

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, replace the first "and" with "to amend and reenact section 57-40.3-10 of the North Dakota Century Code and section 13 of chapter 15 and section 10 of chapter 80 of the 2021 Session Laws, relating to motor vehicle excise tax allocations, an appropriation for township roadway funding, and the appropriation of bond proceeds for transportation projects;"

Page 1, line 2, after "exemption" insert "; to provide a report; to provide an effective date; and to declare an emergency"

Page 1, replace lines 9 through 18 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$204,109,585	\$28,313,251	\$232,422,836
Operating expenses	270,888,188	59,493,286	330,381,474
Capital assets	902,431,344	741,713,721	1,644,145,065
Grants	118,085,610	3,985,848	122,071,458
Contingent loan authorization	<u>0</u>	<u>78,500,000</u>	<u>78,500,000</u>
Total all funds	\$1,495,514,727	\$912,006,106	\$2,407,520,833
Less estimated income	<u>1,495,514,727</u>	<u>901,631,106</u>	<u>2,397,145,833</u>
Total general fund	\$0	\$10,375,000	\$10,375,000
Full-time equivalent positions	982.00	16.00	998.00"

Page 1, line 19, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY**"

Page 1, line 20, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace line 23 with:

"Contingent loans	50,000,000	78,500,000"
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Page 2, replace lines 4 and 5 with:

"Township emergency repair grants	750,000	0
Federal discretionary funds and match	0	490,000,000
State flexible transportation fund	0	115,000,000
Roadway management system project	0	6,250,000
Door security	0	865,000
Automated vehicle location	0	2,010,000
Short line railroad programs	0	8,000,000
Flood projects study	0	5,000,000
Rural transit program grants	<u>0</u>	<u>1,250,000</u>
Total all funds	\$889,019,357	\$706,875,000
Less estimated income	<u>889,019,357</u>	<u>696,500,000</u>
Total general fund	\$0	\$10,375,000

The 2023-25 biennium one-time funding amounts are not a part of the department's base budget for the 2025-27 biennium. The department of transportation shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, after line 11, insert:

"SECTION 4. CONTINGENT LOAN AUTHORIZATION - CONTINGENT FUNDING - HIGHWAY IMPROVEMENT PROJECTS. The department of transportation may borrow from the Bank of North Dakota, \$50,000,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation in the contingent loan authorization line item in section 1 of this Act for matching federal funds that may become available, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds may be borrowed and spent only upon certification by the director of the department of transportation to the director of the office of management and budget that the department has been awarded additional federal grants related to United States highway 85 during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

SECTION 5. CONTINGENT LOAN AUTHORIZATION - CONTINGENT FUNDING - FLOOD PROJECTS. The department of transportation may borrow from the Bank of North Dakota, \$28,500,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation in the contingent loan authorization line item in section 1 of this Act for matching funds made available from the state of Minnesota for northern Red River valley transportation projects, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds authorized in this section may be borrowed and spent only upon certification by the director of the department of transportation to the office of management and budget that the Minnesota department of transportation will match these funds one dollar-for-dollar basis. The funds may be borrowed and spent for phase one of a project to address northern Red River valley flooding issues and are available for design, redesign, preliminary and final engineering, environmental analysis, right of way acquisition, and construction, including demolition. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes the sum of \$328,000,000 from the strategic investment and improvements fund for the following purposes:

1. The sum of \$200,000,000 for matching federal highway discretionary grants;
2. The sum of \$115,000,000 to establish a state flexible transportation fund;
3. The sum of \$8,000,000 to enhance existing loan programs to assist short line railroads with rail improvement projects; and
4. The sum of \$5,000,000 for studies, preliminary engineering, and environmental studies to address northern Red River valley infrastructure affected by flooding.

SECTION 7. RURAL TRANSIT FUNDING. The grants line item in section 1 of this Act includes the sum of \$1,250,000 from the general fund for grants to rural transit providers in nonurban areas.

