

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1368

2007 HOUSE TRANSPORTATION

HB 1368

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1368

House Transportation Committee

Check here for Conference Committee

Hearing Date: 01-26-2007

Recorder Job Number: 2068

Committee Clerk Signature

Lisa M Thomas

Minutes:

Chairman Weisz opened the hearing on HB 1368. All Representatives were present.

HB 1368 relates to creating a highway funding stabilization fund; and to provide for a transfer and appropriation for the permanent oil tax fund.

Rep. Weisz introduced the bill.

Rep. Weisz: The bill is simple. It sets up a new fund of the highway funding stabilization fund and the money (3 million dollars) will come out of permanent oil tax trust fund, go into the stabilization fund and the interest off of that money will be used for highway projects. That is the long and short of it.

Rep. Dosch: Is this a one time transfer?

Rep. Weisz: In the bill, it is a one time transfer. There has been discussion that probably this fund is to be used; we need to look at putting money in every biennium because the reality is you are looking at two to three million bucks. Particularly coming out of the oil impacted counties. They are seeing a huge amount of increased activity on their roads and of course, increased damage and the state is fortunate to have a huge increase in revenue based on that activity. So the purpose behind this bill is to take some of that oil tax trust fund money and put it in an IRA and use the interest off of it.

Rep. Delmore: That means that the balance couldn't be used for matching funds for the highway department or anything else, is that correct?

Rep. Weisz: The principle would not be available for federal match. The interest used would be.

Rep. Delmore: It would just remain in that fund?

Rep. Weisz: That would be the intent, obviously.

Rep. Delmore: But not tapping into it unless there was legislation that said you could?

Rep. Weisz: That is correct.

Rep. Thorpe: This as I see it would take a little bit of pressure off of our need to increase registration fee?

Rep. Weisz: Yes.

Rep. Sukut: For the highway maintenance, most of the money would be used in oil producing counties?

Rep. Weisz: I hate to speak for the prime sponsor, but I think it's safe to say that the bill was put in to try to address those issues.

Terry Traynor, Assistant Director of the North Dakota Association of Counties, spoke in support of the bill.

Traynor: The money hasn't been there to have this idea on the table before but obviously, the maintenance cost in ND for all roads is from the stripping the stagnant funding sources that are available right now. I think this really takes a first step at creating a new method of long term funding for part of our infrastructure that is so important for the economic development for our state. If the concept is implemented and because a tool for road climbing counties, we sincerely believe it should be crafted from the start to include all roads. Some of the comments was how do we get the money to those different levels of roads that need to really be

addressed by additional funding. We have crafted some amendments that would put the money into the state highway distribution fund. I spoke to the prime sponsor of this and he didn't comment whether he was for or against moving in this direction, but he urged me to throw it on the table.

Rep. Thorpe: Aren't we spreading this so thin that it won't help anybody?

Traynor: Certainly with thirty million dollars and we are just talking about the proceeds of that it isn't a lot of money. I guess if the goal is to build that up over time so it is a source of revenue for the long term, we would hope that we would look at how that money could be spent for all roads.

Mark Dougharty, Membership services director of the AGC of North Dakota.

Dougharty: For the record, we like the concept.

There was no further support. There was no opposition to the bill. The hearing was closed. No action was taken at this time.

Date: 2-1-07
Roll Call Vote #: 1 ~~4~~

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES # 1368
BILL/RESOLUTION NO. _____

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt Amendment - voice vote

Motion Made By Delmore Seconded By Owens

| Representatives | Yes | No | Representatives | Yes | No |
|--------------------|-----|----|-----------------|-----|----|
| Chairman Weisz | } | | Rep. Delmore | } | |
| Vice Chairman Ruby | | | Rep. Gruchalla | | |
| Rep. Dosch | | | Rep. Myxter | | |
| Rep. Kelsch | | | Rep. Schmidt | | |
| Rep. Owens | | | Rep. Thorpe | | |
| Rep. Price | | | | | |
| Rep. Sukut | | | | | |
| Rep. Vigesaa | | | | | |
| | | | | | |
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Total Yes 13 No 0

