

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2103

Introduced by

Senators Armstrong, Rust, Poolman

Representatives Louser, Schatz, Thoreson

1 A BILL for an Act to provide an appropriation to the state treasurer for allocations to counties,
2 cities, ~~school districts~~, and townships; to provide ~~an appropriation~~ appropriations to the
3 department of transportation for distributions to counties and for state highway projects; to
4 provide for a transfer; to provide for a report to the budget section; to provide an exemption; and
5 to declare an emergency.

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

7 **SECTION 1. APPROPRIATION - STATE TREASURER - STRATEGIC INVESTMENT AND**
8 **IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment
9 and improvements fund in the state treasury, not otherwise appropriated, the sum of
10 ~~\$836,250,000~~ \$298,000,000, or so much of the sum as may be necessary, to the state treasurer
11 for the purpose of distributions and allocations, as soon as possible, to counties, cities, ~~school~~
12 ~~districts~~, and townships, for the period beginning with the effective date of this Act, and ending
13 June 30, 2015.

14 ~~1. The state treasurer shall distribute \$300,000,000 to oil-producing counties based on~~
15 ~~allocations under subsection 2 of section 57-51-15 for formula allocation year 2014 as~~
16 ~~follows:~~

- 17 ~~a. \$50,000,000 to the county that received the highest total allocation;~~
18 ~~b. \$50,000,000 to the county that received the second highest total allocation;~~
19 ~~c. \$50,000,000 to the county that received the third highest total allocation;~~
20 ~~d. \$40,000,000 to the county that received the fourth highest total allocation;~~
21 ~~e. \$25,000,000 to the county that received the fifth highest total allocation;~~
22 ~~f. \$20,000,000 to the county that received the sixth highest total allocation;~~
23 ~~g. \$20,000,000 to the county that received the seventh highest total allocation;~~
24 ~~h. \$15,000,000 to the county that received the eighth highest total allocation;~~

1 ~~_____ i. \$15,000,000 to the county that received the ninth highest total allocation; and~~

2 ~~_____ j. \$15,000,000 to the county that received the tenth highest total allocation.~~

3 ~~_____ Major roadway construction or reconstruction projects provided funding under this~~
4 ~~subsubsection must comply with the American association of state highway and~~
5 ~~transportation officials pavement design procedures and the department of~~
6 ~~transportation local government requirements. Upon completion of a major roadway~~
7 ~~construction or reconstruction project, the roadway segment must be posted at a legal~~
8 ~~load limit of 105,500 pounds [47853.995 kilograms].~~

9 2.1. The state treasurer shall distribute ~~\$140,000,000~~\$100,000,000 to incorporated cities in
10 oil-producing counties based on the population of each incorporated city according to
11 the last official decennial federal census. The distribution to each eligible incorporated
12 city must be proportional to the incorporated city's population relative to the combined
13 total population of all the eligible incorporated cities within the qualifying county. The
14 distribution must exclude incorporated cities with a population of fewer than fifty and
15 hub cities as defined under section 57-51-01. The distribution must be based on
16 allocations under subsection 2 of section 57-51-15 for formula allocation year 2014 as
17 follows:

- 18 a. ~~\$5,000,000~~\$3,600,000 among the eligible incorporated cities, excluding
19 incorporated cities with a population of more than one thousand, in the county
20 that received the highest total allocation;
- 21 b. ~~\$30,000,000~~\$21,400,000 among the eligible incorporated cities in the county that
22 received the second highest total allocation;
- 23 c. ~~\$30,000,000~~\$21,400,000 among the eligible incorporated cities in the county that
24 received the third highest total allocation;
- 25 d. ~~\$20,000,000~~\$14,300,000 among the eligible incorporated cities in the county that
26 received the fourth highest total allocation;
- 27 e. ~~\$13,000,000~~\$9,300,000 among the eligible incorporated cities in the county that
28 received the fifth highest total allocation;
- 29 f. ~~\$12,000,000~~\$8,600,000 among the eligible incorporated cities in the county that
30 received the sixth highest total allocation;

- 1 g. ~~\$12,000,000~~\$8,600,000 among the eligible incorporated cities in the county that
2 received the seventh highest total allocation;
3 h. ~~\$10,000,000~~\$7,100,000 among the eligible incorporated cities in the county that
4 received the eighth highest total allocation;
5 i. ~~\$1,000,000~~\$700,000 among the eligible incorporated cities in the county that
6 received the ninth highest total allocation; and
7 j. ~~\$7,000,000~~\$5,000,000 among the eligible incorporated cities in the county that
8 received the tenth highest total allocation.

