 1,003

- c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years	
20,001 - 22,000	\$95.00 <u>\$98</u>	\$81.00 <u>\$84</u>	\$67.00 <u>\$70</u>	\$49.00 <u>\$52</u>	
22,001 - 24,000	100.00 <u>103</u>	85.00 <u>88</u>	70.00 <u>73</u>	51.00 <u>54</u>	
24,001 - 26,000	108.00 <u>111</u>	91.00 <u>94</u>	74.00 <u>77</u>	53.00 <u>56</u>	
26,001 - 28,000	119.00 <u>122</u>	99.00 <u>102</u>	80.00 <u>83</u>	57.00 <u>60</u>	
28,001 - 30,000	128.00 <u>131</u>	107.00 <u>110</u>	86.00 <u>89</u>	61.00 <u>64</u>	
30,001 - 32,000	143.00 <u>146</u>	120.00 <u>123</u>	97.00 <u>100</u>	70.00 <u>73</u>	
32,001 - 34,000	153.00 <u>156</u>	128.00 <u>131</u>	103.00 <u>106</u>	74.00 <u>77</u>	
34,001 - 36,000	163.00 <u>166</u>	136.00 <u>139</u>	109.00 <u>112</u>	78.00 <u>81</u>	
36,001 - 38,000	173.00 <u>176</u>	144.00 <u>147</u>	115.00 <u>118</u>	82.00 <u>85</u>	
38,001 - 40,000	183.00 <u>186</u>	152.00 <u>155</u>	121.00 <u>124</u>	86.00 <u>89</u>	
40,001 - 42,000	193.00 <u>196</u>	160.00 <u>163</u>	127.00 <u>130</u>	90.00 <u>93</u>	
42,001 - 44,000	203.00 <u>206</u>	168.00 <u>171</u>	133.00 <u>136</u>	94.00 <u>97</u>	
44,001 - 46,000	213.00 <u>216</u>	176.00 <u>179</u>	139.00 <u>142</u>	98.00 <u>101</u>	
46,001 - 48,000	223.00 <u>226</u>	184.00 <u>187</u>	145.00 <u>148</u>	102.00 <u>105</u>	
48,001 - 50,000	233.00 <u>236</u>	192.00 <u>195</u>	151.00 <u>154</u>	106.00 <u>109</u>	
50,001 - 52,000	253.00 <u>256</u>	210.00 <u>213</u>	167.00 <u>170</u>	120.00 <u>123</u>	
52,001 - 54,000	263.00 <u>266</u>	218.00 <u>221</u>	173.00 <u>176</u>	124.00 <u>127</u>	
54,001 - 56,000	273.00 <u>276</u>	226.00 <u>229</u>	179.00 <u>182</u>	128.00 <u>131</u>	

56,001 - 58,000	283.00 286	234.00 237	185.00 188	132.00 135
58,001 - 60,000	293.00 296	242.00 245	191.00 194	136.00 139
60,001 - 62,000	303.00 306	250.00 253	197.00 200	140.00 143
62,001 - 64,000	313.00 316	258.00 261	203.00 206	144.00 147
64,001 - 66,000	323.00 326	266.00 269	209.00 212	148.00 151
66,001 - 68,000	333.00 336	274.00 277	215.00 218	152.00 155
68,001 - 70,000	343.00 346	282.00 285	221.00 224	156.00 159
70,001 - 72,000	353.00 356	290.00 293	227.00 230	160.00 163
72,001 - 74,000	363.00 366	298.00 301	233.00 236	164.00 167
74,001 - 76,000	373.00 376	306.00 309	239.00 242	168.00 171
76,001 - 78,000	383.00 386	314.00 317	245.00 248	172.00 175
78,001 - 80,000	393.00 396	322.00 325	251.00 254	176.00 179
80,001 - 82,000	403.00 406	330.00 333	257.00 260	180.00 183
82,001 - 84,000	413.00 416	338.00 341	263.00 266	184.00 187
84,001 - 86,000	423.00 426	346.00 349	269.00 272	188.00 191
86,001 - 88,000	433.00 436	354.00 357	275.00 278	192.00 195
88,001 - 90,000	443.00 446	362.00 365	281.00 284	196.00 199
90,001 - 92,000	453.00 456	370.00 373	287.00 290	200.00 203
92,001 - 94,000	463.00 466	378.00 381	293.00 296	204.00 207
94,001 - 96,000	473.00 476	386.00 389	299.00 302	208.00 211
96,001 - 98,000	483.00 486	394.00 397	305.00 308	212.00 215
98,001 - 100,000	493.00 496	402.00 405	311.00 314	216.00 219
100,001 - 102,000	503.00 506	410.00 413	317.00 320	220.00 223
102,001 - 104,000	513.00 516	418.00 421	323.00 326	224.00 227
104,001 - 105,500	523.00 526	426.00 429	329.00 332	228.00 231

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

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Renumber accordingly

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Salaries and wages	\$106,357,711	\$105,330,558	(\$108,154)	\$105,222,404
Operating expenses	124,852,369	113,252,389	9,398,218	122,650,607
Capital assets	459,496,984	471,096,984	41,078,658	512,175,642
Grants	44,085,503	44,085,503		44,085,503
Total all funds	\$734,792,567	\$733,765,414	\$50,368,722	\$784,134,136
Less estimated income	734,792,567	733,765,414	50,368,722	784,134,136
General fund	\$0	\$0	\$0	\$0
FTE	1,046.00	1,046.00	0.00	1,046.00

Dept. 801 - Department of Transportation - Detail of Senate Changes

	ADDS HIGHWAY CONSTRUCTION FUNDING ¹	ADDS FEDERAL HIGHWAY FUNDING ²	ADDS FUNDING FOR HIGHWAY PROJECTS ³	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ⁴	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ⁵	TOTAL SENATE CHANGES
Salaries and wages				(\$106,154)		(\$106,154)
Operating expenses	\$10,000,000				(\$601,782)	9,398,218
Capital assets	33,750,000	\$7,100,000	\$226,658			41,076,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$226,658	(\$106,154)	(\$601,782)	\$50,368,722
Less estimated income	<u>43,750,000</u>	<u>7,100,000</u>	<u>226,658</u>	<u>(106,154)</u>	<u>(601,782)</u>	<u>50,368,722</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ The capital assets line item is increased by \$33,750,000 for highway construction projects and the operating expenses line item is increased by \$10,000,000 for costs relating to consulting engineers. These increases reflect federal highway construction funding available to North Dakota of \$162.5 million for each year of the 2003-05 biennium, an increase of \$17.5 million per year compared to the \$145 million per year anticipated in the executive budget and House version. Of the total increase of \$43,750,000, \$35,000,000 is from federal funds and \$8,750,000 is from the highway fund.

² The capital assets line item is increased by \$7,100,000 of federal funds for highway projects that do not require a state match.

³ The capital assets line item is increased by \$226,658 to utilize federal funding (\$182,926) and related state matching funds (\$43,732) removed by the House for the state employee salary increase for highway construction projects.

⁴ Funding for state employee health insurance premiums is reduced from \$483 per month to \$466.70 per month.

⁵ This amendment reduces funding for information technology by \$601,782 of special funds which represents a reduction in information technology funding of approximately 4 percent.

Sections are added increasing motor vehicle registration fees by \$3 per year. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$2 to \$4 and removes the expiration date of June 30, 2005, for this allocation.

Date: 4/9/03
Roll Call Vote #: 3

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1012 reconsideration

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38012.0208 Title .0300

Action Taken Do Pass as amended

Motion Made By Andrist Seconded By g. Kringstad

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter		✓			
Senator Kringstad	✓				
Senator Lindaas		✓			
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 12 No 2

Absent 0

Floor Assignment Bowman

If the vote is on an amendment, briefly indicate intent:

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Operator's Signature

Date

10/30/03

38012.0214
Title.0300
Fiscal No. 5

Prepared by the Legislative Council staff for
Senate Appropriations
April 9, 2003

JB
4-9-03
1045

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, replace the first "and" with "to authorize the department of transportation to acquire lands;"

Page 1, line 3, replace "section" with "sections 24-01-51," after "24-02-44" insert ", and 39-04-19", after "Code" insert "and section 7 of chapter 331 of the 2001 Session Laws", and after "to" insert "haying of no-mow areas,"

Page 1, line 4, after "Dakota" insert ", and motor vehicle registration fees; and to repeal section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee allocation"

Page 1, line 11, replace "105,330,558" with "105,222,404"

Page 1, line 12, replace "113,252,369" with "122,650,587"

Page 1, line 13, replace "471,096,984" with "512,175,642"

Page 1, line 15, replace "733,765,414" with "784,134,136"

Page 1, after line 15, insert:

"SECTION 2. ACQUIRING LAND IN NO-MOW AND MANAGED-MOW AREAS. The department of transportation may acquire land to eliminate no-mow and managed-mow areas adjacent to the state's roadways. If the department intends to acquire public land to eliminate no-mow and managed-mow areas, the department shall hold a public hearing in the county in which the land is located before the land is acquired.

SECTION 3. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2004 2006) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 2, after line 3, insert:

"SECTION 5. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.

Deanna Ball
Operator's Signature

10/30/03
Date

2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	\$57.00 \$60	\$40.00 \$52	\$41.00 \$44	\$33.00 \$36
3,200 - 4,499	77.00 80	65.00 68	53.00 56	41.00 44
4,500 - 4,999	85.00 98	78.00 81	63.00 66	47.00 50
5,000 - 5,999	126.00 129	104.00 107	82.00 85	60.00 63
6,000 - 6,999	150.00 162	130.00 133	101.00 104	73.00 76
7,000 - 7,999	182.00 195	156.00 159	121.00 124	86.00 89
8,000 - 8,999	225.00 228	183.00 186	141.00 144	99.00 102
9,000 and over	258.00 261	209.00 212	161.00 164	112.00 115

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$55.00 \$58	\$42.00 \$45	\$37.00 \$40	\$34.00 \$37	\$33.00 \$36
4,001 - 6,000	60.00 63	47.00 50	41.00 44	35.00 38	34.00 37
6,001 - 8,000	65.00 68	52.00 55	45.00 48	36.00 39	35.00 38
8,001 - 10,000	70.00 73	57.00 60	49.00 52	38.00 41	37.00 40
10,001 - 12,000	75.00 78	62.00 65	53.00 56	40.00 43	39.00 42
12,001 - 14,000	80.00 83	67.00 70	57.00 60	43.00 46	42.00 45
14,001 - 16,000	85.00 88	72.00 75	61.00 64	46.00 49	45.00 48
16,001 - 18,000	90.00 93	77.00 80	65.00 68	48.00 51	47.00 50
18,001 - 20,000	93.00 96	80.00 83	67.00 70	49.00 52	48.00 51

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$123.00 \$126	\$97.00 \$100	\$84.00 \$87
22,001 - 26,000	175.00 178	145.00 148	129.00 132
26,001 - 30,000	236.00 239	194.00 197	172.00 175
30,001 - 34,000	302.00 305	247.00 250	219.00 222
34,001 - 38,000	363.00 366	296.00 299	262.00 265
38,001 - 42,000	424.00 427	345.00 348	304.00 307
42,001 - 46,000	485.00 488	393.00 396	347.00 350

3 of 5

46,001 - 50,000	548.00 549	442.00 445	399.00 393
50,001 - 54,000	616.00 619	500.00 503	441.00 444
54,001 - 58,000	677.00 680	548.00 552	484.00 487
58,001 - 62,000	739.00 742	598.00 601	527.00 530
62,001 - 66,000	799.00 802	646.00 649	570.00 573
66,001 - 70,000	860.00 863	695.00 698	612.00 615
70,001 - 74,000	921.00 924	744.00 747	655.00 658
74,001 - 78,000	982.00 985	793.00 796	698.00 701
78,001 - 82,000	1,043.00 1,046	842.00 845	741.00 744
82,001 - 86,000	1,104.00 1,107	891.00 894	784.00 787
86,001 - 90,000	1,165.00 1,168	940.00 943	827.00 830
90,001 - 94,000	1,226.00 1,229	989.00 992	870.00 873
94,001 - 98,000	1,287.00 1,290	1,038.00 1,041	913.00 916
98,001 - 102,000	1,348.00 1,351	1,087.00 1,090	956.00 959
102,001 - 105,500	1,409.00 1,412	1,136.00 1,139	1,000.00 1,003

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years

4 of 5

20,001 - 22,000	\$95.00 \$98	\$81.00 \$84	\$67.00 \$70	\$49.00 \$52
22,001 - 24,000	100.00 103	85.00 88	71.00 73	51.00 54
24,001 - 26,000	108.00 111	91.00 94	74.00 77	53.00 56
26,001 - 28,000	110.00 122	99.00 102	80.00 83	57.00 60
28,001 - 30,000	128.00 131	107.00 110	86.00 89	61.00 64
30,001 - 32,000	143.00 146	120.00 123	97.00 100	70.00 73
32,001 - 34,000	153.00 156	128.00 131	103.00 106	74.00 77
34,001 - 36,000	163.00 166	136.00 139	109.00 112	78.00 81
36,001 - 38,000	173.00 176	144.00 147	115.00 118	82.00 85
38,001 - 40,000	183.00 186	152.00 155	121.00 124	86.00 89
40,001 - 42,000	193.00 196	160.00 163	127.00 130	90.00 93
42,001 - 44,000	203.00 206	168.00 171	133.00 136	94.00 97
44,001 - 46,000	213.00 216	176.00 179	139.00 142	98.00 101
46,001 - 48,000	223.00 226	184.00 187	145.00 148	102.00 105
48,001 - 50,000	233.00 236	192.00 195	151.00 154	106.00 109
50,001 - 52,000	253.00 256	210.00 213	167.00 170	120.00 123
52,001 - 54,000	263.00 266	218.00 221	173.00 176	124.00 127
54,001 - 56,000	273.00 276	226.00 229	179.00 182	128.00 131
56,001 - 58,000	283.00 286	234.00 237	185.00 188	132.00 135
58,001 - 60,000	293.00 296	242.00 245	191.00 194	136.00 139
60,001 - 62,000	303.00 306	250.00 253	197.00 200	140.00 143
62,001 - 64,000	313.00 316	258.00 261	203.00 206	144.00 147
64,001 - 66,000	323.00 326	266.00 269	209.00 212	148.00 151
66,001 - 68,000	333.00 336	274.00 277	215.00 218	152.00 155
68,001 - 70,000	343.00 346	282.00 285	221.00 224	156.00 159
70,001 - 72,000	353.00 356	290.00 293	227.00 230	160.00 163
72,001 - 74,000	363.00 366	298.00 301	233.00 236	164.00 167
74,001 - 76,000	373.00 376	306.00 309	239.00 242	168.00 171
76,001 - 78,000	383.00 386	314.00 317	245.00 248	172.00 175
78,001 - 80,000	393.00 396	322.00 325	251.00 254	176.00 179
80,001 - 82,000	403.00 406	330.00 333	257.00 260	180.00 183
82,001 - 84,000	413.00 416	352.00 355	300.00 303	256.00 259
84,001 - 86,000	433.00 436	360.00 372	314.00 317	268.00 271
86,001 - 88,000	453.00 456	386.00 389	328.00 331	280.00 283
88,001 - 90,000	473.00 476	403.00 406	342.00 345	292.00 295
90,001 - 92,000	493.00 496	420.00 423	356.00 359	304.00 307
92,001 - 94,000	513.00 516	437.00 440	370.00 373	316.00 319
94,001 - 96,000	533.00 536	454.00 457	384.00 387	328.00 331
96,001 - 98,000	553.00 556	471.00 474	398.00 401	340.00 343
98,001 - 100,000	573.00 576	488.00 491	412.00 415	352.00 355
100,001 - 102,000	593.00 596	505.00 508	426.00 429	364.00 367
102,001 - 104,000	613.00 616	522.00 525	440.00 443	376.00 379
104,001 - 105,500	633.00 636	539.00 542	454.00 457	388.00 391

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying Identification issued by the department and upon payment of a fee of twenty-five dollars.

SECTION 6. AMENDMENT. Section 7 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

SECTION 7. TEMPORARY ALLOCATION. Two ~~Four~~ dollars of each registration fee collected under subsection 2 or 5 of section 39-04-19 must be deposited in the state highway fund.

SECTION 7. REPEAL. Section 10 of chapter 331 of the 2001 Session Laws is repealed."

Renumber accordingly

Deanna Ballarbo
Operator's Signature

10/30/03
Date

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$106,357,711	\$106,330,556	(\$106,154)	\$106,222,404
Operating expenses	124,852,369	113,262,369	9,390,218	122,650,587
Capital assets	459,498,984	471,096,984	41,078,658	512,175,642
Grants	44,085,503	44,085,503		44,085,503
Total all funds	\$734,792,567	\$733,765,414	\$50,368,722	\$784,134,136
Less estimated income	734,792,567	733,765,414	50,368,722	784,134,136
General fund	\$0	\$0	\$0	\$0
FTE	1,046.00	1,046.00	0.00	1,046.00

Dept. 801 - Department of Transportation - Detail of Senate Changes

	ADDS HIGHWAY CONSTRUCTION FUNDING 1	ADDS FEDERAL HIGHWAY FUNDING 2	ADDS FUNDING FOR HIGHWAY PROJECTS 3	REDUCES THE RECOMMENDED FUNDING FOR HEALTH INSURANCE 4	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 5	TOTAL SENATE CHANGES
Salaries and wages				(\$106,154)		(\$106,154)
Operating expenses	\$10,000,000				(\$601,782)	9,398,218
Capital assets	33,750,000	\$7,100,000	\$228,658			41,078,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$228,658	(\$106,154)	(\$601,782)	\$50,368,722
Less estimated income	43,750,000	7,100,000	228,658	(106,154)	(601,782)	50,368,722
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 The capital assets line item is increased by \$33,750,000 for highway construction projects, and the operating expenses line item is increased by \$10 million for costs relating to consulting engineers. These increases reflect federal highway construction funding available to North Dakota of \$182.5 million for each year of the 2003-05 biennium, an increase of \$17.5 million per year compared to the \$165 million per year anticipated in the executive budget and House version. Of the total increase of \$43,750,000, \$35 million is from federal funds and \$8,750,000 is from the highway fund.

2 The capital assets line item is increased by \$7,100,000 of federal funds for highway projects that do not require a state match.

3 The capital assets line item is increased by \$228,658 to utilize federal funding (\$182,926) and related state matching funds (\$45,732) removed by the House for the state employee salary increase for highway construction projects.

4 Funding for state employee health insurance premiums is reduced from \$493 to \$486.70 per month.

5 This amendment reduces funding for information technology by \$601,782 of special funds which represents a reduction in information technology funding of approximately 4 percent.

Sections are added increasing motor vehicle registration fees by \$3 per year. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$2 to \$4 and removes the expiration date of June 30, 2005, for this allocation.

A section is added authorizing the department to acquire land to eliminate no-mow or managed-mow areas along state highways.

A section is added delaying the effective date from January 1, 2004, to January 1, 2006, of a section allowing a landowner owning land next to a no-mow or managed-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

2003 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1012

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Deanna Gallardo
Operator's Signature

10/30/03
Date

REPORT OF CONFERENCE COMMITTEE (420)
April 24, 2003 8:48 a.m.

Modulo No: SR-74-8286

Insert LC: 36012.0217

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Bowman, Schobinger, Tallackson and Reps. Timm, Carlson, Glasshelm) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1444-1448, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1444-1448 of the House Journal and pages 1260-1265 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, replace the first "and" with "to authorize the department of transportation to acquire lands;"

Page 1, line 3, replace "section" with "sections 24-01-51," after "24-02-44" insert ", and 39-04-19, and subdivisions f and g of subsection 1 of section 39-09-02", after "Code" insert "and section 7 of chapter 331 of the 2001 Session Laws", and after "to" insert "haying of no-mow areas,"

Page 1, line 4, after "Dakota" insert ", motor vehicle registration fees, and speed limits; to repeal section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee allocation; and to declare an emergency"

Page 1, line 11, replace "105,330,558" with "105,222,404"

Page 1, line 12, replace "113,252,369" with "122,902,369"

Page 1, line 13, replace "471,096,984" with "512,175,642"

Page 1, line 15, replace "733,765,414" with "784,385,918"

Page 1, after line 15, insert:

"SECTION 2. ACQUIRING LAND IN NO-MOW AND MANAGED-MOW AREAS. The department of transportation may acquire land to eliminate no-mow and managed-mow areas adjacent to the state's roadways. If the department intends to acquire public land to eliminate no-mow and managed-mow areas, the department shall hold a public hearing in the county in which the land is located before the land is acquired.

SECTION 3. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2004 2006) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 2, after line 3, insert:

"SECTION 5. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	\$57.00 \$60	\$40.00 \$52	\$41.00 \$44	\$33.00 \$36
3,200 - 4,499	77.00 80	65.00 68	53.00 56	41.00 44
4,500 - 4,999	95.00 98	78.00 81	63.00 66	47.00 50
5,000 - 5,999	126.00 129	104.00 107	82.00 85	60.00 63
6,000 - 6,999	150.00 162	130.00 133	101.00 104	73.00 76
7,000 - 7,999	192.00 195	156.00 159	121.00 124	86.00 89
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9,000 and over	258.00 261	209.00 212	161.00 164	112.00 115

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$55.00 \$58	\$42.00 \$45	\$37.00 \$40	\$34.00 \$37	\$33.00 \$36
4,001 - 6,000	60.00 63	47.00 50	41.00 44	35.00 38	34.00 37
6,001 - 8,000	65.00 68	52.00 55	45.00 48	36.00 39	35.00 38
8,001 - 10,000	70.00 73	57.00 60	49.00 52	38.00 41	37.00 40
10,001 - 12,000	75.00 78	62.00 65	53.00 56	40.00 43	39.00 42
12,001 - 14,000	80.00 83	67.00 70	57.00 60	43.00 46	42.00 45
14,001 - 16,000	85.00 88	72.00 75	61.00 64	46.00 49	45.00 48
16,001 - 18,000	90.00 93	77.00 80	65.00 68	48.00 51	47.00 50
18,001 - 20,000	93.00 96	80.00 83	67.00 70	49.00 52	48.00 51

Gross	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th,	8th, 9th, 10th, 11th, and	13th and Subsequent

REPORT OF CONFERENCE COMMITTEE (420)
April 24, 2003 8:48 a.m.

Module No: SR-74-8286

Insert LC: 38012.0217

Weights	and 7th Years	12th Years	Years
20,001 - 22,000	\$123.00 \$126	\$97.00 \$100	\$84.00 \$87
22,001 - 26,000	175.00 178	145.00 148	129.00 132
26,001 - 30,000	236.00 239	194.00 197	172.00 175
30,001 - 34,000	302.00 305	247.00 250	218.00 222
34,001 - 38,000	363.00 366	296.00 299	262.00 265
38,001 - 42,000	424.00 427	345.00 348	304.00 307
42,001 - 46,000	485.00 488	393.00 396	347.00 350
46,001 - 50,000	546.00 549	442.00 445	390.00 393
50,001 - 54,000	616.00 619	500.00 503	441.00 444
54,001 - 58,000	677.00 680	549.00 552	484.00 487
58,001 - 62,000	739.00 742	598.00 601	527.00 530
62,001 - 66,000	799.00 802	646.00 649	570.00 573
66,001 - 70,000	860.00 863	695.00 698	612.00 615
70,001 - 74,000	921.00 924	744.00 747	655.00 658
74,001 - 78,000	982.00 985	793.00 796	698.00 701
78,001 - 82,000	1,043.00 1,046	842.00 845	741.00 744
82,001 - 86,000	1,106.00 1,109	891.00 894	784.00 787
86,001 - 90,000	1,168.00 1,171	940.00 943	827.00 830
90,001 - 94,000	1,231.00 1,234	989.00 992	870.00 873
94,001 - 98,000	1,294.00 1,297	1,038.00 1,041	913.00 916
98,001 - 102,000	1,357.00 1,360	1,087.00 1,090	956.00 959
102,001 - 105,500	1,420.00 1,423	1,136.00 1,139	1,000.00 1,003

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the

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SR-74-8286

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Deanna Williams
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REPORT OF CONFERENCE COMMITTEE (420)
April 24, 2003 8:48 a.m.

Module No: SR-74-8286

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usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	\$95.00 <u>\$98</u>	\$81.00 <u>\$84</u>	\$67.00 <u>\$70</u>	\$49.00 <u>\$52</u>
22,001 - 24,000	100.00 <u>103</u>	85.00 <u>88</u>	70.00 <u>73</u>	51.00 <u>54</u>
24,001 - 26,000	108.00 <u>111</u>	91.00 <u>94</u>	74.00 <u>77</u>	53.00 <u>56</u>
26,001 - 28,000	110.00 <u>122</u>	99.00 <u>102</u>	80.00 <u>83</u>	57.00 <u>60</u>
28,001 - 30,000	128.00 <u>131</u>	107.00 <u>110</u>	86.00 <u>89</u>	61.00 <u>64</u>
30,001 - 32,000	142.00 <u>146</u>	120.00 <u>123</u>	97.00 <u>100</u>	70.00 <u>73</u>
32,001 - 34,000	153.00 <u>156</u>	128.00 <u>131</u>	103.00 <u>106</u>	74.00 <u>77</u>
34,001 - 36,000	163.00 <u>166</u>	136.00 <u>139</u>	109.00 <u>112</u>	78.00 <u>81</u>
36,001 - 38,000	173.00 <u>176</u>	144.00 <u>147</u>	115.00 <u>118</u>	82.00 <u>85</u>
38,001 - 40,000	183.00 <u>186</u>	152.00 <u>155</u>	121.00 <u>124</u>	86.00 <u>89</u>
40,001 - 42,000	193.00 <u>196</u>	160.00 <u>163</u>	127.00 <u>130</u>	90.00 <u>93</u>
42,001 - 44,000	203.00 <u>206</u>	168.00 <u>171</u>	133.00 <u>136</u>	94.00 <u>97</u>
44,001 - 46,000	213.00 <u>216</u>	176.00 <u>179</u>	139.00 <u>142</u>	98.00 <u>101</u>
46,001 - 48,000	223.00 <u>226</u>	184.00 <u>187</u>	145.00 <u>148</u>	102.00 <u>105</u>
48,001 - 50,000	233.00 <u>236</u>	192.00 <u>195</u>	151.00 <u>154</u>	106.00 <u>109</u>
50,001 - 52,000	253.00 <u>256</u>	210.00 <u>213</u>	167.00 <u>170</u>	120.00 <u>123</u>
52,001 - 54,000	263.00 <u>266</u>	218.00 <u>221</u>	173.00 <u>176</u>	124.00 <u>127</u>
54,001 - 56,000	273.00 <u>276</u>	226.00 <u>229</u>	179.00 <u>182</u>	128.00 <u>131</u>
56,001 - 58,000	283.00 <u>286</u>	234.00 <u>237</u>	185.00 <u>188</u>	132.00 <u>135</u>
58,001 - 60,000	293.00 <u>296</u>	242.00 <u>245</u>	191.00 <u>194</u>	136.00 <u>139</u>
60,001 - 62,000	303.00 <u>306</u>	250.00 <u>253</u>	197.00 <u>200</u>	140.00 <u>143</u>
62,001 - 64,000	313.00 <u>316</u>	258.00 <u>261</u>	203.00 <u>206</u>	144.00 <u>147</u>
64,001 - 66,000	323.00 <u>326</u>	266.00 <u>269</u>	209.00 <u>212</u>	148.00 <u>151</u>
66,001 - 68,000	333.00 <u>336</u>	274.00 <u>277</u>	215.00 <u>218</u>	152.00 <u>155</u>
68,001 - 70,000	343.00 <u>346</u>	282.00 <u>285</u>	221.00 <u>224</u>	156.00 <u>159</u>
70,001 - 72,000	353.00 <u>356</u>	290.00 <u>293</u>	227.00 <u>230</u>	160.00 <u>163</u>
72,001 - 74,000	363.00 <u>366</u>	298.00 <u>301</u>	233.00 <u>236</u>	164.00 <u>167</u>
74,001 - 76,000	373.00 <u>376</u>	306.00 <u>309</u>	239.00 <u>242</u>	168.00 <u>171</u>
76,001 - 78,000	383.00 <u>386</u>	314.00 <u>317</u>	245.00 <u>248</u>	172.00 <u>175</u>
78,001 - 80,000	393.00 <u>396</u>	322.00 <u>325</u>	251.00 <u>254</u>	176.00 <u>179</u>
80,001 - 82,000	403.00 <u>406</u>	330.00 <u>333</u>	257.00 <u>260</u>	180.00 <u>183</u>
82,001 - 84,000	413.00 <u>416</u>	352.00 <u>355</u>	300.00 <u>303</u>	256.00 <u>259</u>
84,001 - 86,000	433.00 <u>436</u>	360.00 <u>372</u>	314.00 <u>317</u>	268.00 <u>271</u>
86,001 - 88,000	453.00 <u>456</u>	386.00 <u>389</u>	328.00 <u>331</u>	280.00 <u>283</u>
88,001 - 90,000	473.00 <u>476</u>	403.00 <u>406</u>	342.00 <u>345</u>	292.00 <u>295</u>
90,001 - 92,000	493.00 <u>496</u>	420.00 <u>423</u>	356.00 <u>359</u>	304.00 <u>307</u>
92,001 - 94,000	513.00 <u>516</u>	437.00 <u>440</u>	370.00 <u>373</u>	316.00 <u>319</u>
94,001 - 96,000	533.00 <u>536</u>	454.00 <u>457</u>	384.00 <u>387</u>	328.00 <u>331</u>
96,001 - 98,000	553.00 <u>556</u>	471.00 <u>474</u>	398.00 <u>401</u>	340.00 <u>343</u>
98,001 - 100,000	573.00 <u>576</u>	488.00 <u>491</u>	412.00 <u>415</u>	352.00 <u>355</u>
100,001 - 102,000	593.00 <u>596</u>	505.00 <u>508</u>	426.00 <u>429</u>	364.00 <u>367</u>
102,001 - 104,000	613.00 <u>616</u>	522.00 <u>525</u>	440.00 <u>443</u>	376.00 <u>379</u>
104,001 - 105,500	633.00 <u>636</u>	539.00 <u>542</u>	454.00 <u>457</u>	388.00 <u>391</u>

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REPORT OF CONFERENCE COMMITTEE (420)
April 24, 2003 8:48 a.m.

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6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

SECTION 6. AMENDMENT. Subdivisions f and g of subsection 1 of section 39-09-02 of the North Dakota Century Code as amended in section 1 of House Bill No. 1046, as approved by the fifty-eighth legislative assembly, are amended and reenacted as follows:

- f. Fifty-five miles [88.51 kilometers] an hour on gravel, dirt, or loose surface highways, and on paved two-lane county and township highways if there is no speed limit posted, unless otherwise permitted, restricted, or required by conditions.
- g. Sixty-five miles [104.61 kilometers] an hour on paved two-lane highways and on paved and divided multilane highways if posted for that speed, unless otherwise permitted, restricted, or required by conditions.

SECTION 7. AMENDMENT. Section 7 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

SECTION 7. TEMPORARY ALLOCATION. ~~Two~~Three dollars of each registration fee collected under subsection 2 or 5 of section 39-04-19 must be deposited in the state highway fund.

SECTION 8. REPEAL. Section 10 of chapter 331 of the 2001 Session Laws is repealed.

SECTION 9. EMERGENCY. Sections 6 and 8 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$108,357,711	\$105,330,558	(\$108,154)	\$105,222,404	\$105,222,404	
Operating expenses	124,852,369	113,252,369	9,650,000	122,902,369	122,850,587	\$251,782
Capital assets	459,496,984	471,096,984	41,078,858	512,175,842	512,175,842	
Grants	<u>44,085,503</u>	<u>44,085,503</u>		<u>44,085,503</u>	<u>44,085,503</u>	
Total all funds	\$734,792,567	\$733,765,414	\$50,620,504	\$784,385,918	\$784,134,136	\$251,782
Less estimated income	<u>734,792,567</u>	<u>733,765,414</u>	<u>50,620,504</u>	<u>784,385,918</u>	<u>784,134,136</u>	<u>251,782</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1,048.00	1,048.00	0.00	1,048.00	1,048.00	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	ADDS HIGHWAY CONSTRUCTION FUNDING 1	ADDS FEDERAL HIGHWAY FUNDING 2	ADDS FUNDING FOR HIGHWAY PROJECTS 3	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 4	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 5	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages				(\$108,154)		(\$108,154)
(2) DESK, (2) COMM						SR-74-8286

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Operating expenses	\$10,000,000				(\$350,000)	9,650,000
Capital assets	33,750,000	\$7,100,000	\$228,658			41,078,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$228,658	(\$108,154)	(\$350,000)	\$50,620,504
Less estimated income	<u>43,750,000</u>	<u>7,100,000</u>	<u>228,658</u>	<u>(108,154)</u>	<u>(350,000)</u>	<u>50,620,504</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 The capital assets line item is increased by \$33,750,000 for highway construction projects, and the operating expenses line item is increased by \$10 million for costs relating to consulting engineers. These increases reflect federal highway construction funding available to North Dakota of \$182.5 million for each year of the 2003-05 biennium, an increase of \$17.5 million per year compared to the \$165 million per year anticipated in the executive budget and House version. Of the total increase of \$43,750,000, \$35 million is from federal funds and \$8,750,000 is from the highway fund. The Senate also made these changes.

2 The capital assets line item is increased by \$7,100,000 of federal funds for highway projects that do not require a state match, the same as the Senate version.

3 The capital assets line item is increased by \$228,658 to utilize federal funding (\$182,926) and related state matching funds (\$45,732) removed by the House for the state employee salary increase for highway construction projects. The Senate also made this change.

4 Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

5 This amendment reduces funding for information technology by \$350,000 of special funds.

Sections are added increasing motor vehicle registration fees by \$3 per year. Of the \$3 increase, \$2 is deposited in the highway tax distribution fund and \$1 in the highway fund. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$1 to \$3 and removes the expiration date of June 30, 2005, for this allocation. The Senate had increased motor vehicle registration fees by \$3, but deposited \$1 in the highway tax distribution fund and \$2 in the highway fund.

A section is added authorizing the department to acquire land to eliminate no-mow or managed-mow areas along state highways, the same as the Senate version.

A section is added delaying the effective date from January 1, 2004, to January 1, 2006, of a section allowing a landowner owning land next to a no-mow or managed-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty, the same as the Senate version.

A section is added as an emergency, setting the speed limit on paved two-lane county and township highways at fifty-five miles an hour unless posted differently.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

2003 TESTIMONY
HB 1012

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Deanna Ballantyne
Operator's Signature

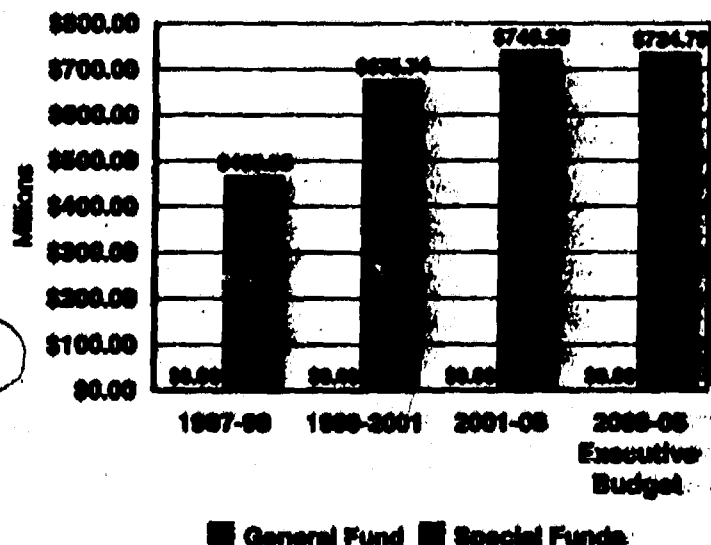
10/30/03
Date

Department 801 - Department of Transportation
House Bill No. 1012

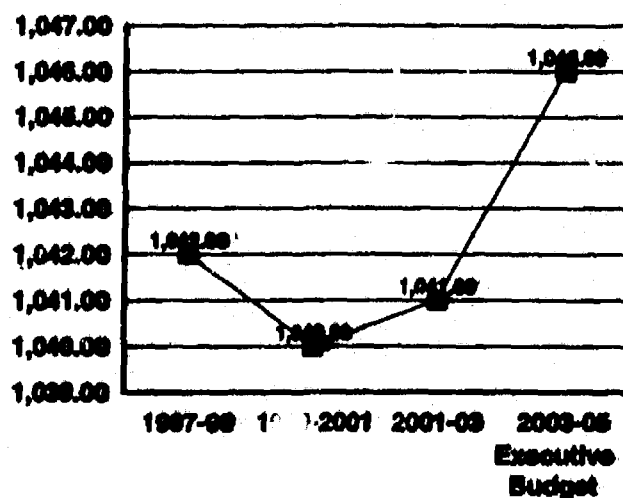
	FTE Positions	General Fund	Other Funds	Total
2003-05 Executive Budget	1,048.00	\$0	\$734,792,587	\$734,792,587
2001-03 Legislative Appropriations	1,041.00	0	740,296,638	740,296,638 ¹
Increase (Decrease)	5.00	\$0	(\$5,504,071)	(\$5,504,071)

¹ The 2001-03 appropriation amounts include \$377,695 of other funds, for the agency's share of the \$5 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. The 2001-03 appropriation amounts do not include \$71,104,100 of additional other funds authority resulting from Emergency Commission action during the 2001-03 biennium.

Agency Funding



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds 1 FTE telecommunications technician II with funding from the highway fund		\$72,787	\$72,787
2. Adds 1 FTE transportation engineer I with funding from the highway fund		\$72,787	\$72,787
3. Adds 1 FTE transportation engineer II with funding from the highway fund		\$86,987	\$86,987
4. Adds 2 FTE engineering technician II with funding from the highway fund		\$116,710	\$116,710
5. Anticipates federal highway construction funds of \$165 million per year compared to \$169 million in federal fiscal year 2001 and \$181 million in federal fiscal year 2002			\$0
6. Provides \$438.0 million for highway construction projects, of which \$99.9 million is from the highway fund. The 2001-03 biennium original appropriation for highway construction projects totaled \$451.2 million, of which \$87.9 million is from the highway fund.		(\$13,150,322)	(\$13,150,322)

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10/30/03
Date

7. Provides \$40.8 million, of which \$31.2 million is from the highway fund and \$9.6 million is from federal funds for highway maintenance activities. For the 2003-05 biennium, the department anticipates utilizing approximately \$9.6 million of federal matching funds for seal coat projects. Previously, these projects were paid for with only state highway fund money. \$10,803,766 \$10,803,766
8. Removes contingent appropriation authority provided but not used during the 2001-03 biennium for a general license plate issue (\$3,200,000) (\$3,200,000)
9. Removes funding for lease payments on the vehicle registration and titling system. The final lease payment was made during the 2001-03 biennium. (\$1,053,362) (\$1,053,362)
10. Reduces funding for grants in the Drivers License Division to \$3,420,000, of which \$247,920 is from the highway fund and \$3,172,080 is from federal funds, to reflect the level of funding anticipated to be available for the 2003-05 biennium (\$5,315,797) (\$5,315,797)
11. Reduces funding for consulting engineers to \$14,965,429 (\$9,566,773) (\$9,566,773)
12. Reduces funding for airplane lease payments. Nine payments remain to be made during the 2003-05 biennium. (\$1,102,136) (\$1,102,136)
13. Reduces funding for grants in the highway program to \$39,823,003, of which \$4,062,101 is from the highway fund and \$34,760,902 is from federal funds, to reflect the anticipated level of county and city highway projects during the 2003-05 biennium (\$1,778,285) (\$1,778,285)
14. Increases funding for air services due to increased usage \$313,000 \$313,000
15. Provides \$1,719,000 from the highway fund for replacing and making improvements at section and salt buildings \$919,000 \$919,000
16. Provides \$5,469,901 from the highway fund for replacing road maintenance equipment \$1,904,432 \$1,904,432
17. Includes \$3,175,000 from asbestos settlement proceeds, interest income, and other funds to partially remodel the highway building. (\$2,822,400) and for a lighting retrofit project (\$352,600) \$322,400 \$322,400
18. Provides \$24,392,300 from the Fleet Services fund for replacing Fleet Services vehicles \$2,798,300 \$2,798,300
19. Increases funding for Fleet Services operating expenses to \$15,602,214 from the Fleet Services fund \$896,076 \$896,076

Major Related Legislation

House Bill No. 1011, the Highway Patrol appropriations bill, appropriates \$6,661,576 from the highway tax distribution fund for a portion of the operating costs of the Highway Patrol for the 2003-05 biennium.

House Bill No. 1031 authorizes the director of the Department of Transportation to enter into agreements with counties or cities for the cooperative or joint administration of an activity that will enhance the efficiency and effectiveness of the state highway system.

House Bill No. 1112 increases overweight vehicle assessments and fees.

House Bill No. 1161 reduces the blood alcohol level prohibited for motor vehicle operators from .10 percent to .08 percent. If this change is not approved, North Dakota's federal highway construction funding will be reduced by 2 percent in 2004, 4 percent in 2005, 6 percent in 2006, and 8 percent in 2007.

Senate Bill No. 2162 increases snowmobile registration fees by \$2, from \$3 to \$5 for each two-year period.

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Operator's Signature Deanna Schuchman

Date 10/30/03

04/14/03

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1012 - Funding Summary**

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Transportation				
Salaries and wages	\$106,357,711	\$105,330,558	(\$108,154)	\$105,222,404
Operating expenses	124,852,369	113,252,369	9,398,218	122,650,587
Capital assets	459,496,984	471,096,984	41,078,658	512,175,642
Grants	44,085,503	44,085,503		44,085,503
Total all funds	<u>\$734,792,567</u>	<u>\$733,765,414</u>	<u>\$50,368,722</u>	<u>\$784,134,136</u>
Less estimated income	<u>734,792,567</u>	<u>733,765,414</u>	<u>50,368,722</u>	<u>784,134,136</u>
General fund	\$0	\$0	\$0	\$0
FTE	1046.00	1046.00	0.00	1046.00
Bill Total				
Total all funds	<u>\$734,792,567</u>	<u>\$733,765,414</u>	<u>\$50,368,722</u>	<u>\$784,134,136</u>
Less estimated income	<u>734,792,567</u>	<u>733,765,414</u>	<u>50,368,722</u>	<u>784,134,136</u>
General fund	\$0	\$0	\$0	\$0
FTE	1046.00	1046.00	0.00	1046.00

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

	Executive Budget	House Changes	House Version
Salaries and wages	\$106,357,711	(\$1,027,153)	\$105,330,558
Operating expenses	124,852,369	(11,600,000)	113,252,369
Capital assets	459,496,984	11,600,000	471,096,984
Grants	44,085,503		44,085,503
Total all funds	<u>\$734,792,567</u>	<u>(\$1,027,153)</u>	<u>\$733,765,414</u>
Less estimated income	<u>734,792,567</u>	<u>(1,027,153)</u>	<u>733,765,414</u>
General fund	\$0	\$0	\$0
FTE	1046.00	0.00	1046.00

Department No. 801 - Department of Transportation - Detail of House Changes

	Line Item Funding Shift ¹	Removes Recommended Salary Increases ¹	Total House Changes
Salaries and wages		(\$1,027,153)	(\$1,027,153)
Operating expenses	(11,600,000)		(11,600,000)
Capital assets	11,600,000		11,600,000
Grants			
Total all funds	\$0	(\$1,027,153)	(\$1,027,153)
Less estimated income	0	(1,027,153)	(1,027,153)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Appropriates funding for highway maintenance projects that are eligible for federal reimbursement in the capital assets line item rather than the operating expenses line item.