Absent 0

Floor Assignment _____

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

Date: 2-1-07
 Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES 1368
 BILL/RESOLUTION NO. _____

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amend + rereffer to Approps

Motion Made By Delmore Seconded By Thorpe

| Representatives | Yes | No | Representatives | Yes | No |
|--------------------|--------|--------------|-----------------|-----|----|
| Chairman Weisz | ✓ | | Rep. Delmore | ✓ | |
| Vice Chairman Ruby | ✓ | | Rep. Gruchalla | | ✓ |
| Rep. Dosch | ✓ | | Rep. Myxter | ✓ | |
| Rep. Kelsch | ✓ | | Rep. Schmidt | ✓ | |
| Rep. Owens | ✓ | | Rep. Thorpe | ✓ | |
| Rep. Price | Absent | ✓ | | | |
| Rep. Sukut | ✓ | | | | |
| Rep. Vigesaa | ✓ | | | | |
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Total Yes 11 No 1

Absent 1

Floor Assignment Delmore

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

REPORT OF STANDING COMMITTEE

HB 1368: Transportation Committee (Rep. Weisz, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1368 was placed on the Sixth order on the calendar.

Page 1, line 5, replace "Income earned on the fund's balance" with "The department of transportation shall deposit the income earned on the fund's balance into the state highway distribution fund to be used, pursuant to legislative appropriations, for the department's highway maintenance program and for cities and counties for road and street maintenance programs. The principal balance of the highway funding stabilization fund may not be spent."

Page 1, remove lines 6 through 8

Renumber accordingly

2007 HOUSE APPROPRIATIONS

HB 1369

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1368

House Appropriations Committee

Check here for Conference Committee

Hearing Date: February 12, 2007

Recorder Job Number: 3411

Committee Clerk Signature

Shirley Branning

Minutes:

Chm. Svedjen called the meeting to order to take up Amendment .0201 to engrossed HB 1138, a bill relating to a transfer from the permanent oil tax trust fund to the highway stabilization fund, by calling on **Rep. Robin Weisz**, District 14.

Rep. Weisz explained the bill and the amendment, asking if a trust fund should be set up at \$50m that would ultimately generate \$10-15m. Asking if the appropriations committee thinks it might fit into the oil trust fund.

Rep. Kroeber: You are going to take the money out of the state general fund but you're obviously leaving everything else in place, as far as the extraction tax and the 5% gross production tax. You're not talking about changing anything else in the formula.

Rep. Weisz: That is correct. All we are doing is moving \$30m out of the permanent oil tax trust fund into a new highway funding stabilization fund, it is a transfer.

Rep. Kroeber: You're still planning on leaving the first \$71m to go into the general fund.

Rep. Weisz: That is correct.

Rep. Kempenich: They did change it so it goes into the distribution fund so the cities and counties get a slice out of this, too.

Rep. Glasheim: Is this a fund you only use the interest out of?

Rep. Weisz: That is correct, it would function much like the common schools trust fund. The interest goes to the DOT to use for roads. The fund stays as is.

Rep. Glassheim: This would be an example of additional moneys going to highways.

Rep. Nelson: If this bill would pass as well as HB 1051 and all the money were spent out of the permanent oil trust fund, who would get shorted?

Chm. Svedjen: We would have to work that out somehow.

Rep. Kempenich moved the amendment. Rep. Klein seconded the motion.

Rep. Kempenich: If this were to pass there is still money left in the permanent oil trust fund. This money is to set up a stabilization fund for the highways.

The Do Pass motion to adopt amendment .0201 failed by voice vote.

Rep. Glassheim moved a Do Not Pass on the original bill. Rep. Ekstrom seconded the motion. The Do Not Pass motion carried by a roll call vote of 21 yeas, 3 nays, 0 absent.

Rep. Glassheim will be the carrier.

70682.0201
Title.

Prepared by the Legislative Council staff for
Representative Kempenich
February 8, 2007

Attick . 1
2/12/07

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1368

Page 1, line 12, replace "\$30,000,000" with "\$50,000,000"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 120 - State Treasurer

This amendment increases the transfer from the permanent oil tax trust fund to the highway funding stabilization fund by \$20 million, from \$30 million to \$50 million.