9 ~~3. The state treasurer shall distribute \$140,800,000 to non-oil-producing counties based
10 on the most recent data compiled by the upper great plains transportation institute
11 regarding North Dakota's county, township, and tribal road and bridge infrastructure
12 needs. The distribution to each non-oil-producing county must be proportional to each
13 non-oil-producing county's total estimated road and bridge investment needs for the
14 years 2015 to 2034 identified by the upper great plains transportation institute relative
15 to the combined total estimated road and bridge investment needs for the years 2015
16 to 2034 identified by the upper great plains transportation institute of all the eligible
17 non-oil-producing counties under this subsection. Each county's total estimated road
18 and bridge investment needs includes unpaved and paved road and bridge needs. For
19 purposes of this subsection, a "non-oil-producing county" means a county that
20 received no allocation of funding or a total allocation under subsection 2 of section
21 57-51-15 of less than \$5,000,000 for formula allocation year 2014. Major roadway
22 construction or reconstruction projects provided funding under this subsection must
23 comply with the American association of state highway and transportation officials
24 pavement design procedures and the department of transportation local government
25 requirements. Upon completion of a major roadway construction or reconstruction
26 project, the roadway segment must be posted at a legal load limit of 105,500 pounds
27 [47853.995 kilograms].~~

28 4.2. The state treasurer shall distribute ~~\$19,200,000~~\$16,000,000 to non-oil-producing
29 counties for the benefit of the organized and unorganized townships within each non-
30 oil-producing county ~~based on the most recent data compiled by the upper great plains
31 transportation institute regarding North Dakota's county, township, and tribal road and~~

1 ~~bridge infrastructure needs.~~ The distribution to each non-oil-producing county must ~~be~~
2 ~~proportional to each non-oil-producing county's total estimated road and bridge~~
3 ~~investment needs for the years 2015 to 2034 identified by the upper great plains~~
4 ~~transportation institute relative to the combined total estimated road and bridge~~
5 ~~investment needs for the years 2015 to 2034 identified by the upper great plains~~
6 ~~transportation institute of all the eligible non-oil-producing counties under this~~
7 ~~subsection. Each county's total estimated road and bridge investment needs includes~~
8 ~~unpaved and paved road and bridge needs. Of the amount distributed to each~~
9 ~~non-oil-producing county under this subsection, the state treasurer shall allocate the~~
10 ~~funds among townships within each county in proportion to each township's road miles~~
11 ~~relative to the total township road miles in the county~~provide for an allocation of
12 \$10,000 to each organized and unorganized township within the county. The amount
13 allocated to organized townships under this subsection must be paid by the county
14 treasurer to each organized township. The amount allocated to unorganized townships
15 under this subsection must be credited by the county treasurer to a special fund for
16 unorganized township roads. The distributions under this subsection must be used for
17 the maintenance and improvement of township paved and unpaved roads and
18 bridges. For purposes of this subsection, a "non-oil-producing county" means a county
19 that received no allocation of funding or a total allocation under subsection 2 of section
20 57-51-15 of less than \$5,000,000 for formula allocation year 2014.

- 21 ~~5.3.~~ a. The state treasurer shall distribute ~~\$21,250,000~~\$10,000,000 to eligible
22 incorporated cities in eligible counties based on the population of each eligible
23 incorporated city according to the last official decennial federal census. The
24 distribution to each eligible incorporated city in an eligible county must be
25 proportional to each eligible incorporated city's population relative to the
26 combined total population for all the eligible incorporated cities under this
27 subsection. The distributions must exclude the following:
- 28 a. (1) Incorporated cities with a population of fewer than fifty and hub cities as
29 defined under section 57-51-01.

1 d. ~~\$40,000,000~~\$32,000,000 to incorporated cities with a population of more than
2 one thousand in the county that received the highest total allocation under
3 subsection 2 of section 57-51-15 for formula allocation year 2014.

4 5. a. For purposes of this section, "formula allocation year 2014" means allocations to
5 counties under subsection 2 of section 57-51-15 for the period beginning
6 September 1, 2013, and ending August 31, 2014.

7 b. For purposes of this section, "distributions in state fiscal year 2014" means
8 payments to counties under section 57-39.2-26.1 for the period beginning August
9 1, 2013, and ending July 31, 2014. ~~The funding provided to school districts in this~~
10 ~~section must be excluded from the calculation of state aid payments to school~~
11 ~~districts and school district ending fund balances, under chapters 15.1-07 and~~
12 ~~15.1-27 for the 2015-17 biennium.~~

13 c. The funding provided to counties, cities, and townships in this section must be
14 excluded from the calculation of oil and gas gross production tax allocations
15 under chapter 57-51. The funding provided in this section is considered a
16 one-time funding item.

17 **SECTION 2. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - STRATEGIC**
18 **INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION - REPORT TO BUDGET**

19 **SECTION.** There is appropriated out of any moneys in the strategic investment and
20 improvements fund in the state treasury, not otherwise appropriated, the sum of \$352,000,000,
21 or so much of the sum as may be necessary, to the department of transportation for the purpose
22 of distributions to counties for road and bridge infrastructure needs, for the period beginning
23 with the effective date of this Act, and ending June 30, 2017.

