

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED SENATE BILL NO. 2012**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 transportation; to provide appropriations to the state treasurer for transportation funding
3 distributions; to provide an appropriation to the department of corrections and rehabilitation for
4 costs related to a general license plate issue; to amend and reenact sections 39-02-03,
5 39-04-09, and 57-43.2-19 of the North Dakota Century Code and section 27 of chapter 579 of
6 the 2011 Session Laws, relating to department of transportation motor vehicle branch offices,
7 the issuance of license plates, deposits of special fuels excise taxes, and transportation funding
8 distributions to non-oil-producing political subdivisions; to provide for transfers and contingent
9 transfers; to provide exemptions; to provide for budget section reports; to provide for legislative
10 management studies; to provide an effective date; to provide an expiration date; and to declare
11 an emergency.

12 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

13 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
14 as may be necessary, are appropriated out of any moneys in the general fund in the state
15 treasury, not otherwise appropriated, and from special funds derived from federal funds and
16 other income, to the department of transportation for the purpose of defraying the expenses of
17 the department of transportation, for the biennium beginning July 1, 2013, and ending June 30,
18 2015, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21 Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585
22 Accrued leave payments	0	7,280,897	7,280,897
23 Operating expenses	204,090,250	172,631,465	376,721,715
24 Capital assets	709,079,831	560,431,376	1,269,511,207

Sixty-third
Legislative Assembly

1	Grants	<u>67,767,407</u>	<u>22,020,623</u>	<u>89,788,030</u>
2	Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434
3	Less estimated income	<u>1,146,903,884</u>	<u>773,875,550</u>	<u>1,920,779,434</u>
4	Total general fund	\$0	\$10,000,000	\$10,000,000
5	Full-time equivalent positions	1,063.50	16.00	1,079.50

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

7 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
8 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and
9 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

10	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
11	Federal stimulus funds	\$24,119,575	\$0
12	Devils Lake area highway project	5,850,000	0
13	Extraordinary state highway maintenance	228,600,000	0
14	County and township road reconstruction program	142,000,000	0
15	Emergency relief program borrowing authority	200,000,000	0
16	Road grade raising grants	6,000,000	0
17	Highway-rail grade crossing safety grants	1,431,000	0
18	Enhanced state highway investments	0	541,600,000
19	Federal TIGER III grant match	<u>0</u>	<u>10,000,000</u>
20	Total all funds	\$608,000,575	\$551,600,000
21	Total special funds	<u>602,150,575</u>	<u>541,600,000</u>
22	Total general fund	\$5,850,000	\$10,000,000

23 The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17
24 biennium. The department of transportation shall report to the appropriations committees of the
25 sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning
26 July 1, 2013, and ending June 30, 2015.

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

1 **SECTION 4. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS FUND - PILOT**

2 **PROGRAM.** The grants line item in section 1 of this Act includes the sum of \$640,000 from the
3 highway-rail grade crossing safety projects fund which may be used by the department of
4 transportation to continue highway-rail grade crossing safety projects approved by the
5 department and for which funding was obligated prior to January 1, 2013.

6 The grants line item in section 1 of this Act includes the sum of \$500,000 from the
7 highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot
8 program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of
9 the department of transportation shall develop guidelines for the distribution of program funds
10 for rail safety projects the director deems necessary for public safety. An eligible project may be
11 located on a paved or unpaved roadway and a local match of 10 percent of total project costs
12 must be provided for any approved project that is not located on the state highway system.

13 On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated
14 balance in the highway-rail grade crossing safety projects fund to the highway tax distribution
15 fund.

16 **SECTION 5. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO**

17 **PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general
18 fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the
19 sum as may be necessary, which the office of management and budget shall transfer to the
20 public transportation fund pursuant to this section during the biennium beginning July 1, 2013,
21 and ending June 30, 2015. The office of management and budget shall transfer the sum of
22 \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax
23 distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending
24 June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on
25 July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund
26 are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014.

27 **SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP**

28 **TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is
29 appropriated out of any moneys in the general fund in the state treasury, not otherwise
30 appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state
31 treasurer for the purpose of providing transportation funding distributions to counties and

1 townships in accordance with this section, for the period beginning with the effective date of this
2 Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under
3 this section to counties and townships that are eligible to receive a distribution under
4 subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already
5 received a distribution under that subsection. Beginning with the effective date of this Act,
6 section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the
7 state treasurer may not require a political subdivision to return an overpayment of funds
8 received from distributions under the section.

