

April 25, 2013

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

That the House recede from its amendments as printed on pages 1491-1499 of the Senate Journal and pages 1558-1566 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 57-43.2-19"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies; to provide an effective date; to provide an expiration date"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
Grants	<u>67,767,407</u>	<u>22,020,623</u>	<u>89,788,030</u>
Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434
Less estimated income	<u>1,146,903,884</u>	<u>773,875,550</u>	<u>1,920,779,434</u>
Total general fund	\$0	\$10,000,000	\$10,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program	142,000,000	0"
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Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$551,600,000
Total special funds	<u>602,150,575</u>	<u>541,600,000</u>
Total general fund	\$5,850,000	\$10,000,000"

Page 3, remove lines 1 through 29

Page 4, remove lines 1 through 29

Page 5, remove lines 1 through 28

Page 5, line 29, after "**FUND**" insert "**- PILOT PROGRAM**"

Page 6, line 2, after the period insert:

"The grants line item in section 1 of this Act includes the sum of \$500,000 from the highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall develop guidelines for the distribution of program funds for rail safety projects the director deems necessary for public safety. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system."

Page 6, remove lines 16 through 31

Page 7, replace lines 1 through 14 with:

"SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, line 18, replace "\$415,000" with "\$385,000"

Page 7, line 28, after **"ISSUE"** insert **"- BUDGET SECTION APPROVAL"**

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after "The" insert "department of transportation may not use embossed printed license plates for the general license plate issue. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates. The one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, line 12, replace "\$683,600,000" with "\$541,600,000"

Page 9, line 21, replace "plate" with "plates"

Page 9, after line 25, insert:

"SECTION 15. AMENDMENT. Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-19. Transfer, deposit, and distribution of funds.

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

SECTION 16. AMENDMENT. Section 27 of chapter 579 of the 2011 Session Laws is amended and reenacted as follows:

SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS. If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year ~~2011~~2010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized

townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS. During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING. During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS. During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, after line 4, insert:

"SECTION 21. EFFECTIVE DATE - EXPIRATION DATE. Section 15 of this Act is effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter ineffective."

Page 10, line 5, replace "4, 5, 8, 9, and 10" with "6, 7, and 16"

Page 10, line 5, remove "and funding of"

Page 10, remove lines 6 and 7

Page 10, line 8, remove "item in section 1 of this Act,"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
State Treasurer						
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
DOCR						
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0

General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Transportation						
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
Bill total						
Total all funds	\$3,389,303,578	\$2,818,962,812	(\$333,378,378)	\$2,485,584,434	\$2,993,314,082	(\$507,729,648)
Less estimated income	2,695,703,578	2,107,647,812	(181,968,378)	1,925,679,434	2,084,279,082	(158,599,648)
General fund	\$693,600,000	\$711,315,000	(\$151,410,000)	\$559,905,000	\$909,035,000	(\$349,130,000)

Senate Bill No. 2012 - State Treasurer - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Grants to townships		\$10,000,000	(\$10,000,000)		\$9,100,000	(\$9,100,000)
Township distribution corrections		415,000	(30,000)	385,000	415,000	(30,000)
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 120 - State Treasurer - Detail of Conference Committee Changes

	Removes Funding for Grants to Townships ¹	Adjusts Funding for Township Distribution Corrections ²	Total Conference Committee Changes
Grants to townships	(\$10,000,000)		(\$10,000,000)
Township distribution corrections		(30,000)	(30,000)
Total all funds	(\$10,000,000)	(\$30,000)	(\$10,030,000)
Less estimated income	0	0	0
General fund	(\$10,000,000)	(\$30,000)	(\$10,030,000)
FTE	0.00	0.00	0.00

¹ Funding of \$10 million added by the Senate for grants to townships in oil-producing counties is removed. The House version reduced the grant funding from \$10 million to \$9.1 million.

² Funding to correct grant distributions to townships made in Senate Bill No. 2176 is reduced by \$30,000 to reflect revised estimates for amounts needed for corrections.

This amendment also amends Section 27 of Chapter 579 of the 2011 Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$720,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Session Laws which has not already received a distribution under that subsection. The House also added these sections and provided funding of \$700,000.

