

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1012**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 transportation; to provide appropriations to the state treasurer for transportation funding  
3 distributions; to repeal section 2 of chapter 573 of the 2009 Session Laws, relating to  
4 highway-rail grade safety projects; to provide for transfers; to provide for borrowing authority; to  
5 provide an exemption; to provide for a legislative management study; and to declare an  
6 emergency.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
9 as may be necessary, are appropriated out of any moneys in the general fund in the state  
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
11 other income, to the department of transportation for the purpose of defraying the expenses of  
12 the department of transportation, for the biennium beginning July 1, 2011, and ending June 30,  
13 2013, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
15 Salaries and wages	\$147,373,254	\$18,593,142	\$165,966,396
17 Operating expenses	188,805,014	15,285,236	204,090,250
18 Capital assets	661,988,548	281,541,283	943,529,831
19 County and township road 20 reconstruction program	0	142,000,000	142,000,000
21 Grants	69,766,101	(1,998,694)	67,767,407
22 Federal stimulus funds	<u>0</u>	<u>24,119,575</u>	<u>24,119,575</u>
23 Total all funds	\$1,067,932,917	\$479,540,542	\$1,547,473,459
24 Less estimated income	<u>1,067,932,917</u>	<u>473,690,542</u>	<u>1,541,623,459</u>

1	Total general fund	\$0	\$5,850,000	\$5,850,000
2	Full-time equivalent positions	1,054.50	9.00	1,063.50

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

4       **SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
5 items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13  
6 one-time funding items included in the appropriation in section 1 of this Act:

7	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
8	Federal stimulus funds	\$176,082,671	\$24,119,575
9	Devils Lake area highway project	4,600,000	5,850,000
10	Extraordinary state highway maintenance	0	228,600,000
11	County and township road reconstruction	0	142,000,000
12	Total all funds	\$180,682,671	\$400,569,575
13	Total special funds	<u>176,082,671</u>	<u>394,719,575</u>
14	Total general fund	\$4,600,000	\$5,850,000

15 The 2011-13 one-time funding amounts are not part of the entity's base budget for the 2013-15  
16 biennium. The department of transportation shall report to the appropriations committees of the  
17 sixty-third legislative assembly on the use of the one-time funding for the biennium beginning  
18 July 1, 2011, and ending June 30, 2013.

19       **SECTION 3. APPROPRIATION - TRANSFER - HIGHWAY-RAIL GRADE CROSSING**

20       **SAFETY PROJECTS.** There is appropriated out of any moneys in the highway-rail grade  
21 crossing safety fund in the state treasury, not otherwise appropriated, the sum of \$1,431,000, or  
22 so much of the sum as may be necessary, to the department of transportation for the funding of  
23 grants for highway-rail grade crossing safety projects, including grants for the reduction of  
24 associated special assessments, for the biennium beginning July 1, 2011, and ending June 30,  
25 2013. On June 30, 2013, the state treasurer shall transfer any unexpended and unobligated  
26 balance in the highway-rail grade safety projects fund to the highway tax distribution fund.

27       Up to \$1,201,000 of funds provided under this section may be used by the department of  
28 transportation for highway-rail grade crossing safety projects approved by the department and  
29 for which funding was obligated during the biennium beginning July 1, 2009, and ending  
30 June 30, 2011.

1 Up to \$230,000 of funds provided under this section may be used by the department of  
2 transportation for additional highway-rail grade crossing safety project grants subject to the  
3 following requirements:

- 4 1. A political subdivision seeking a grant shall file an application with the department of  
5 transportation.
- 6 2. A political subdivision grant applicant shall provide ten percent matching funds for the  
7 project costs but no local matching funds are required for a highway-rail grade  
8 crossing on a state highway.
- 9 3. Grant funds may be allocated for development of railroad quiet zones, installation or  
10 upgrading of active warning devices, resurfacing crossings, building of grade  
11 separations, and other costs associated with these improvements.
- 12 4. An applicant for grant approval for development of a railroad quiet zone shall provide  
13 the department of transportation a copy of the notice of intent filed with the federal  
14 railroad administration regarding establishment of a proposed quiet zone and copies of  
15 any subsequent filings with or orders from the federal railroad administration relating to  
16 the notice of intent.
- 17 5. Grants provided to a city may not exceed a cumulative amount of \$80,000.

