

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 1, replace "an appropriation" with "appropriations"

Page 1, line 2, after the semicolon insert "to provide an appropriation to the state treasurer for allocations to townships in non-oil-producing counties;"

Page 1, line 2, replace "a transfer" with "transfers; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices; to provide legislative intent; to provide for legislative management studies"

Page 1, replace lines 12 through 20 with:

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

Page 2, replace lines 2 through 16 with:

|  |                    |  |                    |
|--|--------------------|--|--------------------|
| "General fund transfer to highway fund                         | \$541,600,000      |  | \$0                |
| Enhanced state highway investments                             | 1,161,600,000      |  | 504,115,558        |
| TIGER III federal railroad program                             | 10,000,000         |  | 0                  |
| General license plate issue                                    | 6,820,000          |  | 0                  |
| Contingent general fund transfer to public transportation fund | 1,100,000          |  | 0                  |
| Airplane replacement   | 4,500,000          |  | 0                  |
| Transportation distribution to oil-producing counties          | 160,000,000        |  | 0                  |
| Transportation distribution to non-oil-producing counties      | 120,000,000        |  | 0                  |
| Recreational road access                                       | 0                  |  | 1,000,000          |
| Vehicle registration and titling system replacement            | 0                  |  | 2,500,000          |
| Motor coach reimbursement from colleges                        | <u>0</u>           |  | <u>750,000</u>     |
| Total all funds  | \$2,005,620,000    |  | \$508,365,558      |
| Total special fund   | <u>541,600,000</u> |  | <u>508,365,558</u> |
| Total general fund   | \$1,464,020,000    |  | \$0"               |

Page 2, after line 25, insert:

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

**SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 7. APPROPRIATION - STATE TREASURER.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of organized and unorganized townships in non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section must be distributed in February 2016. The state treasurer shall distribute the funds provided under this section to counties and the county treasurer shall allocate the funds to or for the benefit of townships in non-oil-producing counties through a one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this section for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received an allocation of funding under section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014.

**SECTION 8. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND NEW MAJOR INFORMATION TECHNOLOGY PROJECTS.** It is the intent of the legislative assembly that the department of transportation refrain from using funds appropriated to the 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."

Page 3, line 2, replace "\$904,115,558" with "\$504,115,558"

Page 3, after line 17, insert:

**"SECTION 13. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

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

The director, ~~subject to the approval of the governor,~~ may adopt and enforce such administrative rules and designate such agencies and establish such branch

offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Branch office contracts entered into under this section may extend five years and may be renewed in accordance with this section. At the end of each current branch office contract term, the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

**SECTION 14. 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 15. 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 16. 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."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1012 - Summary of House Action**

|                              | <b>Base Budget</b> | <b>House Changes</b> | <b>House Version</b> |
|------------------------------|--------------------|----------------------|----------------------|
| State Treasurer              |                    |                      |                      |
| Total all funds              | \$0                | \$8,000,000          | \$8,000,000          |
| Less estimated income        | 0                  | 0                    | 0                    |
| General fund                 | \$0                | \$8,000,000          | \$8,000,000          |
| Department of Transportation |                    |                      |                      |
| Total all funds              | \$1,379,179,434    | \$897,851,000        | \$2,277,030,434      |
| Less estimated income        | 1,379,179,434      | 392,735,442          | 1,771,914,876        |
| General fund                 | \$0                | \$505,115,558        | \$505,115,558        |
| Bill total                   |                    |                      |                      |
| Total all funds              | \$1,379,179,434    | \$905,851,000        | \$2,285,030,434      |
| Less estimated income        | 1,379,179,434      | 392,735,442          | 1,771,914,876        |
| General fund                 | \$0                | \$513,115,558        | \$513,115,558        |