Senate Bill No. 2012 - DOCR - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
License plate issue		\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 530 - DOCR - Detail of Conference Committee Changes

	Increases Special Funds Authority for License Plate Issue ¹	Total Conference Committee Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates, the same as the House version.

Senate Bill No. 2012 - Department of Transportation - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$198,822,626	\$198,846,860	(\$11,369,275)	\$187,477,585	\$184,577,233	\$2,900,352
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715	376,721,715	
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207	1,269,511,207	
County and township road program	142,000,000	142,000,000	(142,000,000)		190,000,000	(190,000,000)
Grants	97,548,030	98,188,030	(8,400,000)	89,788,030	89,288,030	500,000
General fund transfer to highway fund	683,600,000	683,600,000	(142,000,000)	541,600,000	683,600,000	(142,000,000)
Transfer to public transportation fund		1,100,000		1,100,000	1,100,000	
License plate issue		6,200,000	620,000	6,820,000	6,820,000	
County and township bridge program		27,000,000	(27,000,000)		20,000,000	(20,000,000)
Non-oil county distributions					150,000,000	(150,000,000)
Accrued leave payments			7,280,897	7,280,897	7,280,897	
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
FTE	1079.50	1079.50	0.00	1079.50	1079.50	0.00

Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

	Adjusts State Employee Compensation and Benefits Package¹	Provides Separate Line Item for Accrued Leave Payments²	Removes Funding for Employees Affected by Energy Development³	Removes Funding for Oil-Impacted Counties Road Program⁴	Removes Public Transportation Fund Appropriation Authority⁵	Adds Funding for Rail Safety Pilot Program⁶
Salaries and wages	(\$1,543,379)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets						
County and township road program				(142,000,000)		
Grants					(8,900,000)	500,000
General fund transfer to highway fund						
Transfer to public transportation fund						
License plate issue						
County and township bridge program						
Non-oil county distributions						
Accrued leave payments		7,280,897				
Total all funds	(\$1,543,379)	\$0	(\$3,644,999)	(\$142,000,000)	(\$8,900,000)	\$500,000
Less estimated income	(1,543,379)	0	(3,644,999)	(142,000,000)	(8,900,000)	500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts General Fund Transfer to Highway Fund⁷	Adjusts Funding for License Plate Issue⁸	Removes Funding for County and Township Bridge Program⁹	Total Conference Committee Changes
Salaries and wages				(\$11,369,275)
Operating expenses				(1,100,000)
Capital assets				
County and township road program				(142,000,000)
Grants				(8,400,000)
General fund transfer to highway fund	(142,000,000)			(142,000,000)
Transfer to public transportation fund				
License plate issue		620,000		620,000
County and township bridge program			(27,000,000)	(27,000,000)
Non-oil county distributions				
Accrued leave payments				7,280,897
Total all funds	(\$142,000,000)	\$620,000	(\$27,000,000)	(\$323,968,378)
Less estimated income	0	0	(27,000,000)	(182,588,378)
General fund	(\$142,000,000)	\$620,000	\$0	(\$141,380,000)
FTE	0.00	0.00	0.00	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

² A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees. The House version also included an accrued leave payments line item.

³ Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed. The House also removed this funding.

⁴ Funding from the general fund for the county and township road reconstruction program in areas impacted by oil and gas development is removed. The House version provided total program funding of \$190 million which was an increase of \$48 million from the executive budget and Senate versions of \$142 million.

⁵ Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63rd Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

⁶ Grant funding of \$500,000 from the highway-rail grade crossing projects safety fund is added for a highway-rail grade safety pilot program during the 2013-15 biennium. Guidelines are also added for the program.

⁷ The general fund transfer to the state highway fund is reduced by \$142 million to reflect the removal of the county and township road reconstruction program in areas affected by oil and gas development.

⁸ Funding for the general license plate issue is increased by \$620,000 to provide for a general license plate issue to be made on nonembossed license plates. The House also added this funding.

⁹ Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is removed. The Senate added funding of \$27 million for the program and the House reduced funding for the program to \$20 million.

This amendment also:

- Adds a section to deposit \$250,000 of special fuels excise tax funding in the highway-rail grade crossing safety program during each year of the 2013-15 biennium.
- Adds sections to provide for the Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.
- Removes sections that provided program guidelines regarding the oil-producing county and township road reconstruction program and the county and township bridge reconstruction program.