

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide appropriations for defraying the expenses of the department of
2 transportation; to provide an appropriation to the state treasurer for allocations to townships in
3 non-oil-producing counties; to provide for transfers; to amend and reenact section 39-02-03 of
4 the North Dakota Century Code, relating to department of transportation motor vehicle branch
5 offices; to provide legislative intent; to provide for legislative management studies; ~~and~~ to
6 provide exemptions; and to provide for application.

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, 2015, and ending June 30,
13 2017, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
16 Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
17 Accrued leave payments	7,280,897	(7,280,897)	0
18 Operating expenses	376,721,715	18,452,036	395,173,751
19 Capital assets	727,911,207	374,774,753	1,102,685,960
20 Grants	79,788,030	(14,120,000)	65,668,030
21 Total special funds	\$1,379,179,434	\$392,735,442	\$1,771,914,876
22 Full-time equivalent positions	1,079.50	0.00	1,079.50
23 <u>Salaries and wages</u>	<u>\$187,477,585</u>	<u>\$20,300,693</u>	<u>\$207,778,278</u>
24 <u>Accrued leave payments</u>	<u>7,280,897</u>	<u>(7,280,897)</u>	<u>0</u>

1	Operating expenses	376,721,715	19,101,036	395,822,751
2	Capital assets	727,911,207	376,185,753	1,104,096,960
3	Grants	79,788,030	(16,120,000)	63,668,030
4	Total all funds	\$1,379,179,434	\$392,186,585	\$1,771,366,019
5	Less estimated income	1,379,179,434	392,126,585	1,771,306,019
6	Total general fund	\$0	\$60,000	\$60,000
7	Full-time equivalent positions	1,079.50	1.00	1,080.50

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

SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

12	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
13	General fund transfer to highway fund	\$541,600,000	\$0
14	Enhanced state highway investments	1,161,600,000	504,115,558
15	TIGER III federal railroad program	10,000,000	0
16	General license plate issue	6,820,000	0
17	Contingent general fund transfer to	1,100,000	0
18	—public transportation fund		
19	Airplane replacement	4,500,000	0
20	Transportation distribution to oil-producing counties	160,000,000	0
21	Transportation distribution to non-oil-producing counties	120,000,000	0
22	Recreational road access	0	1,000,000
23	Vehicle registration and titling system replacement	0	2,500,000
24	Motor coach reimbursement from colleges	0	750,000
25	Total all funds	\$2,005,620,000	\$508,365,558
26	Total special fund	541,600,000	508,365,558
27	Total general fund	\$1,464,020,000	\$0
28	General fund transfer to highway fund	\$541,600,000	\$0
29	Enhanced state highway investments	1,161,600,000	504,115,558
30	TIGER III federal railroad program	10,000,000	0
31	General license plate issue	6,820,000	0

1	<u>Contingent general fund transfer to</u>	<u>1,100,000</u>	<u>0</u>
2	<u> public transportation fund</u>		
3	<u>Airplane replacement</u>	<u>4,500,000</u>	<u>0</u>
4	<u>Transportation distribution to oil-producing counties</u>	<u>160,000,000</u>	<u>0</u>
5	<u>Transportation distribution to non-oil-producing counties</u>	<u>120,000,000</u>	<u>0</u>
6	<u>Recreational road access</u>	<u>0</u>	<u>3,000,000</u>
7	<u>Vehicle registration and titling system replacement</u>	<u>0</u>	<u>2,500,000</u>
8	<u>Motor coach reimbursement from colleges</u>	<u>0</u>	<u>750,000</u>
9	<u>Truck size and weight harmonization study</u>	<u>0</u>	<u>60,000</u>
10	<u>Total all funds</u>	<u>\$2,005,620,000</u>	<u>\$510,425,558</u>
11	<u>Total special fund</u>	<u>541,600,000</u>	<u>510,365,558</u>
12	<u>Total general fund</u>	<u>\$1,464,020,000</u>	<u>\$60,000</u>

13 The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19
14 biennium. The department of transportation shall report to the appropriations committees of the
15 sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning
16 July 1, 2015, and ending June 30, 2017.