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04/14/03

This amendment removes the Governor's recommendation for state employee salary increases and retains the recommended state payment for health insurance.

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

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$106,357,711	\$105,330,558	(\$108,154)	\$105,222,404
Operating expenses	124,852,369	113,252,369	9,398,218	122,650,587
Capital assets	459,496,984	471,096,984	41,078,658	512,175,642
Grants	44,085,503	44,085,503		44,085,503
Total all funds	\$734,792,567	\$733,765,414	\$50,368,722	\$784,134,136
Less estimated income	734,792,567	733,765,414	50,368,722	784,134,136
General fund	\$0	\$0	\$0	\$0
FTE	1046.00	1046.00	0.00	1046.00

Department No. 801 - Department of Transportation - Detail of Senate Changes

	Adds Highway Construction Funding ¹	Adds Federal Highway Funding ²	Adds Funding for Highway Projects ³	Reduces the Recommended Funding for Health Insurance ⁴	Reduces Funding for Information Technology Costs ⁵	Total Senate Changes
Salaries and wages				(\$108,154)		(\$108,154)
Operating expenses	10,000,000				(601,782)	9,398,218
Capital assets	33,750,000	7,100,000	228,658			41,078,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$228,658	(\$108,154)	(\$601,782)	\$50,368,722
Less estimated income	43,750,000	7,100,000	228,658	(108,154)	(601,782)	50,368,722
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ The capital assets line item is increased by \$33,750,000 for highway construction projects and the operating expenses line item is increased by \$10,000,000 for costs relating to consulting engineers. These increases reflect federal highway construction funding available to North Dakota of \$182.5 million for each year of the 2003-05 biennium, an increase of \$17.5 million per year compared to the \$165 million per year anticipated in the executive budget and House version. Of the total increase of \$43,750,000, \$35,000,000 is federal funds and \$8,750,000 is from the highway fund.

² The capital assets line item is increased by \$7,100,000 of federal funds for highway projects that do not require a state match.

³ The capital assets line item is increased by \$228,658 to utilize federal funding (\$182,926) and related state matching funds (\$45,732) removed by the House for the state employee salary increase for highway construction projects.

⁴ Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

⁵ This amendment reduces funding for information technology by \$601,782 of special funds which represents a reduction in information technology funding of approximately 4 percent.

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Sections are added increasing motor vehicle registration fees by \$3 per year. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$2 to \$4 and removes the expiration date of June 30, 2005, for this allocation.

A section is added authorizing the department to acquire land to eliminate no-mow or managed-mow areas along state highways.

A section is added delaying the effective date from January 1, 2004, to January 1, 2006, of a section allowing a landowner owning land next to a no-mow or managed-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

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10/30/03
Date

HOUSE APPROPRIATIONS COMMITTEE

January 9, 2003

**North Dakota Department of Transportation
David A. Sprynczynatyk, Director**

HB 1012

Good morning, Mr. Chairman and members of the committee. I'm David Sprynczynatyk, Director of the North Dakota Department of Transportation. It's my pleasure today to present you with an overview of the department's goals and accomplishments this biennium, the opportunities and challenges that lie ahead for our state's transportation system, and a summary of the budget request contained in House Bill 1012.

As in any agency, our employees are the reason for our success. During this biennium, NDDOT employees have accomplished a long list of initiatives, only a few of which I'll mention today. They accomplished these initiatives while the employee count remained fairly steady. The work load and responsibilities of many employees expanded even though their compensation may not have been adjusted proportionately. Many of our central office and district office employees routinely come in early, stay late, and work on the weekends. We keep asking them to do more, and somehow they always do. Every accomplishment I describe here today is the product of the NDDOT's outstanding work force.

When we meet with the Government Operations Division next Tuesday, January 14, our presentation will include much greater detail regarding our budget request. Today, however, I'll present more general testimony. As my "road map" I'll use the department's 2002-2008 Strategic Business Plan, whose goals and initiatives guide our decision-making. A copy of our business plan has been provided to you.

In 2002, the department updated its 1997 strategic business plan. Our mission—"Providing a transportation system that safely moves people and goods"—has not changed substantially. Our business has always been to ensure that people can move about the state safely, and that the goods we produce and purchase can be moved safely and swiftly.

The department's vision though, has changed considerably. Today, North Dakota's emphasis on economic development is greater than ever before. The NDDOT's new vision statement—"Safe Ways—Great Ways—Promoting Economic Growth"—emphasizes economic development as one of the department's main concerns, along with preservation of the system, safety, motorist satisfaction, and customer service.

GOALS & ACCOMPLISHMENTS

ENHANCED CUSTOMER SATISFACTION

Construction

In this biennium, the department's regular construction program—which did not include emergency relief projects resulting from high water—was the largest in our history. The map on the next page reflects work accomplished this biennium. In 2002 we completed the necessary preliminary work to award \$225 million in construction contracts. This large program enabled us to make North Dakota roadways smoother, stronger, less congested, and longer-lasting.

Smoother ride. A "smooth ride" is the most important feature of a roadway for most motorists. The department has made significant progress in improving the ride on the Interstate system. During this biennium, we spent \$85.5 million on Interstate improvements by using a combination of strategies including overlays, pavement grinding, and reconstruction. These strategies have helped us maximize the number of improved miles. We've also enhanced our working relationship with the concrete and asphalt contractors. With them, we're reviewing our plans, specifications, and equipment standards in order to produce pavements with a better ride.

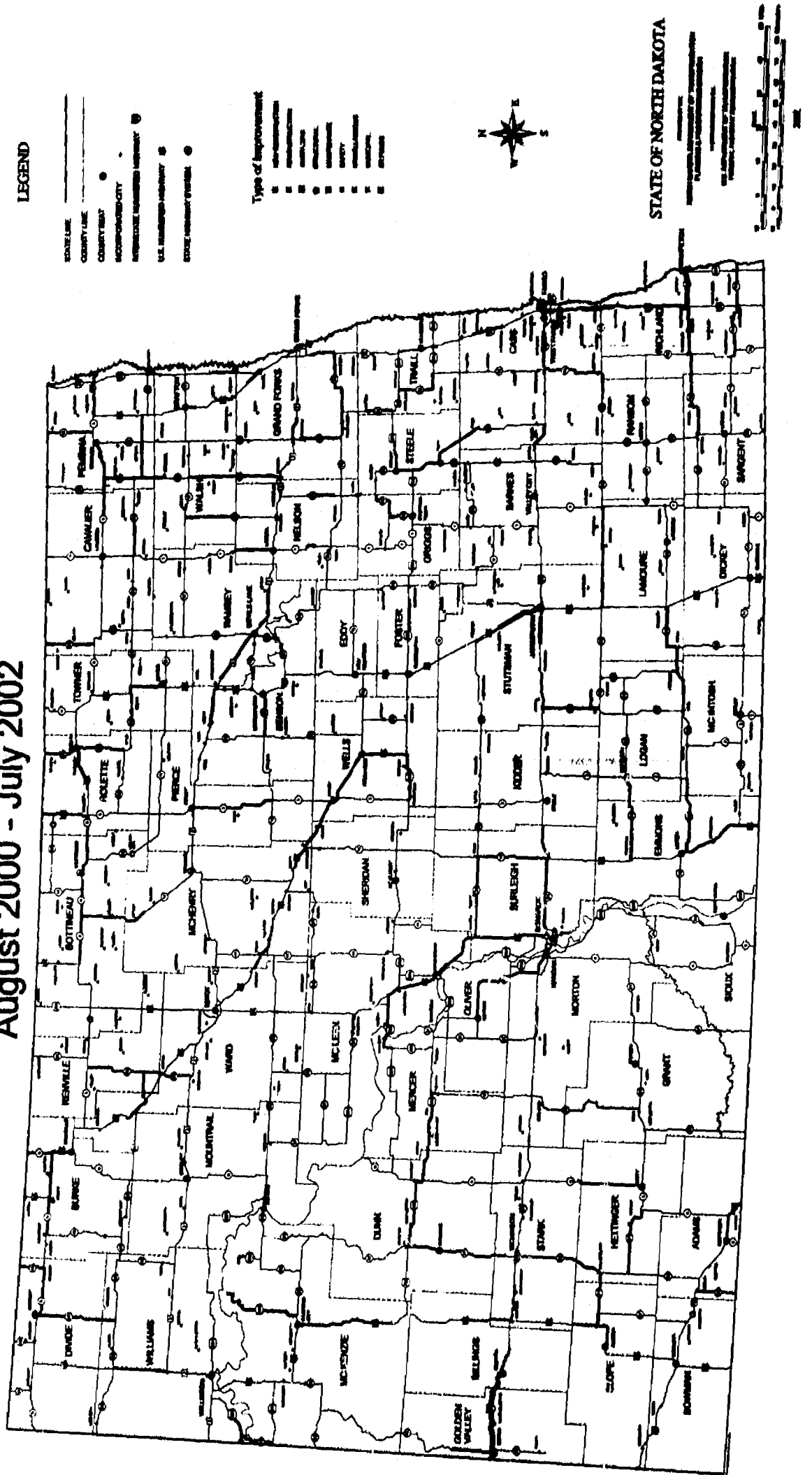
Greater load-carrying capacity. During the last decade, with an increased federal program, we have been able to improve the load-carrying capacity of our highways. In 1984, about 73 percent of the state system had some type of spring load restriction. In 2002, about 67 percent had a load restriction, a reduction of about 6 percent.

Greater traffic capacity. In urban areas, we have built or are designing several urban corridors that will improve congested conditions, save motorists' time, and reduce crashes. These projects include Minot Broadway, Devils Lake U.S. 2, Fargo Main Avenue and I-29, Bismarck State Street, and Grand Forks Columbia Road and 32nd Avenue South. The general public has also become less willing to accept travel delays resulting from road construction activities. Thus contractors often have monetary incentives to finish a project ahead of schedule and monetary penalties if they finish behind schedule. This saves the public time as well as the expense caused by delay.

Maintenance

Snow and ice control. In a change from recent years, the commuting public is beginning to demand that highways be free of snow and ice at virtually all times. With our present resources, we cannot meet those expectations. As a result of public comments, we have prioritized our snow-removal routes and expanded snow-and ice-control procedures as our resources allow. The hours worked by our plow operators have been expanded near urban areas and on high-volume corridors. We're using larger trucks to increase operator efficiency. We've introduced new technology, such as salt-brine injection and automatic bridge anti-icing, in an effort to clear highways sooner and keep them clear longer.

STATE PROJECTS LET TO CONTRACT August 2000 - July 2002



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Roadway maintenance. Because of the lack of funds for major reconstruction projects, many miles of our state's transportation system are providing service beyond their normal design life. Our crews continue to do an excellent job of using available funds to maintain and extend the life of our roadways. They accomplish this task by using preventive pavement strategies such as seal coats, crack sealing, and thin-lift overlays.

Communication

During construction projects. On three large projects this biennium—I-29 through Fargo, State Street in Bismarck, and road closures in the Devils Lake area—we anticipated greater public interest and concern with the projects. We placed an even greater emphasis on the public information activities involved with these projects. With the help of consultants, we established working relationships with local media, issued frequent project updates, helped the project engineer handle the media, and created dedicated web sites for the projects. The response from the public has been uniformly enthusiastic, and we plan to continue the enhanced public information activities on future construction projects where they're needed.

Also in the current biennium, NDDOT started providing more construction project information to the public by using low-frequency broadcasting at construction sites and by posting construction zones on the Internet.

NDDOT web site. The department's web site (www.discovernd.com/dot/) contains dozens of links to information specifically requested by the public. Many of the public requests involve motorist safety, including weather links, road condition maps, and speed limits on all segments of all state highways. Other services provided on the web site include forms for the public doing business with the NDDOT, bid opening information, State Fleet vehicle auction information, and NDDOT manuals needed by contractors and other government jurisdictions working with NDDOT.

Internet kiosks. We have placed Internet kiosks at our major highway visitor centers. Travelers who use the kiosks have quick, free access to information about weather, roadway conditions, highway construction, cultural and scenic locations in the vicinity, and other traveler information of interest.

Motor vehicle registration

Internet vehicle registration renewal. In May 2002, the Motor Vehicle Division implemented an Internet vehicle registration renewal system. The many comments we've received indicate the public appreciates the convenience of the system. The system also lets vehicle owners update address information and check the availability of personalized license plates. During the first seven months, we processed more than 15,000 registrations involving nearly \$1 million of on-line transactions. We expect the use of the system to grow as the public becomes aware of the option.

Motor Vehicle branch offices. In October 2001, the Motor Vehicle Division successfully opened three additional branch offices as required by the 2001 Legislature. The bill provided for a four-year pilot program to test the feasibility of providing branch office services through the County Treasurers' offices. The pilot counties are Bowman, Emmons, and McKenzie. The law also provides for the Legislative Council to consider a study of the efficiency and effectiveness of the pilot program during the 2003-2004 interim, which we agree should be done.

Driver licensing

Automated testing system. In late 2001, we replaced our outdated driver testing system with new equipment. Q-Test is user-friendly for both the customer and the NDDOT employee. It allows us to provide faster service, makes cheating more difficult, and explains each question in simple language. People with various learning disabilities and attention-deficit disorder test more successfully on the new system.

Electronic document management system. With the approval of the 2001 Legislature and the use of federal funds, the Drivers License Division is in the testing phase of its new electronic document management system, which is vital to public safety. Improving our records data system will help promote easy access to timely, more accurate data. This will encourage its use in traffic safety planning, allow rapid identification of repeat offenders, provide better identification of drivers to ensure that each driver holds only one license, and enable our employees to handle customer inquiries more efficiently and effectively.

INCREASED SAFETY ON NORTH DAKOTA'S TRANSPORTATION SYSTEM

Highway safety

With any major project, we conduct a safety review to identify roadside hazards and substandard curves and hills. Also each year, we review all crashes on the state's rural and urban systems to identify high crash locations. Each year we also review data on all rail crossings to identify priorities for installing or upgrading signals and other crossing devices. With this information, we make improvements to our highway system to enhance roadway safety. This biennium we participated in several safety projects, including signing, improving railroad crossings, installing traffic beacons or signals, improving clear zones for run-off-the-road incidents, and installing Interstate rumble strips.

Driver safety

The department's "Do Buckle, Don't Booze" campaign, in cooperation with law enforcement across the state, is beginning its fifth year. Our goal for 2005 is to reduce alcohol-related fatal crashes to 40 percent and increase the use of seat belts to 67.5 percent. At the end of the fourth year, alcohol-related fatal crashes were at 42 percent and seat belt usage has increased to 63.4 percent.

Traveler security

As the NDDOT replaces or renovates highway visitor centers we upgrade many safety and security features. For example, we increase the lighting inside and outside the building and install security technology such as video cameras.

IMPROVED QUALITY AND EFFICIENCY OF NORTH DAKOTA'S TRANSPORTATION SYSTEM AND SERVICES

Highway performance classification system (HPCS)

The public's main highway concerns are ride quality, load-carrying capacity, and safety. The state has limited resources with which to address those concerns. For example, our resources don't allow us to provide the same level of service and the same roadway standards on all highways. To use available resources in the most effective way, we prioritized our investment and developed a long-range plan: the state highway performance classification system (HPCS). We have begun to release information about the HPCS to the public, asking for their input. We plan more public meetings this year across the state. The color map on the next page shows the draft HPCS and describes the varying performance levels of North Dakota's state highways.

This system prioritizes highways into five classifications, according to the level of service provided. The intent of the classification system is to do what we can to maintain and ensure the levels of service as defined in the legend.

Rural Interstate system provides the highest level of service. Although it makes up only about half of one percent of the statewide mileage, it carries more than 35 percent of the truck traffic. It must have a high level of reliability in order to support international, national, regional, and statewide economic activity. Movements are primarily long-distance, with consistently high volumes of passenger and freight traffic. Interstates have at least four lanes, full access control, no seasonal load restrictions, and the highest speeds of all classifications.

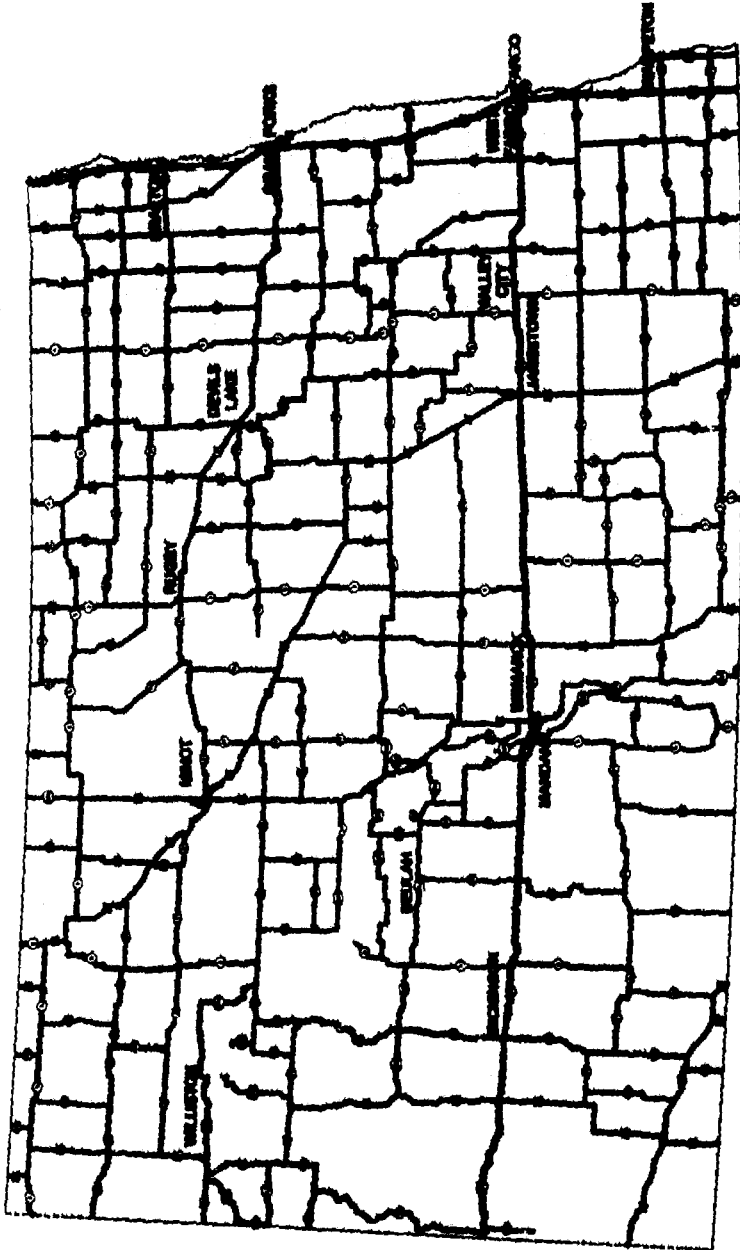
Interregional system serves many of the same functions as the Interstate system but has less access control, some passing restrictions, and, in some places, only two lanes. Load restrictions are occasionally necessary to protect the integrity of the roadway.

State corridors connect lower- and higher-level roadways and typically have two lanes. They may have gravel shoulders, limited passing zone restrictions, and seasonal load restrictions.

District corridors are used primarily for short-to-medium in-state trips. They have two lanes, no access control, narrow paved or gravel shoulders, more seasonal load restrictions than state corridors, and may have some passing restrictions. Moderate traffic volumes are relatively consistent year round.

District collectors link other highways and carry low volumes of mostly-local traffic. They have two lanes, no access control, and usually no shoulders. Some have year-round load restrictions, and some bridges have load, height, and width restrictions.

State Highway Performance Classification System



RURAL INTERSTATE SYSTEM

Maintaining a high degree of reliability and mobility on these highways is critical to support and promote international, national, regional and statewide trade and economic activity. Movements on these highways are primarily long-distance, interstate and intrastate traffic. Rural interstates are multiple-lane (usually four) facilities and have full access control. The goal is to be free of height restrictions and have unrestricted seasonal load limits. Rides and distress scores are generally in the good to excellent categories. High volumes of traffic, as well as a high percentage of trucks, are relatively consistent year round. Travel speeds average 65 to 70 miles per hour. Rural interstates demonstrate a high degree of safety with crash rates below the statewide average.

INTERREGIONAL SYSTEM

Maintaining a high degree of reliability and mobility on these highways is critical since they support and promote international, national, regional and statewide trade and economic activity. Movements on these highways are primarily

DISTRICT COLLECTOR

Maintaining reliability and mobility on these highways is a lower priority. These highways are generally short routes that provide connectivity to the higher road level systems. Movements on these highways are primarily short distance, local, farm to market traffic. District Collectors are two lane facilities. Generally, access control is not purchased. These highways generally have no shoulders. Segments with restricted passing zones exist. Class 1 or Class 2 seasonal load limits are normal although some segments may have year round load restrictions. Bridge structures provide for the movement of typical legal loads. Some structures have load, height, and width restrictions. Rides and distress scores are generally in the fair category. Low volumes of traffic are normal year round. Small increases in truck movements may occur during spring plowing and fall harvest periods. Daytime travel speeds average 50 to 55 miles per hour. District Collectors are moderately safe highways with crash rates near the statewide average.

(The Classification System map is in draft form and will be subject to the public input process in 2003.)

long-distance, interstate and intrastate traffic. Interregional System highways are either two-lane or multiple lane facilities. Segments or specific locations may have partially controlled access. The goal is to be free of height restrictions, have unrestricted seasonal load limits, and have limited passing restrictions. Accommodating truck traffic is a priority. Rides and distress scores are generally in the good to excellent categories. Moderate to high volumes of traffic, as well as a high percentage of trucks, are relatively consistent year round. Daytime travel speeds average 60 to 65 miles per hour. The Interregional System demonstrates a high degree of safety with crash rates below the statewide average.

STATE CORRIDOR

Maintaining a moderately high degree of reliability and mobility on these highways is critical since they support the movement of agricultural commodities, freight, and manufactured products within the state. State Corridors provide connectivity between lower and higher level roadways. Movements on these highways are primarily medium-distance intrastate traffic. State Corridors are typically 2-lane facilities and have segments or locations with partially controlled access. These highways have either paved or aggregate shoulders, some segments may have limited passing zone restrictions, and Unrestricted or Class A seasonal load limits. Bridge and overhead structures provide for the unrestricted movement of legal loads. Rides and distress scores are generally in the good category. Moderately high volumes of traffic are relatively consistent year round. Daytime travel speeds average 60 to 65 miles per hour. State Corridors demonstrate a moderately high degree of safety with crash rates less than the statewide average.

DISTRICT CORRIDOR

Maintaining a moderate degree of reliability and mobility on these highways is desirable. Movements on these highways are primarily short to medium distance intrastate traffic. District Corridors are two lane facilities. Generally, access control is not purchased. These highways have narrow paved or gravel shoulders, segments with restricted passing zones, and Class A, or Class 1 seasonal load limits. Bridge structures provide for the unrestricted movement of legal loads. Rides and distress scores are generally in the fair and good categories. Moderate volumes of traffic are relatively consistent year round. Occasional increases in seasonal traffic volumes and truck movements occur. Daytime travel speeds average 55 to 65 miles per hour. District Corridors are safe highways with crash rates at or near the statewide average.

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ENHANCED EMPLOYEE SATISFACTION

Incentives

The department uses many tools to recruit, hire, and retain good employees. In 2001, the Legislature approved a number of programs that added flexibility to our salary structure, enabling us to offer incentives such as recruiting bonuses, performance bonuses, and merit increases. These programs helped the department fill a number of vacancies in our work force.

Equipment and facility plans

To enable our employees to do their jobs as efficiently and effectively as possible, we have completed equipment management and facility management plans. These plans guide our decisions concerning NDDOT buildings and equipment across the state, allowing us to improve facilities and equipment as much as possible within available resources.

NDDOT LEADERSHIP IN PROMOTING A TRANSPORTATION SYSTEM FOR THE FUTURE

Statewide strategic transportation plan "TransAction"

Early in 2001, the NDDOT undertook the development of a Statewide Strategic Transportation Plan as directed by Governor Hoeven. The statewide strategic transportation plan, which has been titled, "TransAction," was developed with involvement from representatives of all political subdivisions, modes of transportation, tribal interests, businesses, and the general public. For nearly 18 months, our staff worked with an Advisory Council and a much larger Transportation Forum to create a framework that all entities can use for broad strategic direction as they make transportation decisions. TransAction's goals are: a safe, secure transportation system; optimum personal mobility; efficient freight movement; economic competitiveness; and funding to protect our transportation investment and address future needs. The department sent you a copy of TransAction in December 2002.

The Advisory Council and Transportation Forum developed sixteen initiatives under these goals. Many of the initiatives share three common themes: prioritizing the use of resources; defining the levels of transportation service that North Dakota is willing to provide and maintain; and actively cooperating, collaborating, and partnering with other jurisdictions, modes, and the private sector. We have begun to implement a number of these initiatives.

Research

The department is continually looking for better-performing construction methods and components for highways and bridges. We are using the latest technology, based on research, as we design and build our transportation system.

The next federal transportation bill

Over the last decade, North Dakota has coordinated closely with Montana, South Dakota, Idaho, and Wyoming to study and advance transportation issues for this part of the nation. The "Five-State Coalition" is developing language for reauthorization that supports the transportation needs of this region.

STRENGTHENED STAKEHOLDER RELATIONSHIPS

We define "stakeholders" as people or organizations outside the department that have a vested interest in, or influence over, the NDDOT. This means that our stakeholders form a large, diverse group. We want to make sure that all stakeholders have complete, timely, consistent information about our projects, policies, and issues. We also want to continue to be approachable and accessible. As a result, we have an ongoing relationship and frequent discussions with legislators, contractors, consulting engineers, cities, counties, townships, tribal governments, and many other stakeholders. For instance, all legislators have received, and many have responded to, our recent survey regarding communication. The results will tell us what you think of the communication process between the NDDOT and the Legislature, and where we can improve.

♦ OPPORTUNITIES AND CHALLENGES

As I said initially, the NDDOT and its employees have accomplished many initiatives in this biennium. However, many opportunities and challenges face the department in the next several years.

Spring load restrictions

Weather and wear continue to force us to put spring load restrictions on about 67 percent of the state highway system. More than 4,900 miles of the state system have spring load restrictions that greatly diminish their usefulness to producers and shippers. Load restrictions protect our highways, but also add to the costs of agriculture, manufacturing, and the trucking industry.

At our request, NDSU completed a study of the impact of load restrictions on grain shipments. The study found that a five-axle farm truck, which typically hauls about 800 bushels, making a hundred-mile trip, will pay an extra \$.29 per bushel under a Class A load restriction, an extra \$.34 per bushel under a No. 1 load restriction, and \$.44 per bushel under a No. 2 load restriction. That's an additional \$232 to \$352 per truckload. Last spring, during a meeting with business people from communities in western North Dakota, we learned that one of the local elevators incurred an additional expense of \$120,000 in 2001 as a result of load restrictions. Reducing the miles of highway requiring spring load restrictions is a challenge.

Ongoing wet cycle

A major portion of the state is still in a wet cycle that began ten years ago and challenges our efforts to protect roadways and keep routes open. Millions of dollars have been spent raising roadways across eastern North Dakota and especially in the Devils Lake basin. U.S. 281 is still a major concern. If the lake rises significantly this year, we'll need to construct a new route that will maintain service on U.S. 281. This project is in the final planning stages and remains a challenge.

Intermodal transportation

Intermodal freight transportation involves using large containers to ship commodities from one mode of transportation to another – for instance, from truck to rail, truck to ship, or rail to ship – on the way to the commodities' final destination. North Dakota farmers and manufacturers would benefit from an intermodal facility in the state. It would encourage diversification of farming and manufacturing operations while making global markets more accessible. We have completed an intermodal feasibility study through the Upper Great Plains Transportation Institute, and it appears that a North Dakota facility would be possible. We are working with local representatives from several areas to address the opportunity.

Increased costs

The cost of highway improvements, such as labor, equipment, and materials, has increased greatly. For instance, the cost of Interstate concrete recycling has risen 44 percent since 1996. Increases in oil prices have also driven up the cost of oil-based construction materials. Managing the design and construction of projects within available federal and state resources is a challenge.

Aging highways and bridges

North Dakota and the rest of the nation underwent a highway building boom in the 1950s, '60s, and '70s. The highways built during those decades are now 30, 40, and 50 years old. We generally build asphalt roadways with a 20-year life. In recent years, funding has not always been available to reconstruct or rehabilitate some of the oldest highways, which continue to deteriorate. We also have a number of aging bridges that will need to be rehabilitated or reconstructed soon. Major projects that will challenge us over the next few years include the Memorial Bridge across the Missouri River between Bismarck and Mandan, the ND 66 bridge near Drayton, and ongoing Interstate system reconstruction.

Buildings and equipment

Many of our maintenance buildings were constructed 30 years ago or more and are in need of repair. We have 66 maintenance section buildings, 43 of which are more than 30 years old and are inadequate for today's larger equipment. In addition, many of our maintenance section building sites do not have an adequate water supply and do not meet EPA requirements for sewage disposal. We are faced with the difficult options of rebuilding at a cost of \$200,000 to \$300,000 per building, finding replacement buildings in the locality, or, where appropriate, eliminating a section without diminishing service to travelers.

Our equipment budget line items have not kept pace with inflation, so our non-fleet equipment is also aging. Providing adequate funding to purchase modern equipment to meet public demands for maintenance is an ongoing challenge.

Staffing

Since 1990, the department's construction program has increased by about 81 percent, while the number of full-time employees has decreased by about 4 percent. This has caused our overtime costs to more than double. Having sufficient staff to address project engineering needs poses a challenge for the NDDOT.

Security

In the wake of the terrorist events of the past 18 months, the federal government is determining what future security measures will be necessary for licensing drivers and granting commercial driver licenses (CDLs). They have made no decisions, so it's very difficult to forecast what the implementation cost to states might be. However, we know that within the next few years we'll be asked to use more stringent security measures.

Next federal highway bill

NDDOT has been operating under the Transportation Equity Act for the 21st Century (TEA-21) since 1998. Fiscal year 2003 is the last year of TEA-21. Many funding options are being considered by various regional and national associations. Some of the funding scenarios would provide North Dakota with approximately the same amount as we have received in the past; the challenge may be for the state to find ways to supplement less-than-adequate federal funding levels. Other funding scenarios would greatly increase what North Dakota receives, and those options, too, would challenge the state as we looked for ways to match the increases.

We have many challenges in accomplishing our mission, "Providing a transportation system that safely moves people and goods." Our accomplishments this past biennium combined with a continued emphasis on our strategic business plan's goals and initiatives will help to reach our vision, "Safe Ways, Great Ways, Promoting Economic Growth."

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Date

NDDOT BUDGET

The Executive Budget will help us accomplish our mission. The budget charts on the following pages reflect the revenue and spending authorities contained within the NDDOT budget.

NDDOT BUDGET PROPOSAL

Revenue

The NDDOT budget proposal was developed without any fuel tax or vehicle registration fee increases. However, there have been a number of adjustments that will impact the amount of funding available for transportation in North Dakota. The two major sources of funding are state and federal funding. The majority of state funds go into the Highway Tax Distribution Fund. From there, 14 percent goes to cities and 23 percent goes to counties. All federal funds go into the state Highway Fund to be used by the state, cities, and counties.

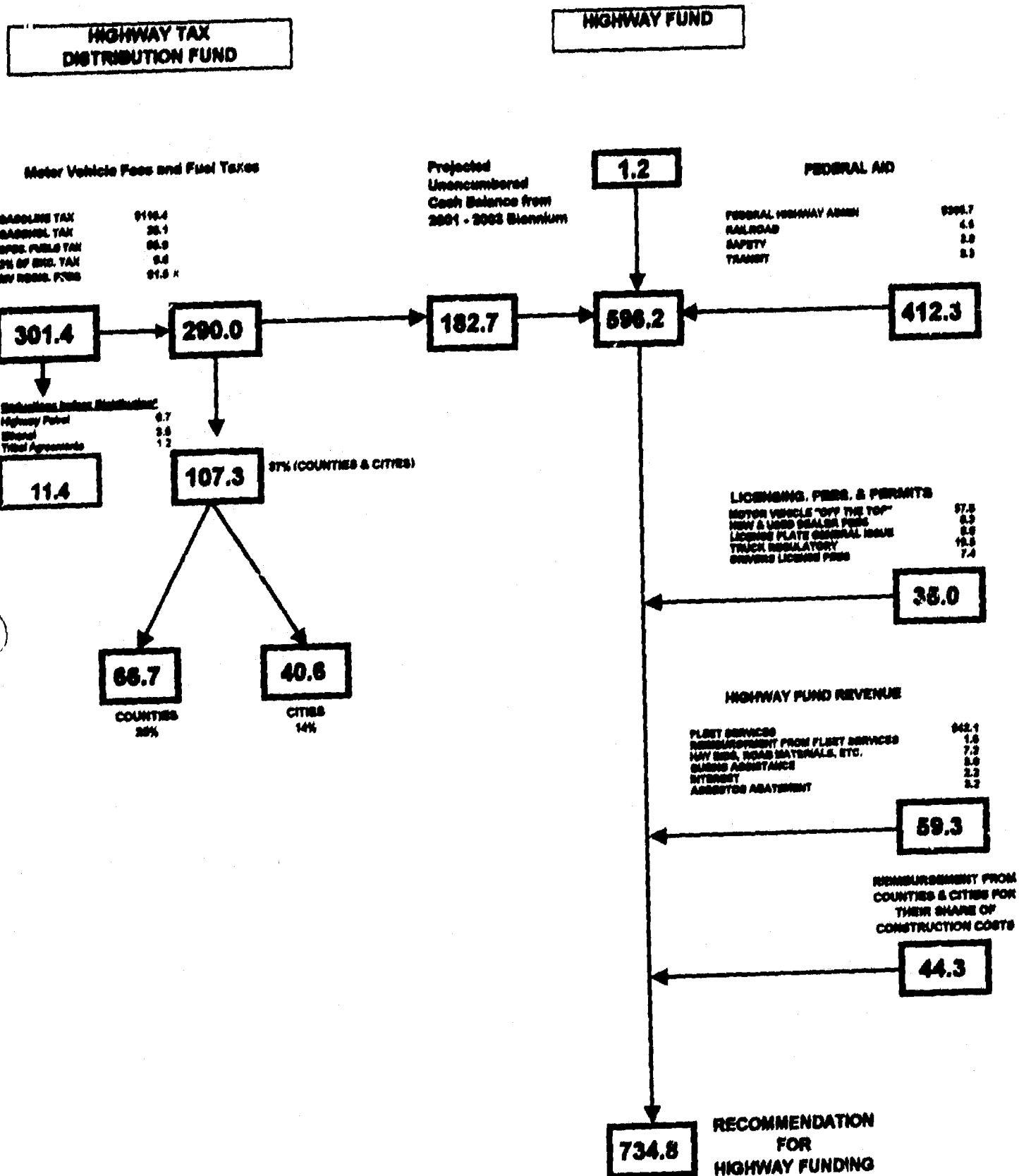
Highway Tax Distribution Fund. The total revenue into the fund is \$301.4 million. We estimate a growth in fuel tax revenues resulting from the state's Lewis & Clark activities starting in FY 2004. Based on current projections, we should see a slight increase to Highway Tax Distribution Fund revenues for gasohol, special fuel, and 2 percent special fuel taxes, and a slight decrease for gasoline taxes. The net result is a \$3.4 million increase to the Highway Fund over the last biennium.

The revenue going into the Highway Tax Distribution Fund from motor vehicle registration fees will increase because the \$2 portion of the fee increase enacted during the last Legislative session will no longer be deposited directly to the Highway Fund and will instead go into the Highway Tax Distribution Fund. This will result in a net reduction to the Highway Fund of about \$1 million compared to last biennium.

In the past, a portion of the Highway Patrol revenue was taken from the Highway Fund. However, the proposed budget provides for this funding to transfer from the Highway Tax Distribution Fund, rather than the Highway Fund.

Depending on other legislation, deductions for ethanol production incentives will increase about \$1.0 million over the current biennium. Based on agreements made with the state, four additional Indian reservations will be receiving a portion of their fuel tax from the state. These agreements will become effective the second year of the biennium. The Indian reservation agreements will reduce the funds available to the Highway Tax Distribution Fund by about \$1.2 million when compared to current revenue. Overall the net change of dollars from the Highway Tax Distribution Fund to the Highway Fund is a decrease of \$1.4 million.

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET REVENUE (MILLIONS)



* Pending Legislation
X TOTAL BY REG. FEE
(see "off the top" & dealer fees)
AVAILABLE FOR DISTRIBUTION

396.9
(10.1)
\$1.476

Prepared by: [Signature]
Fiscal Management Division
Department of DOT

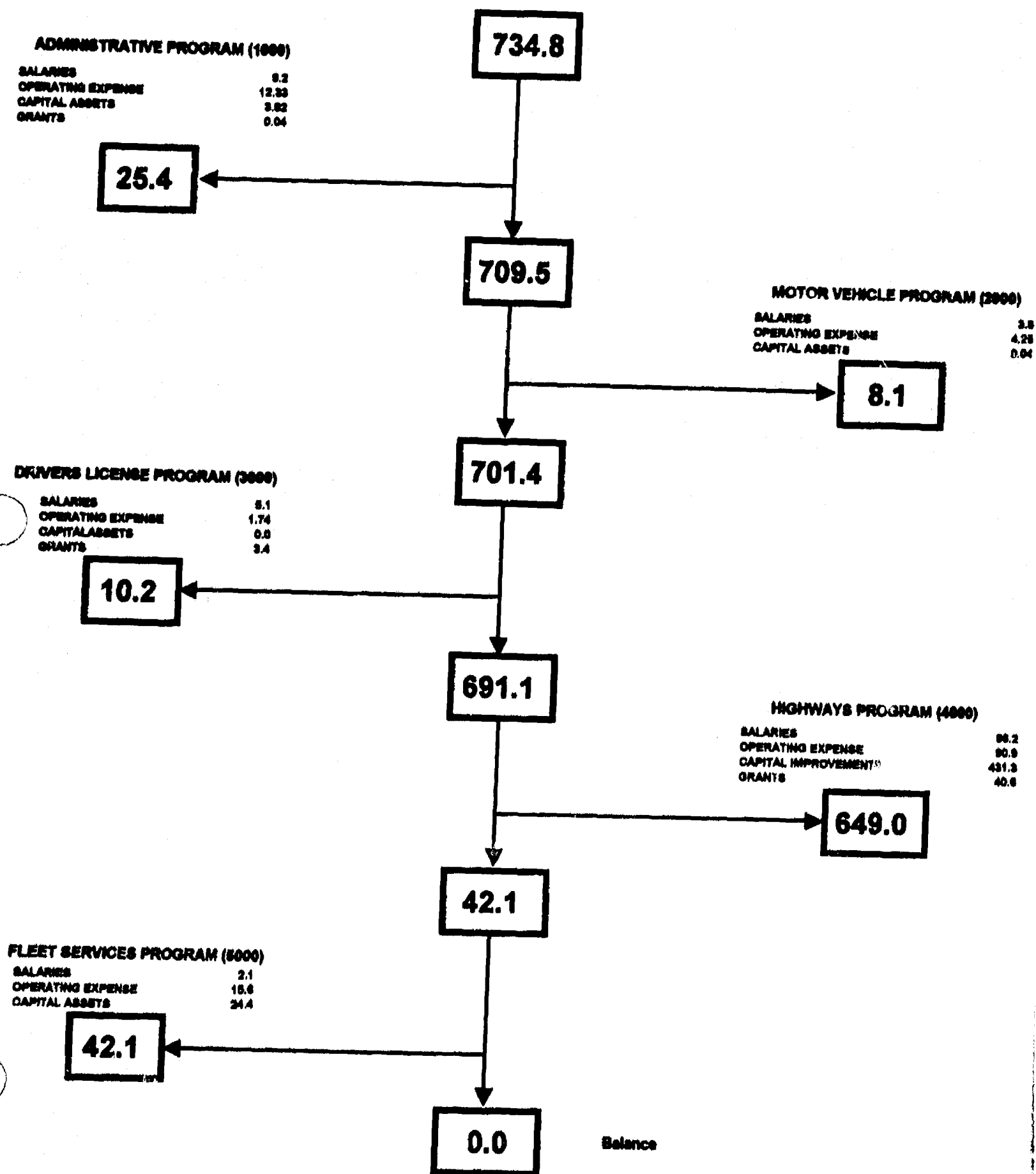
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Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET EXPENDITURES

(MILLIONS)



-15-

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FINANCIAL MANAGEMENT DIVISION
APPROVED BY, DATE

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Highway Fund. In addition to funds from the Highway Tax Distribution Fund the NDDOT receives revenue from a number of license and permit fees, such as the fee for obtaining a driver's license. The structure for these revenue sources remains unchanged and our estimates reflect modest growth. These revenue sources generate about \$35 million per biennium, an increase of \$600,000, and go directly into the Highway Fund.

We also receive revenue from several other sources, such as the user charges for state fleet vehicles. Most of this revenue reflects the volume of related activity, such as agencies' use of fleet vehicles, and is based on actual costs to the NDDOT. These other revenue sources generate about \$59.3 million per biennium, an increase of \$5.7 million over the biennium. The department anticipates receiving about \$44 million from cities and counties as reimbursement for their share of local construction costs. Finally, we do expect an unencumbered balance of \$1.2 million in the Highway Fund at the close of this biennium.

