

**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 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; to provide  
6 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:

	<u>Base Level</u>	Adjustments or <u>Enhancements</u>	<u>Appropriation</u>
14			
15			
16	Salaries and wages	\$187,477,585	\$20,300,693
17	Accrued leave payments	7,280,897	(7,280,897)
18	Operating expenses	376,721,715	19,101,036
19	Capital assets	727,911,207	376,185,753
20	Grants	<u>79,788,030</u>	<u>(16,120,000)</u>
21	Total all funds	\$1,379,179,434	\$392,186,585
22	Less estimated income	<u>1,379,179,434</u>	<u>392,126,585</u>
23	Total general fund	\$0	\$60,000
24	Full-time equivalent positions	1,079.50	1.00
			1,080.50

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

2       **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
3 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the  
4 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

5	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
6	General fund transfer to highway fund	\$541,600,000	\$0
7	Enhanced state highway investments	1,161,600,000	504,115,558
8	TIGER III federal railroad program	10,000,000	0
9	General license plate issue	6,820,000	0
10	Contingent general fund transfer to	1,100,000	0
11	public transportation fund		
12	Airplane replacement	4,500,000	0
13	Transportation distribution to oil-producing counties	160,000,000	0
14	Transportation distribution to non-oil-producing counties	120,000,000	0
15	Recreational road access	0	3,000,000
16	Vehicle registration and titling system replacement	0	2,500,000
17	Motor coach reimbursement from colleges	0	750,000
18	Truck size and weight harmonization study	<u>0</u>	<u>60,000</u>
19	Total all funds	\$2,005,620,000	\$510,425,558
20	Total special fund	<u>541,600,000</u>	<u>510,365,558</u>
21	Total general fund	\$1,464,020,000	\$60,000

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

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

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

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

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

9       **FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not  
10       otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary,  
11       which the office of management and budget shall transfer to the special road fund during the  
12       biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and  
13       budget shall transfer the funds provided under this section to the special road fund at the  
14       request of the director of the department of transportation. This appropriation is a one-time  
15       funding item.

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

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

22       **SECTION 7. APPROPRIATION - STATE TREASURER.** There is appropriated out of any  
23       moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
24       \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to  
25       counties for allocation to or for the benefit of organized and unorganized townships in  
26       non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017.  
27       The funding provided in this section must be distributed in February 2016. The state treasurer  
28       shall distribute the funds provided under this section to counties and the county treasurer shall  
29       allocate the funds to or for the benefit of townships in non-oil-producing counties through a  
30       one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000  
31       for each unorganized township to the county in which the unorganized township is located. For

1 unorganized townships within the county, the board of county commissioners may expend an  
2 appropriate portion of revenues under this section for township roads or other infrastructure  
3 needs in those townships. A township is not eligible for an allocation of funds under this section  
4 if the township does not maintain any township roads. For the purposes of this section, a  
5 "non-oil-producing county" means a county that has received an allocation of funding under  
6 section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014.

7 **SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

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

15 **SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT**

16 **HARMONIZATION.** The operating expenses line item in section 1 of this Act, includes the sum  
17 of \$60,000 from the general fund, for the department of transportation to collaborate with the  
18 upper great plains transportation institute to study the impacts in this state of harmonizing truck  
19 size and weight regulations with states in the western states transportation alliance regarding  
20 standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight  
21 or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1,  
22 2015, and ending June 30, 2017.

23 **SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT**

24 **HARMONIZATION.** During the 2015-16 interim, the legislative management shall study the  
25 truck size and weight provisions under chapter 39-12 of North Dakota century code, related to  
26 size, width, and height restrictions, in order to ensure the state of North Dakota can harmonize  
27 its truck size and weight regulations with the regulations of the states in the western states  
28 transportation alliance, and shall utilize the findings of the collaborative study of the department  
29 of transportation and the upper great plains transportation institute to determine appropriate  
30 changes to state law. The legislative management shall report its findings and

1 recommendations, together with any legislation required to implement the recommendations, to  
2 the sixty-fifth legislative assembly.

3 **SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO**  
4 **PUBLIC TRANSPORTATION FUND.**

5 There is appropriated out of any moneys in the general  
6 fund in the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the  
7 sum as may be necessary, which the office of management and budget shall transfer to the  
8 public transportation fund pursuant to this section during the biennium beginning July 1, 2015,  
9 and ending June 30, 2017. The office of management and budget shall transfer the sum of  
10 \$950,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax  
11 distribution fund are \$5,600,000 or less during the period beginning July 1, 2014 and ending  
12 June 30, 2015. The office of management and budget shall transfer the sum of \$950,000 on  
13 July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund  
14 are \$5,600,000 or less during the period beginning July 1, 2015 and ending June 30, 2016.

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

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

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

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

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

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

1       **SECTION 15. PAYBACK AND REALLOCATION OF FEDERAL AID.** Notwithstanding any  
2 other provisions of law, the department of transportation may repay the United States  
3 department of transportation for previous related expenditures out of current biennium  
4 appropriations so that the department may re-obligate the federal aid to other federal aid  
5 projects.

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

8       **39-02-03. Powers and duties of director and department.**

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

27       **SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT.** During the  
28 2015-16 interim, the director of the department of transportation shall report to a committee  
29 designated by the legislative management regarding rail safety. The report must include:

- 30       1. Current railroad conditions, including crossings and rail lines;  
31       2. A review of train speeds;

- 1        3. Existing railroad freight and passenger demands and future needs;
- 2        4. A review of emergency response procedures in the state;
- 3        5. A review of tank car specifications; and
- 4        6. A review of economic, safety, and environmental impacts on the state, including
- 5                correlation with other modes of transportation, such as highways, pipelines, and air.

6        **SECTION 18. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD**

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

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

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

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