17 **SECTION 3. LINE ITEM TRANSFERS.** The director of the department of transportation
18 may transfer between the salaries and wages, operating, capital assets, and grants line items in
19 section 1 of this Act when it is cost-effective for construction and maintenance of highways. The
20 department of transportation shall notify the office of management and budget of any transfers
21 made under this section.

22 **SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.**

23 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
24 appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the
25 office of management and budget shall transfer to the highway fund during the biennium
26 beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall
27 transfer the funds provided under this section to the state highway fund at the request of the
28 director of the department of transportation. This appropriation is a one-time funding item.

29 **SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD**

30 **FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not
31 otherwise appropriated, the sum of ~~\$1,000,000~~\$3,000,000, or so much of the sum as may be

1 necessary, which the office of management and budget shall transfer to the special road fund
2 during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of
3 management and budget shall transfer the funds provided under this section to the special road
4 fund at the request of the director of the department of transportation. This appropriation is a
5 one-time funding item.

6 **SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

7 **FUND.** There is appropriated out of any moneys in the strategic investment and improvements
8 fund in the state treasury, not otherwise appropriated, the sum of ~~\$2,000,000~~\$10,000,000, or so
9 much of the sum as may be necessary, to the department of transportation for the purpose of
10 one-time funding for the department of transportation's short line railroad program, for the
11 biennium beginning July 1, 2015, and ending June 30, 2017.

12 **SECTION 7. APPROPRIATION - STATE TREASURER.** There is appropriated out of any

13 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
14 \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to
15 counties for allocation to or for the benefit of organized and unorganized townships in
16 non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017.
17 The funding provided in this section must be distributed in February 2016. The state treasurer
18 shall distribute the funds provided under this section to counties and the county treasurer shall
19 allocate the funds to or for the benefit of townships in non-oil-producing counties through a
20 one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000
21 for each unorganized township to the county in which the unorganized township is located. For
22 unorganized townships within the county, the board of county commissioners may expend an
23 appropriate portion of revenues under this section for township roads or other infrastructure
24 needs in those townships. A township is not eligible for an allocation of funds under this section
25 if the township does not maintain any township roads. For the purposes of this section, a
26 "non-oil-producing county" means a county that has received an allocation of funding under
27 section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014.

28 ~~SECTION 8. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND~~
29 ~~NEW MAJOR INFORMATION TECHNOLOGY PROJECTS.~~ It is the intent of the legislative
30 assembly that the department of transportation refrain from using funds appropriated to the
31 department of transportation in section 1 of this Act for construction or improvements to

~~buildings and any new major information technology projects during the biennium beginning July 1, 2015, and ending June 30, 2017, unless the department receives at least the amount of federal highway construction funds that was anticipated by the sixty-fourth legislative assembly.~~

SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS

FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to eligible cities, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item. For purposes of this section, an "eligible city" means a city with a population of more than 563 but fewer than 581 according to the most recent official decennial federal census.

SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT

HARMONIZATION. The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT

HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12 of North Dakota century code, related to size, width, and height restrictions, in order to ensure the state of North Dakota can harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general

1 fund in the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the
2 sum as may be necessary, which the office of management and budget shall transfer to the
3 public transportation fund pursuant to this section during the biennium beginning July 1, 2015,
4 and ending June 30, 2017. The office of management and budget shall transfer the sum of
5 \$950,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax
6 distribution fund are \$5,600,000 or less during the period beginning July 1, 2014 and ending
7 June 30, 2015. The office of management and budget shall transfer the sum of \$950,000 on
8 July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund
9 are \$5,600,000 or less during the period beginning July 1, 2015 and ending June 30, 2016.

