

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 1, line 3, after "distributions" insert "; to amend and reenact sections 39-02-03 and 39-04-09 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices and the issuance of license plates"

Page 1, line 3, after "transfers" insert "and contingent transfers"

Page 1, line 3, after "exemptions" insert "; to provide for budget section reports; to provide for a legislative management study"

Page 1, replace lines 13 through 20 with:

"Salaries and wages	\$165,966,396	\$32,880,464	\$198,846,860
Operating expenses	204,090,250	173,731,465	377,821,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road reconstruction program	0	142,000,000	142,000,000
County and township bridge reconstruction program	0	27,000,000	27,000,000
Grants	<u>67,767,407</u>	<u>30,420,623</u>	<u>98,188,030</u>
Total all funds	\$1,146,903,884	\$966,463,928	\$2,113,367,812
Less estimated income	<u>1,146,903,884</u>	<u>956,463,928</u>	<u>2,103,367,812</u>

Page 2, after line 7, insert:

"County and township bridge reconstruction	0	27,000,000"
--	---	-------------

Page 2, replace line 11 with:

"Enhanced state highway investments	0	541,600,000"
-------------------------------------	---	--------------

Page 2, replace lines 13 and 14 with:

"Total all funds	\$608,000,575	\$720,600,000
Total special funds	<u>602,150,575</u>	<u>710,600,000</u>

Page 4, line 2, replace "and" with a comma

Page 4, line 2, after "design" insert ", and construction"

Page 4, remove lines 9 through 31

Page 5, replace lines 1 through 12 with:

**"SECTION 5. COUNTY AND TOWNSHIP BRIDGE RECONSTRUCTION PROGRAM - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION.** The county and township bridge reconstruction program line item in section 1 of this Act contains the sum of \$27,000,000 from the strategic investment and improvements fund which must be used by the department of transportation for a county and township road bridge rehabilitation and reconstruction program, for the period beginning with the effective date of this Act and ending June 30, 2015, as follows:

1. The funding must be used to rehabilitate or reconstruct county and township road bridges needed for the safe conveyance of persons and commerce in this state. The director of the department of transportation shall distribute the funding based on data available from studies conducted by the upper great plains transportation institute.
2. Each county requesting funding for a county or township road bridge project or for multiple projects shall submit the request in accordance with criteria developed by the department of transportation. The department of transportation, in consultation with the county, may approve a project or approve a project with amendments.
  - a. Funding must be distributed for projects based on data available from upper great plains transportation institute studies, actual road conditions, and the level of integration with state highway and other county road projects.
  - b. Funding may not be distributed for the routine maintenance of bridges.
3. The funding may be used to provide up to ninety percent of the cost of an approved bridge project, including engineering and plan development costs.
4. Upon approval of a project, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs. The funding provided for construction, engineering, and project development costs may be applied to costs incurred as of January 1, 2013.
5. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the funding to be used for the approved bridge project.
6. Each recipient county shall report to the department of transportation upon awarding each contract and upon completion of each project in a manner prescribed by the department.
7. Section 54-44.1-11 does not apply to funding included in the county and township bridge reconstruction program line item in section 1 of this Act. Any funds not spent by June 30, 2015, may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for county and township road bridge rehabilitation and reconstruction projects.
8. For purposes of this section, a "bridge" is a structure that extends over a river, stream, depression, or other obstacle and has an end area of fifty square feet [4.65 square meters] or greater.
9. To be eligible to receive a grant under this section, the county or township road bridge project must be located within a county that levies a combined total of seven or more mills for county road and bridge, farm-to-market and federal aid road, and county road purposes.

#### **SECTION 6. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS**

**FUND.** The grants line item in section 1 of this Act includes the sum of \$640,000 from the highway-rail grade crossing safety projects fund which may be used by the

department of transportation to continue highway-rail grade crossing safety projects approved by the department and for which funding was obligated prior to January 1, 2013. On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade crossing safety projects fund to the highway tax distribution fund.

**SECTION 7. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014.

**SECTION 8. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing township transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2015.

1. The state treasurer shall distribute the funds provided under this section to counties and townships in oil-producing counties through a distribution of \$15,000 to each organized township and a distribution of \$15,000 for each unorganized township to the county in which the unorganized township is located.
2. If any funds remain after the distributions provided under subsection 1, the state treasurer shall distribute the remaining funds to counties and townships in oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive a distribution under this subsection.

For purposes of this section, an "oil-producing county" means a county that received total allocations under section 57-51-15 of \$500,000 or more during state fiscal year 2012. All funds distributed under this section must be used for roadway maintenance purposes. The funding provided in this section is considered a one-time funding item.

**SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of

chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section.

**SECTION 10. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$415,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distribution to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2015. The state treasurer shall use the funding provided under this section to ensure that all eligible counties and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the distributions to eligible counties and townships must be distributed by the state treasurer pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly.

**SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL LICENSE PLATE ISSUE - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,200,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses for a general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The appropriation provided under this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 12. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - GENERAL LICENSE PLATE ISSUE.** There is appropriated from special funds and other income received, the sum of \$4,280,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for expenses incurred by roughrider industries related to the general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 5, line 17, after the period insert "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."

Page 5, line 20, replace "\$1,161,600,000" with "\$541,600,000"

Page 5, after line 24, insert:

**"SECTION 15. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING GRANTS.** The amount appropriated to the department of transportation from the state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department to provide road grade raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 16. 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. ~~In addition, the~~ The director shall ~~may~~ provide for a ~~uniform~~ 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 ~~overhead~~ 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 17. AMENDMENT.** Section 39-04-09 of the North Dakota Century Code is amended and reenacted as follows:

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

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

**SECTION 18. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH OFFICES.** During the 2013-14 interim, the legislative management shall consider studying the use of branch offices by the department of transportation. The study must include a review of the structure of agreements with operators of branch offices, the number of motor vehicles registered at each office, the current locations of offices, the quality of data provided by the offices, the staffing needs of the offices, and the fees received by offices for services provided. The study must also include a review of the future use of branch offices, including office locations, alternative uses for facilities, and other changes that may promote efficiencies. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 5, line 25, replace "5 and 6" with "4, 5, 8, 9, and 10"

Page 5, line 25, remove "\$1,161,600,000 in"

Page 5, line 26, remove "the capital assets line item relating to enhanced state highway investments and"

Page 5, line 27, after "item" insert "in section 1 of this Act, funding of \$27,000,000 in the county and township bridge reconstruction program line item in section 1 of this Act, and funding of \$10,000,000 in the grants line item"

Page 5, line 27, after "Act" insert "to match a federal TIGER III grant for railroad improvements"  
 Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Senate Action**

	Executive Budget	Senate Changes	Senate Version
<b>State Treasurer</b>			
Total all funds	\$0	\$10,415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$0	\$10,415,000	\$10,415,000
<b>DOCR</b>			
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
<b>Department of Transportation</b>			
Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812
Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
General fund	\$693,600,000	\$7,300,000	\$700,900,000
<b>Bill total</b>			
Total all funds	\$3,389,303,578	(\$570,340,766)	\$2,818,962,812
Less estimated income	2,695,703,578	(588,055,766)	2,107,647,812
General fund	\$693,600,000	\$17,715,000	\$711,315,000

**Senate Bill No. 2012 - State Treasurer - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Grants to townships		\$10,000,000	\$10,000,000
Township distribution corrections		415,000	415,000
Total all funds	\$0	\$10,415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$0	\$10,415,000	\$10,415,000
FTE	0.00	0.00	0.00

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

	Adds Funding for Grants to Townships in Oil-Producing Counties <sup>1</sup>	Adds Funding to Correct Distributions to Townships <sup>2</sup>	Total Senate Changes
Grants to townships	\$10,000,000		\$10,000,000
Township distribution corrections		415,000	415,000
Total all funds	\$10,000,000	\$415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$10,000,000	\$415,000	\$10,415,000
FTE	0.00	0.00	0.00

<sup>1</sup>Funding of \$10 million from the general fund is appropriated to the State Treasurer to provide a \$15,000 transportation funding grant to each organized and unorganized township in oil-producing counties. An

"oil-producing county" is one that received total allocations under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or more during state fiscal year 2012.

<sup>2</sup>A \$415,000 general fund appropriation is provided to the State Treasurer to ensure that all eligible counties and townships receive a \$15,000 transportation grant pursuant to subsection 3 of Section 2 of 2013 Senate Bill No. 2176.

A section is also added to provide a 2011-13 biennium appropriation of \$590,000 from the general fund to the State Treasurer to correct a distribution error in providing grants to counties and townships under subsection 3 of Section 27 of 2011 Senate Bill No. 2371. An exemption is provided to prohibit the State Treasurer from requiring political subdivisions to return any overpayment of funds received as a result of the distribution error.

Section 5 is removed which provides a \$100 million general fund appropriation to the State Treasurer during the 2011-13 biennium for transportation funding distributions to non-oil-producing counties, cities, and townships. Senate Bill No. 2176, as passed by the Legislative Assembly in 2013, contained \$100 million from the general fund for transportation funding distributions to non-oil-producing counties.