**House Bill No. 1012 - State Treasurer - House Action**

|  | <b>Base Budget</b> | <b>House Changes</b> | <b>House Version</b> |
|--|--------------------|----------------------|----------------------|
| Transportation distribution to townships |                    | \$8,000,000          | \$8,000,000          |
| Total all funds                          | \$0                | \$8,000,000          | \$8,000,000          |
| Less estimated income                    | 0                  | 0                    | 0                    |
| General fund                             | \$0                | \$8,000,000          | \$8,000,000          |
| FTE                                      | 0.00               | 0.00                 | 0.00                 |

**Department No. 120 - State Treasurer - Detail of House Changes**

|  | <b>Adds Funding for Distribution to Townships in Non-Oil-Producing Counties<sup>1</sup></b> | <b>Total House Changes</b> |
|--|---|----------------------------|
| Transportation distribution to townships | \$8,000,000   | \$8,000,000                |
| Total all funds                          | \$8,000,000   | \$8,000,000                |
| Less estimated income                    | 0   | 0                          |
| General fund                             | \$8,000,000   | \$8,000,000                |
| FTE                                      | 0.00  | 0.00                       |

<sup>1</sup> One-time funding is added for a transportation distribution to organized and unorganized townships in non-oil-producing counties.

**House Bill No. 1012 - Department of Transportation - House Action**

|                                       | <b>Base Budget</b> | <b>House Changes</b> | <b>House Version</b> |
|---------------------------------------|--------------------|----------------------|----------------------|
| Salaries and wages                    | \$187,477,585      | \$20,909,550         | \$208,387,135        |
| Operating expenses                    | 376,721,715        | 18,452,036           | 395,173,751          |
| Capital assets                        | 727,911,207        | 374,774,753          | 1,102,685,960        |
| Grants                                | 79,788,030         | (16,120,000)         | 63,668,030           |
| Accrued leave payments                | 7,280,897          | (7,280,897)          |                      |
| General fund transfer to highway fund |                    | 504,115,558          | 504,115,558          |
| General fund trans. to special        |                    | 1,000,000            | 1,000,000            |

|                             |                 |               |                 |
|-----------------------------|-----------------|---------------|-----------------|
| road fund                   |                 |               |                 |
| Short line railroad program |                 | 2,000,000     | 2,000,000       |
| Total all funds             | \$1,379,179,434 | \$897,851,000 | \$2,277,030,434 |
| Less estimated income       | 1,379,179,434   | 392,735,442   | 1,771,914,876   |
| General fund                | \$0             | \$505,115,558 | \$505,115,558   |
| FTE                         | 1079.50         | 0.00          | 1079.50         |

**Department No. 801 - Department of Transportation - Detail of House Changes**

|  | Adds Funding for Base Payroll Changes <sup>1</sup> | Adds Funding for Salary and Benefit Increases <sup>2</sup> | Adjusts Base Level Funding <sup>3</sup> | Adds One-Time Funding for Enhanced State Infrastructure Investments <sup>4</sup> | Adds One-Time Funding for Recreational Road Access Improvements <sup>5</sup> | Adds One-Time Funding for Motor Coach Reimbursement from Colleges <sup>6</sup> |
|--|--|--|---|--|--|--|
| Salaries and wages                       | \$9,190,542  | \$11,719,008   |   |  |  |  |
| Operating expenses                       |  |  | (81,547,964)                            | 97,500,000   |  |  |
| Capital assets                           |  |  | (32,840,805)                            | 406,615,558  | 1,000,000  |  |
| Grants                                   |  |  | (16,870,000)                            |  |  | 750,000  |
| Accrued leave payments                   | (7,280,897)  |  |   |  |  |  |
| General fund transfer to highway fund    |  |  |   |  |  |  |
| General fund trans. to special road fund |  |  |   |  |  |  |
| Short line railroad program              |  |  |   |  |  |  |
| Total all funds                          | \$1,909,645  | \$11,719,008   | (\$131,258,769)                         | \$504,115,558  | \$1,000,000  | \$750,000  |
| Less estimated income                    | 1,909,645  | 11,719,008   | (131,258,769)                           | 504,115,558  | 1,000,000  | 750,000  |
| General fund                             | \$0  | \$0  | \$0                                     | \$0  | \$0  | \$0  |
| FTE                                      | 0.00   | 0.00   | 0.00                                    | 0.00   | 0.00   | 0.00   |