Federal funds. During the coming year, Congress will debate new federal highway authorization legislation. The resulting transportation act will provide federal funding for most of the balance of this decade. At this time, we are uncertain what North Dakota's funding level will be. Using the best available information, the budget is based on \$165 million of regular federal highway formula funds per year. Federal Highway Administration Funds are estimated at \$395.7 million. These funds consist of:

- \$165 million in 2003
- \$165 million in 2004
- \$ 30 million—Four Bears Bridge—no match
- \$ 15 million Carryover from 2002
- \$ 11.5 million High Priority Projects/Demo
- \$ 2.0 million Department of Defense
- \$ 4.2 million Earmarked project—ND 23, Grand Forks Greenway, ITS
- \$ 3.0 million Redistribution of national federal aid

\$395.7 TOTAL

Congress will decide the funding levels for 2003 in the next several weeks. Funding for 2004 will not be known until the new transportation act is passed into law. Other federal funds are estimated as follows: Federal Rail Administration—\$4.5 million; National Highway Traffic Safe Administration—\$3.8 million; and Federal Transit Administration—\$8.3 million.

Expenditures

As we reviewed the 2001-2003 and past biennium budgets, it became apparent the assumptions made for reimbursement from cities and counties, and the amount of match for non-construction funds, were not valid. We also learned we would not receive the level of federal revenue we had assumed. The net result of the invalid assumptions is the NDDOT was able to match its federal funds and have an unencumbered balance of state funds. As a result, the 2003-2005 request reflects large decreases in the capital asset and grant line items, as compared to the 2001-2003 enrolled budget as adjusted for the Emergency Relief funding. The amount of federal funding the department expects to receive and match in the 2003-2005 biennium is actually \$8 million more than we will receive in the 2001-2003 biennium.

HB 1012

TESTIMONY before the Government Operations Division of the House Appropriations Committee

2003 - 2005 Biennium Budget

Prepared by
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
BISMARCK, NORTH DAKOTA

DIRECTOR
David A. Sprynczynatyk

JANUARY 14, 2003

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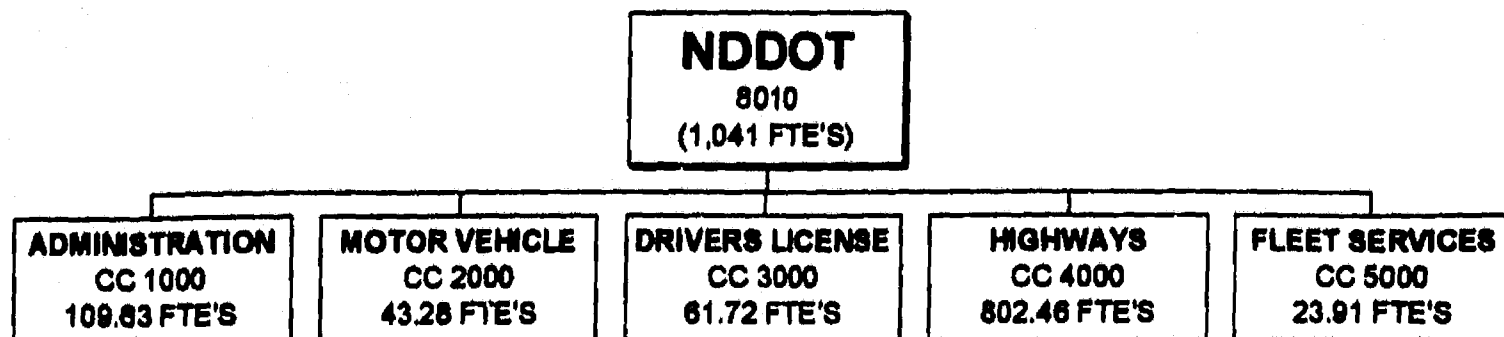
**GOVERNMENT OPERATIONS DIVISION
HOUSE APPROPRIATIONS COMMITTEE
January 14, 2003**

**North Dakota Department of Transportation
David A. Sprynczynatyk, Director**

HB 1012

Good morning, Mr. Chairman and members of the Government Operations Division. I'm David Sprynczynatyk, Director of the North Dakota Department of Transportation. Last Thursday I presented an overview of the NDDOT and its budget request. Today, along with members of the department's staff, I'm pleased to be able to give you greater detail regarding the request as contained in House Bill 1012.

After my introductory testimony, Shannon Sauer, NDDOT's Financial Management Director, will provide a brief overview of our budget. Then our five program managers will explain their programs and our budget request. The chart below reflects the five programs. Within the five programs the NDDOT has a total of 1,041 authorized FTEs.



The next two pages of my testimony are the same budget diagrams that I presented to you last week. There were questions about the assumptions used last legislative session for revenue, the current projected revenue this biennium, and a comparison with next biennium. I tried to answer the questions last week, but I may have left some confusion with my answer. I'll provide further explanation this morning.

The following table represents:

- The funding levels assumed at the close of the last legislative session, totalling \$736.1 million;
- The projected funding level for the current biennium, totaling \$704.0 million; and
- The assumed funding level for the next biennium, at \$734.8 million.

At this time it appears that we will receive about \$23.8 million less federal highway funding than we originally anticipated this biennium. NDDOT's portion of this is \$18 million, which would have required \$4.5 million in match. We have used a portion of the unexpended state match funds to match the Emergency Relief funds we eventually received this biennium.

**STATE HIGHWAY FUND
REVENUE AND TRANSFERS
(MILLIONS)**

	State	Federal	Other	Highway Patrol	Total
2001-2003 estimated as of April 2001	\$272.1	\$428.0	\$42.2	- \$6.2	\$736.1
2001-2003 projected as of November 2002	\$272.1	\$404.2	\$33.9	- \$6.2	\$704.0
2003-2005 estimated as of November 2002	\$278.2	\$412.3	\$44.3	0	\$734.8

When you compare the projected figures for the current biennium with the estimated figures for the 2003-2005 biennium, net state revenue available for the DOT portion of the Highway Fund is expected to increase \$6.1 million and federal revenue is expected to increase \$8.1 million over the current projected revenues for the current biennium. The "Other" item is a reimbursement from the counties and cities for their share of local projects. Additional funds in the next biennium will be used for two purposes: state matching requirements to obtain the increased federal funds we expect to receive, and state-funded adjustments in our salary line, highway maintenance equipment, and state fleet.

Next, our Financial Management Director, Shannon Sauer, will discuss the general structure of our budget and highlight the significant line item changes.

BUDGET OVERVIEW

Shannon Sauer, NDDOT Financial Management Director

House Bill 1012 is the budget request for the NDDOT. The budget totals ~~\$734.8 million~~, a decrease of \$81.1 million from the present budget.

Line Item	2001-2003 Present Budget*	2003-2005 Executive Budget	Change from Present Budget
Salaries and Wages	\$100.2	\$106.4	\$6.2
Operating Expenses	\$124.6	\$124.9	\$0.3
Capital Assets	\$538.6	\$459.5	- \$79.1
Grants	\$ 49.4	\$ 44.1	- \$5.3
General License Plate Issue	\$ 3.2	0	- \$3.2
TOTAL	\$815.9	\$734.8	- \$81.1

FTEs	1,041	1,046	5
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* adjusted by Emergency Commission action

A comparison of revenue sources to support the NDDOT's budget is as follows:

	2001-2003 Present Budget	2003-2005 Executive Budget	Change from Present Budget
General Fund	0	0	0
Special Funds	\$328.0 4	\$322.5	- \$5.9
Federal Funds	\$487.5	\$412.3	- \$75.2
Total	\$815.9	\$734.8	- \$81.1

The executive recommendation for these line items reflects the recommended compensation package.

We are authorized 1041 FTEs for the 2001-2003 biennium. Our 2003-2005 request is for 1046 FTEs, which is an increase of five. One of the new FTEs is for a telecommunications technician for the Administration program; the four remaining positions are for engineers and engineering technicians for the Highways program. You will hear more about these FTEs from the program directors. The executive recommendation for salaries and wages reflects the recommended compensation package.

The operating expense line has increased \$294,000 which is about two tenths of one percent. While the overall department change is relatively insignificant, you will see significant changes in the budget for lease/rentals of equipment; professional services; and building, grounds, and vehicle maintenance supplies. In addition, you will see a large operating budget adjustment for the state fleet. Also, some of the operating expense items, while not having significant changes overall, have changes that are material to individual programs but net out to a minimal overall change. You will hear more specifics about the individual operating expenses from the program managers.

Outside of the motor vehicles line item, which includes state fleet vehicles and the DOT's heavy road maintenance equipment, the remaining equipment line items have been reduced in total approximately \$1 million. In so doing, we have transferred budget authority between the various equipment objects to best utilize our available funds.

The capital assets line reflects a net reduction of nearly \$82 million. As explained earlier, this change is primarily due to the removal of Emergency Relief projects from the budget as well as changes in the available level of regular federal highway funding.

The grants line item reflects an overall decrease of nearly \$5.3 million. The change is primarily in the Drivers License program and simply reflects the anticipated reduction of federal funding for traffic safety programs.

Finally, you will notice that our budget has a \$3.2 million decrease as related to a general license plate issue. This was included in the 2001-2003 biennium request in the event that funding was provided for a general license plate issue. A general license plate issue was not funded in the 2001-2003 biennium, and we are not requesting one for the 2003-2005 biennium.

last issue 1992

Next, Deputy Director for Business Support Tom Freier will discuss the administration program portion of the budget.

ADMINISTRATIVE PROGRAM

Tom D. Freler, NDDOT Deputy Director for Business Support

2001-2003 Current Budget	2003-2005 Executive Budget	Change from Current Budget
\$27.3	\$25.4	- \$1.9

The administrative program consists of the following divisions: executive offices, financial management, human resources, information technology, and public information office.

The administrative program provides for the management services for the department as a whole. The executive offices set and administer the overall policy direction. The financial management division prepares the budget, does the day to day accounting, performs auditing procedures, and handles procurement. Human resources perform all duties associated with our employees including; hiring practices, training issues, classification, discipline incidents, and all other employee issues. The IT division oversees the development and maintenance of all IT related programs, maintains the printing and mailing operations, provides for the multi media services, and does the facilities maintenance. Our public information office provides for all internal and external communication and information.

The net change of the Administrative program budget is a reduction of \$1.9 million. This comes about largely because of the \$1.7 million reduction in salaries and wages due to the change in the mix of FTEs between programs. There is a net decrease in the equipment line item of about \$340,000.

<There is an increase of \$414,227 in the IT data processing line.> Of that amount, \$241,000 can be attributed to rate increases for data processing services. The remainder is for the completion of IT projects started during the current biennium, and scheduled to be completed during the 2003-2005 biennium, in accordance with the state IT plan. Also, the DOT is very involved in ITD's development of the GIS hub, which is critical in helping us carry out our mission.

Secondly, the department is requesting an additional FTE for the purpose of providing technology related assistance in the districts. Presently, we have 6 such FTEs, with the Grand Forks and Williston districts not having a technician. Their duties include the servicing of both construction and maintenance related technology systems. Examples of maintenance systems would include RWIS sites, radio towers, vehicle radio systems, state data collection equipment, and equipment such as the newly installed automatic anti-icing system on the I-29 Buxton bridge. In addition, we have placed computers in each of the sections. As we continue to do more engineering design work in the districts, there is a need for the support services. In addition, as construction engineers utilize technological advances to do their job in the field, IT support services are also needed. If the FTE is approved, our IT division would reallocate the geographic areas of responsibility to better serve the entire state.

Next, Keith Kiser, Motor Vehicle Division Director, will discuss his program's portion of the budget.

MOTOR VEHICLE PROGRAM

← Keith Kiser, Motor Vehicle Division Director

2001-2003 Current Budget	2003-2005 Executive Budget	Change from Current Budget
\$12.0	\$8.1	- \$3.9

NDDOT's Motor Vehicle Division administers all programs relating to the titling and registration of vehicles. The division regulates motor vehicle dealers, interstate motor carriers, mobility-impaired parking privileges, and intrastate household goods carriers, and is responsible for maintaining and making available records created by its various activities.

In the past year, the division processed more than one million customer transactions, and collected and distributed \$120 million for various state government agencies, while using only about three percent of the collections for operating expenses.

The division serves the public at physical locations in the central office in Bismarck, 13 branch offices located throughout the state, and three county treasurer offices. We also offer services by mail, fax, e-mail, and through the Internet. Five of the branch offices also provide partial registration services to interstate motor carriers, who no longer need to conduct the transaction in Bismarck. The branch offices are privatized operations that decrease our operational costs. Internet vehicle registration has been a success and we hope usage will continue to grow.

Although our 2003-2005 budget is balanced, we'll continue to explore ways to improve our service to customers. We plan to review the feasibility of allowing vehicle registration renewals over the telephone for customers who do not have access to the Internet. We intend to explore the feasibility of sending lien notifications to lending companies electronically instead of sending them a certificate of title. This should result in a small cost savings for us and save lending institutions the trouble of having to store certificates of title until a lien has been satisfied. Finally, we plan to develop an on-line fee calculation module for use by dealers and the general public. Calculating the fees related to vehicle titling and licensing has become increasingly complex, and an on-line fee calculation module should help to reduce errors, especially for dealers.

Postage has been reduced by \$215,000. This had been included in the 2001-2003 biennium to cover additional costs resulting from a possible general license plate issuance.

The provisions of the Vehicle Registration and Titling System have now been fulfilled. The associated cost was more than \$919,000 per biennium. The budget has been reduced accordingly in the equipment leasing line item.

Professional services, which increased by \$150,000, provides for outsourcing of the dealer enforcement provisions of the new dealer licensing law passed in the last session. These costs are covered by revenues provided through a dealer licensing increase.

Next, ← Marsha Lembke, Director of the Drivers License and Traffic Safety Division, will discuss her program's part of the budget.

DRIVERS LICENSE PROGRAM

Marsha Lembke, Drivers License Division Director

2001-2003 Current Budget	2003-2005 Executive Budget	Change from Current Budget
\$15.6	\$10.2	- \$5.4

The Drivers License and Traffic Safety Division (DL&TS) serves about 456,000 North Dakota licensed drivers, and also other ND residents, infants and children, law enforcement officers, and courts of law. The division ensures that only qualified and competent people are licensed to drive, and we educate the public about traffic safety issues. We do this by:

- processing driver record requests, crash reports
- issuing license suspension, revocation, and cancellation orders
- processing permits, licenses, and ID cards
- administering written tests and conducting road tests

We have 28 automated licensing and testing sites across the state to help us provide better service, especially for commercial drivers. We are required to check a national database before issuing or renewing a commercial driver's license (CDL). Automation helps us issue and renew a driver's CDL in a matter of minutes instead of days or weeks.

In late 2001, we replaced our outdated driver testing system with new equipment. Q-Test is user-friendly for both the customers and our employees. Because our 2001-2003 budget included funding for this purchase, we have removed the associated costs from our 2003-2005 request, reducing IT Equipment by \$407,200 in the Drivers License program. The remaining reduction in the division's budget is the result of our receiving less federal funding, as Shannon Sauer described earlier.

Next, Grant Levi, Deputy Director for Engineering, will discuss the highways portion of the budget.

Deanna Baller
Operator's Signature

10/30/03
Date

HIGHWAYS PROGRAM BUDGET

Grant Levi, NDDOT Deputy Director for Engineering

2001-2003 Current Budget	2003-2005 Executive Budget	Change from Current Budget
\$722.6	\$649.0	- \$73.6

The highways program provides for the planning, surveying, design, construction, maintenance, and evaluation of roads, bridges, and streets to ensure the safe and efficient movement of people and goods. Programming of federal and state funds and transportation planning functions relating to highways, railroads, and transit are also budgeted in this area. The staffing to oversee the highways program is located in our Bismarek Central Office Building, eight district offices, and 66 sections. We have staff located in many of the state's communities to enable us to complete the planning, design, construction and maintenance of the state's transportation system. The next page is a map showing the location of our maintenance sections and district boundaries.

The requested budget decreases the highway program by \$73,615,237. Today I will discuss a few of the budget changes.

Our budget is requesting four additional engineering employees to help carry out the increased workload. NDDOT's construction program has increased from \$88 million in 1990 to about \$225 million in 2002. To accommodate the increase in the size of the program, we have not increased our number of FTE's, but our overtime budget has more than doubled. We do not feel we can continue to ask our employees to work the overtime hours we have in the past, and are requesting four additional positions. As a result, our staffing line item has increased.

The department's non-Fleet equipment (snowblowers, motor graders, and loaders) is aging and requiring additional repairs. As a result, we're requesting about \$550,000 in additional funds to keep our essential non-Fleet equipment operating. In addition, we're requesting \$442,000 for aircraft repair and maintenance. Because of these changes, the equipment and repairs line item increased.

< The professional services line item decreased by almost \$10 million. > This reduction is due to the completion of preliminary engineering work on the Four Bears Bridge and other specially funded projects such as US 52 from Kenmare to Donnybrook, and the Jamestown Bypass.

The line item for buildings, grounds, vehicle maintenance, and supplies shows an increase of just over \$10.8 million. This increase is due to transferring \$11.6 million in federal funds from the other capital payments line item to our maintenance contract patching program. This transfer was made to show we are using federal funds for certain maintenance activities such as seal coats and contract patching. After reviewing our budget, we feel it would be in our best interest to keep the federal funds in one line item. Keeping the federal funds in one line item would allow us to better track our federal expenditures. We would still use a portion of the federal funds for eligible maintenance activities. Therefore, we are respectfully requesting to amend our budget. The amendment would transfer the \$11.6 million in federal funds from the buildings and grounds line

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item to the other capital payments line item. If the amendment is approved, the buildings and grounds line item will actually show a reduction of about \$850,000 due to decreases in other roadway maintenance activities. The amendment we are requesting would change H.B. 1012 by decreasing the operating expenses line item by \$11.6 million and increasing the capital assets line item by \$11.6 million.

The other capital payments line item shows a decrease of about \$81.7 million. This reduction is due in large part to the fact that our requested budget does not include any Emergency Relief funding. About \$1.8 million of right-of-way purchase funding was transferred to this line item from the land and buildings line item. The balance of the remaining decrease is because of the transfer of the \$11.6 million of federal funds to the buildings and grounds line item. If the budget amendment we requested above is approved, the \$11.6 million would be returned to the other capital payments line item. With the addition of the \$11.6 million to this line item our decrease would be about \$70.1 million.

The motor vehicle line item is our major non-fleet equipment line item. The \$1.9 million increase is to replace some of our aging non-fleet maintenance equipment (snowblowers, loaders, and motor graders) that is essential for providing quality service to the motoring public. With the increased funding requested in this line item, we will be implementing an equipment management plan and start to replace essential maintenance equipment in a more timely manner. This will help reduce future repair bills and down time.

The budget request for the highway program is essential for protecting the investment we have made in our highway network, and will allow us to continue to provide a quality product and meet the ever increasing demands of the motoring public.

Now Paul Feyereisen, State Fleet Services Director, will discuss his program's part of the budget.

STATE FLEET PROGRAM BUDGET

Paul Feyerelsen, State Fleet Director

2001-2003 Current Budget	2003-2005 Executive Budget	Change from Current Budget
\$38.5	\$42.1	\$3.6

State Fleet Services' mission is to provide motor vehicle transportation to state agencies and institutions at the lowest possible cost. The state fleet consists of 2,809 motor vehicles used by 60 state agencies, 11 state universities, and 11 extension and research center entities.

During this biennium, fuel costs—especially wholesale fuel costs—have challenged us. In December, the wholesale rack price was about \$0.90 per gallon. Earlier in the biennium it was as low as \$0.60 per gallon. The future is uncertain, but the available information indicates that prices will rise.

Although fuel costs have affected the budgets of all our customers, our rates are very reasonable. For example, our sedans rent for \$0.25 per mile, compared with \$0.50 in the private sector. It's important to reduce costs in other areas to help offset fuel cost increases. The table on the next page identifies the various categories of vehicles in the state fleet and the rental rates for each category. Also, in 2002 we began using 10 percent ethanol in our light fleet. Next spring we will expand our biodiesel program from Fargo to include the Grand Forks and Valley City areas.

Maintenance costs have increased sharply over the past few years. Although this has affected our parts and labor budget, we still try to cycle our vehicles based on our depreciation schedule. This results in a very good return on the vehicles we sell at our auctions.

We continue to purchase lower-cost compact vehicles instead of higher-cost, full-size vehicles when it's appropriate to do so. We have expanded our program of sharing specialty vehicles, and we continue to monitor vehicle use so that we provide all necessary service using the fewest possible vehicles.

Safety is a great concern for NDDOT. Fleet vehicle crashes were 10 percent lower this year than in 2001. In the past two years, about 3,000 state employees have taken the driver improvement training program offered by our division.

The overall operating expense budget of Fleet Services reflects inflationary trends of operating costs and agency usage of vehicles.

Finally, the purchase of fleet vehicles has been increased \$2.8 million. This is to cover the cost of additional new vehicles and inflationary increases.

**NDDOT STATE FLEET SERVICES
RENTAL RATES
JANUARY 1, 2003**

Description	Total Veh. in Group	Group No.	Operator Rate	Depr. Rate	Repl. Rate	Mile/hour Rate
Mini Pass. Van	167	1	.105	.210	.075	.390
Sedan/Wagon	661	2	.80	.130	.040	.250
Light Pickup/Cargo Van	289	3	.140	.180	.120	.440
Heavy Pickup/Cargo Van	245	4	.232	.183	.035	.450
High Mile - Heavy Pickup	40	6	.130	.120	.100	.350
Highway Patrol	144	7	.142	.233	.015	.390
12-15 Pass. Vans	107	8	.161	.219	.035	.415
Game Enforcement/Special	61	9	.104	.136	.010	.250
Facility Service Vehicle	285	12	.345	.325	.350	1.020
Compact Utility/All	161	13	.113	.192	.055	.360
Suburban/Full-size Utility/All	81	14	.153	.192	.005	.350
Pickup Diesel - Heavy Tow	30	15	.145	.065	.190	.400
Miscellaneous Truck	52	18	14.040	7.810	.650	22.500
Distributor/Garbage Truck	15	19	9.950	9.500		19.450
Sign Truck	20	20	7.460	5.540		13.000
Single Axle Truck/All	164	21	13.160	2.690	1.150	17.000
Tandem Axle Truck/All	214	22	15.450	5.370	16.180	37.000
Truck Tractor	14	23	19.500	5.100		24.600
Rotary Snowplow	17	24	54.000	6.000		60.000
Snowplow Truck/AWD	3	25	46.000			46.000
Motor Coach	7	26	29.200	8.900	5.900	44.000
Mid-size Bus	18	28	10.750	8.350	6.900	26.000
Lineworker Truck	3	29	1.500	23.050	8.450	33.000
Shuttle Bus	5	30	5.000	6.230	6.770	18.000
Fuel Truck	3	31	2.750	0.650	0.550	3.950
Drill Truck	3	32	1.500	19.700	55.800	77.000
TOTAL VEHICLES	2809					

Now I'd like to turn it back to DOT Director David Sprynczynatyk.

NDDOT DIRECTOR DAVID SPRYNCZYNATYK

Mr. Chairman, members of the Government Operations Division, that concludes our presentation on the NDDOT's 2003-2005 budget request. We have attached detailed program budget tables. As I mentioned earlier, overall the NDDOT's budget decreased by \$81.1 million. The main reason for this is the fact that we do not project Emergency Relief funding for projects in the next biennium. In addition, there continues to be the great uncertainty of federal funding over the next two years, making budgeting difficult.

We would be pleased to try to answer any additional questions you might have. Thank you.

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David Sprynczynatyk

Date

10/30/03

Executive Budget Recommendation

North Dakota Department of Transportation

Object Code	Object Description	2003-2005 EXECUTIVE RECOMMENDATION	2001-2003 BUDGET	INCREASE/ DECREASE	% CHANGE
1001	Salaries	70,979,281	68,921,602	2,057,659	2.99%
1002	Temporary, Overtime, & Shift Differential	9,096,089	9,058,688	37,401	0.41%
1008	Benefits	26,282,361	22,267,001	4,025,360	18.09%
3002	IT-Data Processing	5,841,820	5,523,329	318,491	5.77%
3003	IT-Telephone	1,125,953	1,120,692	5,261	0.47%
3004	Travel	18,099,225	18,166,429	(67,204)	-0.48%
3005	IT-Software/Supplies	962,066	1,040,394	(78,308)	-7.53%
3006	Utilities	2,885,877	2,802,839	83,038	2.96%
3007	Postage	1,489,339	1,715,404	(226,065)	-13.18%
3011	Lease/Rentals - Equipment	1,139,001	3,262,301	(2,123,300)	-65.04%
3012	Lease/Rentals - Buildings/Land	400,174	442,404	(42,230)	-9.55%
3013	Dues & Professional Development	720,735	880,971	(140,236)	-16.26%
3014	Operating Fees & Services	1,550,553	1,895,360	(344,807)	-22.39%
3016	Repairs	11,607,689	11,472,055	135,634	1.18%
3018	Professional Services	17,278,019	27,182,904	(9,904,885)	-36.44%
3019	Insurance	1,993,867	1,698,741	295,126	17.51%
3021	Office Supplies	473,617	469,044	4,573	1.02%
3024	Printing	1,101,458	1,097,947	3,511	0.32%
3025	Professional Supplies & Materials	197,275	167,733	29,542	17.61%
3030	Bldg., Grounds, Vehicle Maint. Supplies	50,049,378	40,729,098	9,320,280	22.88%
3033	Miscellaneous Supplies	3,183,588	3,057,917	125,669	4.11%
3034	Office Equipment-Under \$5000	342,225	744,430	(402,205)	-54.03%
3038	IT-Equipment Under \$5000	699,620	1,090,000	(390,380)	-35.81%
3900	Operating Budget Adjustment	3,310,672	0	3,310,672	100.00%
5004	Motor Vehicles	29,862,201	25,185,169	4,697,032	18.66%
5005	Land & Buildings	5,157,200	6,969,399	(1,812,199)	-26.00%
5016	IT-Equipment-Over \$5000	548,337	783,135	(234,798)	-29.98%
5020	Other Capital Payments	423,279,885	505,025,948	(81,746,063)	-16.19%
5030	Equipment-Over \$5000	649,381	642,987	6,394	1.00%
6006	Grants, Benefits & Claims	44,085,503	49,377,085	(5,291,582)	-10.72%
3033	Misc Supplies / License Plate Issue	0	3,200,000	(3,200,000)	-100.00%
	Cost Center Total	734,792,567	815,958,968	(81,166,419)	-9.95%
9991	General Fund	0	0	0	0.00%
9992	Federal Fund	412,273,189	487,515,707	(75,242,518)	-15.43%
9993	Special Fund	322,519,378	328,443,279	(5,923,901)	-1.80%

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10/30/03
Date

Executive Budget Recommendation

North Dakota Department of Transportation
Administration Program - CC 1000

Object Code	Object Description	2003-2005 EXECUTIVE RECOMMENDATION	2001-2003 BUDGET	INCREASE/ DECREASE	% CHANGE
1001	Salaries	6,816,550	8,408,131	(1,589,581)	-18.91%
1002	Temporary, Overtime, & Shift Differential	154,343	145,416	8,927	6.14%
1006	Benefits	2,253,748	2,324,469	(70,721)	-3.04%
3002	IT-Data Processing	4,568,164	4,153,937	414,227	9.97%
3003	IT-Telephone	659,016	696,905	(37,889)	-4.22%
3004	Travel	303,789	352,556	(48,767)	-13.83%
3005	IT-Software/Supplies	936,986	917,294	19,692	2.15%
3006	Utilities	499,999	499,999	0	0.00%
3007	Postage	504,557	506,057	(1,500)	-0.30%
3011	Lease/Rentals - Equipment	10,101	11,601	(1,500)	-12.93%
3012	Lease/Rentals - Buildings/Land	34,878	37,300	(2,422)	-6.49%
3013	Dues & Professional Development	570,771	585,481	(14,690)	-2.51%
3014	Operating Fees & Services	191,868	196,018	(4,150)	-2.12%
3016	Repairs	1,094,032	1,185,753	(91,721)	-7.74%
3018	Professional Services	606,378	617,585	(11,217)	-1.82%
3019	Insurance	0	0	0	0.00%
3021	Office Supplies	77,272	127,271	(49,999)	-39.29%
3024	Printing	855,414	856,414	0	0.00%
3025	Professional Supplies & Materials	34,466	37,753	(3,287)	-8.71%
3030	Bldg., Grounds, Vehicle Maint. Supplies	42,186	48,186	(6,000)	-12.45%
3033	Miscellaneous Supplies	209,288	252,219	(42,933)	-17.02%
3034	Office Equipment-Under \$5000	284,518	192,365	72,123	37.49%
3036	IT-Equipment Under \$5000	671,820	623,000	48,820	7.84%
3600	Operating Budget Adjustment	0	0	0	0.00%
5004	Motor Vehicles	0	0	0	0.00%
5005	Land & Buildings	3,175,200	3,175,200	0	0.00%
5016	IT-Equipment-Over \$5000	518,615	689,060	(170,445)	-24.74%
5020	Other Capital Payments	0	0	0	0.00%
5030	Equipment-Over \$5000	100,531	387,096	(286,565)	-74.03%
6006	Grants, Benefits & Claims	40,000	40,000	0	0.00%
3033	Misc Supplies / License Plate Issue	0	0	0	0.00%
	Cost Center Total	25,395,468	27,265,066	(1,869,598)	-6.86%
9991	General Fund	0	0	0	0.00%
9992	Federal Fund	268,721	896,405	(629,684)	-70.09%
9993	Special Fund	25,126,767	26,366,661	(1,239,914)	-4.70%

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Executive Budget Recommendation

North Dakota Department of Transportation
Motor Vehicle Program - CC 2000

Object Code	Object Description	2003-2005 EXECUTIVE RECOMMENDATION	2001-2003 BUDGET	INCREASE/ DECREASE	% CHANGE
1001	Salaries	2,380,707	2,214,179	166,528	7.52%
1002	Temporary, Overtime, & Shift Differential	434,591	414,681	19,910	4.80%
1008	Benefits	973,692	775,639	198,053	25.53%
3002	IT-Data Processing	1,173,656	1,227,632	(53,976)	-4.40%
3003	IT-Telephone	65,732	65,732	0	0.00%
3004	Travel	82,102	78,102	4,000	5.12%
3005	IT-Software/Supplies	15,000	15,000	0	0.00%
3006	Utilities	11,460	11,460	0	0.00%
3007	Postage	926,704	1,142,299	(215,595)	-18.87%
3011	Lease/Rentals - Equipment	4,500	1,057,862	(1,053,362)	-99.57%
3012	Lease/Rentals - Buildings/Land	2,400	8,400	(6,000)	-71.43%
3013	Dues & Professional Development	42,000	43,000	(1,000)	-2.33%
3014	Operating Fees & Services	61,223	149,348	(88,125)	-59.01%
3016	Repairs	377,465	246,528	130,937	53.11%
3018	Professional Services	191,274	41,051	150,223	365.94%
3019	Insurance	0	0	0	0.00%
3021	Office Supplies	94,995	44,995	50,000	111.12%
3024	Printing	237,044	231,533	5,511	2.36%
3025	Professional Supplies & Materials	9,064	9,064	0	0.00%
3030	Bldg., Grounds, Vehicle Maint. Supplies	2,000	5,000	(3,000)	-60.00%
3033	Miscellaneous Supplies	921,992	922,792	(800)	-0.09%
3034	Office Equipment-Under \$5000	8,200	18,200	(10,000)	-54.95%
3038	IT-Equipment Under \$5000	25,000	25,000	0	0.00%
3900	Operating Budget Adjustment	0	0	0	0.00%
5004	Motor Vehicles	0	5,700	(5,700)	-100.00%
5005	Land & Buildings	0	0	0	0.00%
5016	IT-Equipment-Over \$5000	29,722	34,075	(4,353)	-12.77%
5020	Other Capital Payments	0	0	0	0.00%
5030	Equipment-Over \$5000	8,150	8,150	0	0.00%
6006	Grants, Benefits & Claims	0	0	0	0.00%
3033	Misc Supplies / License Plate Issue	0	3,200,000	(3,200,000)	-100.00%
	Cost Center Total	8,076,673	11,995,422	(3,918,749)	-32.65%
		0	0	0	0.00%
9991	General Fund	26,366	128,152	(101,786)	-79.43%
9992	Federal Fund	8,052,307	11,867,270	(3,814,963)	-32.15%
9993	Special Fund				

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Executive Budget Recommendation

North Dakota Department of Transportation
 Drivers License Program - CC 3000

Object Code	Object Description	2003-2005 EXECUTIVE RECOMMENDATION	2001-2003 BUDGET	INCREASE/ DECREASE	% CHANGE
1001	Salaries	3,553,540	3,489,520	64,020	1.83%
1002	Temporary, Overtime, & Shift Differential	103,785	101,587	2,218	2.18%
1008	Benefits	1,388,337	1,098,294	290,043	26.41%
3002	IT-Data Processing	0	0	0	0.00%
3003	IT-Telephone	26,600	7,400	19,200	259.46%
3004	Travel	178,401	188,401	(8,000)	-4.29%
3005	IT-Software/Supplies	5,000	5,000	0	0.00%
3006	Utilities	4,225	4,425	(200)	-4.52%
3007	Postage	6,400	5,400	1,000	18.52%
3011	Lease/Rentals - Equipment	1,000	2,000	(1,000)	-50.00%
3012	Lease/Rentals - Buildings/Land	65,000	65,000	0	0.00%
3013	Dues & Professional Development	19,700	19,000	700	3.68%
3014	Operating Fees & Services	1,225,700	1,191,800	33,900	2.84%
3016	Repairs	35,551	36,001	(450)	-1.25%
3018	Professional Services	32,000	64,500	(52,500)	-81.13%
3019	Insurance	0	0	0	0.00%
3021	Office Supplies	21,500	21,500	0	0.00%
3024	Printing	5,000	5,000	0	0.00%
3025	Professional Supplies & Materials	60,000	30,000	30,000	100.00%
3030	Bldg., Grounds, Vehicle Maint. Supplies	6,500	4,000	2,500	62.50%
3033	Miscellaneous Supplies	34,300	22,576	11,724	51.93%
3034	Office Equipment-Under \$5000	14,100	5,000	9,100	182.00%
3036	IT-Equipment Under \$5000	2,800	410,000	(407,200)	-99.32%
3900	Operating Budget Adjustment	0	0	0	0.00%
5004	Motor Vehicles	0	0	0	0.00%
5005	Land & Buildings	0	0	0	0.00%
5016	IT-Equipment-Over \$5000	0	40,000	(40,000)	-100.00%
5020	Other Capital Payments	0	0	0	0.00%
5030	Equipment-Over \$5000	0	10,000	(10,000)	-100.00%
6006	Grants, Benefits & Claims	3,426,000	8,735,797	(5,315,797)	-60.85%
3033	Misc Supplies / License Plate Issue	0	0	0	0.00%
	Cost Center Total	10,209,439	15,580,181	(5,370,742)	-34.47%
9991	General Fund	0	0	0	0.00%
9992	Federal Fund	3,831,908	6,956,103	(3,124,195)	-44.91%
9993	Special Fund	6,377,531	8,624,078	(2,246,547)	-26.05%

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Executive Budget Recommendation

North Dakota Department of Transportation
Highways Program - CC 4000

Object Code	Object Description	2003-2004 EXECUTIVE RECOMMENDATION	2001-2003 BUDGET	INCREASE/ DECREASE	% CHANGE
1001	Salaries	56,724,722	53,184,962	3,539,760	6.66%
1002	Temporary, Overtime, & Shift Differential	8,378,828	8,371,049	5,779	0.07%
1006	Benefits	21,084,112	17,510,159	3,573,953	20.41%
3002	IT-Data Processing	0	0	0	0.00%
3003	IT-Telephone	165,605	139,655	26,950	19.44%
3004	Travel	17,482,881	17,515,318	(32,437)	-0.19%
3005	IT-Software/Supplies	5,100	103,100	(98,000)	-95.05%
3006	Utilities	2,370,021	2,286,783	83,238	3.64%
3007	Postage	51,628	61,598	(9,970)	-16.19%
3011	Lease/Rentals - Equipment	1,081,400	2,138,838	(1,057,438)	-49.44%
3012	Lease/Rentals - Buildings/Land	297,898	331,704	(33,806)	-10.19%
3013	Dues & Professional Development	85,264	210,510	(125,246)	-59.50%
3014	Operating Fees & Services	418,062	304,494	113,568	37.30%
3016	Repairs	5,550,588	4,571,993	978,593	21.40%
3018	Professional Services	16,058,367	26,049,758	(9,991,391)	-38.36%
3019	Insurance	912,861	675,981	236,880	35.01%
3021	Office Supplies	278,050	273,278	4,772	1.75%
3024	Printing	3,000	5,000	(2,000)	-40.00%
3025	Professional Supplies & Materials	69,745	68,918	829	4.23%
3030	Bldg., Grounds, Vehicle Maint. Supplies	44,039,385	33,183,048	10,856,337	32.72%
3033	Miscellaneous Supplies	1,993,008	1,835,330	157,678	8.59%
3034	Office Equipment-Under \$5000	55,407	523,835	(468,428)	-89.42%
3036	IT-Equipment Under \$5000	0	30,000	(30,000)	-100.00%
3600	Operating Budget Adjustment	0	0	0	0.00%
5004	Motor Vehicles	5,469,901	3,585,469	1,904,432	53.41%
5005	Land & Buildings	1,992,000	3,794,199	(1,812,199)	-47.76%
5016	IT-Equipment-Over \$5000	0	20,000	(20,000)	-100.00%
5020	Other Capital Payments	423,279,865	505,025,948	(81,746,083)	-16.19%
5030	Equipment-Over \$5000	535,700	232,721	302,979	130.19%
6006	Grants, Benefits & Claims	40,825,503	40,601,288	24,215	0.06%
3033	Misc Supplies / License Plate Issue	0	0	0	0.00%
	Cost Center Total	648,998,697	722,611,934	(73,615,237)	-10.19%
9991	General Fund	0	0	0	0.00%
9992	Federal Fund	408,146,194	479,533,047	(71,386,853)	-14.89%
9993	Special Fund	240,850,503	243,078,887	(2,228,384)	-0.92%

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Executive Budget Recommendation

North Dakota Department of Transportation Fleet Services Program - CC 5000

Object Code	Object Description	2003-2005 EXECUTIVE RECOMMENDATION	2001-2003 BUDGET	INCREASE/ DECREASE	% CHANGE
1001	Salaries	1,503,742	1,628,810	(123,068)	-7.56%
1002	Temporary, Overtime, & Shift Differential	26,542	25,875	567	2.18%
1008	Benefits	582,472	548,440	34,032	6.21%
3002	IT-Data Processing	100,000	141,780	(41,780)	-29.48%
3003	IT-Telephone	9,000	12,000	(3,000)	-25.00%
3004	Travel	52,052	54,052	(2,000)	-3.70%
3005	IT-Software/Supplies	0	0	0	0.00%
3008	Utilities	172	172	0	0.00%
3007	Postage	50	50	0	0.00%
3011	Lease/Rentals - Equipment	42,000	52,000	(10,000)	-19.23%
3012	Lease/Rentals - Buildings/Land	0	0	0	0.00%
3013	Dues & Professional Development	3,000	3,000	0	0.00%
3014	Operating Fees & Services	53,700	53,700	0	0.00%
3016	Repairs	4,550,055	5,431,780	(881,725)	-16.23%
3018	Professional Services	380,000	380,000	0	0.00%
3019	Insurance	1,061,206	1,020,780	60,446	5.92%
3021	Office Supplies	2,000	2,000	0	0.00%
3024	Printing	0	0	0	0.00%
3025	Professional Supplies & Materials	24,000	24,000	0	0.00%
3030	Bldg., Grounds, Vehicle Maint. Supplies	5,959,307	7,488,864	(1,529,557)	-20.42%
3033	Miscellaneous Supplies	25,000	25,000	0	0.00%
3034	Office Equipment-Under \$5000	0	5,000	(5,000)	-100.00%
3038	IT-Equipment Under \$5000	0	2,000	(2,000)	-100.00%
3600	Operating Budget Adjustment	3,310,672	0	3,310,672	0.00%
5004	Motor Vehicles	24,382,300	21,594,000	2,798,300	12.96%
5005	Land & Buildings	0	0	0	0.00%
5016	IT-Equipment-Over \$5000	0	0	0	0.00%
5020	Other Capital Payments	0	0	0	0.00%
5030	Equipment-Over \$5000	5,000	5,000	0	0.00%
6006	Grants, Benefits & Claims	0	0	0	0.00%
3033	Misc Supplies / License Plate Issue	0	0	0	0.00%
	Cost Center Total	42,112,270	38,506,363	3,605,907	9.36%
9991	General Fund	0	0	0	0.00%
9992	Federal Fund	0	0	0	0.00%
9993	Special Fund	42,112,270	38,506,363	3,605,907	9.36%

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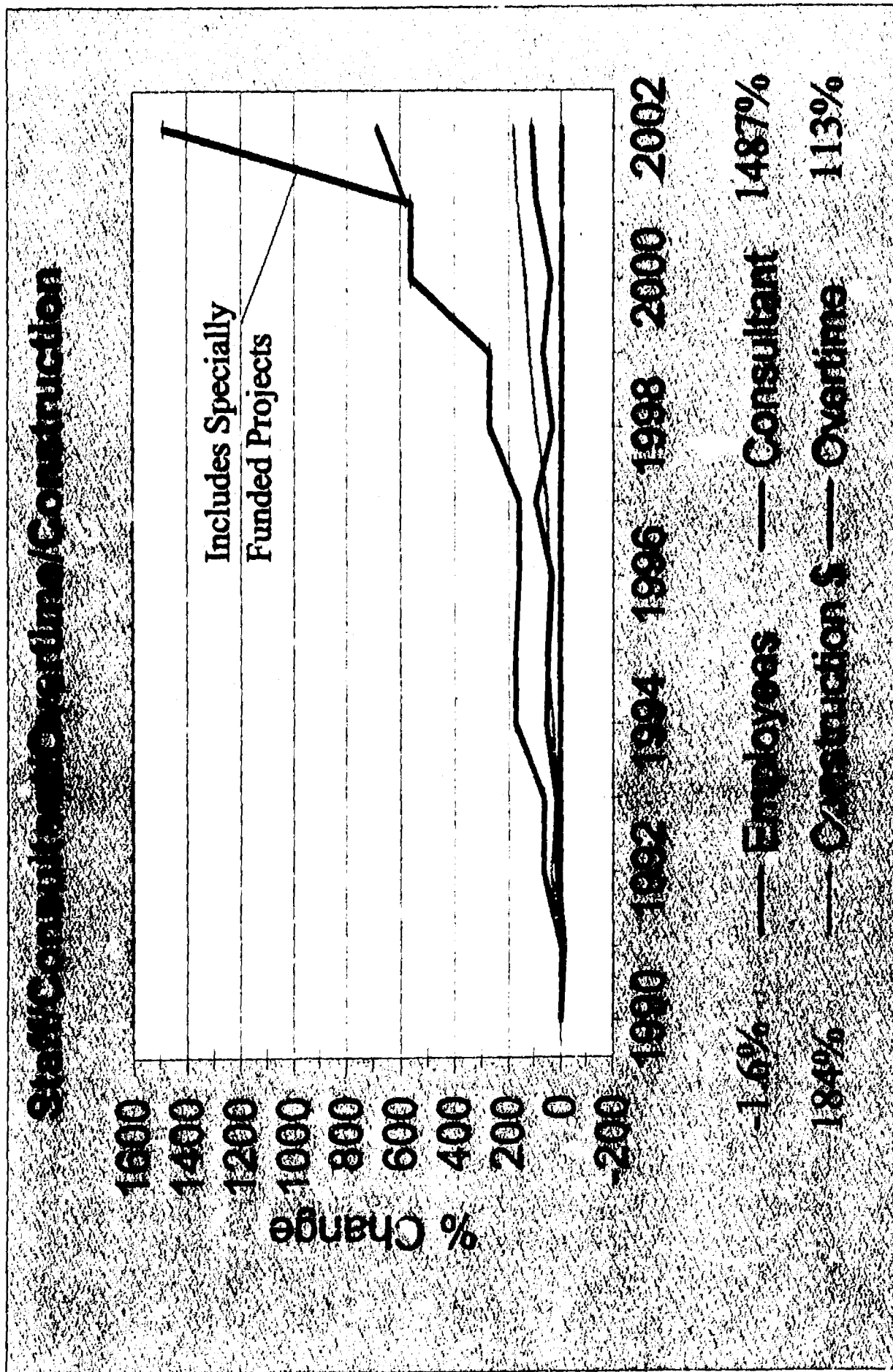
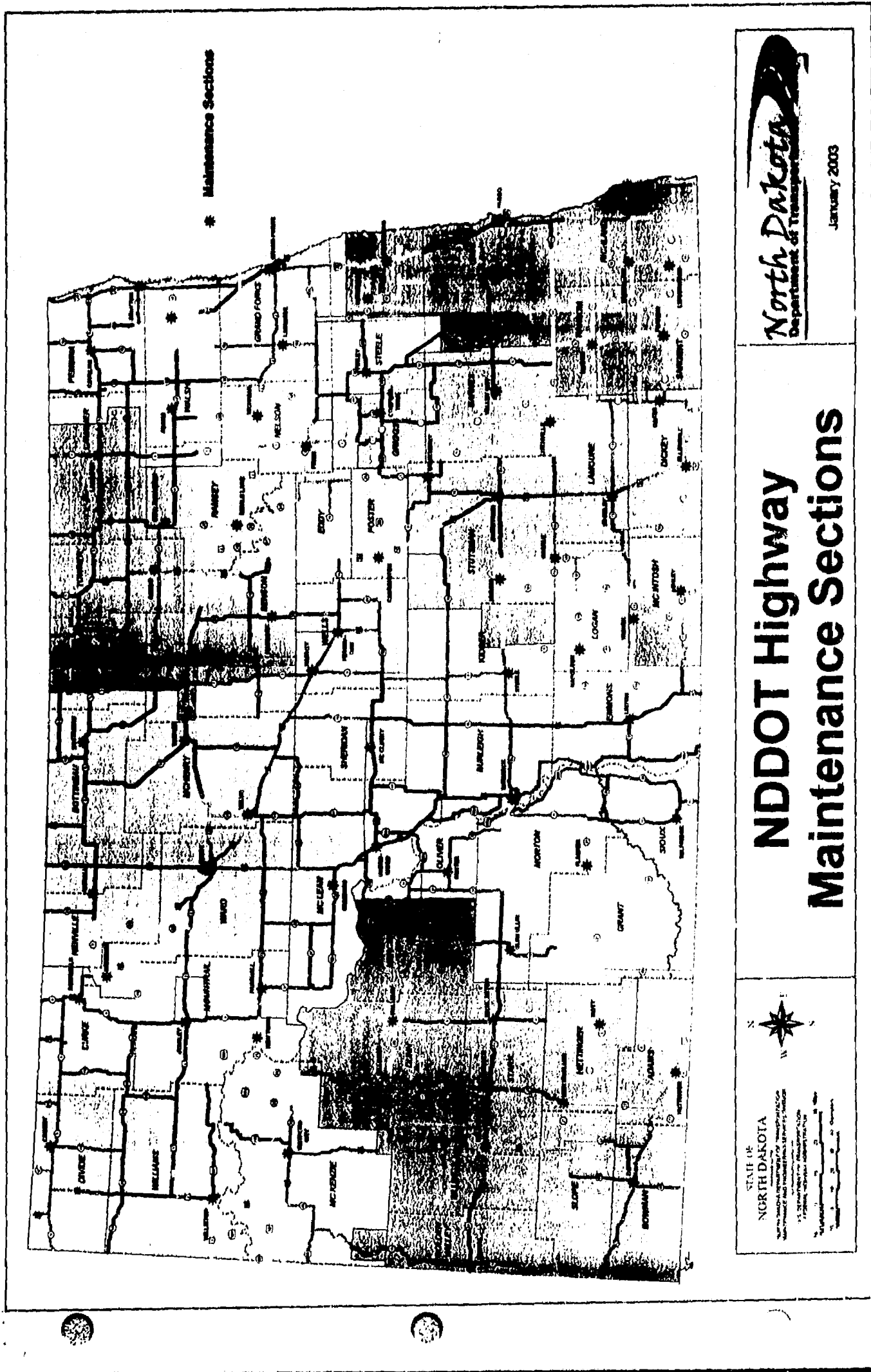


Exhibit 9 - NDDOT Follow-up on HB1012 - 1/20/03

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10/30/03

Exhibit 1

With
Exception
of These
pages Same testimony
given to Senate as to House

HB 1012

TESTIMONY
before the
Senate Appropriations Committee

2003-2005 Biennium Budget

Prepared by
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
BISMARCK, NORTH DAKOTA

DIRECTOR
David A. Sprynczynatyk, P.E.