18 **SECTION 4. APPROPRIATION - BORROWING AUTHORITY - ADDITIONAL**

19 **EMERGENCY RELIEF PROGRAM.** The department of transportation may borrow the sum of  
20 \$120,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota for  
21 the purpose of providing funding for emergency relief projects on the state highway system, for  
22 the period beginning with the effective date of this Act and ending June 30, 2013. Any funding  
23 borrowed from the Bank of North Dakota under this section is appropriated to the department of  
24 transportation for emergency relief projects on the state highway system. Funding appropriated  
25 under this section is considered one-time funding and is not to be considered a part of the  
26 department's 2013-15 base budget request. Any federal funding received for projects receiving  
27 funding under this section must be used to repay the loan from the Bank of North Dakota.

28 **SECTION 5. APPROPRIATION - STATE TREASURER - 2009-11 BIENNIUM**

29 **TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in  
30 the general fund in the state treasury, not otherwise appropriated, the sum of \$35,000,000, or  
31 so much of the sum as may be necessary, to the state treasurer for the purpose of providing

1 transportation funding distributions, for the period beginning with the effective date of this Act  
2 and ending June 30, 2011. The funding provided in this section is considered a one-time  
3 funding item. The state treasurer shall distribute the funds provided under this section prior to  
4 June 30, 2011, as follows:

- 5 1. Eighty percent to non-oil-producing counties and cities pursuant to subsection 4 of  
6 section 54-27-19.
- 7 2. Twenty percent to counties and townships in non-oil-producing counties pursuant to  
8 section 54-27-19.1. Organized townships are not required to provide matching funds  
9 to receive distributions under this section.

10 For purposes of this section, a "non-oil-producing county" means a county that did not receive  
11 an allocation of funding under section 57-51-15 during state fiscal year 2010 or a county that  
12 received a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year  
13 2010.

14 **SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM**

15 **TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in  
16 the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000, or  
17 so much of the sum as may be necessary, to the state treasurer for the purpose of providing  
18 transportation funding distributions, for the biennium beginning July 1, 2011, and ending  
19 June 30, 2013. The funding provided in this section is considered a one-time funding item. The  
20 state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

- 21 1. Eighty percent to non-oil-producing counties and cities pursuant to subsection 4 of  
22 section 54-27-19.
- 23 2. Twenty percent to counties and townships in non-oil-producing counties pursuant to  
24 section 54-27-19.1. Organized townships are not required to provide matching funds  
25 to receive distributions under this section.

26 For purposes of this section, a "non-oil-producing county" means a county that did not receive  
27 an allocation of funding under section 57-51-15 during state fiscal year 2011 or a county that  
28 received a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year  
29 2011.

30 **SECTION 7. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.**

31 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise

1 appropriated, the sum of \$370,600,000, which the office of management and budget shall  
2 transfer to the highway fund during the biennium beginning July 1, 2011, and ending June 30,  
3 2013.

4 **SECTION 8. LINE ITEM TRANSFERS.** The director of the department of transportation  
5 may transfer between the salaries and wages, operating expenses, capital assets, and grants  
6 line items in section 1 of this Act when it is cost-effective for construction and maintenance of  
7 highways. The department of transportation shall notify the office of management and budget of  
8 any transfers made pursuant to this section.

9 **SECTION 9. REPEAL.** Section 2 of chapter 573 of the 2009 Session Laws is repealed.

10 **SECTION 10. COUNTY AND TOWNSHIP ROAD RECONSTRUCTION PROGRAM.**

11 1. The sum of \$142,000,000, or so much of the sum as may be necessary, included in  
12 the county and township road reconstruction program line item in section 1 of this Act,  
13 must be used to rehabilitate or reconstruct county and township paved and unpaved  
14 roads.

15 a. Funding allocations to counties are to be made by the department of  
16 transportation based on the needs assessment study conducted by the upper  
17 great plains transportation institute, titled "Additional Road Investments Needed  
18 to Support Oil and Gas Production and Distribution in North Dakota", dated  
19 December 9, 2010.

20 b. Counties identified in the study are eligible for this funding.

21 2. Each county requesting funding under this section for county or township roads shall  
22 submit the request in accordance with criteria developed by the department of  
23 transportation.