|  | Adds One-Time Funding for Motor Vehicle Registration and Titling System <sup>7</sup> | Adds One-Time Funding for Short Line Railroad Program <sup>8</sup> | Transfers General Fund to Highway Fund <sup>9</sup> | Transfers General Fund to Special Road Fund <sup>10</sup> | Total House Changes |
|--|--|--|---|---|---------------------|
| Salaries and wages                       |  |  |   |   | \$20,909,550        |
| Operating expenses                       | 2,500,000  |  |   |   | 18,452,036          |
| Capital assets                           |  |  |   |   | 374,774,753         |
| Grants                                   |  |  |   |   | (16,120,000)        |
| Accrued leave payments                   |  |  |   |   | (7,280,897)         |
| General fund transfer to highway fund    |  |  | 504,115,558   |   | 504,115,558         |
| General fund trans. to special road fund |  |  |   | 1,000,000   | 1,000,000           |
| Short line railroad program              |  | 2,000,000  |   |   | 2,000,000           |
| Total all funds                          | \$2,500,000  | \$2,000,000  | \$504,115,558                                       | \$1,000,000   | \$897,851,000       |
| Less estimated income                    | 2,500,000  | 2,000,000  | 0   | 0   | 392,735,442         |
| General fund                             | \$0  | \$0  | \$504,115,558                                       | \$1,000,000   | \$505,115,558       |
| FTE                                      | 0.00   | 0.00   | 0.00  | 0.00  | 0.00                |

<sup>1</sup> Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

|                               | General Fund | Other Funds  | Total        |
|-------------------------------|--------------|--------------|--------------|
| Salary increase - Performance |              | \$7,042,812  | \$7,042,812  |
| Health insurance increase     |              | 4,676,196    | 4,676,196    |
| Total                         | \$0          | \$11,719,008 | \$11,719,008 |

<sup>3</sup> Base level funding is adjusted as follows:

|   | General Fund | Other Funds     | Total           |
|---|--------------|-----------------|-----------------|
| Increase funding for operating expenses                                   |              | \$8,748,743     | \$8,748,743     |
| Increase funding for contract patching from \$82,935,780 to \$118,649,089 |              | 35,713,309      | 35,713,309      |
| Adjust funding for grants   |              | (16,870,000)    | (16,870,000)    |
| Remove 2013-15 biennium capital assets funding                            |              | (158,850,821)   | (158,850,821)   |
| Total   | \$0          | (\$131,258,769) | (\$131,258,769) |

<sup>4</sup> One-time funding is added from the highway fund for enhanced state infrastructure investments.

<sup>5</sup> One-time funding is added from the special road fund for improvements to roads that lead to recreational areas.

<sup>6</sup> Funding is provided from special funds transferred to the Department of Transportation from various state colleges related to a loss incurred on motor coaches used by those colleges.

<sup>7</sup> One-time funding is provided to continue the motor vehicle registration and titling system project.

<sup>8</sup> A section is added providing a one-time strategic investment and improvements fund appropriation for the Department of Transportation's short line railroad program.

<sup>9</sup> A section is added providing a one-time general fund transfer to the highway fund to be used for enhanced state infrastructure investments.

<sup>10</sup> A section is added providing a one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas.

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This amendment also:

- Provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.
- Amends North Dakota Century Code Section 39-02-03 regarding contracts between the Department of Transportation and branch offices.
- Provides for a Legislative Management study regarding short line railroad infrastructure.
- Provides for a Legislative Management study regarding high-efficiency vehicles.
- Provides for a Legislative Management study regarding automated motor vehicles.