March 6, 2003

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SENATE APPROPRIATIONS COMMITTEE

March 6, 2003

North Dakota Department of Transportation

David A. Sprynczynatyk, P.E., Director

HB 1012

Good morning, Mr. Chairman and members of the committee. I'm David Sprynczynatyk, Director of the North Dakota Department of Transportation. It's my pleasure today to present you with an overview of the department's goals and accomplishments this biennium, the opportunities and challenges that lie ahead for our state's transportation system, and a summary of the budget request contained in Engrossed House Bill 1012.

When we prepared our budget, we did not know what North Dakota's federal funding level would be. On February 13, Congress approved funding levels for 2003, and we learned that North Dakota will likely receive about \$42.1 million in additional federal funds during the 2003-2005 biennium. I will go into more detail about future federal funding later in my presentation. We are asking for an amendment to HB 1012 that would increase NDDOT's spending authority, enabling the department to match the additional federal funding.

As in any agency, our employees are the reason for our success. During this biennium, NDDOT employees accomplished a long list of initiatives, a few of which I'll mention today. They accomplished these initiatives while the employee count remained fairly steady. The work load and responsibilities of many employees expanded even though their compensation may not have been adjusted proportionately. Many of our central office and district office employees routinely come in early, stay late, and work on weekends. We keep asking them to do more, and somehow they always do. Every accomplishment I describe here today is the product of the NDDOT's outstanding work force.

As my "road map" today, I'll use the department's 2002-2008 strategic plan, whose goals and initiatives guide our decision-making. A copy of the plan has been provided to you.

In 2002, the department updated its 1997 strategic business plan. Our mission---"Providing a transportation system that safely moves people and goods"---has not changed significantly. Our business has always been to ensure that people can move about the state safely, and that the goods we produce and purchase can be moved safely and swiftly.

The department's vision, though, has changed considerably. Today, North Dakota's emphasis on economic development is greater than ever before. The NDDOT's new vision statement---"Safe Ways, Great Ways, Promoting Economic Growth"---emphasizes economic development as one of the department's main concerns, along with preservation of the system, safety, motorist satisfaction, and customer service.

10/30/03

Roadway maintenance. Because of the lack of funds for major reconstruction projects, many miles of our state's transportation system are providing service beyond their normal design life. Our crews continue to do an excellent job of using available funds to maintain and extend the life of our roadways. They accomplish this task by using preventive pavement strategies such as seal coats, crack sealing, and thin-lift overlays.

Communication

During construction projects. On three large projects this biennium—I-29 through Fargo, State Street in Bismarck, and road closures in the Devils Lake area—we anticipated greater public interest and concern with the projects, and increased our emphasis on public information activities. With the help of consultants, we established working relationships with local media, issued frequent project updates, helped the project engineer handle the media, and created dedicated web sites for the projects. The response from the public has been uniformly enthusiastic, and we plan to continue the enhanced public information activities on future construction projects where they're needed.

Also in the current biennium, NDDOT started providing more construction project information to the public by using low-frequency broadcasting at construction sites and by posting construction zones on the Internet.

NDDOT web site. The department's web site (www.discovernd.com/dot/) contains dozens of links to information specifically requested by the public. Many of the public requests involve motorist safety, including weather links, road condition maps, and speed limits on all segments of all state highways. Other services provided on the web site include forms for the public doing business with the NDDOT, bid opening information, State Fleet vehicle auction information, and NDDOT manuals needed by contractors and other government jurisdictions working with NDDOT.

Internet kiosks. We have placed Internet kiosks at our major highway visitor centers. Travelers who use the kiosks have quick, free access to information about weather, roadway conditions, highway construction, cultural and scenic locations in the vicinity, and other traveler information of interest.

"511" travel information program. On February 10, after months of preparation, NDDOT kicked off North Dakota's 511 travel information program. Our partners on the project were the Regional Weather Information Center at UND; Meridian Environmental Technology, Inc., of Grand Forks; the national 511 Coalition; and North Dakota's telephone and cellular companies. 511 is a national service that enables travelers to get the information they need to travel safely -- and that information is free to the public. Motorists have easy access to weather and road information, road construction reports, and seasonal load restriction information just by dialing "511" and following the simple instructions. Since February 10, 511 has received more than 12,000 calls.

Motor vehicle registration

Internet vehicle registration renewal. In May 2002, the Motor Vehicle Division implemented an Internet vehicle registration renewal system. The many comments we've received indicate that the public appreciates the convenience of the system. The system

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10/30/03
Date

State corridors connect lower- and higher-level roadways, usually have two lanes, and may have gravel shoulders, limited passing zone restrictions, and seasonal load restrictions.

District corridors are used primarily for short-to-medium in-state trips. They have two lanes, no access control, narrow paved or gravel shoulders, more seasonal load restrictions than state corridors, and may have some passing restrictions. Moderate traffic volumes are relatively consistent year round.

District collectors link other highways and carry low volumes of mostly-local traffic. They have two lanes, no access control, and usually no shoulders. Some have year-round load restrictions, and some bridges have load, height, and width restrictions.

ENHANCED EMPLOYEE SATISFACTION

Incentives

The department uses many tools to recruit, hire, and retain good employees. In 2001, the Legislature approved a number of programs that added flexibility to our salary structure, enabling us to offer incentives such as recruiting bonuses, performance bonuses, and merit increases. These programs helped us fill a number of workforce vacancies. To help us maintain our ability to fill key vacancies and retain employees, we ask that you consider reinstating the salary increases in the Governor's budget.

Equipment and facility plans

To enable our employees to do their jobs as efficiently and effectively as possible, we have completed equipment management and facility management plans. These plans guide our decisions concerning NDDOT buildings and equipment across the state, and are the basis for our budget request. They enable us to improve facilities and equipment as much as possible within available resources.

NDDOT LEADERSHIP IN PROMOTING A TRANSPORTATION SYSTEM FOR THE FUTURE

Statewide strategic transportation plan ("TransAction")

Early in 2001, the department undertook the development of a Statewide Strategic Transportation Plan as directed by Governor Hocven. The plan, which has been titled, "TransAction," was developed with involvement from representatives of all political subdivisions, modes of transportation, tribal interests, businesses, and the general public. For nearly 18 months, our staff worked with an Advisory Council and a much larger Transportation Forum to create a framework that all entities can use for broad strategic direction as they make transportation decisions. TransAction's goals are: a safe, secure

NDDOT BUDGET

The budget charts on the following pages reflect the revenue and spending authorities contained within the NDDOT budget and approved by the House in Engrossed House Bill 1012.

NDDOT BUDGET PROPOSAL

Revenue

The NDDOT budget proposal was developed without any fuel tax or vehicle registration fee increases. However, there have been a number of adjustments that will impact the amount of funding available for transportation in North Dakota. The two major sources of funding are state and federal funding. The majority of state funds go into the Highway Tax Distribution Fund. From there, 14 percent goes to cities and 23 percent goes to counties. All federal funds go into the state Highway Fund to be used by the state, cities, and counties.

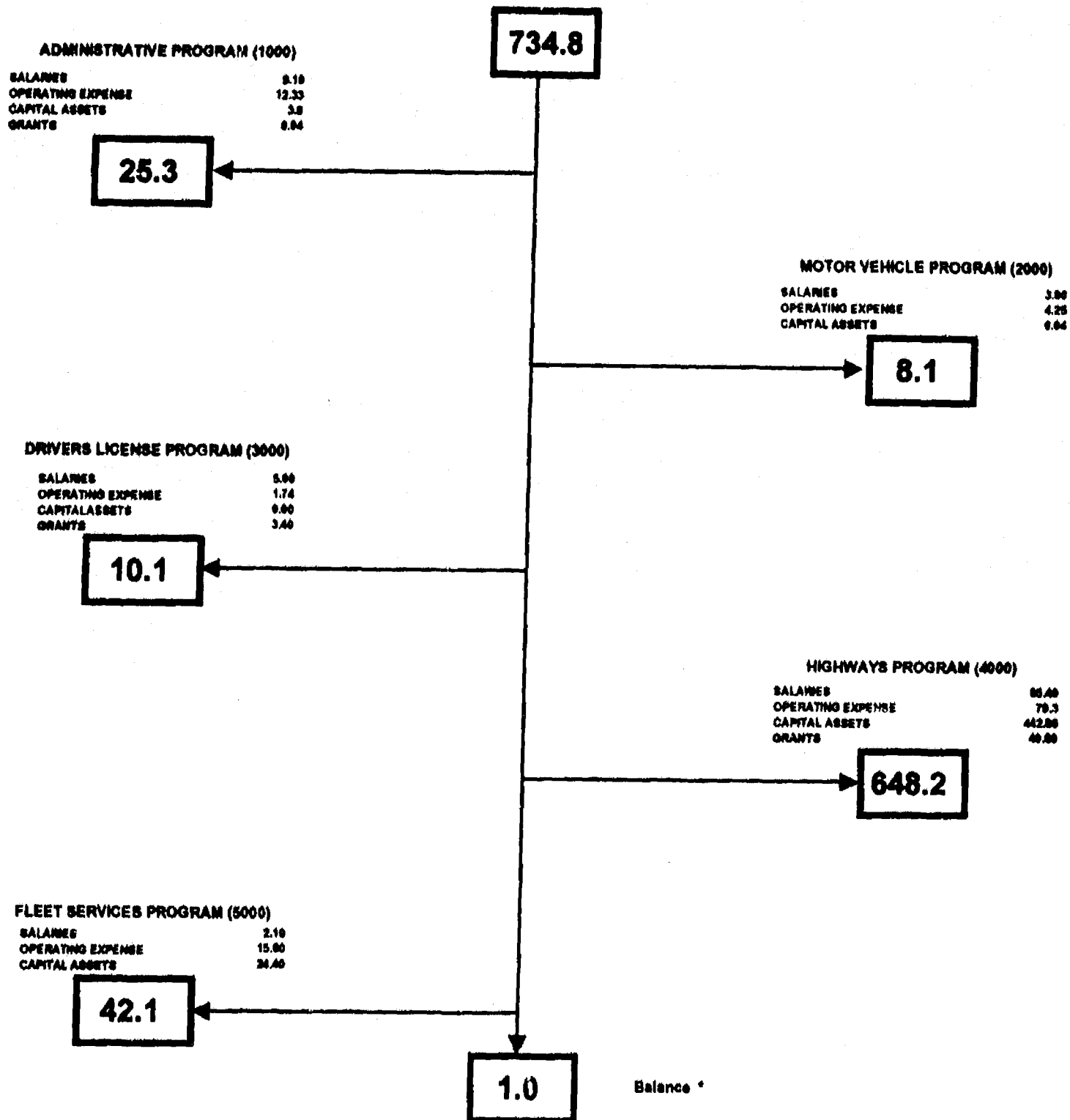
Highway Tax Distribution Fund. The total revenue into the Highway Tax Distribution fund is \$301.4 million. The revenue going into the fund from motor vehicle registration fees will increase, because the \$2 portion of the fee increase enacted during the last Legislative session will no longer be deposited directly to the Highway Fund but will instead go into the Highway Tax Distribution Fund. This will result in a net reduction to the Highway Fund of about \$1 million compared to last biennium.

We estimate a growth in fuel tax revenues resulting from the state's Lewis & Clark activities starting in FY 2004. Based on current projections, we should see a slight increase to Highway Tax Distribution Fund revenues for gasohol, special fuel, and 2 percent special fuel taxes, and a slight decrease for gasoline taxes. The net result is a \$3.4 million increase to the Highway Fund over the last biennium.

In the past, a portion of the Highway Patrol revenue was taken from the Highway Fund. However, the proposed budget provides for this funding to transfer from the Highway Tax Distribution Fund, rather than the Highway Fund.

Depending on other legislation, deductions for ethanol production incentives could increase about \$1.0 million over the current biennium. Based on agreements made with the state, four additional Indian reservations will be receiving a portion of their fuel tax from the state. These agreements will become effective the second year of the biennium. The Indian reservation agreements will reduce the funds available to the Highway Tax Distribution Fund by about \$1.2 million when compared to current revenue. Overall, the net change of dollars from the Highway Tax Distribution Fund is a decrease of \$1.4 million.

**DEPARTMENT OF TRANSPORTATION
2003 - 2005 BUDGET
ENGROSSED HOUSE VERSION
EXPENDITURES**
(MILLIONS)



The Federal Funding associated with the salary cuts would remain unspent in this scenario.

The Federal Funding associated with the salary cuts, \$ 82,936, along with the corresponding match, \$45,732, would need to be amended into the Capital Assets line item to enable the Department to utilize all available Federal Funding, leaving the Balance to be approximately \$800,000.

PREPARED BY HSBDOY
FINANCIAL MANAGEMENT DIVISION
FEBRUARY 7, 2003

Deanna G. Ballantyne
Operator's Signature

10/30/03
Date

Highway Fund. In addition to funds from the Highway Tax Distribution Fund, the NDDOT receives revenue from a number of license and permit fees, such as the fee for obtaining a driver's license. The structure for these revenue sources remains unchanged and our estimates reflect modest growth. These revenue sources generate about \$35 million per biennium, an increase of \$600,000, and go directly into the Highway Fund. We also receive revenue from several other sources, such as the user charges for state fleet vehicles. Most of this revenue reflects the volume of related activity, such as agencies' use of fleet vehicles, and is based on actual costs to the NDDOT. These other revenue sources generate about \$59.3 million per biennium, an increase of \$5.7 million over the biennium. The department anticipates receiving about \$44 million from cities and counties as reimbursement for their share of local construction costs. Finally, we do expect an unencumbered balance of \$1.2 million in the Highway Fund at the close of this biennium.

Federal funds. During the coming year, Congress will debate new federal highway authorization legislation. The resulting transportation act will provide federal funding for most of the balance of this decade. When HB 1012 was acted upon by the House Appropriations Committee, we were uncertain what North Dakota's funding level would be. Using the best available information, the budget was based on \$165 million of regular federal highway formula funds per year. Federal Highway Administration Funds were estimated at \$395.7 million. These funds consisted of:

\$165 million In 2003
 \$165 million In 2004
 \$ 30 million Four Bears Bridge
 \$ 15 million Carryover from 2002
 \$ 11.5 million High-priority projects/demo
 \$ 2.0 million Department of Defense
 \$ 4.2 million Earmarked projects: ND 23, Grand Forks Greenway, ITS
 \$ 3.0 million Redistribution of national federal aid
 \$395.7 million TOTAL from Federal Highway Administration

Other biennial federal funds were estimated as follows:

- Federal Rail Administration (FRA): \$4.5 million
- National Highway Traffic Safety Administration (NHTSA): \$3.8 million
- Federal Transit Administration (FTA): \$8.3 million

A comparison of revenue sources to support NDDOT's engrossed budget is as follows:

	2001-03 Budget	2003-05 House- Approved Budget	Change from 2001-03 Budget
General Fund	0	0	0
Special Funds	\$328.5	\$322.5	- \$6.0
Federal Funds	\$487.5	\$412.3	- \$75.2
Total	\$816.0	\$734.8	- \$81.2

At the end of my testimony, I will update these figures to reflect recent Congressional action.

Expenditures

As we reviewed the 2001-2003 and past biennium budgets, it became apparent the assumptions made for reimbursement from cities and counties, and the amount of match for non-construction funds, were not valid. We also learned we would not receive the level of federal revenue we had assumed. The net result of the invalid assumptions is the NDDOT was able to match its federal funds and have an unencumbered balance of state funds. As a result, the 2003-2005 request reflects large decreases in the capital asset and grant line items, as compared to the 2001-2003 enrolled budget as adjusted for the Emergency Relief funding. The amount of federal funding contained in Engrossed HB 1012 is actually \$8 million more than we will have received in the 2001-2003 biennium.

The NDDOT budget contained in Engrossed HB 1012 is based on five major programs.

<u>PROGRAMS</u>	<u>ENGROSSED HB 1012 BUDGETS</u>
Administration	\$25.3 million
Motor Vehicle	\$8.1 million
Drivers License	\$10.1 million
Highways	\$648.2 million
State Fleet	<u>\$42.1 million</u>
TOTAL	\$733.8 million

As we prepared our budget, we made cuts totaling \$81.2 million from our 2001-2003 budget. Our budget has been further reduced by the \$1 million removed from the Governor's recommended salary increases, for a total reduction of \$82.2 million.

<u>PROGRAMS</u>	<u>CHANGE FROM 2001-2003 BUDGET</u>
Administration	- \$ 2.0 million
Motor Vehicle	- \$ 3.9 million
Drivers License	- \$ 5.5 million
Highways	- \$74.4 million
State Fleet	<u>+\$ 3.6 million</u>
TOTAL	- \$82.2 million

The Fleet Services increase of \$3.6 million is in response to state agencies' increased demand for fleet vehicles.

Our budget request includes five additional FTEs: a telecommunications technician, two engineers, and two engineer technicians. Since 1990 our construction program has increased from about \$80 million to about \$225 million. During the same time frame, while our FTEs have decreased slightly, our overtime costs have increased more than 100 percent to keep pace with the construction program. The five additional FTEs will provide some relief to this situation.

Our budget request does not include any emergency relief funds related to the high water conditions around the state. If we construct additional emergency relief projects, we will address the need for additional funding authority through the Emergency Commission, as intended by the action taken in the last legislative session. This may result in the need to borrow funds as provided in NDCC 24-02-44 and as amended in Engrossed HB 1012.

Deanna Ballantyne
Operator's Signature

10/30/03
Date

The following table summarizes Engrossed HB 1012.

Line	2001-03 Budget*	2003-05 House-Approved Budget	Change from 2001-03 Budget
Salaries and Wages	\$100.2	\$105.3	\$5.1
Operating Expenses	\$124.6	\$113.3	-\$11.3
Capital Assets	\$538.6	\$471.1	-\$67.5
Grants	\$ 49.4	\$ 44.1	-\$5.3
General Lic. Plate Issue	\$ 3.2	0	-\$3.2
TOTAL	\$816	\$733.8	-\$82.2

FTEs	1,041	1,046	5
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* adjusted by Emergency Commission action

Salaries and Wages. This line reflects 5 additional FTEs and the House-approved salaries package.

Operating Expenses. The operating expense line has decreased by \$11.3 million as a result of changes in: the use of professional services; lease/rentals of equipment; and the need for building, grounds, and vehicle maintenance supplies. This decrease reflected the anticipated level of construction support based on federal funding at the time the budget was prepared. As a result of the latest information on available funding in 2003-05, we will be offering an amendment to adjust the operating expenses.

Capital Assets. The capital assets line reflects a net reduction of nearly \$67.5 million. This change is primarily due to the removal of Emergency Relief projects from the budget as well as changes in the available level of regular federal highway funding. As a result of the latest information on available funding in 2003-05, we will be offering an amendment to adjust the capital assets.

With the exception of motor vehicles (state fleet vehicles and heavy road maintenance equipment), the remaining equipment budget has been reduced by about \$1 million. We have transferred budget authority between the various programs to best use our available funds.

Grants. The grants line decreased by nearly \$5.3 million. The change is mainly in the Drivers License program and reflects the anticipated reduction of federal funding for traffic safety programs.

General License Plate Issue. Finally, you will notice that our budget has a \$3.2 million decrease as related to a general license plate issue. This was included in the 2001-2003 biennium request in the event that funding was provided for a general license plate issue. A general license plate issue was not funded in the 2001-2003 biennium, and we are not requesting one for the 2003-2005 biennium.

Now I will specifically address the department's five major program areas.

ADMINISTRATIVE PROGRAM

2001-03 Budget	2003-05 House- Approved Budget	Change from 2001-03 Budget
\$27.3	\$25.3	- \$2.0

The administrative program consists of the following divisions: executive office, financial management, human resources, information technology, and public information.

The administrative program provides for the management services for the department as a whole. The executive office sets and administers the overall policy direction. The financial management division prepares the budget, does the day to day accounting, performs auditing procedures, and handles procurement. Human resources perform all duties associated with our employees including; hiring practices, training issues, classification, discipline incidents, and all other employee issues. The IT division oversees the development and maintenance of all IT related programs, maintains the printing and mailing operations, provides for the multi media services, and does the facilities maintenance. Our public information office provides for all internal and external communication and information.

The net change of the Administrative program budget is a reduction of \$2.0 million. This comes about largely because of the \$1.7 million reduction in salaries and wages due to the change in the mix of FTEs between programs. There is a net decrease in the equipment expenditures of about \$340,000.

There is an increase of \$414,227 in the IT data processing line. Of that amount, \$241,000 can be attributed to rate increases for data processing services. The remainder is for the completion of IT projects started during the current biennium and scheduled to be completed during the 2003-2005 biennium, in accordance with the state IT plan. Also, the DOT is very involved in ITD's development of the state GIS system, which is critical in helping us carry out our mission.

As mentioned earlier, the department is requesting an additional FTE for the purpose of providing telecommunications technology assistance in the districts. We currently have six such FTEs; the Grand Forks and Williston districts do not have a technician. Technicians' duties include servicing both construction- and maintenance-related technology systems. Examples of maintenance systems would include Road Weather Information System (RWIS) sites, radio towers, vehicle radio systems, state data collection equipment, and equipment such as the newly installed automatic anti-icing system on the I-29 Buxton bridge. As we continue to do more engineering design work in the districts, there is a growing need for support services. Construction engineers use technological advances to do their job in the field and also need IT support services. In addition, we have placed computers in each of the district sections. If the FTE is approved, we will reallocate the geographic areas of responsibility to better serve the entire state.

♦ MOTOR VEHICLE PROGRAM

2001-03 Budget	2003-05 House- Approved Budget	Change from 2001-03 Budget
\$12.0	\$8.1	- \$3.9

NDDOT's Motor Vehicle Division administers all programs relating to the titling and registration of vehicles. The division regulates motor vehicle dealers, interstate motor carriers, mobility-impaired parking privileges, and intrastate household goods carriers, and is responsible for maintaining and making available records created by its various activities.

In the past year, the division processed more than one million customer transactions, and collected and distributed \$120 million for various state government agencies, while using only about three percent of the collections for operations.

The division serves the public at physical locations in the central office in Bismarck, 13 branch offices located throughout the state, and three county treasurer offices. We also offer services by mail, fax, e-mail, and through the Internet. Five of the branch offices also provide partial registration services to interstate motor carriers, who no longer need to conduct the transaction in Bismarck. The branch offices are privatized operations that decrease our operational costs. Internet vehicle registration has been a success and we hope usage will continue to grow.

We'll continue to explore ways to improve our service to customers. We plan to review the feasibility of allowing vehicle registration renewals over the telephone for customers who do not have access to the Internet. We intend to explore the feasibility of sending lien notifications to lending companies electronically instead of sending them a certificate of title. This should result in a small cost savings for us and save lending institutions the trouble of having to store certificates of title until a lien has been satisfied. Also, we plan to develop an on-line fee calculation module for use by dealers and the general public. Calculating the fees related to vehicle titling and licensing has become increasingly complex, and an on-line fee calculation module will help to reduce errors, especially for dealers.

Postage has been reduced by \$215,000. This had been included in the 2001-2003 biennium to cover additional costs resulting from a possible general license plate issuance.

The provisions of the Vehicle Registration and Titling System have now been fulfilled. The associated cost was more than \$919,000 per biennium. The budget for equipment leasing has been reduced accordingly.

Professional services, which increased by \$150,000, provides for outsourcing of the dealer enforcement provisions of the new dealer licensing law passed in the last session. These costs are covered by revenues provided through a dealer licensing increase.

Finally, as was mentioned earlier, costs of a general license issue were not included, reducing the budget by \$3.2 million.

DRIVERS LICENSE PROGRAM

2001-03 Budget	2003-05 House- Approved Budget	Change from 2001-03 Budget
\$15.6	\$10.1	- \$5.5

The Drivers License and Traffic Safety Division (DL&TS) serves about 456,000 North Dakota licensed drivers, and also other ND residents, infants and children, law enforcement officers, and courts of law. The division ensures that only qualified and competent people are licensed to drive, and we educate the public about traffic safety issues. We do this by:

- processing driver record requests, crash reports
- issuing license suspension, revocation, and cancellation orders
- processing permits, licenses, and ID cards
- administering written tests and conducting road tests

We have 28 automated licensing and testing sites across the state to help us provide better service, especially for commercial drivers. We are required to check a national database before issuing or renewing a commercial driver's license (CDL). Automation helps us issue and renew a driver's CDL in a matter of minutes instead of days or weeks.

In late 2001, we replaced our outdated driver testing system with new equipment. Q-Test is user-friendly for both the customers and our employees. Because our 2001-2003 budget included funding for this purchase, we have removed the associated costs from our 2003-2005 request, reducing IT Equipment by \$407,200 in the Drivers License program. The remaining \$5.1 million reduction in the division's budget is the result of our receiving less federal funding.

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Deanna Ball
Operator's Signature

10/30/03
Date

HIGHWAYS PROGRAM

2001-03 Budget	2003-05 House- Approved Budget	Change from 2001-03 Budget
\$722.6	\$648.2	- \$74.4

The highways program provides for the planning, surveying, design, construction, maintenance, and evaluation of roads, bridges, and streets to ensure the safe and efficient movement of people and goods. Programming of federal and state funds and transportation planning functions relating to highways, railroads, and transit are also budgeted in this area. The staffing to oversee the highways program is located in our Bismarck Central Office Building, eight district offices, and 66 sections. We have staff located in many of the state's communities to enable us to complete the planning, design, construction and maintenance of the state's transportation system. The next page is a map showing the location of our maintenance sections and district boundaries.

Overall, the engrossed House budget decreases the highway program by \$74.4 million. This large decrease is the result mainly of the reduction in Emergency Relief projects.

Our regular program increased from \$88 million in 1990 to about \$225 million in 2002. In the past, to accommodate the program increases, we more than doubled our overtime budget rather than increasing the number of FTEs. We do not feel we can continue to ask our employees to work the overtime hours they have in the past. We have requested four additional engineers and engineering technician FTEs to help carry out the increased workload.

The department's non-Fleet equipment (snowblowers, motor graders, and loaders) is aging and requiring additional repairs. As a result, we're requesting about \$550,000 in additional funds to keep our essential non-Fleet equipment operating. In addition to maintenance, we're requesting \$442,000 for aircraft repair and maintenance.

Professional services decreased by almost \$10 million. This reduction is due to the completion of preliminary engineering work on the Four Bears Bridge and other specially funded projects such as US 52 from Kenmare to Donnybrook, and the Jamestown Bypass.

Motor vehicles comprise most of our major non-fleet equipment. The \$1.9 million increase in equipment is to replace some of our aging non-fleet maintenance equipment (snowblowers, loaders, and motor graders) that is essential for providing quality service to the motoring public. With the increased funding requested, we will be implementing an equipment management plan and starting to replace essential maintenance equipment in a more timely manner. This will help reduce future repair bills and down time.

The budget request for the highway program is essential for protecting the investment we have made in our highway network, and will allow us to continue to provide a quality product and meet the ever increasing demands of the motoring public.

STATE FLEET PROGRAM

2001-03 Budget	2003-05 House- Approved Budget	Change from 2001-03 Budget
\$38.5	\$42.1	\$3.6

State Fleet Services' mission is to provide motor vehicle transportation to state agencies and institutions at the lowest possible cost. The state fleet consists of 2,809 motor vehicles used by 60 state agencies, 11 state universities, and 11 extension and research center entities. The table on the next page identifies the various categories of vehicles in the state fleet and the rental rates for each category.

During this biennium, fuel costs—especially wholesale fuel costs—have challenged us. Recently, the wholesale rack price was about \$1.15 per gallon. Earlier in the biennium it was as low as \$0.60 per gallon. The future is uncertain, but the available information indicates that prices may continue to rise.

Although fuel costs have affected the budgets of all our customers, our rates are very reasonable. For example, our sedans rent for \$0.25 per mile, compared with \$0.50 in the private sector. It's important to reduce costs in other areas to help offset fuel cost increases. Also, in 2002 we began using 10 percent ethanol in our light fleet. Next spring we will expand our biodiesel program from Fargo to include the Grand Forks and Valley City areas.

Maintenance costs have increased sharply over the past few years. Although this has affected our parts and labor budget, we still try to cycle our vehicles based on our depreciation schedule. This results in a very good return on the vehicles we sell at our auctions.

We continue to purchase lower-cost compact vehicles instead of higher-cost, full-size vehicles when it's appropriate to do so. We have expanded our program of sharing specialty vehicles, and we continue to monitor vehicle use so that we provide all necessary service using the fewest possible vehicles.

Safety is a great concern for NDDOT. Fleet vehicle crashes were 10 percent lower this year than in 2001. In the past two years, about 3,000 state employees have taken the driver improvement training program offered by our division.

The overall operating expense budget of Fleet Services reflects inflationary trends of operating costs and agency usage of vehicles.

Finally, the purchase of fleet vehicles has been increased \$2.8 million. This is to cover the cost of additional new vehicles and inflationary increases.

Mr. Chairman and members of the committee: that concludes my presentation on the department's budget request. Now I will address federal funding changes since the 2003-2005 Engrossed HB 1012.

**NDDOT STATE FLEET SERVICES
RENTAL RATES
JANUARY 1, 2003**

Description	Total Veh. in Group	Group No.	Operator Rate	Depr. Rate	Repl. Rate	Mile/hour Rate
Mini Pass. Van	167	1	.105	.210	.075	.390
Sedan/Wagon	661	2	.80	.130	.040	.250
Light Pickup/Cargo Van	289	3	.140	.180	.120	.440
Heavy Pickup/Cargo Van	245	4	.232	.183	.035	.450
High Mile - Heavy Pickup	40	6	.130	.120	.100	.350
Highway Patrol	144	7	.142	.233	.015	.390
12-15 Pass. Vans	107	8	.161	.219	.035	.415
Game Enforcement/Special	61	9	.104	.136	.010	.250
Facility Service Vehicle	285	12	.345	.325	.350	1.020
Compact Utility/All	161	13	.113	.192	.055	.360
Suburban/Full-size Utility/All	81	14	.153	.192	.005	.350
Pickup Diesel - Heavy Tow	30	15	.145	.065	.190	.400
Miscellaneous Truck	52	18	14.040	7.810	.650	22.500
Distributor/Garbage Truck	15	19	9.950	9.500		19.450
Sign Truck	20	20	7.460	5.540		13.000
Single Axle Truck/All	164	21	13.160	2.690	1.150	17.000
Tandem Axle Truck/All	214	22	15.450	5.370	16.180	37.000
Truck Tractor	14	23	19.500	5.100		24.600
Rotary Snowplow	17	24	54.000	6.000		60.000
Snowplow Truck/AWD	3	25	46.000			46.000
Motor Coach	7	26	29.200	8.900	5.900	44.000
Mid-size Bus	18	28	10.750	8.350	6.900	26.000
Lineworker Truck	3	29	1.500	23.050	8.450	33.000
Shuttle Bus	5	30	5.000	6.230	6.770	18.000
Fuel Truck	3	31	2.750	0.650	0.550	3.950
Drill Truck	3	32	1.500	19.700	55.800	77.000
TOTAL VEHICLES	2809					

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Deanna G. Hall
Operator's Signature

10/30/03
Date

FEDERAL FUNDING CHANGES SINCE ENGROSSED HB 1012

When we prepared the department's budget, we were uncertain what North Dakota's federal funding level would be. Using the best available information, the budget request presented to the House was based on \$165 million of regular federal highway formula funds per year.

Congress acted on February 13, 2003, to set funding levels for 2003. North Dakota will receive about \$21 million more in 2003 than our original budget figure. Funding for 2004 will not be known until the new transportation act is passed into law, but we expect to receive at least the same spending authority in 2004 as in 2003.

We are asking for an amendment to HB 1012 that would increase NDDOT's state spending authority by \$51.1 million in the 2003-2005 biennium. This includes an increase of \$42.1 million in federal funds (shared between NDDOT, the cities, and the counties), \$6.56 million in state funds, and \$2.19 million in reimbursement from counties and cities for their federal fund match. The amendment adds the new federal funding and state match to our budget by placing an additional \$10 million in the operating line and an additional \$40.85 million in the capital assets line. It also restores to the capital assets line the federal portion (\$182,926) of the salary dollars that were removed from our salary line, as well as the related state match (\$45,732). The amendment -- which is attached to our testimony -- will give us the budget authority to spend all available federal funds. The source of additional state funding will be addressed in a delayed bill.

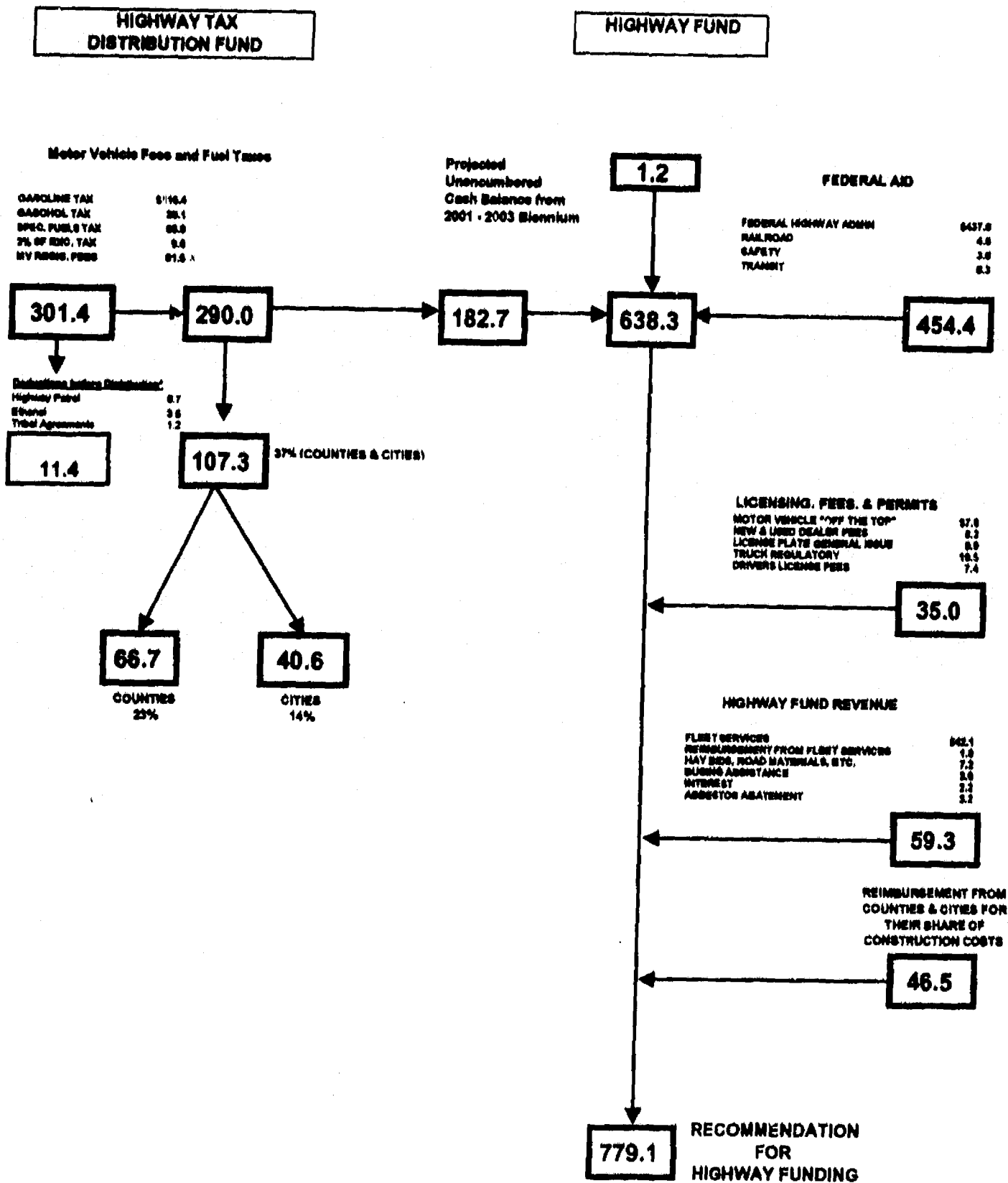
The table below shows the difference the additional federal funding makes to NDDOT's biennial highways budget. (As noted on page 14, NDDOT also receives funding from the Federal Rail Administration, National Highway Transportation Safety Administration, and the Federal Transit Administration.)

Biennial federal funding estimate for highways before February 13 (NDDOT budget)	Biennial federal funding estimate for highways after February 13
\$165 million in 2003 \$165 million in 2004	\$182.5 million in 2003 \$182.5 million in 2004
\$ 30 million for Four Bears Bridge \$ 15 million carryover from 2002 \$ 11.5 million high-priority projects / demo \$ 2.0 million Department of Defense \$ 4.2 million earmarked projects: ND 23, Grand Forks Greenway, ITS \$ 3.0 million redistribution of national federal aid	
	100% Federal Funds: Lewis and Clark path \$0.7 M FTA Funds 2.9 M Fargo Pedestrian/Bicycle 2.5 M Missouri River Trail 1.0 M Total 100% Federal Funds \$7.1 M
\$395.7 MILLION TOTAL	\$437.8 MILLION TOTAL

The budget charts on the following pages reflect the increased federal funding. The match for the additional federal funding is \$6.56 million, but the chart shows a negative balance of \$5.8 million. This is a result of the reduction in state expenditures that occurred when the salary increase was removed from our budget. There are also a number of other bills that could affect our budget.