10 **SECTION 12. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS**

11 **FUND.** The amount appropriated to the department of transportation from the highway-rail
12 grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session
13 Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
14 appropriation are available to the department highway-rail grade crossing safety projects during
15 the biennium beginning July 1, 2015, and ending June 30, 2017.

16 **SECTION 13. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER**

17 **AUTHORITY.** Section 54-44.1-11 does not apply to funding of \$504,115,558 in the capital
18 assets line item relating to enhanced state highway investments in section 1 of this Act. Any
19 funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017,
20 and ending June 30, 2019, and may be expended only for enhanced state highway
21 investments.

22 **SECTION 14. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE**

23 **RAISING GRANTS.** The amount appropriated to the department of transportation from the state
24 disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of
25 the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended
26 funds from this appropriation are available to the department to provide road grade raising
27 grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

28 **SECTION 15. PAYBACK AND REALLOCATION OF FEDERAL AID.** Notwithstanding any

29 other provisions of law, the department of transportation may repay the United States
30 department of transportation for previous related expenditures out of current biennium

1 appropriations so that the department may re-obligate the federal aid to other federal aid
2 projects.

3 **SECTION 16. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **39-02-03. Powers and duties of director and department.**

6 The director, ~~subject to the approval of the governor,~~ may adopt and enforce such
7 administrative rules and designate such agencies and establish such branch offices as may be
8 necessary to carry out the laws applicable to the director's office and department. The director
9 shall provide suitable forms for applications, registration cards, license number plates, and all
10 other forms requisite for the operation of the director's office and department, and shall prepay
11 all transportation charges thereon. Branch office contracts entered ~~into~~ under this section may
12 extend five years and may be renewed in accordance with this section. At **least one year before**
13 the end of each ~~current~~ branch office contract term, the department shall consider entering ~~into~~
14 contracts with new branch office vendors. Notwithstanding any other provision of law, the
15 director may enter ~~into~~ direct negotiations and contract with qualified vendors to provide branch
16 office services. The director may provide for a maximum fee schedule for the various services
17 provided by the branch offices, not to exceed ten dollars for each service provided. Any branch
18 office may establish a different fee schedule if the schedule does not contain a fee that exceeds
19 a maximum fee established by the director and is approved by the director. All branch office
20 managers must be bonded. The department may lease or provide office space or other costs as
21 necessary to independent motor vehicle branch managers. All rents collected under this section
22 must be deposited in the state highway fund. The department and the officers thereof shall
23 enforce the provisions of all laws pertaining to the director and the department.

24 **SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT.** During the
25 2015-16 interim, the director of the department of transportation shall report to a committee
26 designated by the legislative management regarding rail safety. The report must include:

- 27 1. Current railroad conditions, including crossings and rail lines;
- 28 2. A review of train speeds;
- 29 3. Existing railroad freight and passenger demands and future needs;
- 30 4. A review of emergency response procedures in the state;
- 31 5. A review of tank car specifications; and

6. A review of economic, safety, and environmental impacts on the state, including correlation with other modes of transportation, such as highways, pipelines, and air.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD

INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements and the effect of short line railroads on reducing commercial traffic on the state highway system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES.

During the 2015-16 interim, the legislative management shall consider studying the potential effect high-efficiency vehicles may have on the revenue generated from motor vehicle registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

~~**SECTION 19. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR VEHICLE.**~~

~~During the 2015-16 interim, the legislative management shall consider studying potential statutory changes that may be necessary to accommodate the introduction or testing of automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. "Automated motor vehicle" means a vehicle capable of operating in a full automation mode where full automation is defined by the Society of Automotive Engineers Standard, J3016, section 5.6 issued January 2014, as the unconditional, full-time performance by an automated driving system of all aspects of the dynamic driving task. The study may include research into the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing or eliminating driver error and the degree that automated motor vehicles could reduce congestion and improve fuel economy through better utilization of existing highway capacity and more efficient operation of the vehicles' acceleration and braking controls. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.~~

SECTION 20. APPLICATION. Section 16 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act.