9 **SECTION 7. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION**

10 **FUNDING DISTRIBUTIONS CORRECTION.** There is appropriated out of any moneys in the
11 general fund in the state treasury, not otherwise appropriated, the sum of \$385,000, or so much
12 of the sum as may be necessary, to the state treasurer for the purpose of providing
13 transportation funding distribution to counties and townships in accordance with this section, for
14 the period beginning with the effective date of this Act and ending June 30, 2015. The state
15 treasurer shall use the funding provided under this section to ensure that all eligible counties
16 and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill
17 No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the
18 distributions to eligible counties and townships must be distributed by the state treasurer
19 pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as
20 approved by the sixty-third legislative assembly.

21 **SECTION 8. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL**
22 **LICENSE PLATE ISSUE - BUDGET SECTION APPROVAL - EXEMPTION.** There is

23 appropriated out of any moneys in the general fund in the state treasury, not otherwise
24 appropriated, the sum of \$6,820,000, or so much of the sum as may be necessary, to the
25 department of transportation for the purpose of defraying the expenses for a general license
26 plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The
27 department of transportation may not use embossed printed license plates for the general
28 license plate issue. The department of transportation shall develop a process to select a new
29 design to be used for the general license plate issue and shall develop guidelines regarding the
30 administration of the license plate issue. The department shall provide its recommendation for
31 the new license plate design to the budget section, and budget section approval must be

1 received prior to the issuance of the new license plates. The one-time general fund
2 appropriation provided under this section is not subject to section 54-44.1-11 and may be
3 continued into the biennium beginning July 1, 2015, and ending June 30, 2017.

4 **SECTION 9. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND**
5 **REHABILITATION - GENERAL LICENSE PLATE ISSUE.** There is appropriated from special
6 funds and other income received, the sum of \$4,900,000, or so much of the sum as may be
7 necessary, to the department of corrections and rehabilitation for expenses incurred by
8 roughrider industries related to the general license plate issue, for the biennium beginning
9 July 1, 2013, and ending June 30, 2015.

10 **SECTION 10. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.**
11 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
12 appropriated, the sum of \$541,600,000, or so much of the sum as may be necessary, which the
13 office of management and budget shall transfer to the highway fund during the biennium
14 beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall
15 transfer the funds provided under this section to the state highway fund at the request of the
16 director of the department of transportation. The funding provided in this section is considered a
17 one-time funding item.

18 **SECTION 11. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER**
19 **AUTHORITY.** Section 54-44.1-11 does not apply to funding of \$541,600,000 in the capital
20 assets line item relating to enhanced state highway investments in section 1 of this Act. Any
21 funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015,
22 and ending June 30, 2017, and may be expended only for enhanced state highway
23 investments.

24 **SECTION 12. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE**
25 **RAISING GRANTS.** The amount appropriated to the department of transportation from the
26 state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579
27 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any
28 unexpended funds from this appropriation are available to the department to provide road grade
29 raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

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

1 **39-02-03. Powers and duties of director and department.**

2 The director, subject to the approval of the governor, may adopt and enforce such
3 administrative rules and designate such agencies and establish such branch offices as may be
4 necessary to carry out the laws applicable to the director's office and department. The director
5 shall provide suitable forms for applications, registration cards, license number plates, and all
6 other forms requisite for the operation of the director's office and department, and shall prepay
7 all transportation charges thereon. ~~In addition, the~~The director shall~~may~~ provide for a ~~uniform~~
8 maximum fee schedule for the various services provided by the branch offices, not to exceed
9 ten dollars for each service provided. Any branch office may establish a different fee schedule if
10 the schedule does not contain a fee that exceeds a maximum fee established by the director
11 and is approved by the director. All branch office managers must be bonded. The department
12 may lease or provide office space or other overhead costs as necessary to independent motor
13 vehicle branch managers. All rents collected under this section must be deposited in the state
14 highway fund. The department and the officers thereof shall enforce the provisions of all laws
15 pertaining to the director and the department.

16 **SECTION 14. AMENDMENT.** Section 39-04-09 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **39-04-09. Director may design and issue number plates.**

19 The director may design and issue plates of distinctly different color for each classification
20 of motor vehicle, and there must at all times be a marked contrast between the background
21 color of the plates and that of the numerals and letters ~~thereon~~on the plates. License plates
22 must be acquired from the North Dakota state penitentiary if the penitentiary has the facilities to
23 manufacture license plates. The director shall make a general issue during the biennium
24 beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning
25 July 1, 2015, and ending June 30, 2017.