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING REVENUE

(IN MILLIONS)



* Pending Legislation
X TOTAL MV REGIS. FEES
(see "off the top" & dealer fees)
AVAILABLE FOR DISTRIBUTION

808.6
(88.1)
81.67%

PREPARED BY MDSOT
FINANCIAL MANAGEMENT DIVISION
FEBRUARY 13, 2003

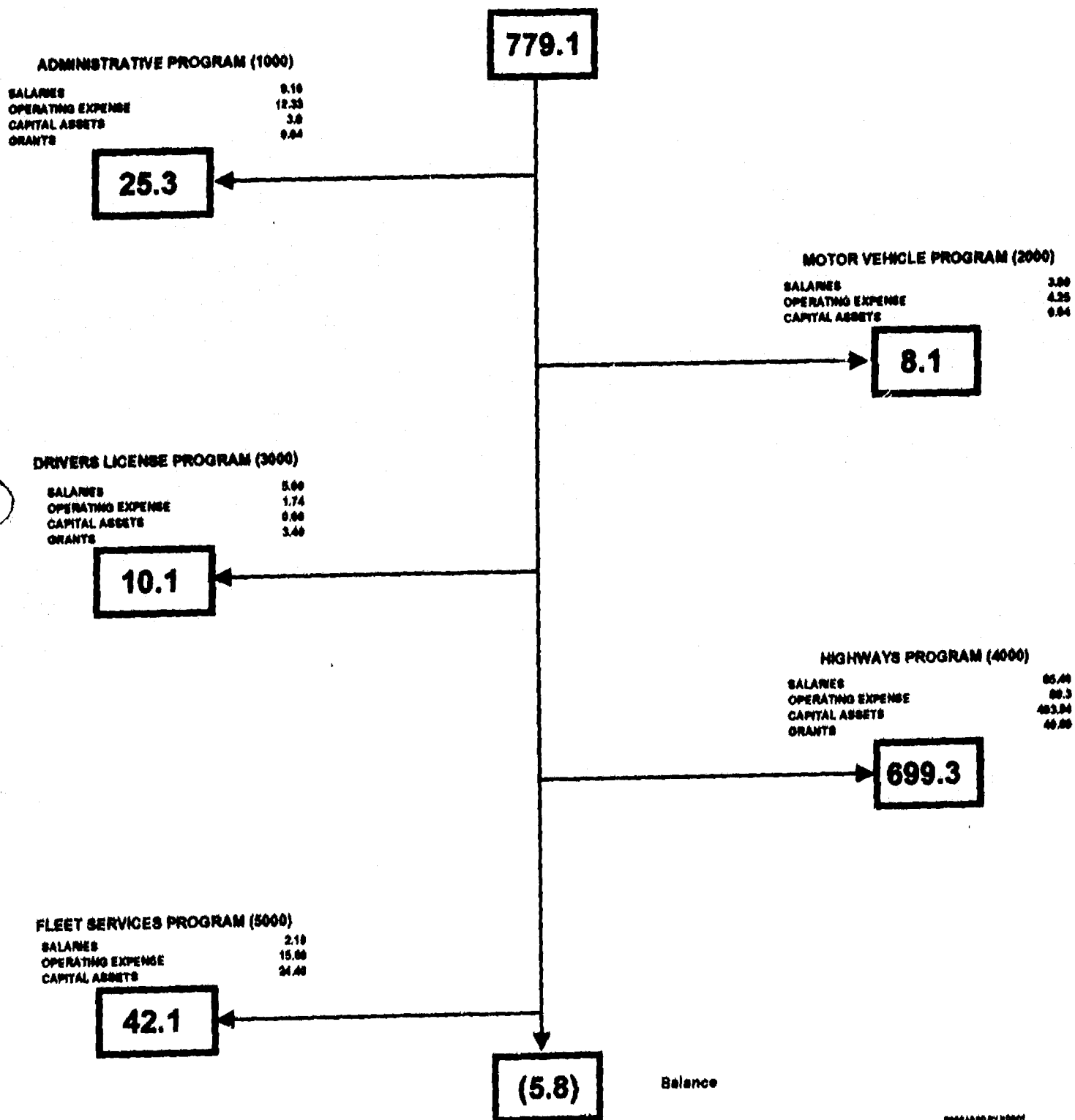
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Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

(MILLIONS)



This Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary cuts.

PREPARED BY HSDOT
FINANCIAL MANAGEMENT DIVISION
FEBRUARY 12, 2003

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10/30/03
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CONCLUSION

NDDOT's goals include increasing the load-carrying capacity of the state system to help promote economic competitiveness and improve the ride quality. Implementing the HPCS (see Highway Performance Classification System map) will help us increase the effectiveness of available funding, but we are far from achieving the minimum service levels identified in the HPCS. For example, a segment of US 281, from I-94 south of Jamestown to ND 13, will require Class A load restrictions this spring, hindering the movement of commodities.

As the department strives to meet public needs and demands, we face many challenges, not the least of which is the rising cost of highway construction and maintenance. Additional funding is needed if the department is to preserve the state's investment in its highway system and achieve the NDDOT mission of "providing a transportation system that safely moves people and goods."

I would be pleased to try to answer any questions the committee may have.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO.1012

Page 1, line 12, replace "113,252,369" with "123,252,369"

Page 1, line 13, replace "471,096,984" with "512,175,642"

Page 1, line 15, replace "733,765,414" with "784,844,072"

Renumber accordingly

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Deanna Ballantyne
Operator's Signature

10/30/03
Date



North Dakota Department of Transportation

David A. Sprynczynatyk, P.E.
Director

John Hoeven
Governor

January 14, 2003

The Honorable Ken Svedjan, Chairman
House Appropriations Committee
600 East Boulevard Avenue
Bismarck, ND 58505

FOLLOW-UP OF JANUARY 9 HOUSE APPROPRIATIONS COMMITTEE HEARING

I'm writing to first thank you for the opportunity to present the NDDOT budget to you and your committee this past Thursday. Secondly, I will follow-up on the questions asked by Representatives Timm, Wald, and Skarphol.

At the hearing Representative Timm asked how the city, county, and Interstate funds are broken out from the rest of the construction program.

Since the early nineties, the department has given the cities 16.5 percent of all funds available for construction. The city funds are split evenly into two categories—regional and urban road funds. The regional funds go to improving state system routes within cities and are applied to projects across the state based upon priority. The urban road funds are distributed to the 13 major cities based upon population. The counties receive approximately 8.5 percent of the available construction funds. The counties also receive one-half of the available bridge replacement funds or about \$4.5 million per year. The county funds (non-bridge) are distributed based upon each county's federal aid mileage, population, land area, and road tax levy. County Bridge replacement funds are distributed individually to bridge projects based upon condition. It should be noted that some counties have few or no eligible bridges. After deducting the city program, county program, and miscellaneous program (bridge replacement, planning and research, transportation enhancement, preliminary engineering, hazard elimination, and railroad crossing safety programs, as well as right of way acquisition) from the obligational authority, the resulting amount is available for the state roadway program. The state program is split between the Interstate and non-Interstate projects. Table one shows how these funds are typically distributed.

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The Honorable Ken Svedjan
Page 2
January 14, 2003

The distribution can vary from year-to-year depending on which projects are ready to go at any given time.

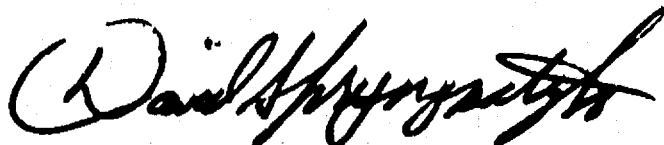
Table 1: All dollars shown are in millions.

	Obligational Authority	Misc.	Counties	Cities	Interstate	Non-Interstate
Dollars	165	33	17	26	44.5	44.5
Percent	100	20	10.3	15.8	27	27

Representative Wald asked about the recent projects advanced with the Special Roads Fund. A table is attached. The current balance as of December 2002 was approximately \$225,000.

Representative Skarphol asked about the possibility of having reduced sanctions for those drivers having less than a 0.10 BAC under the 0.08 BAC mandate and also whether this could be "masked" from insurance companies. We are in the process of researching federal law in order to provide complete, accurate answers to those questions, as well as the details of the monetary sanctions (highway funding) for non-compliance. Our response will be available soon.

I hope this answers the questions raised at the committee hearing regarding highway funding distribution and the Special Road fund. We will answer the 0.08 BAC questions as soon as we can, and answer any others you or your committee may have. I can be reached at 701-328-2581.



DAVID A. SPRYNCZYNATYK - DIRECTOR, P.E.

01/jam
Attachments

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SPECIAL ROAD COMMITTEE - YEAR 2003 PRIORITIZED PROJECTS **August 29, 2002**

Funds are available for the first eight projects

SRF Committee Ranking	Applicant	Project	SRF Eligible Costs	SRF Funding (Up to 60% of eligible costs)
1	Burleigh County	Double Ditch Recreation Area - Access road - Reconstruction & asphalt surfacing	\$25,000	\$15,000
2	LaMoure County	Lake LaMoure Recreation Area - Seal coat of existing paved roads	\$12,999	\$7,800
3	Foster County	Lake Juanita Park - Access road - Asphalt surfacing	\$35,000	\$21,000
4	Stark County	Enchanted Highway - Access road to "Geese in Flight" - Widening & gravel	\$10,000	\$6,000
5	Ransom County	Sheyenne River Valley National Scenic Byway - Asphalt pullouts	\$22,455	\$13,500
6	Bottineau County	Butte St. Paul - Access road - Reshaping & gravel surfacing	\$28,000	\$16,800
7 tie	ND Game & Fish	Indian Creek WMA access road - Reshaping and aggregate surfacing	\$50,000	\$30,000
7 tie	Ransom County	Fort Ransom - Community park access road - Construction & asphalt surfacing	\$40,000	\$24,000
9 tie	Steele County	County Highway No. 8 and access road to Golden Lake - Seal coat	\$99,988	
9 tie	McIntosh County	Doyle Memorial State Recreation Area and Hoskins Lake - Access roads - seal coat	\$61,592	
11	Williams County	Little Beaver Bay - Access Road from ND 1804 - Reconstruction of 0.5 mile segment - gravel surfacing	\$69,000	
12	Ward County	St. Mary's Township, Upper Souris National Wildlife Refuge - Access road reshaping & graveling	\$96,580	

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SPECIAL ROAD COMMITTEE - YEAR 2003 PRIORITIZED PROJECTS **August 29, 2002**

13	Ward County	Ward Co. Historical Society - Historical Village on State Fair grounds - Asphalt surfacing	\$30,000	
14	Minot	Polaris Park - Access road - New road construction & asphalt surfacing	\$65,000	
15	Emmons County	Linton Golf Course/Rifle Range - Access road - Widening & asphalt surfacing	\$161,080	
16	Sioux County	Marina Road Project - Asphalt paving	\$376,615	
17	Williston	Davidson Drive - Access road to recreation complex - Reconstruction & asphalt surfacing	\$275,000	
18 tie	West Fargo	Elmwood Park - Paving of park roads	\$103,000	
18 tie	Stutsman County	Northern Prairie Wildlife Research Center - Asphalt overlay of existing surfacing	\$87,439	

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Operator's Signature Deanna Schubert Date 10/30/03

SPECIAL ROAD COMMITTEE - YEAR 2002 PRIORITIZED PROJECTS

August 22, 2001

Funds are available for the first seven projects

Applicant	Project	SRF Eligible Costs	SRF Funding (up to 60% of eligible costs)	SRF Committee Ranking
LaMoure County	LaMoure Co. Memorial Park - bituminous surfacing of park road	\$28,758	\$17,300	1
ND Game & Fish Dept.	Audubon Wildlife Mgmt. Area - gravel surfacing of WMA roads	\$100,00	\$60,000	2 tie
Ward County	Old Settlers Park near Burlington - bituminous surfacing	\$35,000	\$21,000	2 tie
McKenzie County	Tobacco Garden Recreation Area - bituminous surfacing of recreation area roads	\$66,563	\$39,900	4 tie
State Historical Socety of ND & Mercer County	Fort Clark State Historic Site access road - bituminous surfacing	\$125,000	\$75,000	4 tie
Williams County	Spring Lake Park interior road - bituminous surfacing	\$34,000	\$20,400	6
Emmons County	Langeliers Bay Road - regrading and bituminous surfacing	\$159,438	\$95,700	7
McIntosh County	Doyle Memorial State Recreation Area & Lake Hoskins access road - seal coat	\$61,592		8
Williams County	Little Beaver Bay entrance road - regrading and gravel surfacing	\$339,894		9
West Fargo	Elmwood Park roads - aggregate surfacing and bituminous surfacing	\$85,000		10
McLean County	Riverside Park Road in Washburn - grading and bituminous surfacing	\$341,000		11

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Operator's signature

D. J. Anderson

10/30/03

Date

SPECIAL ROAD COMMITTEE - YEAR 2002 PRIORITIZED PROJECTS
August 22, 2001

Emmons County	Linton Country Club Road - shoulder widening and bituminous surfacing	\$140,433		12
Sioux County	Marina Road - bituminous surfacing of road ND 1806 to Prairie Knights Marina	\$562,180		13
Williams	Little Egypt Centennial Park (Red Mike Golf Course) access road Phase I - aggregate base & bituminous surfacing	\$311,000		14
	Little Egypt Centennial Park (Red Mike Golf Course) access road Phase II - aggregate base & bituminous surfacing	\$440,000		
Grafton	Grafton South End Sports Complex access Road (Laverne Ave.) - curb & gutter, paving, and miscellaneous	\$136,498		15
Ramsey County	Wood/Rutten Road - gravel surfacing	\$80,000		16 tie
Steele County	County Highway No. 25 - seal coat	\$184,000		16 tie

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DRIVING WHILE UNDER THE INFLUENCE - REQUIREMENTS FOR .08 BLOOD ALCOHOL CONTENT LAW

In October 2000 Congress passed a law that requires each state to have a .08 blood alcohol content law by 2004 or not receive certain highway construction funds. Under 23 U.S.C. 163:

The Secretary shall make a grant, in accordance with this section, to any State that has enacted and is enforcing a law that provides that any person with a blood alcohol concentration of 0.08 percent or greater while operating a motor vehicle in the State shall be deemed to have committed a per se offense of driving while intoxicated (or an equivalent per se offense).

The federal rules that implement this section, 23 C.F.R. 1225.5, in part state that the .08 law must apply to all persons, apply to criminal and administrative proceedings, and be deemed to be or be

equivalent to the standard driving while intoxicated offense in this state.

Under 63 C.F.R. 46881, for a law to be equivalent to "the standard" driving while intoxicated offense, the factors that will be looked at include the treatment of these offenses, the relation to other offenses in the state, and the sanctions and other consequences that result when a person violates these offenses. The rules contemplate comparing the .08 offense to present law and require the .08 offense to be equal to "the standard" driving while under the influence offense. In short, the .08 per se violation must be equal to the criminal driving while under the influence offense, including penalties. The compliance criteria do not address the effect of driving while under the influence on insurance rates or reporting to insurance companies.

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Deanna G. Hall
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10/30/03
Date



North Dakota Department of Transportation

David A. Sprynczynatyk, P.E.
Director

John Hoeven
Governor

January 20, 2003

The Honorable Ron D. Carlisle
Representative, District 30
Chairman, Government Operations Division
House Appropriations Committee
600 East Boulevard Avenue
Bismarck, ND 58505

Written
response to
DOT questions
HB-1012

Dear Representative Carlisle:

Subject: HB1012 Follow-up

During the department's January 14th budget hearing several questions were asked that required additional information. The answers and additional supporting information follows:

1. What costs were incurred to open motor vehicle branch offices in the county treasurer's offices in Emmons, Bowman, and McKenzie counties?

Our overall cost for the first year of operation of the three new sites was a total of \$24,685, or \$8,228 per site. Our anticipated cost for each subsequent year is approximately \$16,785, or \$5,595 per site. The costs in the subsequent years are lower because we incurred one-time training costs in the first year that we do expect in the future.

	Salary & Benefits	Travel	State Fleet	Other/Misc	Total
Start-up	\$20,560	\$640	\$1,025	\$2,460	\$24,685
Ongoing	\$15,360	\$300	\$625	\$500	\$16,785

2. Are foreign Commercial Drivers Licenses (i.e., Mexican) accepted at border crossings and valid for commercial vehicle operation in North Dakota?

Commercial drivers license, medical requirements, and vehicle safety are checked at the border, as truckers enter the United States. For example, an individual can operate a motor vehicle in North Dakota on a Mexican or a Canadian drivers license. It is advised that the driver also carry a translation of

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The Honorable Ron D. Carlisle

Page 2

January, 20, 2003

the foreign license, if necessary, as it can be useful in emergencies such as traffic violations or traffic crashes. If the driver becomes a resident of North Dakota, he/she needs to obtain a North Dakota drivers license within 150 days. A written, vision, and road test are required to obtain the North Dakota license.

3. Does the decrease in highway safety program grants indicate we are leaving federal money on-the-table or not implementing safety initiatives that could have a positive impact on the state's safety record?

No, we are not leaving federal safety program dollars "on-the-table" and we feel we have a strong, effective traffic safety program. The unexpended balances for the last several bienniums outlined below, consist of federal traffic safety funds that are alcohol, occupant protection, or traffic record specific and which do not lapse and can be carried forward into future years. The large unexpended balance for the 2001-2003 biennium is a result of federal highway funds transferred into the Traffic Safety program because of North Dakota's non-compliance with federal repeat offender requirements. These funds will be spent on qualifying hazard elimination projects in the Highways program and will not be spent as traffic safety grants. Additionally, this program's budget estimate for the 2003-2005 biennium was reduced to more accurately reflect anticipated federal funding for the period.

Traffic Safety Grants	1995 - 1997 Biennium	1997 - 1999 Biennium	1999 - 2001 Biennium	2001 - 2003 Biennium	2003 - 2005 Biennium
Budgeted	\$4,480,000	\$3,551,500	\$3,562,000	\$8,735,797	\$3,420,000
Expenditures	\$2,007,173	\$2,109,887	\$2,740,596	\$4,707,218	\$0
Unexpended Balance	\$2,472,827	\$1,441,613	\$821,404	\$4,028,579	\$3,420,000

4. Do all Drivers License and Traffic Safety driver examination sites have the ability to test and service non-English speaking customers?

Yes, NDCC 39-06-13 requires the written portion of the driver examination, except lettering on test booklet traffic control illustrations, be made available to an applicant in any widely practiced language. The North Dakota Rules of the Road examination is available in 6 languages. They are Spanish, Serbo-Croatian, Vietnamese, Russian, Arabic, and Somali. The languages were selected with input from social service agencies to serve the refugee and migrant worker population in North Dakota. Information Technology has made it possible to offer foreign language testing on computer at our 8 major driver license offices. Paper foreign language written tests are available at the remaining 36 drivers license offices.

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The Honorable Ron D. Carlisle
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5. What is the impact of the ethanol, Highway Patrol, Tribal, and \$2 motor vehicle fee tax revenue distribution changes on the department, county, and city highway distribution fund totals?

Exhibit 1 details the specific changes to the Highway Distribution Fund allocations for the 2001-2003 and 2003-2005 bienniums. Each entity's share of those changes is shown.

6. What is the background regarding the \$5.9 decrease in special funds? (HB1012 Testimony - page 5)

Exhibit 2 shows the decrease in revenue which is due to two primary factors:

- a. The 2001-2003 revenue sources were adjusted for the impact of actions occurring outside of the budget process (for example Emergency Commission Actions).
- b. Changes to the state revenue structure and projected collections as illustrated in the "changes" columns of this report.

7. What is the total dollar amount of the department's budget that is paid to the state's Information Technology Department?

Most of the cost increase is due to ITD's adjustments or changes to their data processing and telephone charge rate structure.

ITD Payments	2001 - 2003	2003 - 2005
	Budget	Requested Budget
Data Processing (Object 2000)	\$5,487,337	\$5,822,355
Telephone (Object 2002)	\$961,611	\$914,611
Total	\$6,448,948	\$6,736,966

8. What does approval of the \$11.6M amendment request accomplish?

Approval of this amendment request will transfer \$11,600,000 from the operating expense line to the capital assets line item. The purpose of this transfer is to more accurately show the use of federal funds for maintenance of our highways for seal coats and contract patching as a capital assets expenditure, improving the highways. The amendment request is shown in Exhibit 3.

Deanna Ballantyne
Operator's Signature

10/30/03
Date

The Honorable Ron D. Carlisle
Page 3
January, 20, 2003

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The Honorable Ron D. Carlisle
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January, 20, 2003

9. What effect would using bio-diesel fuel have on vehicle warranties?

Virtually all of our warranted diesel engines are made by either Caterpillar or International. Supporting manufacturer's documents indicate that vehicle warranties are not invalidated or void if we use B20 bio-diesel fuel.

See Exhibits:

Exhibit 4 – Caterpillar PMP01-01

Exhibit 5 – International TSI 02-15-01

10. What is the impact of fuel price increases on the department's fleet services budget and how do these price increases affect the vehicle rental rate structure?

The department purchased approximately 3.5 million gallons of gasoline and diesel in 2002. An increase of 10 cents per gallon for fuel would result in an additional cost of \$700,000 per biennium that is then passed on to vehicle users.

Average fuel use varies with each class of vehicle. To illustrate the impact of increasing fuel prices on our rental rates we will use our sedan class of vehicles. The average miles per gallon achieved by this vehicle class is 28 miles per gallon. Consequently, an increase of 27 cents per gallon would precipitate a one cent per mile increase in our sedan rental rate.

11. What is the feasibility of the department purchasing "futures" fuel contracts?

Purchasing "futures" fuel contracts is a bid arrangement to lock in the price for the total gallons of the contract.

- Contracts for gasoline and diesel fuel are available in 42,000 gallon increments.
- The usual contract time periods are in 3, 6, 9 and 12 months. Longer periods are not recommended.
- Both commercial and on-site locations can function with fuel contracts.
- Fuel contracts would be executed and processed through our fuel contractor, PS Energy Group.

Pros

Fixes expenditures for a period of time, to stay within the budget.

Saves money if purchase price is low and rack prices subsequently increase.

Cons

Rack price can go down leaving the department higher contract fuel prices.

The Honorable Ron D. Carlisle

Page 5

January, 20, 2003

12. Has the department tested any vehicles or equipment using E-85 fuel?:

Although we have combination E-85 fuel vehicles in the fleet, we have not formally analyzed the costs or benefits of using E-85 fuel. As a result of our discussions a test was initiated on January 15, 2003, and will conclude 60 days later. We have selected three vehicles that will use only E-85 fuel. A report on vehicle fuel economy before and during the test will be prepared and furnished to your committee at the end of the test period.

13. Where does the responsibility lie to collect state fuel taxes?

The point of fuel taxation is at the distributor level.

Per NDCC 57-43.1-02(2)(4), a supplier or distributor must remit the tax imposed on motor vehicle fuel and is to pass the tax on to its customer, whether a retailer or an end user. A retailer is required to pay the tax to its supplier or distributor and is to pass the tax on to the consumer.

Fuel sales to retailers on a reservation are not exempt from the state tax. Unless a Native American Tribe has imposed its own fuel tax and has entered into an agreement with the State of North Dakota for the sharing of tax revenues, the state maintains its right to impose the state fuel taxes on reservations.

For example, if the distributor for the particular retailer in question is the Sisseton-Wahpeton Sioux Tribal Fuel, Inc., the distributor (SWST), by law, is to pass the tax on to the retailer (gas station at Magic City casino), and the retailer is to pass the tax on to the consumer.

Currently, the Tax Department is pursuing a case against SWST. Specific questions referring to this case, or any additional Tribal Tax questions, would be more appropriately referred to the Tax Department.

(Per conversation with Joan Galster of the Tax Department - 328.3139)

See Exhibits

Exhibit 6 - Fuel Tax Processing Guideline -- FTPG-6

Exhibit 7 - Fuel Tax Processing Guideline -- FTPG-6 -- SR

Exhibit 8 -- NDCC 57-43.1-02 -- Tax imposed on motor vehicle fuels

14. Does the Department of Transportation outsource any of its maintenance work?

The department does outsource some of its maintenance work such as: pavement marking, pavement seal coats, contract patching, etc. We have also contracted out a portion of our snow and ice control work during difficult winters.

The Honorable Ron D. Carlisle
Page 6
January, 20, 2003

During a typical winter we complete all of the snow and ice control work ourselves.

The decision to outsource is based on many factors such as: type of work, availability of NDDOT staff and or equipment, availability of private sector staff and equipment, cost comparison, and the urgency of the need for the activity. The NDDOT's present budget for roadway maintenance activities is approximately \$27 million, excluding snow and ice control activities. To date we have spent \$16.7 million on roadway maintenance activities. Approximately \$9.2 million (55 percent) of those expenditures were outsourced.

15. What is the cause of the \$10 million decrease in the professional services line item in 2003-2005?

The decrease is a result of the completion of the preliminary engineering for the Four Bears Bridge and other specifically funded projects such as US 52 from Kenmare to Donnybrook, and the Jamestown Bypass. To illustrate the relationship between consultant engineering expenditures, NDDOT overtime costs, construction program and NDDOT full time employees (FTE's), we have graphed the expenditures and position numbers from 1990 - 2002. Exhibit 9 illustrates that our consulting engineer services (professional services) costs have been increasing as our construction program grows, but in 2002 the costs were much higher than previous years for the reasons stated above. The NDDOT's FTE's have decreased since 1990 and the construction program has grown considerably while our overtime costs have more than doubled since 1990.

Sincerely yours,



David A. Sprynczynatyk, P.E.
Director

01/kfh

Enclosures:

Exhibit 1 - Analysis of State Revenue Changes ✓

Exhibit 2 - Analysis of Special Fund Decrease ✓

Exhibit 3 - Amendment Request Details for HB1012 ✓

Exhibit 4 - Caterpillar Preventative Maintenance Products Release ✓

Memo PMP-0101

Exhibit 5 - International Truck and Engine Corporation TSI Number: 01-15 - 01 ✓

Exhibit 6 - Fuel Tax Processing Guide - FTPG - 6 ✓

Exhibit 7 - Fuel Tax Processing Guide - FTPG - 6 - SR ✓

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Date

The Honorable Ron D. Carlisle

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January, 20, 2003

Exhibit 8 - Extract of NDCC Chapter 57 - 43.1 - Motor Vehicle Fuels and
Importer for Use Taxes

Exhibit 9 - Outsourcing Trends Chart

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Date

Exhibit 1

North Dakota Department of Transportation
Analysis of State Revenue Changes
DOT Impact

Highway Tax Distribution Fund	2001-2003	2003-2005	SHARE OF REVENUE CHANGES BETWEEN BIENNIALS			
			DOT	Cities	Counties	TOTAL
Gasoline Tax	\$118.8	\$118.4	(1.4)	(0.3)	(0.5)	(2.2) a
Gasohol Tax	22.4	28.1	3.6	0.8	1.3	5.7 a
Special Fuel Tax	83.7	85.9	1.4	0.3	0.5	2.2 a
2% Special Fuel Tax	7.7	9.6	1.2	0.3	0.4	1.9 a
MV Registration Fee	71.2	71.9	0.5	0.1	0.2	0.8 a
MV Registration Fee Increase	6.7	9.5	1.8	0.4	0.6	2.8 f
One time allocation of \$2 to HW Fund	2.8	0.0	(1.8)	(0.4)	(0.6)	(2.8) f,y
Highway Patrol		(6.7)	(4.2)	(0.9)	(1.5)	(6.7) c
Ethanol	(2.5)	(3.5)	(0.6)	(0.1)	(0.2)	(1.0) d
Tribal Agreement		(1.2)	(0.8)	(0.2)	(0.3)	(1.2) b
Total Highway Tax Distribution Fund available for dist	\$280.8	\$280.0				(\$0.8)
Distribution of Available funds to Political Sub:						
DOT (83%)	\$181.3	\$182.7	1.4			1.4
DOT (100%)	\$2.8	\$0.0	(2.8)			(2.8)
Cities (14%)	\$40.3	\$40.6		0.3		0.3
Counties (23%)	\$66.2	\$66.7			0.5	0.5
Total	\$280.8	\$280.0	-\$1.4	\$0.3	\$0.5	-\$0.6

TIO LEGEND:

- a Reflects the growth or decrease based on historical trends.
- b Reflects the net change to motor vehicle fuel taxes based on bringing 4 additional reservations into agreements.
- c Reflects funding the Highway Patrol portion from the Highway Tax Distribution Fund rather than the Highway Fund.
- d Reflects the increase to the Ethanol Incentive.
- f Reflects moving all the MV fee increases to the Highway Tax Distribution Fund. In 2001-2003 \$2 of fee went directly to Highway Fund. See 'y'.
- y \$2 MV fee increase.

Exhibit 1 - NDDOT Follow-up on HB1012 - 1/20/03

Prepared by NDDOT Financial Management Division 1/17/03

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Dennis G. Sullivan
Operator's Signature

10/30/03
Date

North Dakota Department of Transportation
Analysis of State (Special Funds) Revenue Changes
DOT Impact

Exhibit 2

Highway Fund	2001-2003 Revenue	Interim Adjustments	2001-2003 Adjusted	2003-2005 Revenue	Difference
Highway Tax Distribution Fund -	184.1		184.1	182.7	(1.4) h
Revenue Directly to Highway Fund					
Unencumbered Cash Balance			0.0	1.2	1.2 a
Reimbursement from Counties & Cities	42.2		42.2	44.3	2.1 g
Motor Vehicle "Off The Top"	8.2		8.2	7.8	(0.4) m
New & Used Dealer Fees	0.0		0.0	0.325	0.3 z
Truck Regulatory	19.0		19.0	19.5	0.5 a
Drivers License Fee	7.2		7.2	7.4	0.2 a
Fleet Services	38.3		38.3	42.1	3.8 a
Reimbursement from Fleet Service	1.6		1.6	1.6	0.0 a
Hay Bids, Road Materials, Etc.	5.8		5.8	7.2	1.4 a
Busing Assistance	3.0		3.0	3.0	0.0 a
Interest	2.4		2.4	2.2	(0.2) a
Asbestos Abatement	2.6		2.6	3.2	0.7 a
Highway Patrol	(6.2)		(6.2)	0.0	6.2 c
Carryover		4.5	4.5	0.0	(4.5) x
Emergency Commission (match for Fed. Funds)		12.0	12.0	0.0	(12.0) x
Lighting Project		0.3	0.30	0.0	(0.30) x
Salary Equity Increases		0.3	0.30	0.0	(0.30) x
General License Plate Issuance		3.2	3.2	0.0	(3.2) v
Total Adjusted Biennium Budget (Special Funds)	\$308.1	\$20.3	\$328.4	\$322.5	(\$5.9)

TIO LEGEND:

- a Reflects the growth or decrease based on historical trends.
- c Reflects funding the Highway Patrol portion from the Highway Tax Distribution Fund rather than the Highway Fund.
- e Projected Unencumbered Cash Balance from the 2001-2003 Biennium.
- g Reflects the change in anticipated reimbursements from the Counties and Cities.
- h See Schedule of Highway Tax Distribution Fund.
- v Appropriation for the General License Plate Issuance, which was not funded by the 2001-2003 Legislature.
- x Reflects interim adjustments made to the budget.
- z Appropriation for New & Used Dealer Fees for Dealer Enforcement.
- m Reflects a decrease in Motor Vehicle administration costs.
- The 2001-2003 Highway Tax Distribution Fund amount includes the \$2 MV fee increase that went directly to the Highway Fund.

Exhibit 3

Amendment Request Details for HB1012

Change line 12 of HB1012 to read:
Operating expenses 113,252,369

Change line 13 of HB 1012 to read:
Capital assets 471,096,984

This amendment is to transfer \$11,600,000 from the operating expense line item to the capital assets line item.

Exhibit 3 - NDDOT Follow-up on HB1012 - 1/20/03

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

Exhibit 4

Information Release Memo

PMP01-01



Preventive Maintenance Products

March 2001

CATERPILLAR POSITION ON THE USE OF BIODIESEL FUEL

This document applies, within the stated limitations, to Caterpillar engines.

Introduction:

With increased world interest in emissions and reducing the use of petroleum distillate based fuels, many governments and regulating bodies encourage the use of biofuels. Governmental incentives and/or environmental legislation to use biofuels may have an impact on the sales and use of Caterpillar engines and equipment. This document outlines Caterpillar's criteria and parameters when using biodiesel fuel.

Biodiesel is a fuel that can be made from a variety of sources, primarily from soybean oil or rapeseed oil. Without esterification, these oils gel in the crankcase and fuel tank and may not be compatible with many of the elastomers used in today's engines. In their original form, these oils are not suitable for use as a fuel in compression ignition engines. To use these oils as fuel, they must be esterified. Alternate base stocks for biofuel may include animal tallow, waste cooking oils, or a variety of other feedstocks.

ASTM has recently authored a provisional specification for biodiesel, PS121. Caterpillar recognizes BioFuels meeting the ASTM PS121, DIN 51606 or the Caterpillar biodiesel specification.

Caterpillar certifies its engines using the prescribed EPA and European Certification Fuels. Caterpillar does not certify engines on any other fuel. It is the user's responsibility to use the correct fuel as recommended by the manufacturer and allowed by EPA or other local regulatory agencies. It is the responsibility of the user to obtain the proper local, regional, and/or national exemptions required for the use of biodiesel in any emissions regulated Caterpillar engine.

PELE0805

CATERPILLAR

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Exhibit 4 - NDDOT Follow-up on HB1012 - 1/20/03

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10/30/03

Warranty and the Use of Biodiesel Fuel in Caterpillar Engines

Caterpillar neither approves nor prohibits the use of biodiesel fuels. Caterpillar is not in a position to evaluate the many variations of biodiesel fuels, and the long-term effects on performance, durability or emissions compliance of Caterpillar products. The use of biodiesel fuel does not affect Caterpillar's materials and workmanship warranty. Failures resulting from the use of any fuel are not Caterpillar factory defects and therefore the cost of repair would NOT be covered by Caterpillar's warranty.

Recommendation for the use of Biodiesel Fuel in Caterpillar Engines

For Caterpillar 3046, 3064, 3066, 3114, 3116, 3126, 3176, 3196, 3208, 3306, C-10, C-12, 3406, C-15, C-16, 3456, 3408, 3412, 3500 series, 3600 series, CM20, CM25 and CM32 engines: Biodiesel meeting the requirements listed in Caterpillar's biodiesel specification or, meeting either ASTM PS121 or DIN 51606, are acceptable. They may also be blended in any percentage with an acceptable diesel fuel, provided the biodiesel constituent meets the requirements outlined in the Table prior to blending.

For Caterpillar 3003 through 3034, 3054 and 3056 engines: Biodiesel meeting the requirements listed in Caterpillar's biodiesel specification, or meeting either ASTM PS121 or DIN 51606, may be blended with an acceptable diesel fuel at a maximum of 5% biodiesel fuel blended with 95% diesel fuel. The biodiesel must meet the requirements outlined in the Table prior to blending. Use of more than a 5% biodiesel fuel can cause premature failures whose repair would not be covered under Caterpillar warranty.

When burning biodiesel, or any blend of biodiesel, it is the responsibility of the user to obtain the proper local, regional, and/or national exemptions required for the use of biodiesel in any emissions regulated Caterpillar engine. When using a fuel that meets the Caterpillar's Biodiesel specification, ASTM PS121, or DIN 51606 specifications, and when adhering to the following recommendations, the use of biodiesel should pose no problems.

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Recommendations:

- The oil change interval can be affected by the use of biodiesel fuel. Use Scheduled Oil Sampling (SOS) to monitor the engine oil condition and to determine the optimum oil change interval.
- Biodiesel provides approximately 5-7% less energy per gallon of fuel when compared to distillate fuels. To avoid engine problems when the engine is converted back to 100% distillate diesel fuel, do not change the engine rating to compensate for the power loss.
- Elastomer compatibility with biodiesel is still being monitored. The condition of seals and hoses should be monitored regularly.
- Biodiesel fuels may pose low ambient temperature problems for both storage and operation. At low ambient temperatures, fuel may need to be stored in a heated building or a heated storage tank. The fuel system may require heated fuel lines, filters, and tanks. Filters may plug and fuel in the tank may solidify at low ambient temperatures if precautions are not taken. Consult your biodiesel supplier for assistance in the blending and attainment of the proper cloud point fuel.
- Biodiesel has poor oxidation stability, which can result in long term storage problems. The poor oxidation stability qualities may accelerate fuel oxidation in the fuel system. This is especially true in engines with electronic fuel systems because they operate at higher temperatures. Consult the fuel supplier for oxidation stability additives.
- Biodiesel fuel is an excellent medium for microbial growth. Microbes cause fuel system corrosion and premature filter plugging. The effectiveness of conventional anti-microbial additives, when used in biodiesel is not known. Consult your fuel and additive supplier for assistance.
- Care must be taken to remove water from fuel tanks. Water accelerates microbial growth. Water is naturally more prevalent in biodiesel fuels than in distillate fuels.

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Caterpillar Biofuel Specification

Property	Test Method	Test Method	Units	Limits
	United States	International	Fuel Specific Properties	
Density @ 15°C	ASTM D1298	DIN/ISO 3675	g/cm ³	0.86-0.90
Viscosity @ 40°C	ASTM D445	DIN/ISO 3104	mm ² /s	4.0-6.0
Flash Point	ASTM D93	DIN/ISO 22719	°C	100 min
Cold Filter Plugging	ASTM D4539	DIN EN 116	°C	0
- Summer				6 below ambient
- Winter				
Pour Point	ASTM D97	ISO 3016	°C	-9 max
- Summer				-20 max
- Winter				
Sulfur Content	ASTM D2622	ISO 8754	% weight	0.01 max
Distillation	ASTM D1160	ISO 340	°C	To Be Determined
- 10% Evaporation				345
- 90% Evaporation				
Carbon Residue, Conradson (CCR)	ASTM D189	DIN/ISO 10370	% weight	0.5 max
Cetane Number	ASTM D613	ISO 5165		45 min
Ash Content	ASTM D482	DIN 51575	mg/kg	0.02 max
		ISO 6245		
Water Content	ASTM D1796	DIN 51777-1	g/m ³	500 max
		ISO 3733		
Particulate Matter	DIN 51419	DIN 51419		15
Copper Corrosion	ASTM D130	DIN/ISO 2160		No.1
Oxidation Stability	ASTM D2274	IP 306 mod.	mg/100 mL	15 max
Esterification			% volume	98.0 min
Acid Value	ASTM D664	DIN 51558	mg NaOH/g	0.5 max
Methanol Content	GC Method	DIN 51608	% weight	0.2 max
Monoglycerides	GC Method	DIN 51609	% weight	0.8 max
Diglycerides	GC Method	DIN 51609	% weight	0.2 max
Triglycerides	GC Method	DIN 51609	% weight	0.2 max
Free Glycerin	GC Method	DIN 51609	% weight	0.02 max
Total Glycerin	GC Method	DIN 51609	% weight	1.2 max
Iodine Number	DIN 53241 or IP 84/81	DIN 53241 or IP 84/81	cg I ₂ /g	110 max
Phosphorus Content	DGF C-VI4	DIN 51440-1	mg/kg	0.2

Maintenance Products and Services Group
Product Support Division
LC2172 - 309-636-5136

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Internal Caterpillar Employees - [http://cat-mcad-02.cis.cat.com/multimedia/PSMprev.nsf/\\$ModelSearch](http://cat-mcad-02.cis.cat.com/multimedia/PSMprev.nsf/$ModelSearch)

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10/30/03
Date



INTERNATIONAL TRUCK AND ENGINE CORPORATION

10400 WEST NORTH AVENUE, MELROSE PARK, IL 60160

Exhibit 5

.....
Date: 12/15/2000

Subject: Use of Biodiesel fuel in International® Engines

Background

International Engine previously suggested a maximum blend of 5% Biodiesel blend stock to 95% diesel fuel. Our position caused some concern from customers who had been using a 20% blend prior to that letter. In order to qualify for DOE Energy Policy Act (or EPACT) alternative energy credits, a B20 (20% blend stock, 80% diesel fuel) is typically required. Use of B20 Biodiesel can earn fleet energy credits, in which one energy credit can be substituted for one light duty alternative fuel vehicle. The main purpose of EPACT is to reduce foreign dependence on crude oil and to develop renewable sources of energy.

The ASTM has approved a provisional specification (PS 121-99) for 100% Biodiesel and the full standard is expected to be finalized in the Spring 2001. Biodiesel has been registered with the USEPA as a fuel and a fuel additive under section 211(b) of the Clean Air Act.

Position Statement

Many customers are concerned as to whether the International Engine warranty is voided by the use of Biodiesel. International Truck and Engine Corporation neither approves nor disapproves of the use of Biodiesel fuel in its engines. However, its warranty covers only problems resulting from defects in engine material and/or workmanship and is not affected simply by the use of Biodiesel fuel. Nonetheless, the warranty may be voided if an engine problem is attributable to the use of Biodiesel. International engines have undergone rigorous testing under a variety of conditions with diesel fuels conforming to USEPA guidelines. Biodiesel is not one of the fuels International has tested. Accordingly any statement by International Truck and Engine Corporation about Biodiesel would be purely speculative. In sum, the use of such fuel is totally at the customer's discretion.

Biodiesel fuel knowns

The Biodiesel neat (100%) blend stock typically is a vegetable-based methyl ester (VOME); however tallow methyl esters from animal fats have been suggested for use as well. Blend stocks conforming to PS 121-99 appear to have good lubricity and Cetane numbers. Several International customers are currently using B20 Biodiesel, reportedly with good success to date. Year round operation using B20 in climates such as New Jersey and Florida have been reported as

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Dennis Ballantyne
Operator's Signature

10/30/03
Date

well. Biodiesel can be blended with 1D fuel for winter operation. Published literature suggests most regulated emissions such as hydrocarbons, carbon monoxide, and particulate mass tend to be reduced with the use of B20 Biodiesel fuel, while NOx emissions may slightly increase. This may be due to higher oxygen levels in the B100 blend stock. Diesel oxidation catalysts (DOC's) may exhibit improved conversion efficiency with the use of Biodiesel; however, the long-term effect of Biodiesel with DOC's is not yet understood.