Date: 2/12/07
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1368

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt Amend. 0201

Motion Made By Kemperich Seconded By Klein

| Representatives | Yes | No | Representatives | Yes | No |
|--------------------------|-----|----|--------------------------|-----|----|
| Chairman Svedjan | | | | | |
| Vice Chairman Kemperich | | | | | |
| Representative Wald | | | Representative Aarsvold | | |
| Representative Monson | | | Representative Gulleson | | |
| Representative Hawken | | | | | |
| Representative Klein | | | | | |
| Representative Martinson | | | | | |
| Representative Carlson | | | Representative Glasshelm | | |
| Representative Carlisle | | | Representative Kroeber | | |
| Representative Skarphol | | | Representative Williams | | |
| Representative Thoreson | | | | | |
| Representative Pollert | | | Representative Ekstrom | | |
| Representative Bellew | | | Representative Kerzman | | |
| Representative Kredt | | | Representative Metcalf | | |
| Representative Nelson | | | | | |
| Representative Wieland | | | | | |
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Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Vote fails

Date: 2/12/07
 Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1368

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DNP as expressed

Motion Made By Glassheim Seconded By Ekstrom

| Representatives | Yes | No | Representatives | Yes | No |
|--------------------------|-----|----|--------------------------|-----|----|
| Chairman Svedjan | ✓ | | | | |
| Vice Chairman Kempenich | | ✓ | | | |
| Representative Wald | ✓ | | Representative Aarsvold | ✓ | |
| Representative Monson | ✓ | | Representative Guleson | | ✓ |
| Representative Hawken | ✓ | | | | |
| Representative Klein | ✓ | | | | |
| Representative Martinson | ✓ | | | | |
| Representative Carlson | ✓ | | Representative Glassheim | ✓ | |
| Representative Carlisle | ✓ | | Representative Kroeber | ✓ | |
| Representative Skarphol | ✓ | | Representative Williams | ✓ | |
| Representative Thoreson | ✓ | | | | |
| Representative Pollert | ✓ | | Representative Ekstrom | ✓ | |
| Representative Bellew | ✓ | | Representative Kerzman | ✓ | |
| Representative Kreidt | ✓ | | Representative Metcalf | ✓ | |
| Representative Nelson | | ✓ | | | |
| Representative Wieand | ✓ | | | | |
| | | | | | |
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Total (Yes) 21 No 3

Absent 0

Floor Assignment Glassheim

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

REPORT OF STANDING COMMITTEE (410)
February 14, 2007 11:32 a.m.

Module No: HR-29-3210
Carrier: Glassheim
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1368, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **DO NOT PASS** (21 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1368 was placed on the Eleventh order on the calendar.

2007 TESTIMONY

HB 1368

Testimony To The
THE HOUSE TRANSPORTATION COMMITTEE
Prepared January 26, 2007 by
Terry Traynor, Assistant Director
North Dakota Association of Counties

REGARDING HOUSE BILL 1368

Chairman Weisz and committee members, county government is very supportive of the concept that this bill suggests. Highway maintenance costs in North Dakota are clearly outstripping the mostly stagnant funding sources. This takes an important first step in creating a method of long-term funding for something so critical to the economic health of our State.

If this concept is to be implemented and becomes an effective tool for road funding, counties sincerely believe that it should be crafted from the start to include the entire State, county and city road network. By putting the proceeds from this protected trust into the State Highway Distribution Fund, a more comprehensive protection of our road infrastructure can be initiated.

For this reason, we have proposed amendments to the bill, to broaden the effectiveness of the proposal and utilize this historically successful means of allocating funds for road construction and maintenance.

We urge the committee to favorably consider these amendments and give HB1368 a "do pass" recommendation.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1368

Page 1, line 6, replace "spent" with "deposited into the state highway distribution fund"

Page 1, line 7, after "program" insert "and cities and counties for their road and street maintenance programs"

Re-number accordingly