**Senate Bill No. 2012 - DOCR - Senate Action**

	Executive Budget	Senate Changes	Senate Version
License plate issue		\$4,280,000	\$4,280,000
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of Senate Changes**

	Adds Special Fund Authority for License Plate Issue <sup>1</sup>	Total Senate Changes
License plate issue	\$4,280,000	\$4,280,000
Total all funds	\$4,280,000	\$4,280,000
Less estimated income	4,280,000	4,280,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup>Special fund authority of \$4.28 million is provided for Roughrider Industries for costs associated with the general license plate issue.

**Senate Bill No. 2012 - Department of Transportation - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$198,822,626	\$24,234	\$198,846,860
Operating expenses	456,821,715	(79,000,000)	377,821,715
Capital assets	1,810,511,207	(541,000,000)	1,269,511,207
County and township road program	142,000,000		142,000,000
Grants	97,548,030	640,000	98,188,030
General fund transfer to highway fund	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000	1,100,000
License plate issue		6,200,000	6,200,000
County and township bridge program		27,000,000	27,000,000

Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812
Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
General fund	\$693,600,000	\$7,300,000	\$700,900,000
FTE	1079.50	0.00	1079.50

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

	Corrects Executive Compensation Package <sup>1</sup>	Removes Previously Appropriated Road Funding <sup>2</sup>	Continues Highway-Rail Grade Crossing Safety Projects <sup>3</sup>	Provides Contingent Transfers to Public Transportation Fund <sup>4</sup>	Adds Funding for General License Plate Issue <sup>5</sup>	Adds Funding for County and Township Bridge Program <sup>6</sup>
Salaries and wages	\$24,234					
Operating expenses		(79,000,000)				
Capital assets		(541,000,000)				
County and township road program						
Grants			640,000			
General fund transfer to highway fund						
Transfer to public transportation fund				1,100,000		
License plate issue					6,200,000	
County and township bridge program						27,000,000
<b>Total all funds</b>	<b>\$24,234</b>	<b>(\$620,000,000)</b>	<b>\$640,000</b>	<b>\$1,100,000</b>	<b>\$6,200,000</b>	<b>\$27,000,000</b>
<b>Less estimated income</b>	<b>24,234</b>	<b>(620,000,000)</b>	<b>640,000</b>	<b>0</b>	<b>0</b>	<b>27,000,000</b>
General fund	\$0	\$0	\$0	\$1,100,000	\$6,200,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Total Senate Changes</b>
Salaries and wages	\$24,234
Operating expenses	(79,000,000)
Capital assets	(541,000,000)
County and township road program	
Grants	640,000
General fund transfer to highway fund	
Transfer to public transportation fund	1,100,000
License plate issue	6,200,000
County and township bridge program	27,000,000
<b>Total all funds</b>	<b>(\$585,035,766)</b>
<b>Less estimated income</b>	<b>(592,335,766)</b>
General fund	\$7,300,000
FTE	0.00

<sup>1</sup>Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup>Funding of \$620 million for road construction and maintenance funding is removed. Senate Bill No. 2176, as previously passed by the Legislative Assembly in 2013, contains \$620 million of road construction and maintenance funding. Section 6 of the bill, which transfers \$620 million from the general fund to the highway fund during the 2011-13 biennium, is also removed.

<sup>3</sup>Funding from the highway-rail grade crossing safety fund is appropriated to continue projects for which funding was obligated prior to January 1, 2013. A section is also added to provide guidelines for the use of the funds.

<sup>4</sup>Funding is provided for contingent transfers from the general fund to the public transportation fund. The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being \$5 million or less during state fiscal years 2013 and 2014.

<sup>5</sup>Funding of \$6.2 million from the general fund is added to defray the expenses of a general license plate issue. An exemption is provided for the funding to allow the department to use any unexpended 2013-15 biennium appropriations related to the license plate issue in the 2015-17 biennium. A section is also added to amend Section 39-04-09 to require the Director of the Department of Transportation to make a general license plate issue during the 2013-15 and 2015-17 bienniums.

<sup>6</sup>Funding of \$27 million from the strategic investment and improvements fund is appropriated to the department for a county and township bridge reconstruction program. A section is also added to provide guidelines for the program.

---

This amendment also:

- Adjusts subsection 8 of Section 4 regarding the county and township road reconstruction program in areas affected by energy development to allow funds to be used on construction costs incurred as of January 1, 2013.
- Adds a section to amend Section 39-02-03 regarding fees charged by Department of Transportation motor vehicle branch offices.
- Adds a section to continue unexpended 2011-13 biennium appropriations from the state disaster relief fund into the 2013-15 biennium for Devils Lake road grade raising projects.