24 a. The request shall include a proposed plan for funding projects that rehabilitate or  
25 reconstruct paved and unpaved roads within the county.

26 b. The plan shall be based on the upper great plains transportation institute study,  
27 actual road conditions, and integration with state highway and other county road  
28 projects.

29 c. Funds shall not be used for routine maintenance.

30 3. The department of transportation, in consultation with the county, may approve the  
31 plan or approve the plan with amendments.

- 1           4. The funding included in the county and township road reconstruction program line item  
2           in section 1 of this Act may be used for:
- 3           a. Ninety percent of the cost of the approved paved roadway projects not to exceed  
4           the funding available for that county.
- 5           b. Twenty-five percent of the cost of the approved unpaved roadway projects not to  
6           exceed the funding available for that county.
- 7           c. Funding may be used for construction, engineering, and plan development costs.
- 8           5. Upon approval of the plan, the department of transportation shall transfer to the county  
9           the approved funding for engineering and plan development costs.
- 10          6. Upon execution of a construction contract by the county, the department of  
11          transportation shall transfer to the county the approved funding to be distributed for  
12          county and township road rehabilitation and reconstruction projects.
- 13          7. The recipient counties shall report to the department of transportation upon awarding  
14          of each contract and upon completion of each project in a manner prescribed by the  
15          department.
- 16          8. The funding included in the county and township road reconstruction line item in  
17          section 1 of this Act may be applied to engineering and design costs incurred on  
18          related projects as of January 1, 2011.

19           **SECTION 11. EXTRAORDINARY STATE HIGHWAY MAINTENANCE.** The funding  
20 included in the capital assets line item in section 1 of this Act relating to extraordinary state  
21 highway maintenance may be applied to engineering and design costs incurred on related  
22 projects as of January 1, 2011.

23           **SECTION 12. FARGO DISTRICT OFFICE LOCATION - EXEMPTION.** The sum of  
24 \$800,000 included in the capital assets line item of section 1 of this Act is for the construction of  
25 an equipment storage facility at the Fargo district office location which may only be used  
26 pursuant to the provisions of this section.

27           Notwithstanding sections 54-01-05.2 and 54-01-05.5, the department of transportation shall  
28 offer for sale the entire parcel of land, including buildings, owned by the department of  
29 transportation at the Fargo district office location which is at 503 38<sup>th</sup> street south in the city of  
30 Fargo. In consideration for the property, the buyer must provide the department of transportation  
31 with an alternative parcel of land in fee simple to be used as a new location for the Fargo district

1 office. The parcel of land must be located within the interstate storm gates of the cities of Fargo  
2 and West Fargo, be of suitable size and condition for operations of the Fargo district office, and  
3 be readily accessible to the interstate system. In consideration for the department of  
4 transportation property, the buyer shall construct or otherwise provide the buildings necessary  
5 for the operations of the Fargo district office. If requested, the director of the department of  
6 transportation shall provide potential buyers with general land and building requirements  
7 necessary for the operations of the Fargo district office. The director of the department of  
8 transportation shall have the authority to determine whether the location and buildings  
9 adequately address the operations needs of the Fargo district office. The property shall remain  
10 open to buyers until May 1, 2012. The department of transportation may proceed with the  
11 construction of the equipment storage building at the current Fargo district office location if an  
12 offer is not accepted by the department of transportation by May 1, 2012.

13 **SECTION 13. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY AIRPLANES.**

14 During the 2011-12 interim, the legislative management shall consider studying the use of  
15 state-owned airplanes. The study, if conducted, must include a review of airplanes owned by  
16 state agencies, the justification for each airplane, the frequency of use of each airplane, options  
17 for purchasing or leasing new airplanes, and the feasibility and desirability of requiring state  
18 airplanes to be managed by state fleet services. The legislative management shall report its  
19 findings and recommendations, together with any legislation required to implement the  
20 recommendations, to the sixty-third legislative assembly.

21 **SECTION 14. EMERGENCY.** Funding of \$228,600,000 in the capital assets line item  
22 relating to extraordinary state highway maintenance and \$142,000,000 in the county and  
23 township road reconstruction line item in section 1 of this Act and sections 4, 5, 10, and 12 of  
24 this Act are declared to be an emergency measure.