

**Department of Transportation
Budget No. 801
House Bill No. 1012, 1014**

	FTE Positions	General Fund	Other Funds	Total
2007-09 executive budget (bills as introduced)	1,052.50	\$20,000,000	\$887,295,066	\$907,295,066
2007-09 legislative appropriations	1,052.50		903,157,500	903,157,500
Legislative increase (decrease) to executive budget	0.00	(\$20,000,000)	\$15,862,434	(\$4,137,566)
Legislative increase (decrease) to 2005-07 appropriations	8.00	\$0	(\$51,850,848)	(\$51,850,848)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Transportation is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2189.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Reduced funding recommended in the executive budget relating to retiree health credit contributions			(\$117,956)	(\$117,956)
Removed funding for rewriting the current mainframe driver's license computer system		(\$5,019,610)		(5,019,610)
Changed the source of funding to the highway fund for the following information technology projects:		(1,788,558)	1,788,558	0
<ul style="list-style-type: none"> • Project management system - \$282,058 • Roadway information management system (Phase 1) - \$1,000,000 • Applications updates - \$122,000 • Imaging workstations - \$384,500 				
Changed the source of funding to the highway fund for equipment purchases, including engineering, technology, and digital radio equipment		(2,021,860)	2,021,860	0
Changed the source of funding to the highway fund for road patching maintenance and materials		(11,169,972)	11,169,972	0
Added funding from the public transportation fund to provide a total of \$5.7 million from this fund for public transportation grants (see Public Transportation section below)			1,000,000	1,000,000
Total	0.00	(\$20,000,000)	\$15,862,434	(\$4,137,566)

FTE Changes

The Legislative Assembly did not change the executive recommendation which added 4 FTE equipment operators and 3 FTE engineering positions hired during the 2005-07 biennium, pursuant to Section 4 of 2005 Senate Bill No. 2012, and 1 FTE safe routes to schools program coordinator hired during the 2005-07 biennium with federal funds, pursuant to Emergency Commission approval.

Allocation of Motor Vehicle Excise Tax Collections

For the 2007-09 biennium, the Legislative Assembly, in Sections 13 and 15 of House Bill No. 1012, provided that 10 percent of motor vehicle excise tax collections, after the allocation to the state aid distribution fund, be deposited in the highway fund rather than the general fund and the remaining amount continue to be deposited in the general fund. This change is estimated to result in \$12,619,700 of additional highway fund revenue during the 2007-09 biennium.

Public Transportation

The Legislative Assembly, in Section 14 of House Bill No. 1012, transferred \$1 million from the highway fund to the public transportation fund during the 2007-09 biennium to provide a total of \$5.7 million for public transportation grants for the 2007-09 biennium. In Section 10 of House Bill No. 1012, the Legislative Assembly changed the distribution formula for public transportation funds from an annual base rate of \$18,300 to each county to an annual base rate of four-tenths of 1 percent of the appropriation provided for public transportation grants to each county.

Other Sections in House Bill No. 1012

Section 4 authorizes the department to hire additional FTE positions for the construction and maintenance of highways if it determines that it is more cost-effective to hire the positions rather than contract for the services. The department must report any additional positions hired to the Office of Management and Budget and the Legislative Council.

Section 5 provides for a Legislative Council study of traffic fines.

Section 6 provides for a Legislative Council study of highway funding and infrastructure needs.

Section 7 authorizes the department to continue the single state insurance registration system if Congress continues the program.

Section 8 allows the North Dakota members of the Midwest Interstate Passenger Rail Compact to negotiate lower dues.

Section 9 allows the department to join the Multistate Highway Transportation Agreement.

Section 11 allows children under 16 years of age to be involved in organized off-highway sporting events involving the use of off-highway vehicles.

Section 12 removed the requirement that an enrolled member of an Indian tribe live on an Indian Reservation in order to be eligible for an exemption from the motor vehicle excise tax. **The Governor vetoed this section.**

Related Legislation

House Bill No. 1049 reduces taxes on sales of natural gas and special fuels used for heating purposes. Provisions of the bill affecting highway revenues are estimated to reduce highway tax distribution fund revenue by \$1,987,000 for the 2007-09 biennium.

House Bill No. 1166 provides for the four laning of United States Highway 52.

House Bill No. 1348 replaces the excise tax of 2 percent on sales of all special fuels, except for propane, with a flat tax of four cents per gallon. Provisions of this bill are estimated to reduce highway tax distribution fund revenues by \$463,800 for the 2007-09 biennium.

Senate Bill No. 2113 creates a unified carrier registration plan in accordance with federal provisions.

Senate Bill No. 2288 increases the maximum balance allowed in the ethanol incentive fund from \$5 million to \$7.5 million. Forty percent of farm vehicle registration fees are deposited in this fund.

Senate Bill No. 2406 provides for an annual permit option for oversized vehicles rather than a per trip permit. Provisions of this bill are estimated to reduce highway fund revenues by \$120,000 for the 2007-09 biennium.