24 1. The department of transportation shall distribute \$240,000,000 to oil-producing
25 counties based on the most recent data compiled by the upper great plains
26 transportation institute regarding North Dakota's county, township, and tribal road and
27 bridge infrastructure needs. The distribution to each oil-producing county must be
28 proportional to each oil-producing county's total estimated road and bridge investment
29 needs for the years 2015 to 2034, identified by the upper great plains transportation
30 institute relative to the combined total estimated road and bridge investment needs for
31 the years 2015 to 2034, identified by the upper great plains transportation institute of

1 all the eligible oil-producing counties under this subsection. Each county's total
2 estimated road and bridge investment needs include unpaved and paved road and
3 bridge needs. For purposes of this section, "oil-producing counties" means the ten
4 counties that received the highest total allocations under subsection 2 of section
5 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014.

6 2. The department of transportation shall distribute \$112,000,000 to non-oil-producing
7 counties based on county major collector roadway miles, as defined by the department
8 of transportation. The distribution to each non-oil-producing county must be
9 proportional to each non-oil-producing county's total county major collector roadway
10 miles relative to the combined total of county major collector roadway miles of all the
11 eligible non-oil-producing counties under this subsection. For purposes of this section,
12 "non-oil-producing counties" means the forty-three counties that received no allocation
13 of funding or a total allocation under subsection 2 of section 57-51-15 of less than
14 \$5,000,000 for the period beginning September 1, 2013, and ending August 31, 2014.

15 3. a. Each county requesting funding under this section for county road and bridge
16 projects shall submit the request in accordance with criteria developed by the
17 department of transportation. For oil-producing counties, the request must
18 include a proposed plan for funding projects that rehabilitate or reconstruct paved
19 and unpaved roads and bridges within the county which are needed to support oil
20 and gas production and distribution in the state. For non-oil-producing counties,
21 the request must include a proposed plan for funding projects that rehabilitate or
22 reconstruct paved and unpaved roads and bridges within the county which are
23 needed to support economic activity in the state. The plan must meet the
24 following criteria:

25 (1) Roadways and bridges must provide continuity and connectivity to efficiently
26 integrate and improve major paved and unpaved corridors within the county
27 and across county borders.

28 (2) Projects must be consistent with the upper great plains transportation
29 institute's estimated road and bridge investment needs for the years 2015 to
30 2034 and other planning studies.

1 (3) Upon completion of a major roadway construction or reconstruction project,
2 the roadway segment must be posted at a legal load limit of 105,500
3 pounds [47853.995 kilograms].

4 (4) Design speed on the roadway must be at least 55 miles per hour [88.51
5 kilometers per hour], unless the department of transportation provides an
6 exemption.

7 (5) Projects must comply with the American association of state highway
8 transportation officials pavement design procedures and standards
9 developed by the department of transportation in conjunction with the local
10 jurisdiction.

11 (6) Bridges must be designed to meet an HL 93 loading.

12 b. The department of transportation, in consultation with the county, may approve
13 the plan or approve the plan with amendments. Upon approval of the plan, the
14 department of transportation shall transfer to the county the approved funding for
15 engineering and plan development costs. Upon execution of a construction
16 contract by the county, the department of transportation shall transfer to the
17 county the approved funding for county and township rehabilitation and
18 reconstruction projects. Counties shall report to the department of transportation
19 upon awarding of each contract and upon completion of each project in a manner
20 prescribed by the department.

21 c. Funding provided under this section may be used for construction, engineering,
22 and plan development costs, but may not be used for routine maintenance.
23 Funding provided under this section may be applied to engineering, design, and
24 construction costs incurred on related projects as of January 1, 2015. Section
25 54-44.1-11 does not apply to funding under this section. Any funds not spent by
26 June 30, 2017, must be continued into the biennium beginning July 1, 2017, and
27 ending June 30, 2019, and may be expended only for the purposes authorized by
28 this section. The funding provided in this section is considered a one-time funding
29 item.

30 4. The department of transportation shall report to the budget section and to the
31 appropriations committees of the sixty-fifth legislative assembly on the use of this one-

1 time funding, including the amounts distributed to each county, the amounts spent to
2 date, and the amounts anticipated to be continued into the 2017-19 biennium.

3 **SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
4 **HIGHWAY FUND.** The director of the office of management and budget shall transfer the sum
5 of ~~\$300,000,000~~\$450,000,000 from the strategic investment and improvements fund to the
6 highway fund during the period beginning with the effective date of this Act, and ending
7 June 30, 2015. Of the \$450,000,000, the office of management and budget shall transfer
8 \$200,000,000 within one month of the effective date of this Act and shall transfer \$250,000,000
9 at the end of the 2013-15 biennium.

10 **SECTION 4. APPROPRIATION - DEPARTMENT OF TRANSPORTATION.** There is
11 appropriated out of any moneys in the highway fund in the state treasury, not otherwise
12 appropriated, the sum of ~~\$300,000,000~~\$450,000,000, or so much of the sum as may be
13 necessary, to the department of transportation for the purpose of construction and maintenance
14 of state transportation infrastructure, for the period beginning with the effective date of this Act,
15 and ending June 30, 2017. The funding provided in this section may be applied to engineering,
16 design, and construction costs incurred on related projects as of January 1, 2015. The funding
17 provided in this section is considered a one-time funding item.

18 **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.