Potential problems with the use of Biodiesel Fuel

Based upon some of the published literature, stability of Biodiesel fuel is questionable, thus it may have a propensity to degrade over time. B20 Biodiesel fuel degrades at a rate twice as fast as 100% petroleum based diesel fuel. The degradation is accelerated by the presence of oxygen, water, heat, and impurities. The degradation of the Biodiesel may form corrosive products like acids, which may have a negative effect on fuel injection equipment. Of main concern are applications that are not used regularly, such as stand-by generators or seasonally used equipment like agricultural implements. Fuel degradation can also result in microbial growth (algae and bacteria) in fuel storage tanks, and can then sludge up fuel injection equipment. Filter plugging and sediment in the fuel injection equipment can also occur.

Other potential problems include:

- 1) Chemical reaction of methyl ester with some elastomers, which can cause fuel leaks at o-rings and seals.
- 2) Coking and blocking of fuel injector orifices, causing poor atomization of fuel.
- 3) Increased viscosity, causing poor cold temperature fuel flow characteristics, and poor fuel spray atomization. Rotary fuel injection pumps could potentially seize if fuel viscosity was exceptionally high (B100). Cloud point temperature tends to be higher. B20 flow properties will increase approximately 5° F as compared to 100% petroleum based fuel.
- 4) Abrasive solids from processing can cause fuel system wear.
- 5) Potential for slight reduction in power and fuel economy due to lower energy content per mass unit of B100. This would probably be invisible to the user of B20.

Suggested Guidelines

For increased chances of success, customers who wish to use Biodiesel in International Engines should:

- 1) Use high quality Biodiesel blend stock which conforms to ASTM PS 121-99
- 2) Use high quality diesel fuel that meets ASTM guidelines (D975) at minimum. The Engine Manufacturers Association has a premium diesel fuel specification (FOP-1A) that is designed for improved winter performance and lubricity. The minimum Cetane number should be 45.
- 3) Maximum blend guidelines: 20 % B100 blend stock to 80% petroleum based diesel fuel by volume. Ensure complete mixing.
- 4) Avoid long-term storage of Biodiesel fuel to prevent degradation. Treat storage tanks for water regularly, and for microbial growth as well. B100 in water degrades 85-88% in 28 days, approximately the same rate as for Dextrose (a test sugar used as the positive control when testing biodegradability).

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10/30/03

- 5) Avoid prolonged periods of engine idling whenever possible. This not only wastes fuel, but also could promote engine deposits due to low engine operating temperatures.
- 6) When operating in winter climates, use winter blended diesel fuel. If Biodiesel is still to be used in winter months, make sure that the cloud point is adequate. Fuel heaters may improve performance.
- 7) Perform regularly scheduled maintenance as dictated by the engine operation and maintenance manual. At this point in time, there is no evidence to suggest decreased maintenance intervals when using a good quality B20.

These recommendations on use of Biodiesel in International Engines are not provided to extend or supplant warranty limitation noted earlier. Again, use of Biodiesel in International engines is noted solely at the discretion and risk of the customer.

Scott Peterson -- Application Engineer, Engine Group
scott.peterson@nav-international.com

References

- 1) SAE Off-Highway Engineering, Dec 2000, pp 14-17, The Biodiesel Choice
- 2) ASTM PS 121-99, Provisional specification for Biodiesel Fuel (B100) Blend Stock for Distillate fuels
- 3) SAE 95-0054, Emissions and Performance Characteristics of a 4 stroke direct injected diesel engine fueled with blends of Biodiesel and low sulfur diesel fuel.
- 4) M.L. Poulton, 1994, Alternative Fuels for Road Vehicles
- 5) Joint FIE Manufacturers Statement, June 2000, Fatty Acid Methyl Ester Fuels as a Replacement or Extender for Diesel fuels.

DUK #300

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Deanna Williams
 Operator's Signature

10/30/03
 Date

TSI Number: 02-15-01

TSI Date: March, 2002

Subject File: FUEL TANKS

SUBJECT

Fuel Tanks and Fuels

DESCRIPTION**WARNING:**

To avoid property damage or personal injury, or both, possibly death, do not perform any service on the fuel system in the presence of open flames, intense heat, sparks, lighted cigarettes, or similar hazards in your work area.

Proper fuel tank preventive maintenance is required to maintain maximum engine performance. Specifically, vehicle operators should:

1. Use only a known good quality of Grade No. 1-D or Grade No. 2-D diesel fuel.
2. Purchase only from reputable suppliers who sell large amounts of diesel fuel.
3. A premium grade of Grade No. 1-D or Grade No. 2-D diesel fuel that meets Engine Manufacturer's Association (EMA) spec. FQP-1A may also be used. It has a minimum Cetane number of 50 that provides better cold weather performance and enhanced lubricity characteristics for improved fuel system durability.
4. Keep fuel tanks topped off with fuel to reduce condensation due to temperature and humidity changes.
5. If vehicles are operated infrequently, consider adding an algaecide and a bactericide to the fuel to retard microbial growth.
6. If on-site fuel storage and dispensing equipment is used:
 - A. Keep storage tanks full and use up fuel frequently (diesel fuel degrades over time).
 - B. Consider adding an algaecide and a bactericide to the fuel to retard microbial growth.
 - C. Use a high quality filter in the fuel dispensing line.
7. Inspect vehicle fuel tanks periodically for evidence of contamination. Particularly inspect for rust in steel tanks.

PROCEDURE

Exhibit 5 - NDDOT Follow-up on HB1012 - 1/20/03

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If interior fuel tank contamination is found, thorough steam cleaning is recommended. Steel tanks with fine interior surface rust can be steam cleaned. However, steel fuel tanks should be replaced if interior flaking or deep pitting due to rust is found.

Fuel Types Permitted

1. International Engines require Grade No. 1-D or Grade No. 2-D diesel fuel, with or without EMA spec. FQP-1A designation.
2. International Engines require fuel with a minimum Cetane number of 45.
3. International Engines require that fuel sulfur content be no higher than 0.05%.
4. Fuels sold as heating or furnace oil must not be used in International Engines.
5. Diesel fuels blended with used engine oil, gasoline, gasohol or alcohol must not be used in International Engines.
6. See Figures below on the use of Biodiesel fuels in International Engines.
7. Refer to other diesel engine manufacturers fuel requirements for fuels to be used in their respective engines.

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Operator's Signature

10/30/03
Date

Fuel Tax Processing Guideline - FTPG - 6

Exhibit 6

FOR: Motor Fuel Tax Section
BY: Joan Y. Galster, Motor Fuel Tax Supervisor
TOPIC: Native Americans Residing on a Reservation
(Does not apply to Standing Rock Reservation)
DATE: Revised August 14, 2002

This guideline applies to all fuel tax types.

L. Enrolled members of a Native American Indian Tribe residing on a reservation.

A. An enrolled member of a Native American Indian Tribe residing on a reservation is not subject to the North Dakota motor vehicle fuel tax or the North Dakota special fuel taxes:

1. When the fuel is purchased for use on the reservation in nonlicensed machinery or equipment for an agricultural or an industrial purpose.
2. When the fuel is purchased as heating fuel to be used on the reservation.

B. Tax-exempt sale reported on tax reports.

1. Special fuel and liquefied petroleum gas tax reports.

Tax-exempt sales to Native Americans are reported on line 13 of the special fuel and liquefied petroleum gas tax reports. Documentation consisting of copies of sales invoices, detailed listings of the sales, or a schedule of gallons disbursed (schedule type #8) must be submitted with the tax report. The documentation must contain the dates of sale, number of gallons, type of product, and the individual's BIA number as verification that the transaction was with a Native American.

2. Motor vehicle fuel tax reports.

For motor vehicle fuel, an exempt transaction can be reported on line 12 (sales to U.S. Government) and documented as a sale to a Native American. (Documentation requirements are the same as those for special fuel.)

Exhibit 6 - NDDOT Follow-up on HB1012 - 1/20/03

--1--

II. Native American not an enrolled member of a North Dakota Indian Tribe.

A Native American who is not an enrolled member of a North Dakota Indian Tribe is NOT exempt.

III. Native American not residing on a reservation.

A Native American who does not reside on a reservation or who does not purchase fuel for use on a reservation is NOT exempt.

IV. Native American owned corporation.

A Native American owned corporation registered under the laws of the state of North Dakota is NOT exempt.

V. Fuel purchased for use in licensed vehicles.

Native American retailers or individual Native Americans are NOT exempt from the North Dakota fuel tax on fuel purchased for use in licensed vehicles.

VI. Fuel sold to a Tribal agency.

A Tribal agency is exempt from the state fuel taxes on motor vehicle fuel and special fuel purchased for use in licensed vehicles as well as any other use.

VII. Fuel sold to a school located on a reservation.

A. The school is a Tribal school.

All fuel is tax free when sold to an Indian school located on a reservation and run by the Tribe or the Bureau of Indian Affairs. This includes fuel sold for use in their school buses.

B. The school is a public school run by the state or a local school district.

All fuel is subject to the applicable state taxes when sold to a public school or public school district located on an Indian reservation. The fact that the school includes Native American students is not material. This includes fuel purchased for use in buses.

C. The school is a public school receiving funds from the Bureau of Indian Affairs.

All fuel is subject to the applicable state taxes in the same manner as any other public school or public school district. The fact that the school receives funding from the Bureau of Indian Affairs is not material.

--2--

D. The school is a parochial school.

All fuel is subject to the applicable state taxes in the same manner as a public school or public school district. The fact that all or most of the students are Native American is not material.

VIII. Fuel sold to an Indian school not located on a reservation.

All fuel is tax free when sold to an Indian school located in North Dakota but not on a reservation. This includes fuel sold for use in their school buses.

IX. Fuel purchased for use on a casino project on a reservation.

Fuel used on casino projects on a reservation is exempt from the North Dakota special fuel taxes. The exemption applies to projects paid for by the casino or by a Native American Tribe. It includes fuel used on those projects either by Native American owned businesses or by non-Native American owned businesses.

X. Refunds available.

If a Tribal agency, a Native American business, or an individual Native American purchases either motor vehicle fuel or special fuel with the North Dakota tax paid thereon, the person or entity may file a claim with the State Tax Commissioner for a refund of the tax. A full refund will be granted provided the fuel was used for a tax-exempt purpose.

Fuel Tax Processing Guideline - FTPG - 6 - SR

Exhibit 7

FOR: Motor Fuel Tax Section
BY: Joan Y. Galster, Motor Fuel Tax Supervisor
TOPIC: Standing Rock Sioux Tribal Motor Fuel Tax
DATE: July 17, 2000

This guideline is based on a current Standing Rock Sioux Tribal ordinance, as amended effective November 3, 1999 and applies to motor vehicle fuel and special fuel (except LPG) taxes.

I. Imposition of Tribal taxes.

The North Dakota portion of The Standing Rock Sioux Tribe passed ordinances imposing Tribal fuel taxes. The language in the ordinance is based on state fuel tax laws. The initial implementation date agreed upon was January 1, 1999. The ordinance was amended effective November 3, 1999 to incorporate the 1999 state legislative changes and to increase the tax rates.

A. Motor Vehicle Fuel (gasoline/gasohol).

Chapter 14, Section 16-1402, of the Standing Rock Sioux Tribal tax ordinance imposes a tax of \$.21 per gallon on all motor vehicle fuel sold on the North Dakota portion of the Standing Rock Sioux Tribe reservation.

With the exception of Tribal agencies, there are no exemptions for consumers at the point of sale. Refunds are available to consumers using the fuel in nonlicensed equipment or machinery for an industrial or agricultural purpose. The entire \$.21 per gallon is refundable. A Tribal agency may purchase the fuel tax free. If the Tribal agency pays the tax at the point of purchase, the agency may claim a full refund.

B. Special Fuel (Diesel and heating).

Chapter 15, Section 16-1502, of the Standing Rock Sioux Tribal tax ordinance imposes a tax of \$.21 per gallon on all special fuel sold on the North Dakota portion of the Standing Rock Sioux Tribe reservation.

For purposes of Tribal taxes, "special fuel" means all clear diesel fuel sold for use in a motor vehicle on public roads.

Exhibit 7 - NDDOT Follow-up on HB1012 - 1/20/03

--1--

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Joan Y. Galster
Operator's Signature

10/30/03
Date

II. Agreement between Tax Commissioner and the Standing Rock Sioux Tribe.

The Tax Commissioner and the Standing Rock Sioux Tribe entered into an agreement designed to facilitate the implementation of the Tribal fuel taxes and to provide an avenue for the state to share in the revenue collected.

The agreement provides that the Tax Commissioner shall:

License the sellers of motor vehicle fuel located on the North Dakota portion of the Standing Rock Sioux Tribe reservation;

Collect the revenue and process monthly tax reports.

Distribute seventy-five percent of the revenue to the Standing Rock Sioux Tribe as its agreed upon share. [The remaining twenty-five percent is presumed to be tax on fuel sold to non-Native Americans and will be deposited into the state's Highway Distribution Fund.] In addition, the state shall retain one percent of the Tribal share of the revenue as an administrative fee for its services in collecting the Tribal tax.

Provide the Standing Rock Sioux Tribe with a monthly breakdown of the source of the revenue. This breakdown must be provided with 30 days after the month during which the revenue was received.

III. Motor Vehicle Fuel.

A. Retail sales.

The Tribal tax applies on all retail sales on the North Dakota portion of the Standing Rock Sioux Tribe reservation.

B. Bulk delivery sales – State tax, Tribal tax, or tax exempt.

1. A bulk sale to a Native American living on the reservation.

- a. The State fuel tax does not apply.
- b. The Tribal fuel tax does not apply when the Native American advises the seller that the fuel is intended for use in nonlicensed equipment for an agricultural or industrial purpose.
- c. The Tribal fuel tax applies when the Native American advises the seller that all or part of the fuel is intended for use in licensed vehicles.

If the Tribal tax is charged in error or only a portion of the taxed fuel is used in a licensed vehicle, the Native American consumer may obtain a refund of the tax attributed to agricultural or industrial use.

2. A bulk sale to a Tribal agency for use in tribally owned vehicles, licensed or nonlicensed.

- a. The State fuel tax does not apply.
- b. The Tribal fuel tax does not apply.

If the tax is charged in error, the Tribal agency may request a full refund of the tax.

3. A bulk sale on the reservation to a non-Native American consumer.

- a. The State fuel tax applies.
- b. The Tribal fuel tax does not apply.

If the non-Native American consumer uses the fuel in nonlicensed equipment or machinery for an industrial or agricultural purpose, the consumer may apply for a refund pursuant to state law.

IV. Special Fuel.

A. Retail sales.

The Tribal tax applies on all retail sales on the North Dakota portion of the Standing Rock Sioux Tribe reservation.

E. Bulk delivery sales – State tax, Tribal tax, or tax exempt.

1. Undyed diesel and heating fuel.

- a. A bulk sale of undyed fuel to a Native American living on the reservation.

- (1) The State fuel tax does not apply.
- (2) The Tribal fuel tax does not apply when the Native American advises the seller that the fuel is intended for use in nonlicensed equipment for an agricultural or industrial purpose or as heating fuel.
- (3) The Tribal fuel tax applies when the Native American advises the seller that all or part of the fuel is intended for use in licensed vehicles.

If the Tribal tax is charged in error or only a portion of the tax on fuel is used in a licensed vehicle, the Native American consumer may obtain a refund of the tax attributed to agricultural, industrial, or heating fuel use.

--3--

- b. A bulk sale of undyed fuel to a Tribal agency for use in tribally owned vehicles, licensed or nonlicensed.

(1) The State fuel tax does not apply.

(2) The Tribal fuel tax does not apply.

If the tax is charged in error, the Tribal agency may request a full refund of the tax.

- c. A bulk sale of undyed fuel on the reservation to a non-Native American consumer.

(1) The State's per gallon fuel tax applies.

(2) The Tribal fuel tax does not apply.

2. Dyed diesel and heating fuel.

- a. A bulk sale of dyed fuel to a Native American residing on the reservation.

(1) The State fuel tax does not apply.

(2) The Tribal fuel tax does not apply.

If the tax was charged in error, the Native American may claim a full refund.

- b. A bulk sale of dyed fuel to a Tribal agency for use in tribally owned vehicles, licensed or nonlicensed.

(1) The State fuel tax does not apply.

(2) The Tribal fuel tax does not apply.

If the tax is charged in error, the Tribal agency may request a full refund.

- c. A bulk sale of dyed fuel on the reservation to a non-Native American consumer.

(1) The State's 2% special fuel excise tax applies.

(2) The Tribal fuel tax does not apply.

-4-

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Deanna Ball
Operator's Signature

10/30/03
Date

North Dakota Department of Transportation
Composition of Amendment to Engrossed HB1012 and
Computation of Required Additional State Revenue

Federal Funds

Formula Funds:

DOT share	\$28.25
Pol. Sub Share	<u>8.75</u>
Total Fed. Formula Funds	\$35.0

100% Federal Funds:

Lewis & Clark path	\$0.70
FTA Funds	2.9
Fargo Ped. & Bicycle	2.5
Missouri River Trail	<u>1.0</u>
Total 100% Fed. Funds	\$7.1
Federal portion of salary cuts transferred to capital assets	<u>\$0.2</u>
Total Federal portion of the amendment	\$42.3

State Funds

Match on DOT share of Formula Fund	\$6.56
Reimbursement from Pol. Subs for their share of match on Formula Funds	<u>2.19</u>

Total State portion of the amendment

\$8.8

Total additional budget authority required

\$51.1

Computation of additional state revenue needed

As requested in Senate amendment:

Match on DOT share of Formula funds	\$8.8
Less: Portion reimbursed by Pol. Subs.	(2.19)
Portion funded by savings from salary cuts	<u>(0.8)</u>
Additional State Revenue Needed	\$5.81

Prepared by NDDOT, Office of Business Support, Financial Management Division; 4/15/03; C:\2003 Session Working files\03 Session File Cabinet\4-15-03\1012 amendment
analysis and computation of additional revenue 4-15-03 version.doc

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Operator's Signature

Date

**North Dakota Department of Transportation
Composition of Amendment to Engrossed HB1012 and
Computation of Required Additional State Revenue
Includes Impact of Repeat Offender Sanctions**

Additional State Revenue Needed Before Repeat Offender Sanctions	\$5.8	
Less Impact of Repeat Offender Sanctions:		
State match savings related to Repeat Offender Sanctions	(1.4)	
Additional state revenue needed before Senate Reductions		\$4.4
Less Senate Reductions:		
Health Insurance Premium	(0.1)	
4% IT	(0.6)	
Senate Reductions		(0.7)
Additional State Revenue Needed after Senate Amendments		\$3.7
Less Legislative Action:		
Truck Reg Revenue Reduction	(0.2)	
Removal of Sunset on \$2 MV reg.	1.0	
Additional Revenue adjustments	(0.8)	
Additional State Revenue Needed		\$2.9
Additional Senate Revenue (\$3 MV Fee)		\$3.6
Balance		\$0.7

Prepared by NDDOT Office of Business Support; Financial Management Division; 4/15/03; C:\2003 Session Working files\03 Session File Cabinet\4-15-03\1012 amendment analysis and computation of additional revenue 4-15-03 version.doc

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

Enhancements to Highway Funding

Senate Amendments to HB1012

	<u>Co/Cities</u>	<u>NDDOT</u>
➤ Remove Sunset on \$2 Reg. Fee.	(1,000,000)	1,000,000
➤ \$2 Reg. Fee Increase to State	0	2,720,000
➤ \$1 Reg. Fee Increase to Dist. Fund	503,000	857,000
➤ Increased diversion to Patrol	(290,000)	(500,000)
Net Change from Exec. Budget	(787,000)	4,077,000

Increased Federal Transportation Funding

	<u>Co/Cities</u>	<u>NDDOT</u>
➤ Allocation	8,750,000	26,250,000
➤ Anticipated Match Requirement	1,750,000	5,250,000

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Deanna Gellera
Operator's Signature

10/30/03
Date

NDDOT - IT DIVISION 2003-05 BUDGET
April 21, 2003

IT Division 03-05 Budget

\$15,044,551

NDDOT SPECIALIZED IT APPLICATIONS

Engineering Divisions/Districts (31%) **\$4,422,048**
93 CADD Licenses; 63 GIS/Mapping licenses;
48 ATR sites; 15 RWIS sites; 511 road reporting;
Cell phone usage

Drivers License & Traffic Safety (18%) **\$2,480,832**
28 locations; drivers testing and renewals;
driving records and citations; safety records and
crash reports;

Motor Vehicle (18%) **\$2,485,931**
16 locations; Vehicle registration and titling;
commercial carriers

Radio (8%)
8 locations; 40 radio tower sites; State Radio
consoles; Highway Patrol mobile data terminals
DOT mobile radios; ATRs and RWIS **\$1,150,388**

State Fleet (1%) **\$156,563**
Located at DOT districts and universities

NON-SPECIALIZED IT APPLICATIONS

Business Support and Telephones (29%) **\$4,348,789** **5%** **\$217,439**
Financial system; Human Resources, and
Administrative functions.

\$15,044,551

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Deanna Ball
Operator's Signature

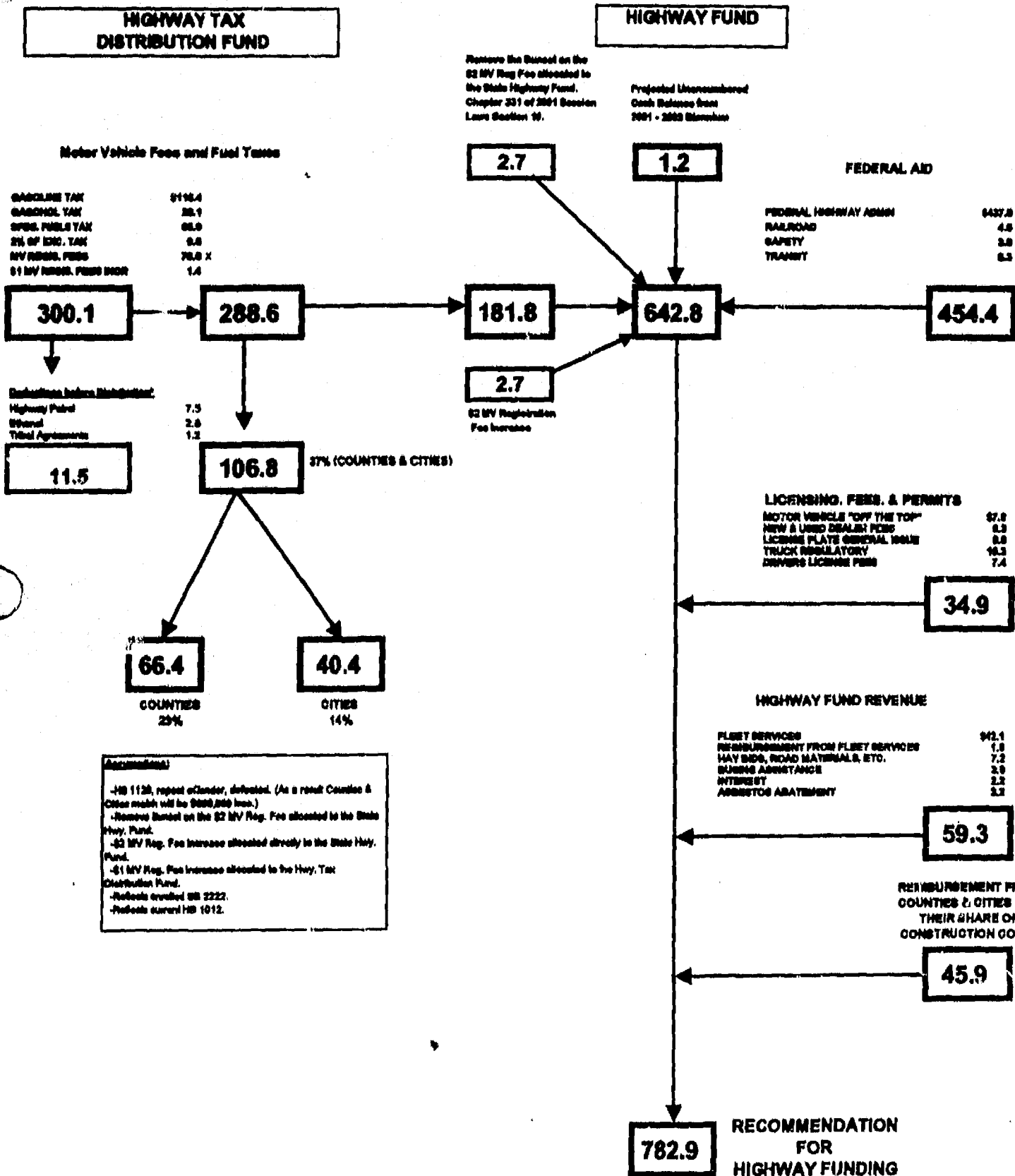
10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

Current HB1012
4/18/03

REVENUE (maintain \$2 allocated to Hwy. Fund, \$2 reg. incr to Hwy. Fund, and \$1 to the Distribution Fund)

(MILLIONS)



* Pending Legislation
X TOTAL MV REGS. FEES
(less "off the top" & dealer fees)
AVAILABLE FOR DISTRIBUTION

288.6
(18.1)
\$1,475

PREPARED BY: MRS. J. L. BROWN
FINANCIAL MANAGEMENT SYSTEMS
April 14, 2003

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Operator's Signature

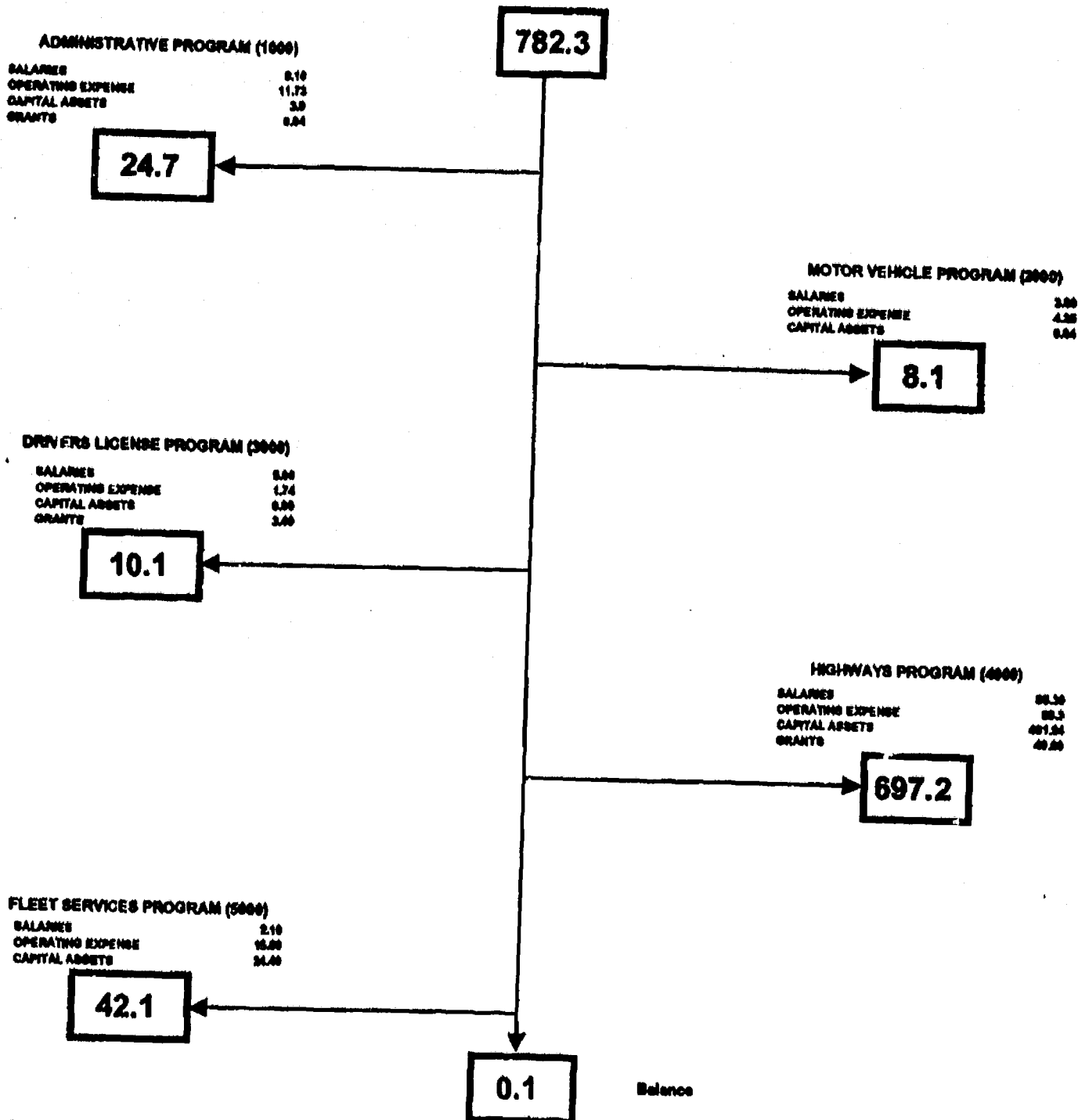
Date

10/30/03

DEPARTMENT OF TRANSPORTATION 2002 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

These charts are in a result of HB 1120, Repeat Offender.

(MILLIONS)



* This Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary cut.

PREPARED BY: HHS
FEDERAL MANAGEMENT SYSTEM
APR 21, 2003

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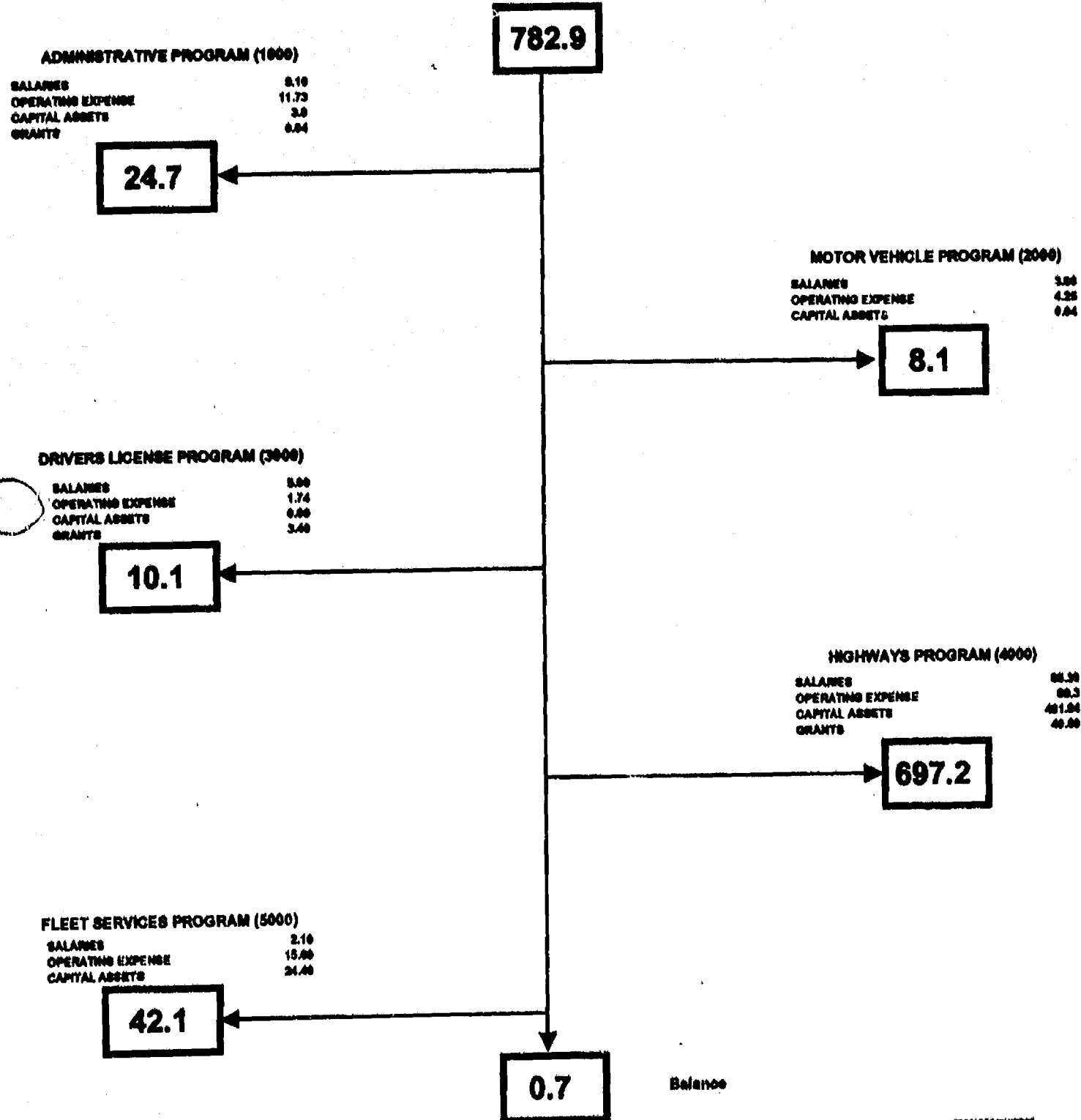
Dennis G. Ball
Operator's Signature

10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

(MILLIONS)

These charts are as a result of HB 1120, Repeat Offender.



* Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary cuts.

PREPARED BY HHS/DT
FINANCIAL MANAGEMENT DIVISION
April 10, 2003

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Demetrius G. Williams
Operator's Signature

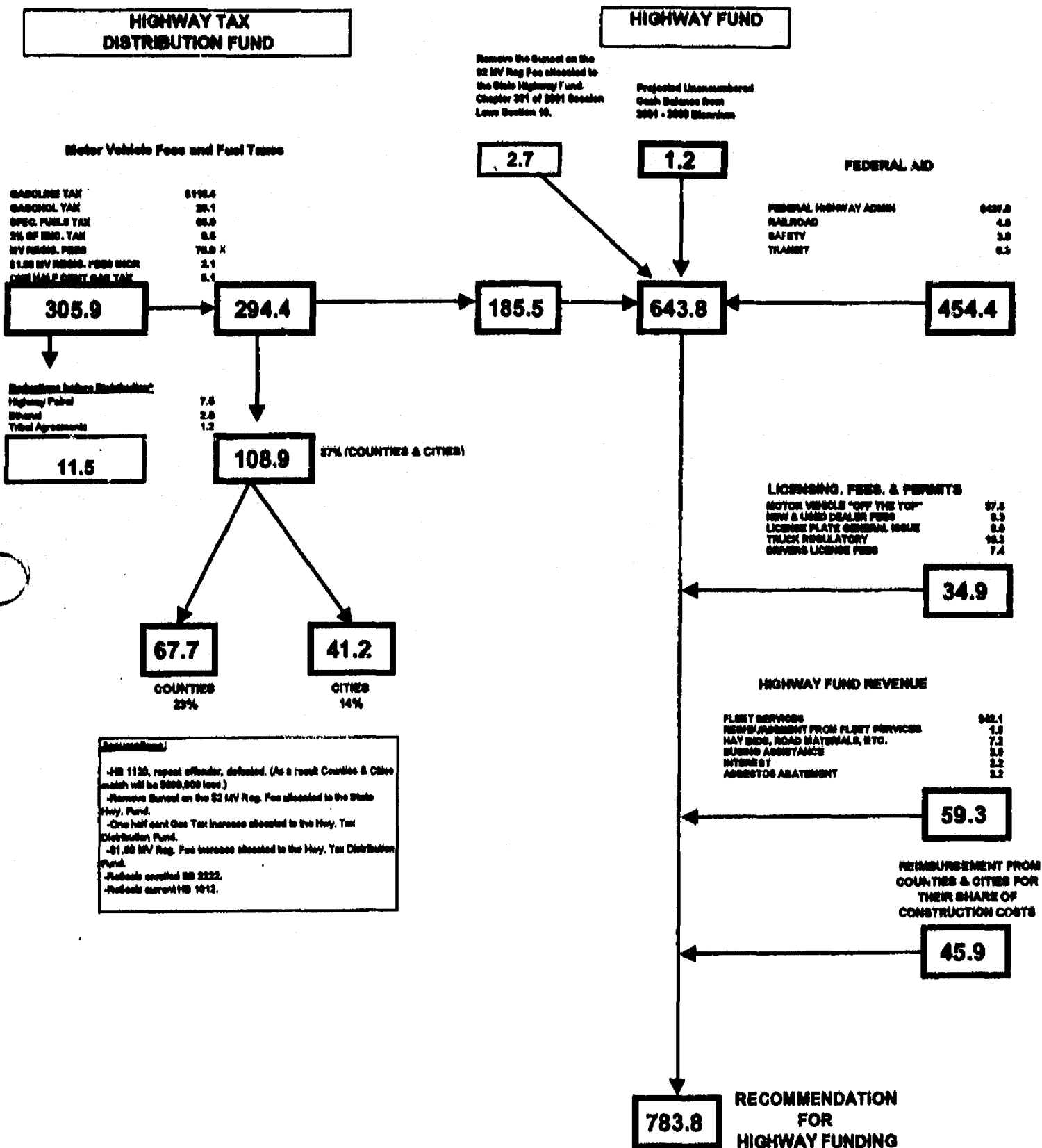
10/30/03
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DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

Sen. Bowman (A)
1/2 cent gas tax, \$1.50 MV fee
Repeal Sunset

REVENUE (maintain \$2 alloc. to Hwy. Fund, one half cent gas tax incr, and \$1.50 reg. incr. to the Distribution Fund)
(MILLIONS)

See charts are as a result of HB 1120, Repeat Offender.



Assumptions:

- HB 1120, repeat offender, defunct. (As a result Counties & Cities match will be \$600,000 less.)
- Remove Sunset on the \$2 MV Reg. Fee allocated to the State Hwy. Fund.
- One half cent Gas Tax increase allocated to the Hwy. Tax Distribution Fund.
- \$1.50 MV Reg. Fee increase allocated to the Hwy. Tax Distribution Fund.
- Repeal sunset on 2222.
- Repeal sunset HB 1012.

* Pending Legislation
X TOTAL MV REGS. FEES
(See "off the top" & dealer fees)
AVAILABLE FOR DISTRIBUTION

688.0
(58.1)
61.475

PREPARED BY: VDOT
FINANCIAL MANAGEMENT DIVISION
April 16, 2003

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

Sen. Bowman (R)
1/2 cent gas tax, \$1.50 MV fee
Sunset in place

REVENUE (one half cent gas tax incr, and \$1.50 reg. incr. to the Distribution Fund)

(MILLIONS)

See charts are a result of HB 1120, Repeat Offender.

HIGHWAY TAX DISTRIBUTION FUND

HIGHWAY FUND

Motor Vehicle Fees and Fuel Taxes

GASOLINE TAX
DIESEL TAX
SPEC. FUEL TAX
% OF REG. TAX
MV REGS. FEES
\$1.50 MV REGS. FEES INCR
ONE HALF CENT GAS TAX

\$198.4
25.1
68.9
9.8
\$1.5 X
2.1
5.1

308.6

297.1

187.2

1.2

FEDERAL AID

FEDERAL HIGHWAY ADMIN 487.8
RAILROAD 4.8
SAFETY 3.8
TRANSIT 6.3

454.4

642.8

Revolutions, Indian, Rehabilitation,
Highway Patrol
Bilateral
Tribal Agreements

11.5

7.8
2.8
1.2

109.9

37% (COUNTIES & CITIES)

68.3

COUNTIES
23%

41.6

CITIES
14%

(Assumptions)
-HB 1120, repeat offender, defeated. (As a result Counties & Cities
likely will be \$600,000 less.)
-One half cent Gas Tax increase allocated to the Hwy. Tax
Distribution Fund.
-\$1.50 MV Reg. Fee increase allocated to the Hwy. Tax Distribution
Fund.
-Rebate credited SB 2222.
-Rebate current HB 1012.

LICENSING, FEES, & PERMITS
MOTOR VEHICLE "OFF THE TOP"
NEW & USED DEALER FEES
LICENSE PLATE GENERAL ISSUE
TRUCK REGULATORY
DRIVERS LICENSE FEES

67.8
6.3
8.8
18.3
7.4

34.9

HIGHWAY FUND REVENUE

FLEET SERVICES 942.1
REIMBURSEMENT FROM FLEET SERVICES 1.8
HAY BIDS, ROAD MATERIALS, ETC. 7.2
SALES ASSISTANCE 2.8
INTEREST 2.2
ASBESTOS ABATEMENT 2.2

59.3

REIMBURSEMENT FROM
COUNTIES & CITIES FOR
THEIR SHARE OF
CONSTRUCTION COSTS

45.9

782.8

RECOMMENDATION
FOR
HIGHWAY FUNDING

* Pending Legislation
X TOTAL MV REGS. FEES
(Less "off the top" & dealer fees)
AVAILABLE FOR DISTRIBUTION

988.8

(25.1)

\$1,475

PREPARED BY: MICHIGAN
FINANCIAL MANAGEMENT DIVISION
April 10, 2003

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Operator's Signature

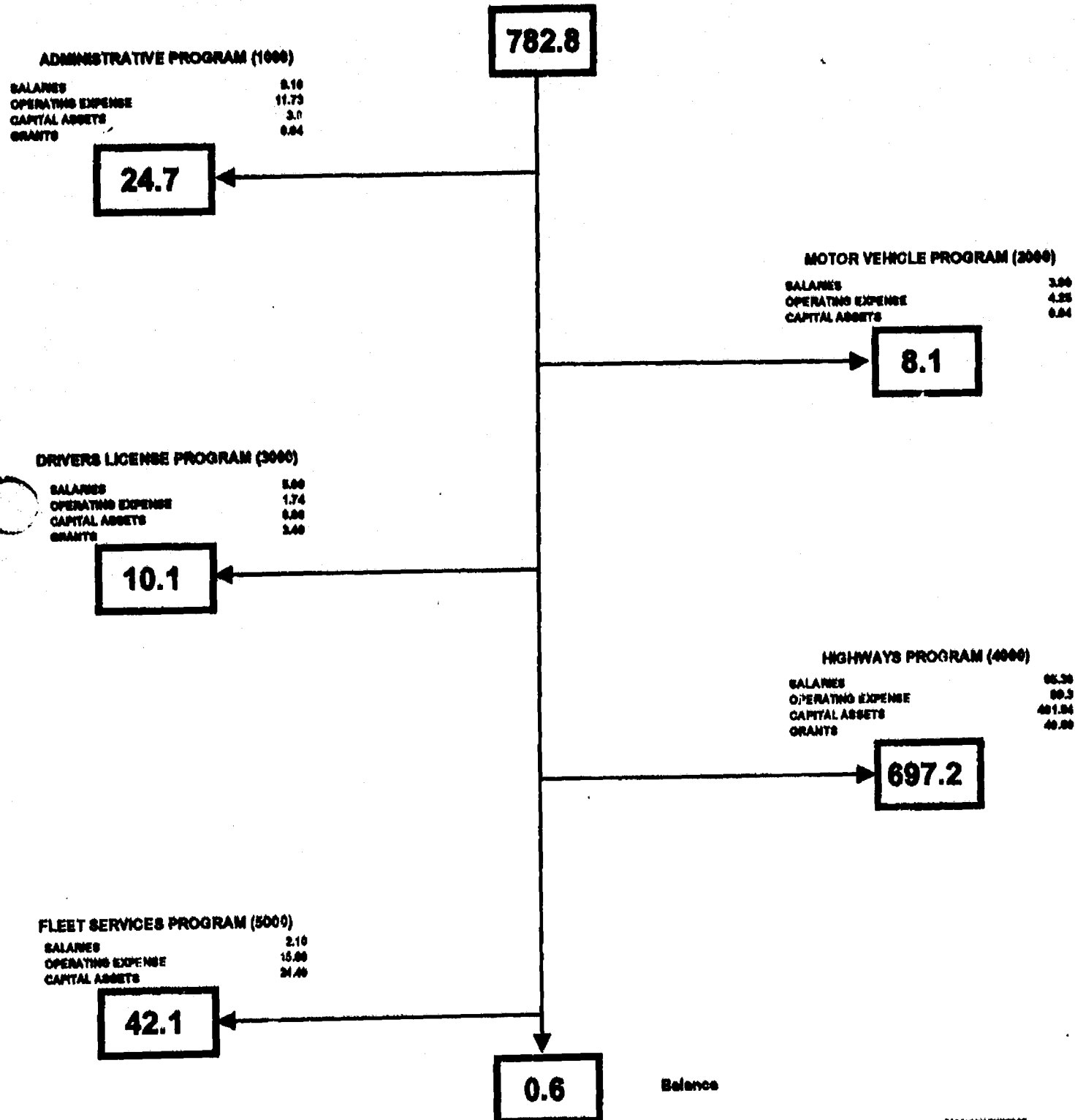
Date

10/30/03

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

(BILLIONS)

These charts are as a result of HB 1122, Repeat Offender.



Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary rule.

PREPARED BY: DEPARTMENT OF TRANSPORTATION
FISCAL MANAGEMENT DIVISION
April 10, 2003

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Dorinda G. Hall
Operator's Signature

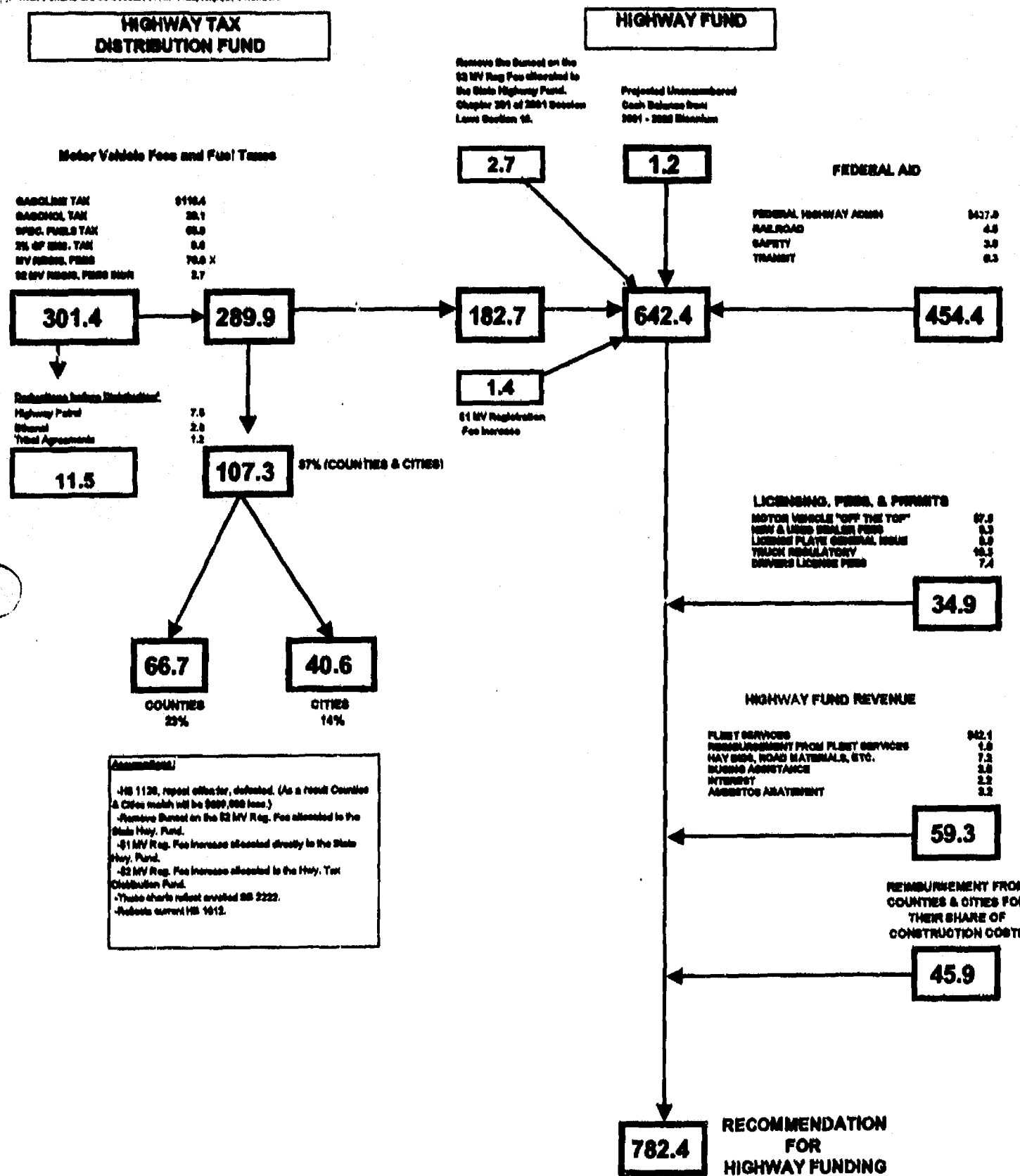
10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

Sen. Schickinger
\$1 Hwy. Fund, \$2 HTDF
Repeal Sunset

REVENUE (maintain \$2 allocated to Hwy. Fund, \$1 reg. incr to Hwy. Fund, and \$2 to the Distribution Fund)

These charts are as a result of HB 1128, Repeat Offender.



* Pending Legislation

X TOTAL MV REGS. FEES

(Less "off the top" & dealer fees)

AVAILABLE FOR DISTRIBUTION

985.0

(98.1)

81.475

PREPARED BY HSDOT
FISCAL MANAGEMENT DIVISION
April 10, 2003

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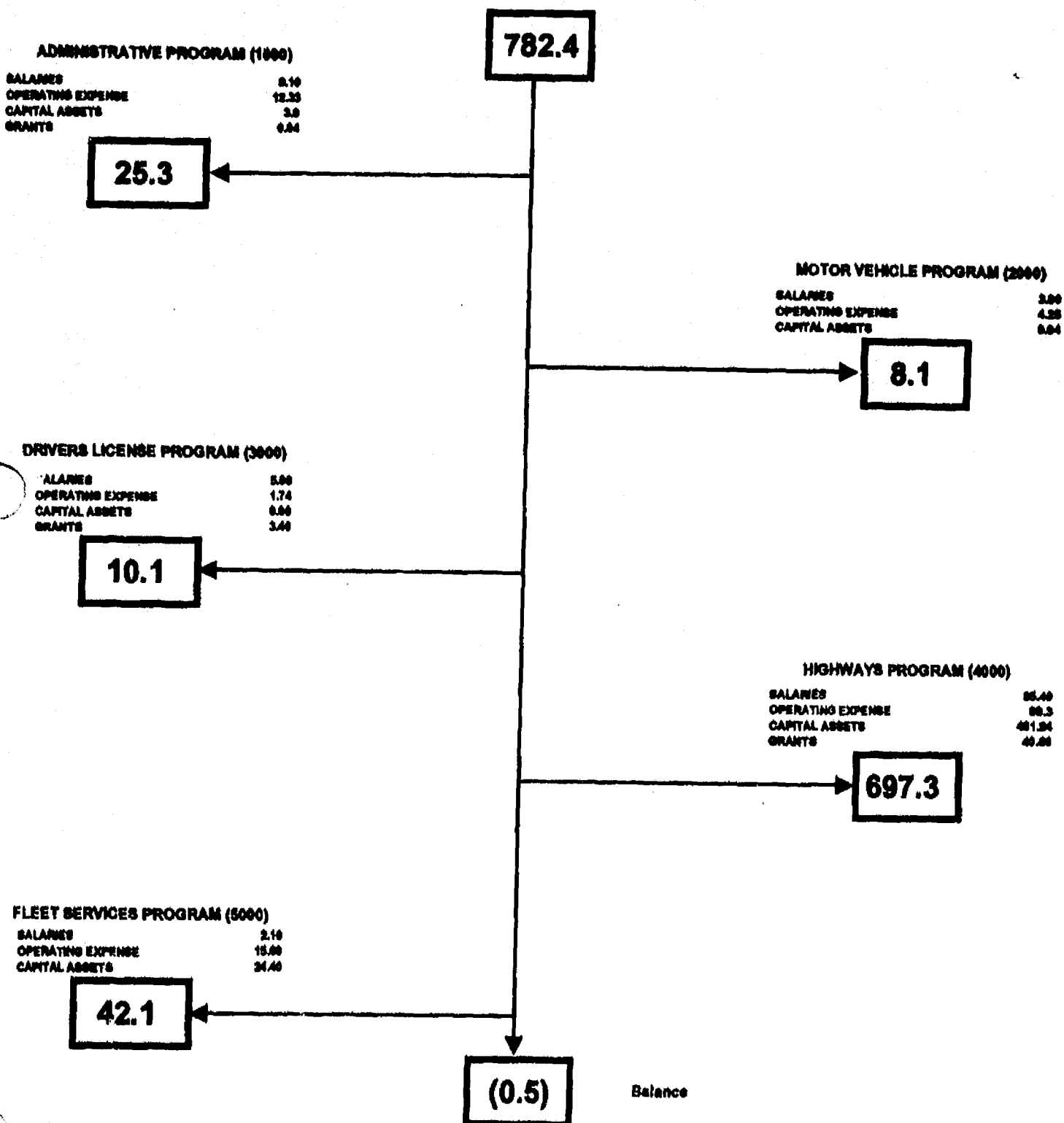
Operator's Signature

10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

These charts are as a result of HB 1125, Repeat Offender.

(MILLIONS)



Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary cuts.

PREPARED BY: H200Y
FINANCIAL MANAGEMENT DIVISION
April 10, 2003

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Operator's Signature

Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

Rep. Weber
\$0.01 gas tax second year
Repeal Sunset

REVENUE (maintain \$2 alloc. to Hwy. Fund, and one cent gas tax incr., 2nd year of Blen.)

(MILLIONS)

HIGHWAY TAX DISTRIBUTION FUND

HIGHWAY FUND

Remove the Sunset on the
\$2 MV Reg Fee allocated to
the State Highway Fund.
Chapter 301 of 2001 Session
Laws Section 10.

Projected Unnumbered
Cash Balances from
2001 - 2005 Blen.

Motor Vehicle Fees and Fuel Taxes

GASOLINE TAX
GASOLINE TAX
SPR. FUELS TAX
% OF REG. TAX
MV REGS. FEES
ONE CENT GAS TAX (7/1/04)

\$116.4
28.1
85.9
9.4
76.8 X
6.1

303.8

292.3

2.7

1.2

FEDERAL AID

FEDERAL HIGHWAY ADMIN 642.8
RAILROADS 4.5
SAFETY 3.9
TRANSIT 6.3

454.4

642.5

184.2

Reductions in the Highway Fund
Highway Fund
Other
Tribal Agreements

11.5

7.6
2.8
1.2

108.2

37% (COUNTIES & CITIES)

67.2

COUNTIES
23%

40.9

CITIES
14%

Assumptions:
-HB 1128, repeal offender, defeated. (As a result Counties & Cities
match will be \$695,000 less.)
-Remove Sunset on the \$2 MV Reg. Fee allocated to the State
Hwy. Fund.
-One half cent Gas Tax Increase allocated to the Hwy. Tax
Distribution Fund.
-\$1.00 MV Reg. Fee increase allocated to the Hwy. Tax Distribution
Fund.
-Refunds credited SB 2222.
-Refunds current HB 1012.

LICENSING, FEES, & PERMITS
MOTOR VEHICLE "OFF THE TOP"
NEW & USED DEALER FEES
LICENSE PLATE GENERAL ISSUE
TRUCK REGULATOR
DRIVERS LICENSE FEES

57.3
6.3
6.3
10.3
7.4

34.9

HIGHWAY FUND REVENUE

FLYET SERVICES 642.1
REIMBURSEMENT FROM FLYET SERVICES 7.6
HAY RIDS, ROAD MATERIALS, ETC. 7.2
BUSING ASSISTANCE 3.0
INTEREST 2.2
ADJUST. ABATEMENT 9.2

59.3

REIMBURSEMENT FROM
COUNTIES & CITIES FOR
THEIR SHARE OF
CONSTRUCTION COSTS

45.9

782.5

RECOMMENDATION
FOR
HIGHWAY FUNDING

* Pending Legislation

X TOTAL MV REGS. FEES

(Less "off the top" & dealer fees)

AVAILABLE FOR DISTRIBUTION

988.6

(98.9)

\$1,476

PREPARED BY VISION
FORWARDING INFORMATION SYSTEMS
April 18, 2003

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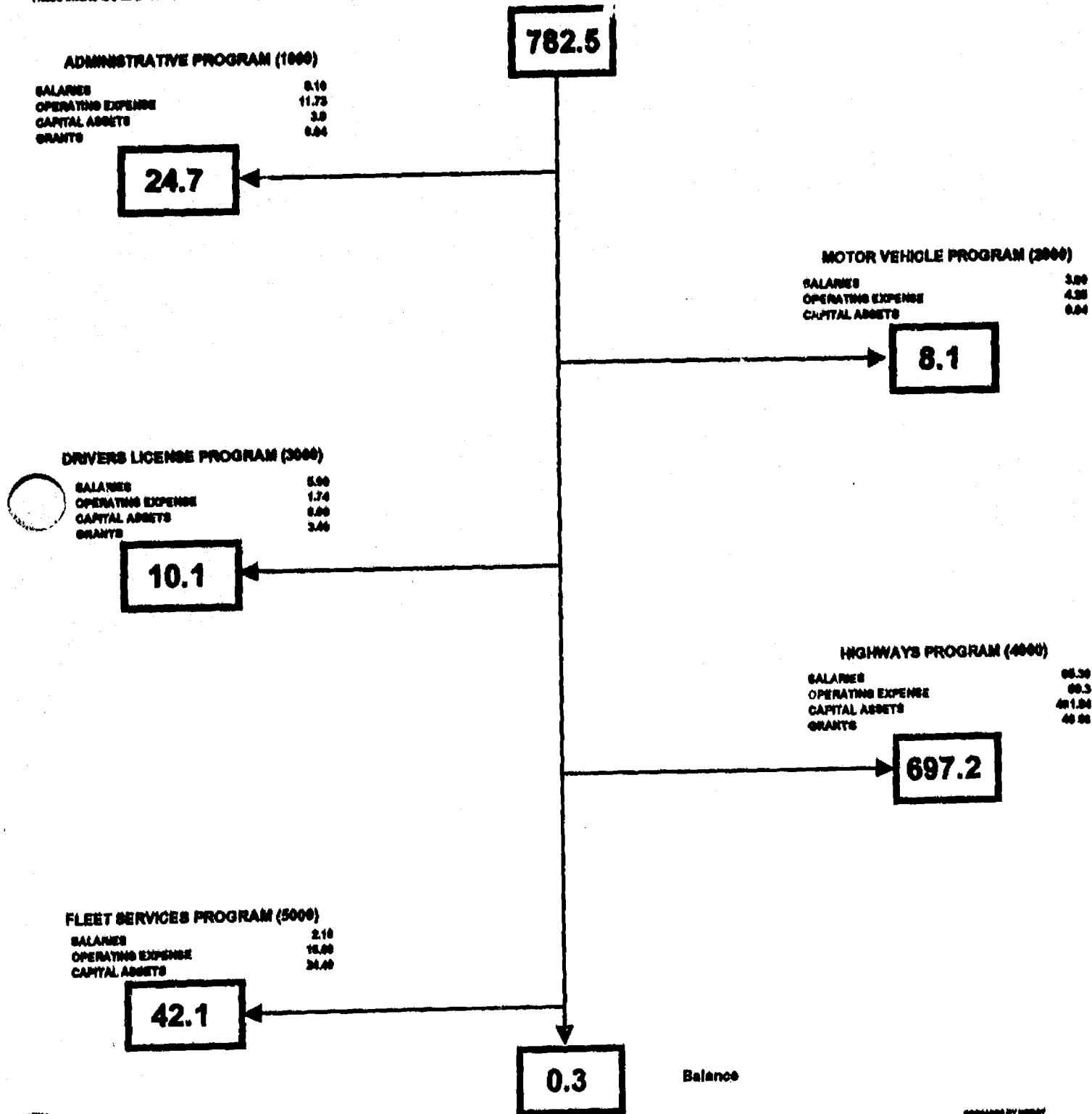
Date

10/30/03

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

(MILLIONS)

These charts are as a result of HB 1120, Repeat Offender.



Scenario utilizes all Federal Funds, additional Federal Funds from 211303, and the Federal Funds associated with the salary rule.

PREPARED BY HENRY
FINANCIAL MANAGEMENT DIVISION
APR 10, 2003

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Operator's Signature

10/30/03
Date

Sen. Tatchellson
Current HHS 1012
\$4 MY Fee Increase
4-15-03

(maintain \$2 allocated to 144 Fund, \$2 reg inc to Hwy Fund, \$2 to the Distribution Fund, and Weight Stations)

Plasma levels of 17β-OH progesterone and 17α-OH progesterone in the fetal circulation

Motor Vehicle Pass and Fuel Taxes

0400LIVE TALK
 0400CLOCK TALK
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66.7

ROUTING

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107.3
57% (COUNTRIES & CITIES)

2.7

12

FEDERAL AID

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 INTEREST
 ADDRESS TO: ABA/INQUIRY

REIMBURSEMENT FROM COUNTRIES & CITIES FOR THEIR SHARE OF CONSTRUCTION COSTS

45.3

**RECOMMENDATION
FOR
HIGHWAY FUNDING**

* Pending Legislation

100.0	100.0
(100.0)	(100.0)
01.410	01.410

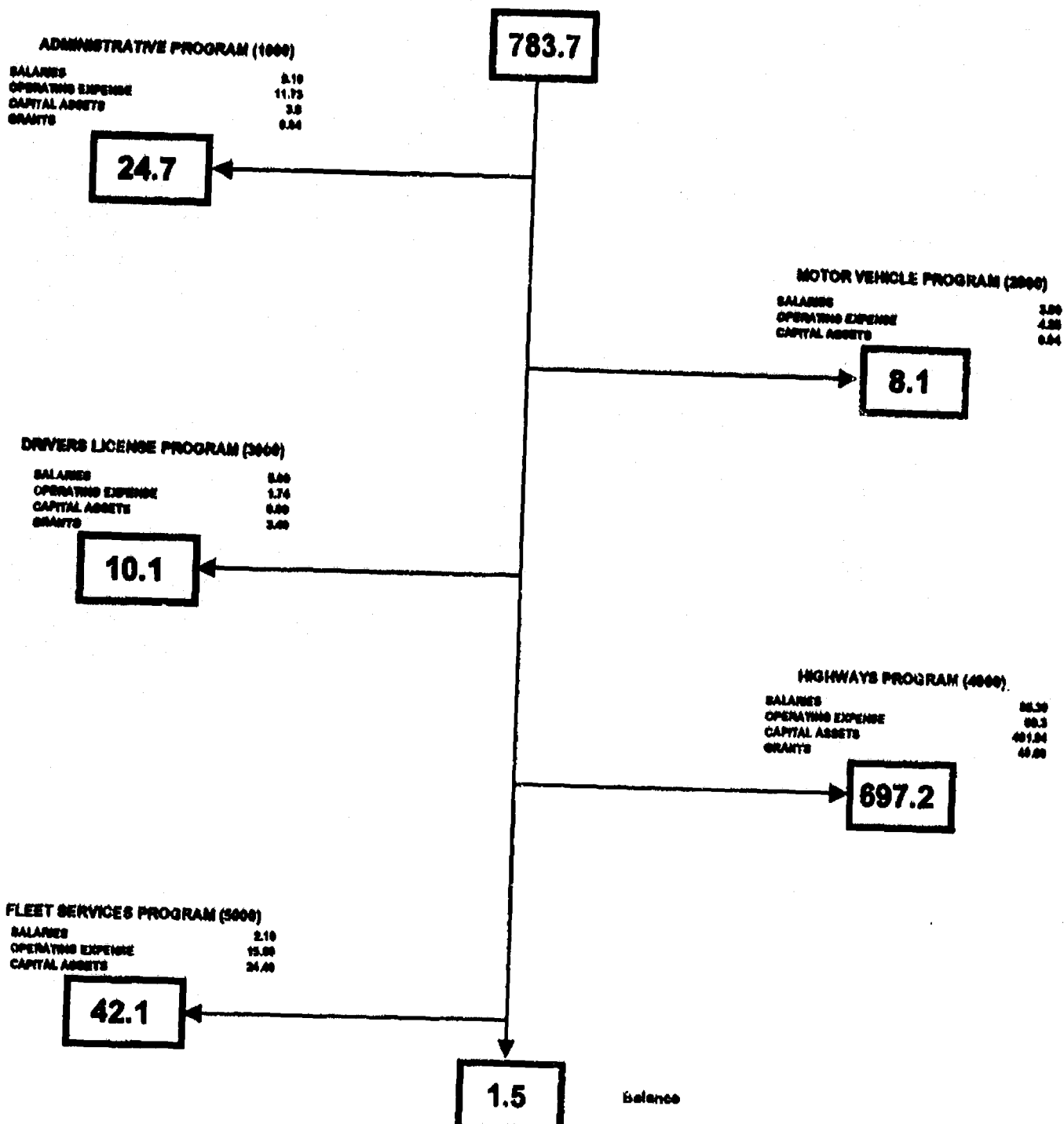
**RECEIVED BY THE
LIBRARY OF THE
U.S. DEPARTMENT OF
THE ARMY**

Operator's signature 10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

These charts are as a result of HB 1120, Repeat Offender.

(MILLIONS)



* This Scenario utilizes all Federal Funds, additional Federal Funds from 2/1/03, and the Federal Funds associated with the salary cuts.

PREPARED BY: MRS. J. L. BROWN
FISCAL YEAR: 2003-2005
DATE: April 10, 2003

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Dean G. Ballantyne
Operator's Signature

10/30/03
Date

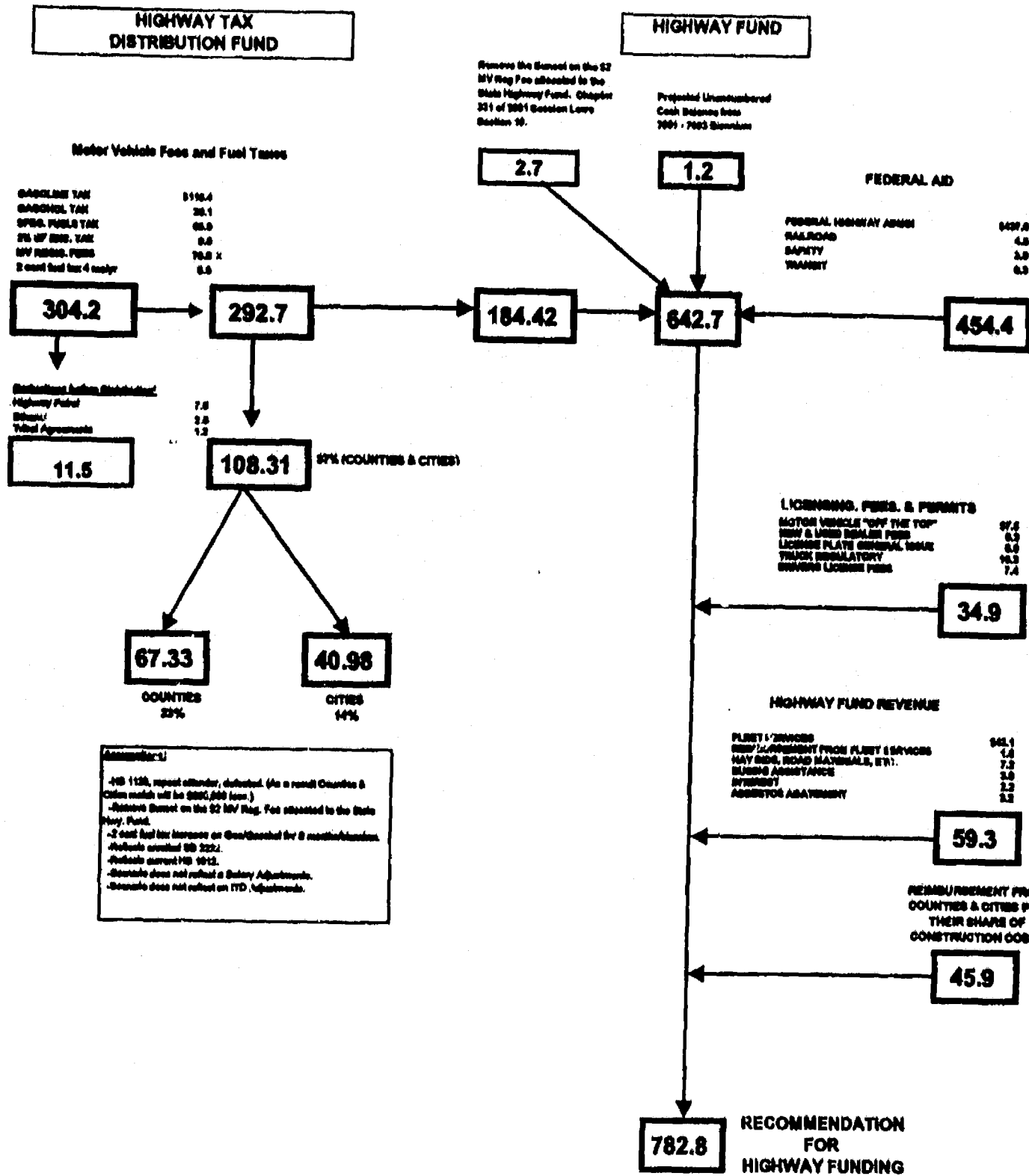
DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

REVENUE (maintain \$2 allocated to Hwy. Fund, 2 cent fuel tax increase 4 mo./yr.)

Rep. Johnson (A)
2 cent fuel tax increase
on Gas/Gasohol for 8
months/biennium
Repeal Sunset

These charts are as a result of HB 1126, Repeat Offender.

(MILLIONS)



Assumptions:

- HB 1126, repeat offender, defeated. (As a result Counties & Cities match will be \$800,000 less.)
- Remove Sunset on the \$2 MV Reg. Fee allocated to the State Hwy. Fund.
- 2 cent fuel tax increase on Gas/Gasohol for 8 months/biennium.
- Effective starting 08/22/03.
- Effective starting 10/10/03.
- Scenario does not reflect a Salary Adjustment.
- Scenario does not reflect an FYD. Adjustment.

* Pending Legislation

X TOTAL MV REGS. FEES

(See "off the top" & dealer fees)

AVAILABLE FOR DISTRIBUTION

888.6

(56.9)

61.476

PREPARED BY: DEPT.
FUNDING MANAGEMENT DIVISION
April 21, 2003

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Operator's Signature

Date

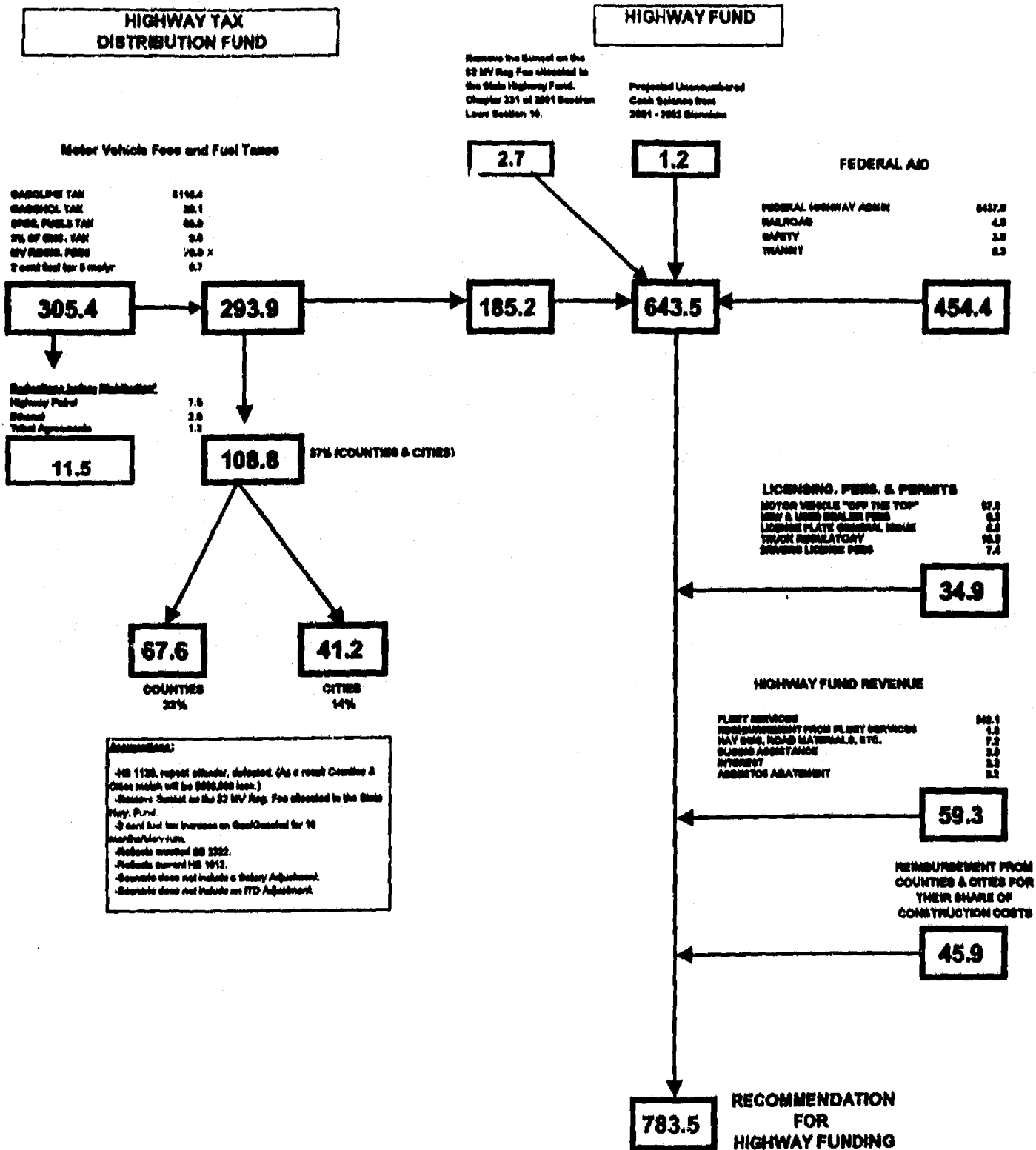
**DEPARTMENT OF TRANSPORTATION
2003 - 2005 BUDGET
UPDATED FEDERAL FUNDING**

Rep. Johnson (B)
2 cent fuel tax increase
on Gas/Gasohol for 18
months/biennium
Repeal Sunset

REVENUE (maintain \$2 allocated to Hwy. Fund, 2 cent fuel tax increase 5 mo./yr.)

(MIL LIONS)

These charts are as a result of HB 1126, Repeal Offender.



* Pending Legislation

X TOTAL MV REGS. FEES

(Less "off the top" & dealer fees)

AVAILABLE FOR DISTRIBUTION

908.0

(98.1)

809.9

PREPARED BY: JESSIE
FINANCIAL MANAGEMENT DIVISION
April 17, 2003

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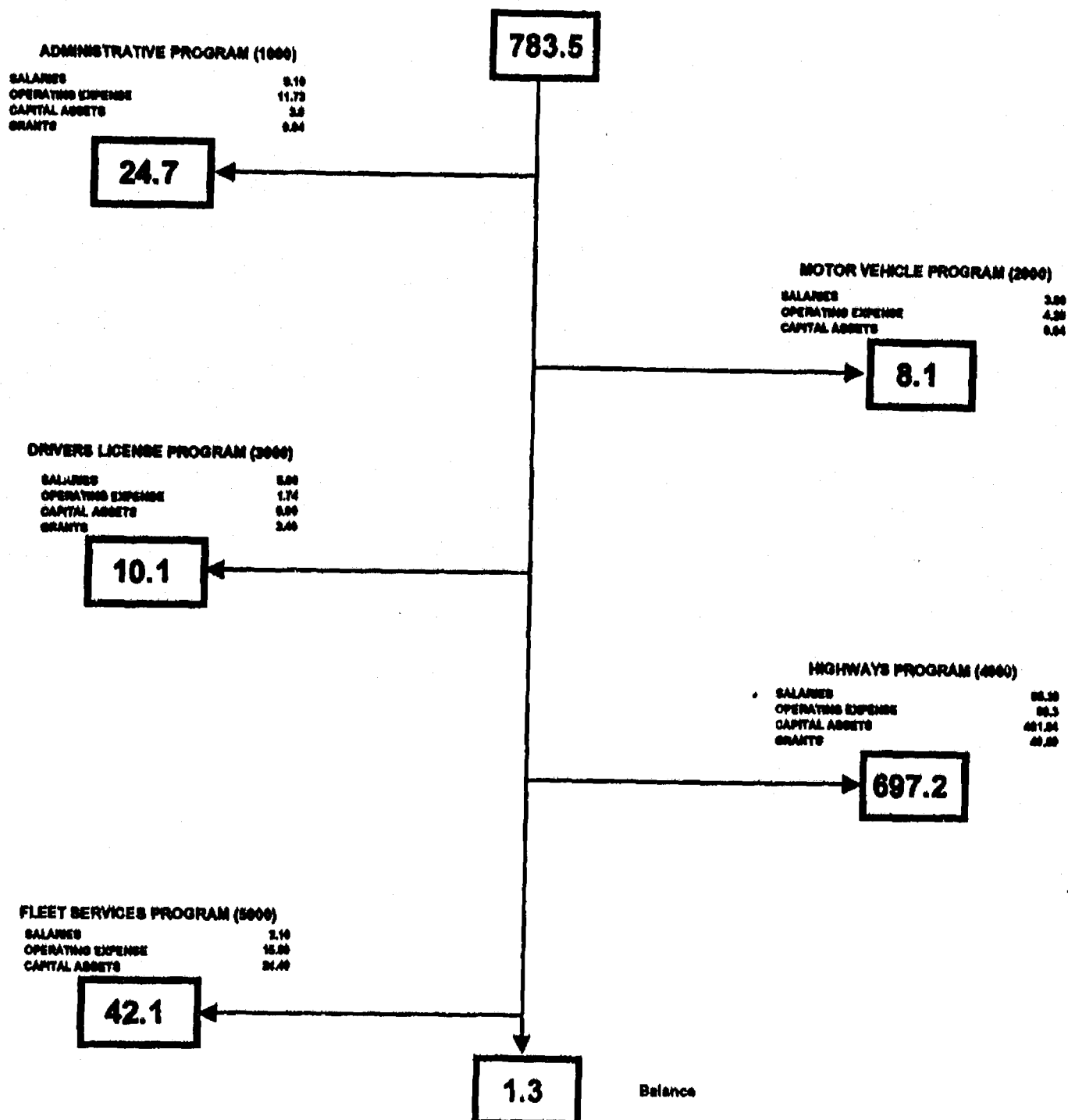
Operator's Signature *Deanna G. Ball*

Date 10/30/03

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

These charts are as a result of HB 1126, Repeat Offender.

(MILLIONS)



* This Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and it's Federal Funds associated with the salary cuts.

PREPARED BY: MCDOT
FINANCIAL MANAGEMENT DIVISION
JUNE 11, 2003

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Deanna Ballantyne
Operator's Signature

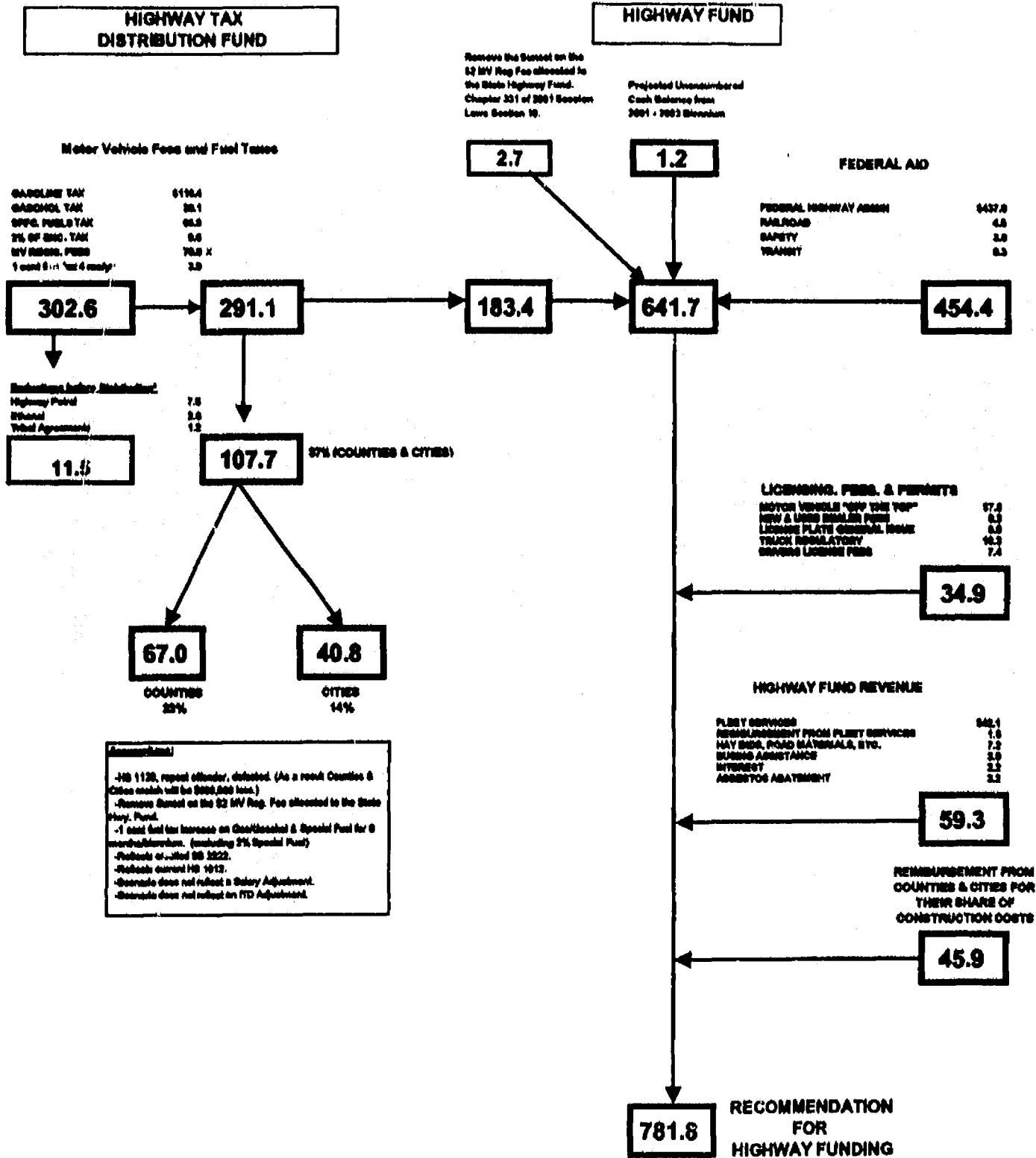
10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

REVENUE (maintain \$2 allocated to Hwy. Fund, 1 cent fuel tax increase 4 mo./yr.)

Rep. Carlson (A)
1 cent fuel tax increase
8 months/biennium
(excluding 2% Spec. Excise
Fuel)
Repeal Sunset

These amounts are as a result of HB 1128, Repeat Offender.



* Pending Legislation
X TOTAL MV REGS. FEES
(Base "full the top" & dealer fees)
AVAILABLE FOR DISTRIBUTION

888.6
(88.9)
81.479

PREPARED BY: HARRY
FINANCIAL MANAGEMENT DIVISION
April 11, 1999

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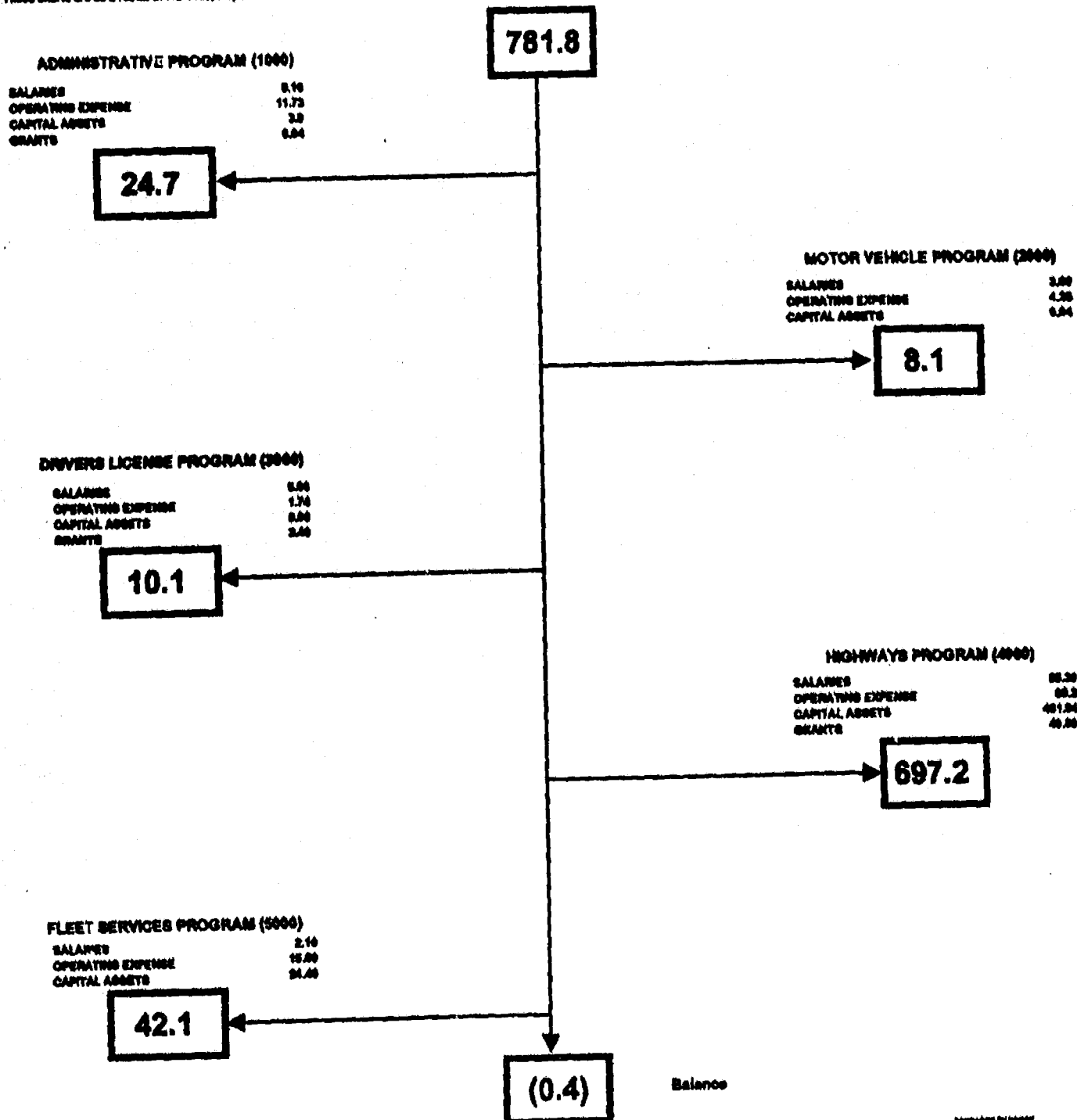
Operator's Signature

Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

(MILLIONS)

These charts are as a result of HB 1150, Repeat Offender.