26 **SECTION 15. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-43.2-19. Transfer, deposit, and distribution of funds.**

29 All taxes, license fees, penalties, and interest collected under this chapter must be
30 transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund,
31 except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section

1 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state
2 treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund.
3 The highway tax distribution fund must be distributed in the manner as prescribed by section
4 54-27-19.

5 **SECTION 16. AMENDMENT.** Section 27 of chapter 579 of the 2011 Session Laws is
6 amended and reenacted as follows:

7 **SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER -**
8 **TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING**
9 **POLITICAL SUBDIVISIONS.** If the tax commissioner certifies that total oil and gas tax
10 revenue collections for the period July 1, 2011, through February 29, 2012, exceed
11 total oil and gas tax revenue collection projections for that period by at least
12 \$48,000,000, based on legislative estimates made at the close of the 2011 regular
13 legislative session, there is appropriated out of any moneys in the general fund in the
14 state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the
15 sum as may be necessary, to the state treasurer for the purpose of providing
16 transportation funding distributions, for the period beginning with the effective date of
17 this Act and ending June 30, 2013. The funding provided in this section is considered
18 a one-time funding item. The state treasurer shall distribute the funds provided under
19 this section on April 1, 2012, as follows:

- 20 1. Six million eight hundred thousand dollars to non-oil-producing counties and
21 cities pursuant to subsection 4 of section 54-27-19.
- 22 2. One million seven hundred thousand dollars to counties and townships in non-oil-
23 producing counties pursuant to section 54-27-19.1. Organized townships are not
24 required to provide matching funds to receive distributions under this section.
- 25 3. Fourteen million five hundred thousand dollars to counties and townships in non-
26 oil-producing counties through a distribution of \$10,000 to each organized
27 township and a distribution of \$10,000 for each unorganized township to the
28 county in which the unorganized township is located. If any funds remain after the
29 distributions provided under this subsection, the state treasurer shall distribute
30 eighty percent of the remaining funds to counties and cities pursuant to the
31 method provided in subsection 1 of this section and shall distribute twenty

1 percent of the remaining funds to counties and townships pursuant to the method
2 provided in subsection 2 of this section.

3 For purposes of this section, a "non-oil-producing county" means a county that
4 received no allocation of funding or a total allocation under section 57-51-15 of less
5 than \$500,000 for state fiscal year ~~2011~~2010. Any funds received by a county under
6 this section for an unorganized township distribution must be used for roadway
7 purposes in those unorganized townships located in the county. All funds distributed
8 under this section must be used for extraordinary roadway maintenance purposes.

9 **SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE**

10 **PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying
11 state railroad assistance programs. The study, if conducted, must review existing programs and
12 funding levels and whether the existing programs and funding levels are adequate to meet
13 current industry needs. The legislative management shall report its findings and
14 recommendations, together with any legislation required to implement the recommendations, to
15 the sixty-fourth legislative assembly.

16 **SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND**

17 **FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the
18 the long-term costs of transportation infrastructure maintenance and improvement projects and
19 methods for funding these projects. The legislative management shall report its findings and
20 recommendations, together with any legislation required to implement the recommendations, to
21 the sixty-fourth legislative assembly.

22 **SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL**

23 **STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying
24 potential statutory or administrative changes that could be made to assist parties in the fuel
25 supply chain in complying with federal renewable fuel standards, including compliance with the
26 renewable identification number credits requirements. The legislative management shall report
27 its findings and recommendations, together with any legislation required to implement the
28 recommendations, to the sixty-fourth legislative assembly.

29 **SECTION 20. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH**

30 **OFFICES.** During the 2013-14 interim, the legislative management shall consider studying the
31 use of branch offices by the department of transportation. The study must include a review of

1 the structure of agreements with operators of branch offices, the number of motor vehicles
2 registered at each office, the current locations of offices, the quality of data provided by the
3 offices, the staffing needs of the offices, and the fees received by offices for services provided.
4 The study must also include a review of the future use of branch offices, including office
5 locations, alternative uses for facilities, and other changes that may promote efficiencies. The
6 legislative management shall report its findings and recommendations, together with any
7 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

8 **SECTION 21. EFFECTIVE DATE - EXPIRATION DATE.** Section 15 of this Act is effective
9 for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter
10 ineffective.

11 **SECTION 22. EMERGENCY.** Sections 6, 7, and 16 of this Act and funding of \$10,000,000
12 in the grants line item in section 1 of this Act to match a federal TIGER III grant for railroad
13 improvements are declared to be an emergency measure.