* This scenario utilizes all Federal Funds, additional Federal Funds from 201300, and the Federal Funds associated with the salary cuts.

PREPARED BY: MARY
FEDERAL BUDGET OFFICE
April 21, 2003

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Operator's Signature

10/30/03
Date

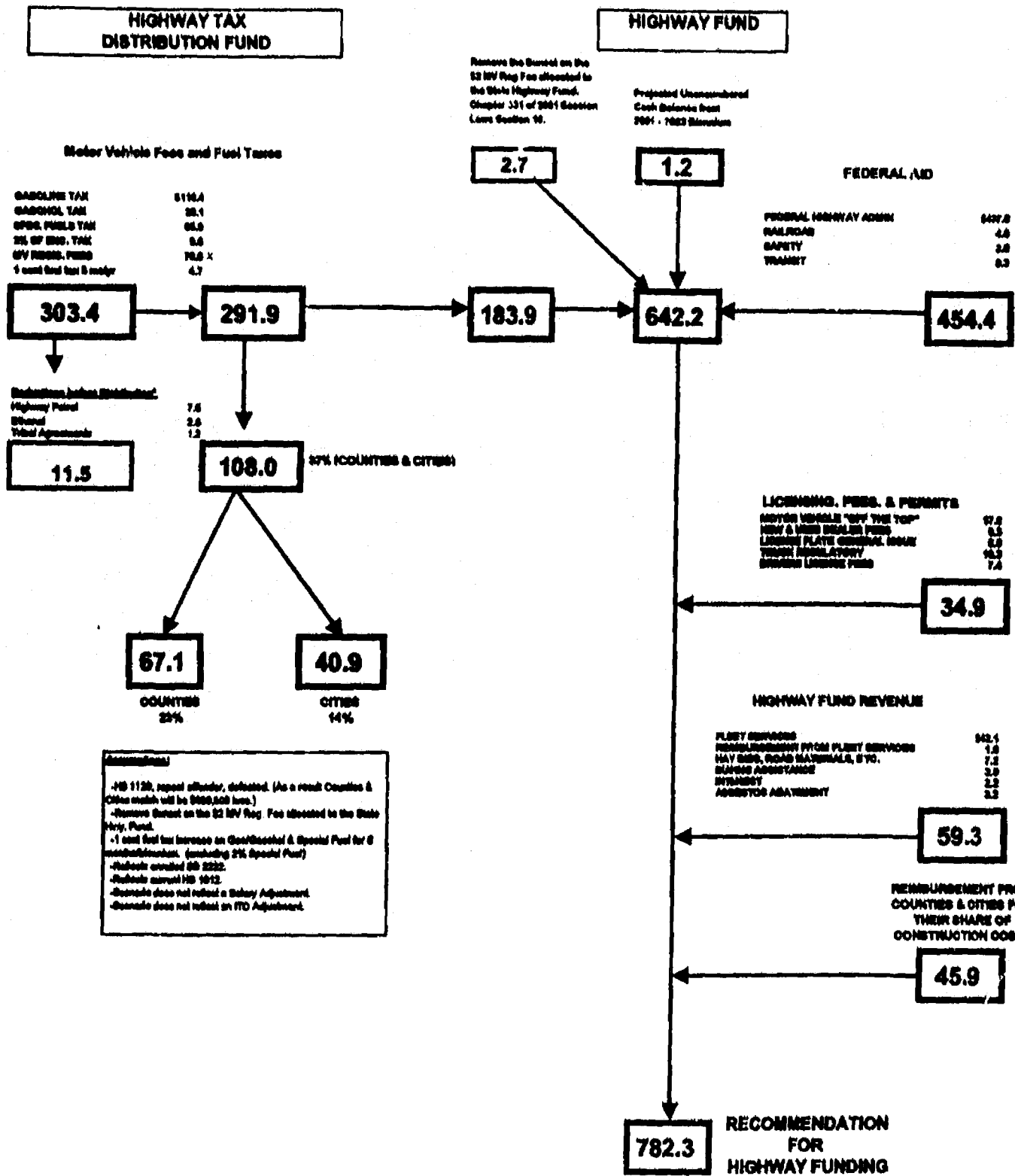
DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

REVENUE (maintain \$2 allocated to Hwy. Fund, 1 cent fuel tax increase 5 mo./yr.)

Rep. Carlson (R)
1 cent fuel tax increase
10 months/biennium
(excluding 2% Spec. Excise
Fuel)
Repeat Sunset

These charts are on a result of HB 1120, Repeat Offender.

(MILLIONS)



* Pending Legislation

X TOTAL MV REGS. FEES

588.4

(See "off the top" & dealer fees)

108.9

AVAILABLE FOR DISTRIBUTION

697.3

PREPARED BY: WAG
REVISION: 0000 1 - 11th Session
April 21, 2004

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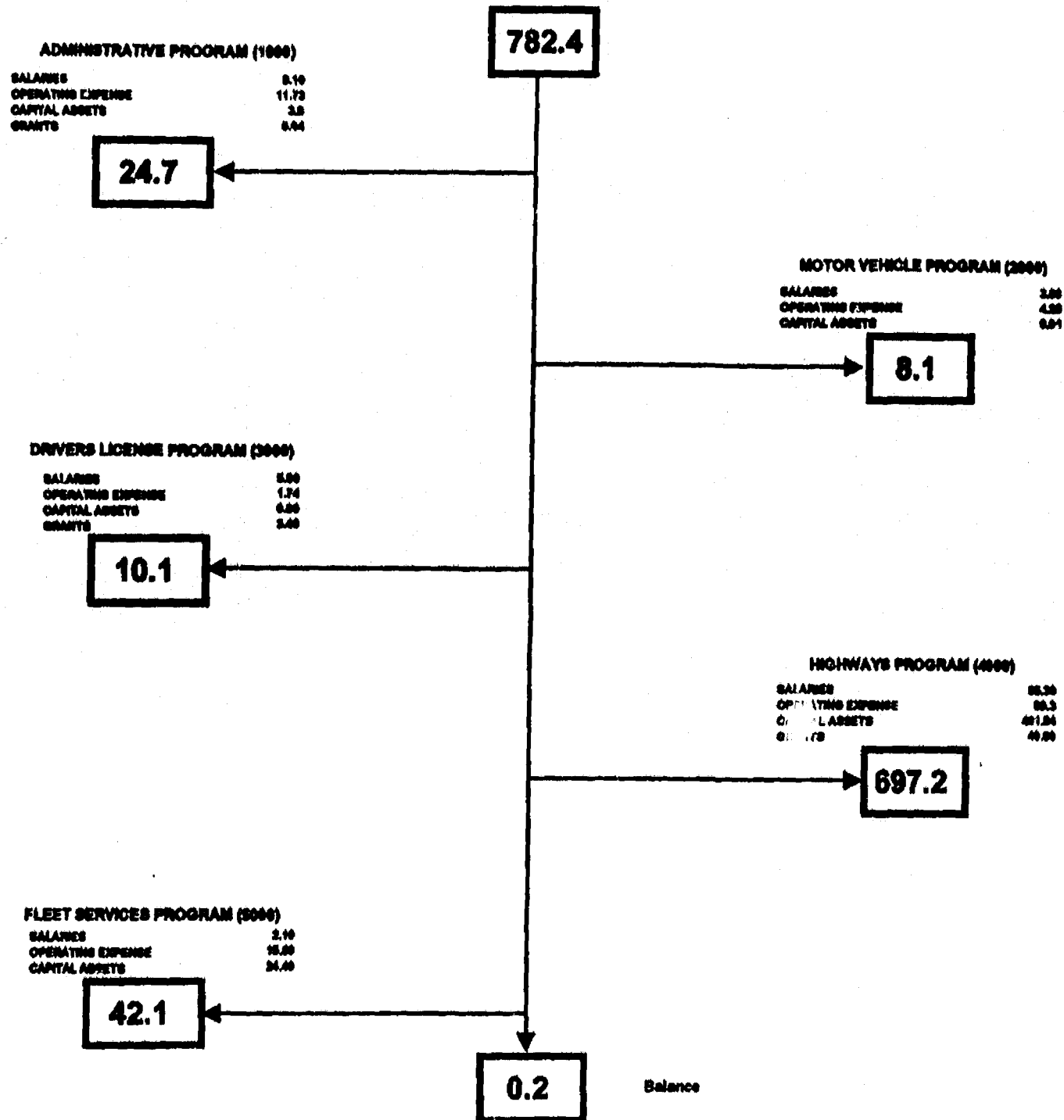
Operator's Signature

10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

These charts are as a result of HB 1126, Repeat Offender.

(MILLIONS)



* This Scenario utilizes all Federal Funds, additional Federal Funds from 2/1/03, and the Federal Funds associated with the salary cut.

PREPARED BY
FINANCIAL MANAGEMENT DIVISION
April 16, 2003

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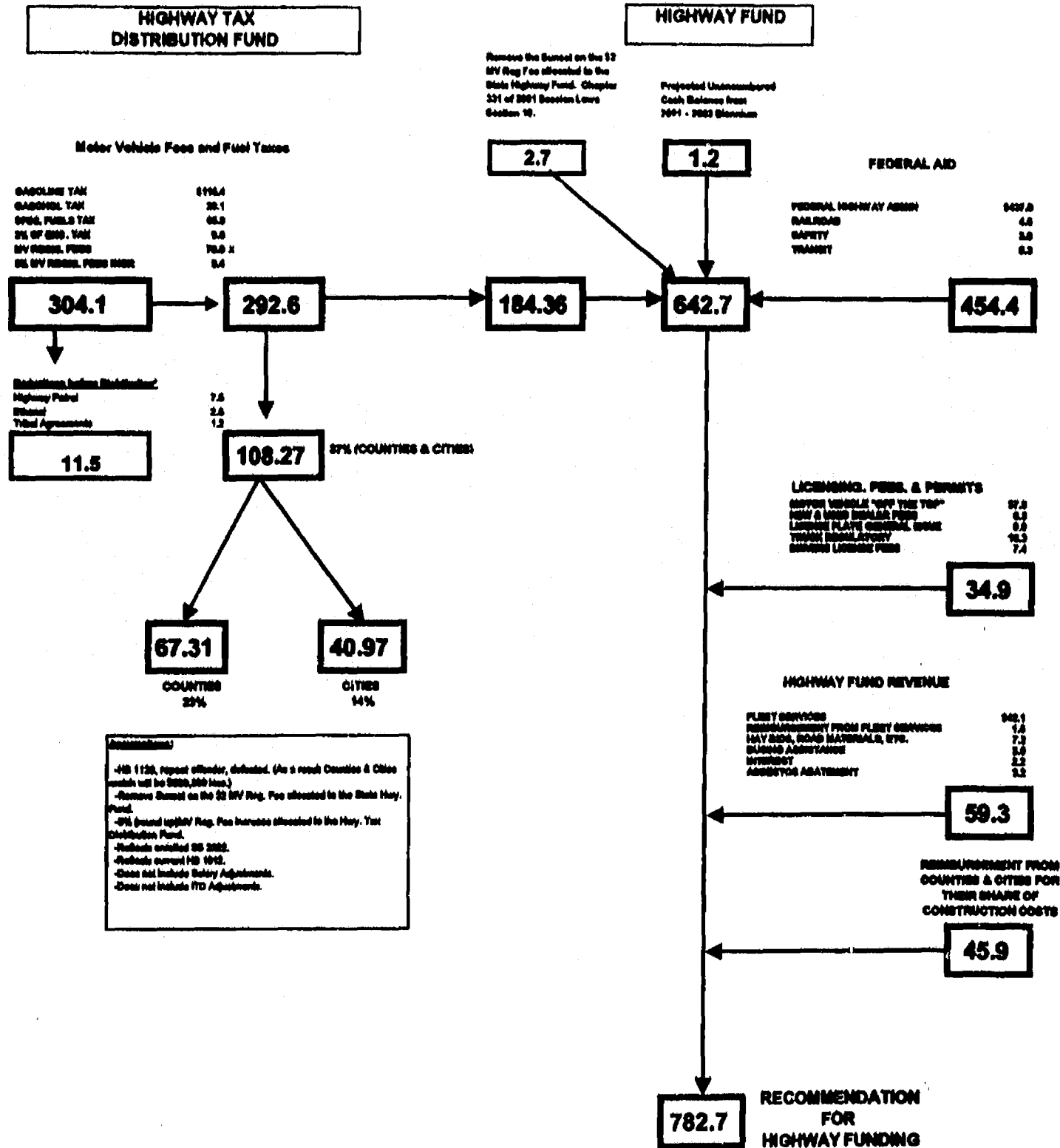
Deanna Gallardo
Operator's Signature

10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING REVENUE (maintain \$2 allocated to Hwy. Fund, 5% MV Registration Fee Increase)

Rep. Weiss (R)
5% MV Fee Increase
Repeal Sunset

These charts are as a result of HB 1126, Repeat Offender.



* Pending Legislation
X TOTAL MV REG. FEE
(See "off the top" & dealer fees)
AVAILABLE FOR DISTRIBUTION

988.6
(58.1)
91.475

Prepared by: [Name]
Reviewed by: [Name]
Date: 10/30/03

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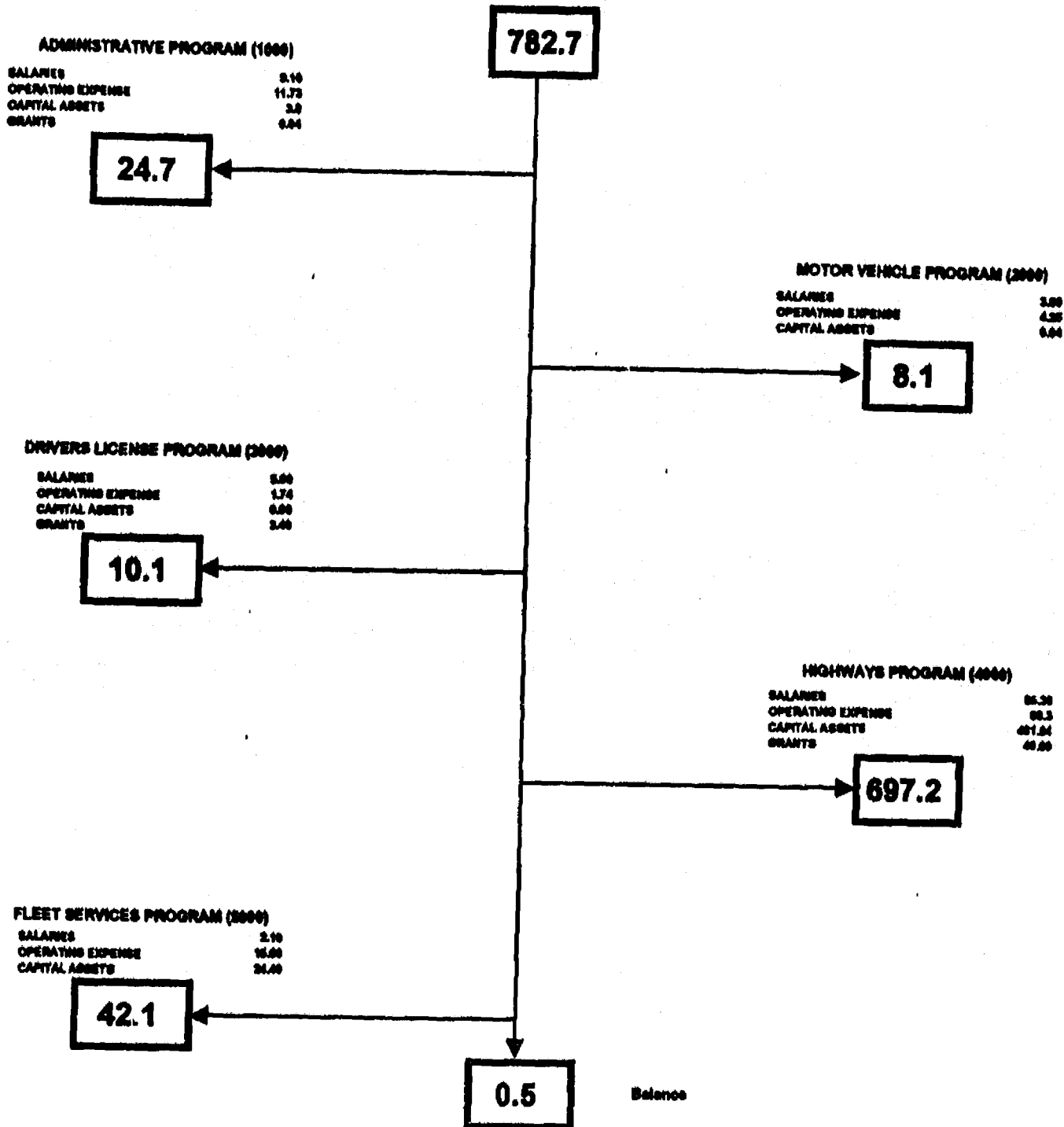
Operator's Signature: [Signature]

Date: 10/30/03

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

These shares are as a result of HB 1120, Repeat Offender.

(MILLIONS)



* This Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary cuts.

PREPARED BY: HHS
POLITICAL MANAGEMENT DIVISION
APR 04, 2003

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Deanna Hall
Operator's Signature

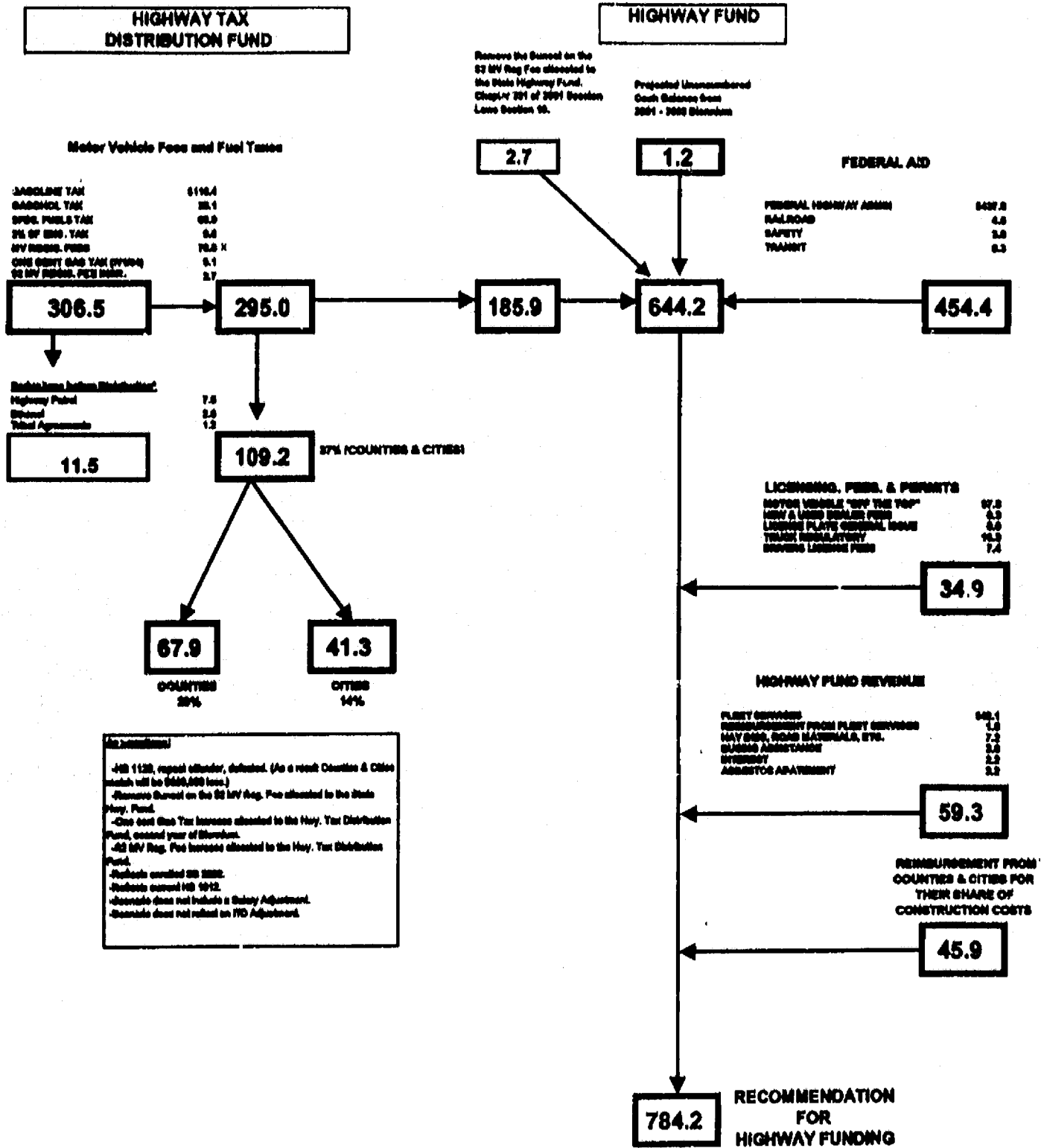
10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET UPDATED FEDERAL FUNDING

Rep. Year
\$2.01 gas tax second year
\$2 MV Fee
Repeal Sunset

REVENUE (maintain \$2 alloc. to Hwy. Fund, and one cent gas tax incr., 2nd year of Blen., \$2 reg. incr.)

These charts are as a result of HB 1128, Repeat Offender.



* Pending Legislation
X TOTAL MV REGS. FEES
(less "off the top" & dealer fees)
AVAILABLE FOR DISTRIBUTION

200.0
(26.1)
\$1.475

POSTED BY: [illegible]
FUNDING MANAGEMENT GROUP
April 21, 2003

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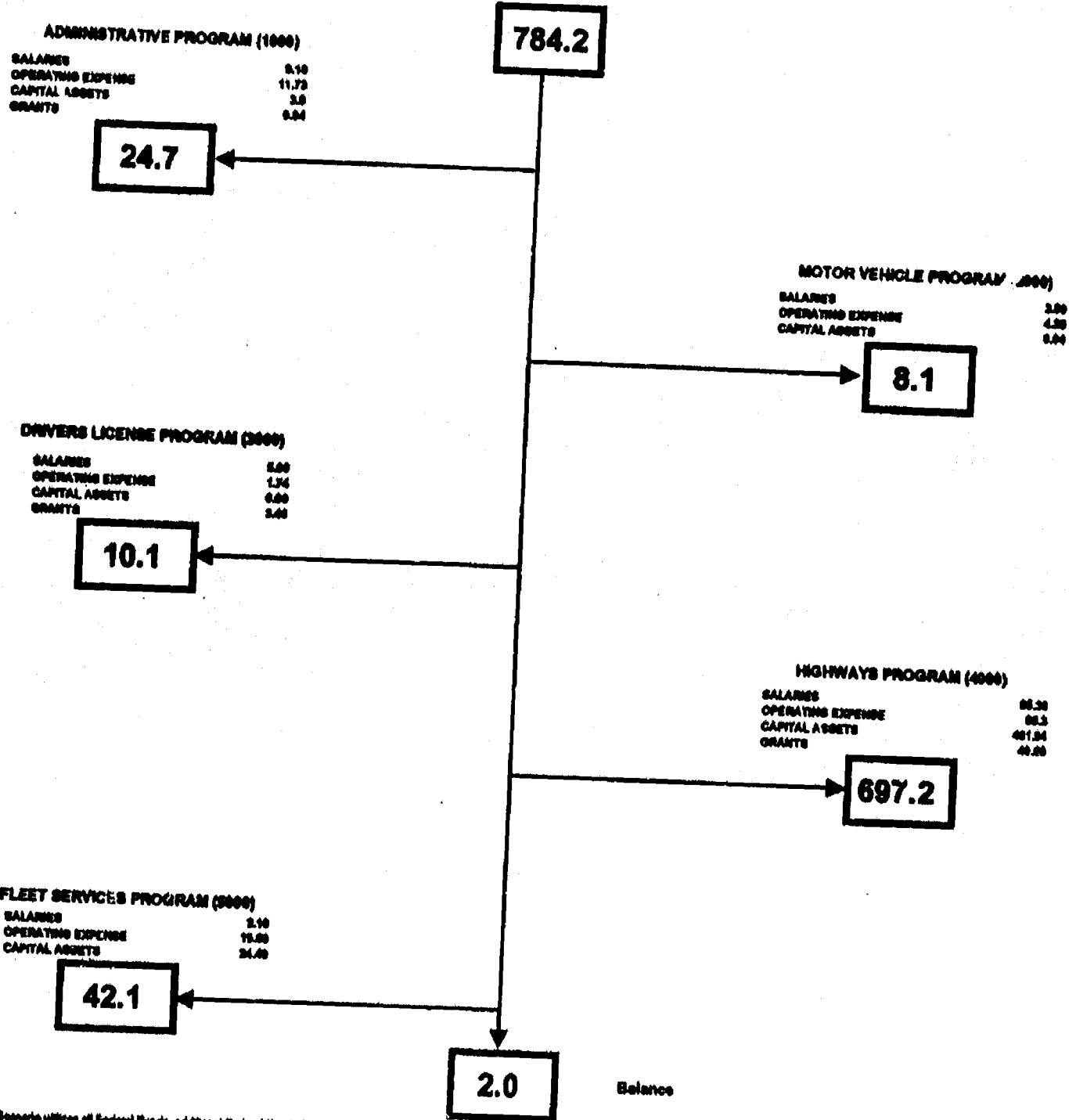
Deanna G. [illegible]
Operator's Signature

10/30/03
Date

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENGROSSED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

These charts are as a result of HB 1128, Repeat Offender.

(MILLIONS)



* This Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary cuts.

PREPARED BY HHS/OT
POLITICAL MANAGEMENT DIVISION
April 11, 2003

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Deanna G. Ballantyne
Operator's Signature

10/30/03
Date

STRATEGIC PLAN 2002-2008

VISION

Safe Ways
Great Ways
Promoting Economic Growth

MISSION

Providing a transportation system that safely moves people and goods.

VALUES

Professionalism - Our employees strive to improve themselves and the products and services they deliver.

Respect - Our employees treat others courteously and are treated with courtesy by the department.

Integrity - Our employees deal honestly with co-workers and with contacts outside the department.

Dedication - Our employees assume responsibility for their work and do the job right the first time.

Excellence - Our employees continually exceed and raise the high standards they set for themselves.

GOALS AND OBJECTIVES

Goal 1. Enhance customer satisfaction.

Goal 2. Increase safety on North Dakota's transportation system and within the Department of Transportation.

Goal 3. Improve the quality and efficiency of North Dakota's transportation system and services.

Goal 4. Review, assess, and enhance employee satisfaction.

Goal 5. Take a lead role in promoting a transportation system for the future.

Goal 6. Strengthen stakeholder relationships.

Goal 1. Enhance customer satisfaction. GOAL SPONSOR: Director, DOT

Objective 1.1. Conduct customer satisfaction survey NLT July 31, 2003 to determine: Perception of road ride quality, Road maintenance quality, Quality of drivers licensing services, Quality of information and services at visitor centers/rest areas, Perception of road safety information and traffic services, Customer communications, Customer groups and segments. Objective owner: Deputy Director for Business Support

Objective 1.2. Enhance communications with public. NLT September 30, 2002. Objective owner: Deputy Director for Business Support

Objective 1.3. Improve ride quality by 10% NLT March 31, 2007. Objective Owner: Deputy Director for Engineering

Objective 1.4. Enhance maintenance service levels NLT April 30, 2007. Objective owner: Deputy Director for Engineering

Objective 1.5. Improve load carrying capacity of the state highway system by 20% NLT September 30, 2006. Objective owner: Deputy Director for Engineering

Objective 1.6. Enhance customer service in the motor vehicle division NLT December 31, 2006. Objective owner: Deputy Director for Driver and Vehicle Services

Objective 1.7. Enhance customer service in the driver's license division NLT December 31, 2006. Objective owner: Deputy Director for Driver and Vehicle Services

Goal 2. Increase safety on North Dakota's transportation system and within the Department of Transportation. GOAL SPONSOR: Director, DOT

Objective 2.1. Review all safety information on an annual basis to determine priorities and emphasis areas beginning NLT July 31, 2003. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

Objective 2.2. Develop a plan to increase driver awareness by enhanced communication of traveler information NLT September 30, 2003. Objective owner: Deputy Director Business Support

Objective 2.3. Reduce the ratio of transportation related reportable crashes, injuries, and fatalities relative to vehicle miles traveled (VMT) by 10% NLT December 31, 2007. Objective owner: Director, DOT

Objective 2.4. Enhance safety and security plan (worker safety and internal security) NLT December 31, 2003. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

Goal 3. Improve the quality and efficiency of North Dakota's transportation system and services. GOAL SPONSOR: Director, DOT

Objective 3.1. Develop a strategic performance measurement system NLT July 31, 2005. Objective owner: Deputy Director for Business Support

Objective 3.2. Refine and implement investment strategy for transportation projects NLT December 31, 2003. Objective owner: Deputy Director for Engineering



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Date

10/30/03

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10/30/03
Date

NDDOT North Dakota Department of Transportation STRATEGIC PLAN 2002-2008

A note from the Director:

NDDOT created its first strategic business plan in 1998, and much of that plan has been implemented. During the past six months, nearly 100 important employees, in a broad range of classifications, have been involved in the process of creating this updated 2002-2008 Strategic Plan. This brochure gives the highlights of the new plan.

The department's vision, mission, and values, described in the plan, are the guiding principles we wish to reach. The goals and objectives are the "map" showing the route to the destination. Every important NDDOT activity is listed in the plan, but all activities should support the vision, mission, and values.

NDDOT is a remarkable organization of hard-working professionals who are highly trained and skilled in dozens of disciplines. Our list of accomplishments earns the respect of our counterparts across the nation. I'm proud of our employees, and I believe that this updated Strategic Plan will take the department successfully into the 21st century.

David A. Spryngacznyk, P.E.
June 2002

OUR MAP TO THE FUTURE

Goal 5. Take a lead role in promoting a transportation system for the future. GOAL SPONSOR: Director, DOT

Objective 5.1. Complete development of the State Strategic Transportation Plan NLT January 31, 2003. Objective owner: Deputy Director for Engineering

Objective 5.2. Develop a process to devise a bi-annual legislative action plan NLT June 30, 2003. Objective owner: Deputy Director of Business Support

Objective 5.3. Develop a process to track trends, best practices, and technological advancements which impact transportation NLT June 30, 2004. Objective owner: Deputy Director for Engineering

Objective 5.4. Enhance public relations program NLT December 31, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

Goal 6. Strengthen stakeholder relationships. GOAL SPONSOR: Director, DOT

Objective 6.1. Enhance our knowledge and understanding of stakeholders NLT January 31, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

Objective 6.2. Identify, develop, and maintain communications processes with stakeholders NLT July 1, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

DAVID A. SPRYNGACZNYK, P.E.
DIRECTOR

Tom Freiler	Deputy Director for Business Support
Grant Levi	Deputy Director for Engineering
Kath Magnesson	Deputy Director for Driver and Vehicle Services
Gary Berrett	Director of Operations
Tim Horner	Director of Transportation Programs
Francis Ziegler	Director of Project Development

Objective 3.3. Refine and implement roadway classification system NLT January 31, 2003. Objective owner: Deputy Director for Engineering

Objective 3.4. Review, map, and assess processes NLT December 31, 2006. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, Deputy Director for Driver and Vehicle Services

Goal 4. Review, assess, and enhance employee satisfaction. GOAL SPONSOR: Director, DOT

Objective 4.1. Complete the development of the career path program NLT January 31, 2003. Objective owner: Deputy Director of Business Support

Objective 4.2. Develop a consistent plan for pay administration NLT December 31, 2002. Objective owner: Deputy Director of Business Support

Objective 4.3. Determine current employee level of job satisfaction NLT June 30, 2002. Objective owner: Deputy Director of Business Support

Objective 4.4. Improve the entry-level supervisory development program NLT December 31, 2002. Objective owner: Deputy Director of Business Support

Objective 4.5. Implement a 5-year plan to improve NDDOT work facilities by 25% NLT March 31, 2007. Objective owners: Deputy Director for Business Support and Deputy Director for Engineering

Objective 4.6. Develop a succession planning program NLT June 30, 2003. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

Objective 4.7. Develop and implement plans that provide employees with effective and efficient equipment NLT June 30, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

Objective 4.8. Enhance training opportunities to ensure employees continued growth NLT August 31, 2003. Objective owner: Deputy Director for Business Support



Prepared by the North Dakota Legislative Council
staff for the Conference Committee
April 14, 2003

HIGHWAY CONSTRUCTION MATCHING FUNDS - ADDITIONAL REVENUE

The schedule below presents the estimated revenue that would be generated for the 2003-05 biennium from a one-half cent increase in the motor vehicle fuel tax, from 21 cents to 21.5 cents per gallon and a \$1.50 increase in annual motor vehicle registration fees.

	Highway Tax Distribution Fund	State Share	Cities and Counties Share
One-half cent motor fuel tax increase	\$5,100,000	\$3,213,000	\$1,887,000
\$1.50 motor vehicle registration fee increase	2,040,000	1,285,000	755,000
Total additional revenue	\$7,140,000	\$4,498,000	\$2,642,000

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

TESTIMONY HB 1012



**NORTH DAKOTA
LEAGUE of CITIES**
Founded in 1912

*Service, Advocacy, Leadership,
Education & Support*

Government Operations Division, House Appropriations Committee
House Bill 1012
January 14, 2003

For decades, the cities and counties in North Dakota have worked with the state's Department of Transportation to address transportation needs. The state's 358 incorporated cities use state, federal and local funds to maintain and improve streets, and transportation funds have become the largest per capita payment to cities. Despite concern over use of the Highway Tax Distribution Fund for the Highway Patrol and the ethanol production incentive, the League supports the department's 2003-05 budget. The executive budget provides some increased local funding and we appreciate that.

Beginning in 2001, the League participated with representatives of local government, the private sector and the state in developing North Dakota's statewide strategic plan (TransAction). It quantifies the growing transportation infrastructure needs and caused us to think about our transportation system as a key component in growing the economy in North Dakota. Among many things, this effort focused our collective attention on the need to approach our transportation system in a comprehensive manner, to prioritize the needs, and to recognize it as an investment.

While the strategic plan revealed Herculean efforts to address the needs at the state and local levels, it is also clear that the state, the cities and the counties are finding it increasingly difficult to keep up. Despite increased levels of federal funding, our needs are growing faster than resources.

While each entity could find areas of disagreement on dollars and priorities, the state-city-county partnership that has existed for many years has served all parties well. On behalf of the North Dakota League of Cities, I look forward to continued focus on finding the resources to meet this state's needs.

Connie Sprynczynatyk
Executive Director

410 East Front Avenue ■ Bismarck, ND 58504-5641

Phone: 701-223-3518 ■ Toll Free (in state): 1-800-472-2692 ■ Fax: 701-223-5174 ■ Web: www.ndlc.org

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Deanna G. Hall
Operator's Signature

10/30/03
Date

**HIGHWAY TAX DISTRIBUTION FUND
(\$ MILLIONS)**

	STATE HIGHWAY FUND	COUNTY/CITY TOTAL	COUNTIES	CITIES
2001/03 Biennium ¹	184.1	106.5	66.2	40.3
2003/05 Executive Recommendations	182.7	107.3	66.7	40.6
Current HB 1012	187.2	106.8	66.4	40.4
Senator Bowman (A)	188.2	108.9	67.7	41.2
Senator Bowman (B)	185.5	109.9	68.3	41.6
Senator Schobinger ✓	186.8	107.3	66.7	40.6
Representative Welsz	186.9	108.1	67.2	40.9
Senator Tallackson ✓	188.1	107.3	66.7	40.6

¹ Funding of \$6.5 million for Highway Patrol came from the Highway Fund

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10/30/03
Date

**HIGHWAY TAX DISTRIBUTION FUND
(\$ MILLIONS)**

	STATE HIGHWAY FUND	COUNTY/CITY TOTAL	COUNTIES	CITIES
2001/03 Biennium ¹	184.1	106.5	66.2	40.3
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¹ Funding of \$6.5 million for Highway Patrol came from the Highway Fund

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Deanna Ball
Operator's Signature

10/30/03
Date

4-22-03

**HIGHWAY TAX DISTRIBUTION FUND
(\$ MILLIONS)**

	STATE HIGHWAY FUND	COUNTY/CITY TOTAL	COUNTIES	CITIES	TOTAL NEW REVENUE	ENDING FUND BALANCE
2001/03 Biennium	184.1	106.5	66.2	40.3		1.2
2003/05 Executive Recommendations	182.7	107.3	66.7	40.6		1.0
Current HB 1012	187.2	106.8	66.4	40.4	4.1	0.7
Senator Bowman (A)	188.2	108.9	67.7	41.2	7.2	1.6
Senator Bowman (B)	185.5	109.9	68.3	41.6	7.2	0.6
Senator Schobinger	186.8	107.3	66.7	40.6	4.1	0.2
Representative Weisz (A)	186.9	108.1	67.2	40.9	5.1	0.3
Senator Tallackson	188.1	107.3	66.7	40.6	5.4	1.5
Representative Johnson (A)	187.1	108.3	67.3	41.0	5.5	0.6
Representative Johnson (B)	187.9	108.8	67.6	41.2	6.7	1.3
Representative Carlson (A)	186.1	107.7	67.0	40.8	3.9	(0.4)
Representative Carlson (B)	186.7	108.0	67.1	40.9	4.7	0.1
Representative Weisz (B)	187.1	108.3	67.3	41.0	4.7	0.5
Representative Timm	188.6	109.2	67.9	41.3	7.8	2.0

- Does not include any salary adjustments
- Does not reflect the input of pending ITD adjustments

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Deanna Hall
Operator's Signature

10/30/03
Date

distributed
4-23-03

HIGHWAY TAX DISTRIBUTION FUND
(\$ MILLIONS)

	STATE HIGHWAY FUND	COUNTY/CITY TOTAL	COUNTIES	CITIES	TOTAL NEW REVENUE	ENDING FUND BALANCE AFTER IT
2001/03 Biennium	184.1	106.5	66.2	40.3		1.2
2003/05 Executive Recommendations	182.7	107.3	66.7	40.6		1.0
Current HB 1012	187.2	106.8	66.4	40.4	4.1	0.1
Senator Bowman (A)	188.2	108.9	67.7	41.2	7.2	1.0
Senator Bowman (B)	185.5	109.9	68.3	41.6	7.2	0.0
Senator Schobinger	186.8	107.3	66.7	40.6	4.1	(0.4)
Representative Weisz (A)	186.9	108.1	67.2	40.9	5.1	(0.3)
Senator Tallackson	188.1	107.3	66.7	40.6	5.4	0.9
Representative Johnson (A)	187.1	108.3	67.3	41.0	5.5	0.0
Representative Johnson (B)	187.9	108.8	67.6	41.2	6.7	0.7
Representative Carlson (A)	186.1	107.7	67.0	40.8	3.9	(1.0)
Representative Carlson (B)	186.7	108.0	67.1	40.9	4.7	(0.5)
Representative Weisz (B)	187.1	108.3	67.3	41.0	4.7	(0.1)
Representative Timm	188.6	109.2	67.9	41.3	7.8	1.4

- Does not include any salary adjustments

11 22, 2003

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10/30/03

OFFICE OF MANAGEMENT AND BUDGET

600 East Boulevard Ave, Dept 110 • Bismarck, North Dakota 58505-0400
FAX - (701) 328-3230

TO: Representative Carlisle

FROM: Pam Sharp, Interim Director

SUBJECT: State Aid Distribution

DATE: February 3, 2003

This is in response to your request for information regarding state aid distribution.

North Dakota Century Code Section 57-39.2-26 provides that collections equal to 40% of one cent sales tax from sales tax and motor vehicle tax be deposited into the state aid distribution fund and are appropriated on a continuing basis. Another way to figure this is to multiply 8% times the total collections for sales and motor vehicle tax collections. Total collections for the 2003-05 biennium before state aid distribution amount to \$876.7 million

In the current biennium, state aid distribution amounts to \$66.9 million. In the 2003-05 biennium it is projected to be \$70.1 million.

Below is some information that gives you an idea as to what the reductions to state aid distribution would be if it were reduced proportionally.

40% of one cent (8% of total)	\$70.1 Million	This is current law.
35% of one cent (7% of total)	\$61.4 Million	
30% of one cent (6% of total)	\$52.6 Million	

In response to your question as to whether you could amend OMB's bill to make a change in the state aid distribution formula, the answer is yes.

Director - Fourth Floor - (701) 328-4904
Fiscal Management - Fourth Floor - (701) 328-2680
State Radio - Fraine Barracks - (701) 328-8154

Risk Management - Wells Fargo Bank Bldg. Suite 613 - (701) 328-6514

Central Services - Judicial Wing - (701) 328-2772
Central Personnel - Fourteenth Floor - (701) 328-3290
Facility Management - Fourth Floor - (701) 328-2471

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