SECTION 8. CONSTRUCTION OF REST AREA AND VISITOR CENTER. Notwithstanding any other provision of law, the director of the department of transportation may enter into a cooperative agreement with a public or private entity and may expend moneys from the state highway fund or any moneys within the limits of the legislative appropriations for the purpose of constructing a rest area and visitor center in western North Dakota, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 9. AMENDMENT. Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-10. Transfer of revenue.

All moneys collected and received under this chapter must be transmitted monthly by the director of the department of transportation to the state treasurer ~~to be transferred and credited to the general fund~~ who shall deposit fifty percent of collections in the state highway fund and fifty percent of collections in the general fund.

SECTION 10. AMENDMENT. Section 13 of chapter 15 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 13. 2019-21 BIENNIUM APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND - 2021-23 BIENNIUM APPROPRIATION - HIGHWAY FUND AND FEDERAL FUNDS - EXEMPTION - REPORT.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000,000, which the office of management and budget shall transfer to the highway fund during the period beginning with the effective date of this Act, and ending June 30, 2021. The funds transferred to the highway fund must be maintained and reported separately from other funds in the highway fund.
2. There is appropriated out of any moneys in the highway fund, not otherwise appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of matching federal discretionary funds received in excess of the regular federal funding amounts included in the department's 2021-23 biennium budget, for the biennium beginning July 1, 2021, and ending June 30, 2023. Of this amount, the department shall use at least \$10,000,000 ~~for matching federal funds~~ for township road and bridge projects as follows:
 - a. The funds must be allocated by the department to counties for projects or grants for the benefit of organized and unorganized townships;
 - b. The department shall establish criteria to distribute the funds;
 - c. The funds must be used for the maintenance and improvement of township paved and unpaved roads and bridges;

- d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors; and
 - e. A township is not eligible to receive funding if the township does not maintain any roadways.
3. There is appropriated from federal funds, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses of road and bridge construction projects for the biennium beginning July 1, 2021, and ending June 30, 2023.
 4. ~~On June 30, 2023, the office of management and budget shall transfer any unexpended and unobligated funds transferred to the highway fund under subsection 1 to the general fund~~The appropriation provided in this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.
 5. During the 2021-22 interim, the department of transportation shall provide quarterly reports to the budget section regarding the use of funds transferred from the general fund to the highway fund.

SECTION 11. AMENDMENT. Section 10 of chapter 80 of the 2021 Session Laws is amended and reenacted as follows:

~~SECTION 10. APPROPRIATION - HIGHWAY FUND - CONTINGENT-TRANSFEREXEMPTION.~~ There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of transportation for state highway road and bridge projects and for matching federal funds that may become available, for the biennium beginning July 1, 2021, and ending June 30, 2023. ~~Of the \$70,000,000, \$35,000,000 is designated for state highway-bridge projects, and \$35,000,000 is designated for matching federal funds that may become available for state highway projects in excess of the federal funds appropriated to the department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the director of the department of transportation shall certify to the office of management and budget the amount of funding committed to matching excess federal funds from the \$35,000,000 provided under this section. If the amount committed is less than \$35,000,000, the office of management and budget shall transfer any uncommitted amounts to the infrastructure revolving loan fund under section 6-09-49~~The appropriation provided in this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 12. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$750,000 appropriated from the state disaster relief fund for emergency township road repairs in section 4 of chapter 40 of the 2021 Session Laws;

2. The sum of \$1,609,357 appropriated from federal funds for grants to transit providers in subdivision 10 of section 2 of chapter 28 of the 2021 Session Laws;
3. The sum of \$55,000,000 appropriated from federal funds to match state bond proceeds in section 5 of chapter 15 of the 2021 Session Laws;
4. The sum of \$317,000,000 appropriated from federal funds for state, county, and township road and bridge projects in section 2 of chapter 28 of the 2021 Session Laws;
5. The sum of \$61,700,060 appropriated from federal funds for surface transportation grants in subdivision 10 of section 1 of chapter 27 of the 2021 Session Laws; and
6. The sum of \$13,660,000 appropriated from special funds for information technology projects in section 1 of chapter 40 of the 2021 Session Laws.

SECTION 13. EFFECTIVE DATE. Section 9 of this Act is effective for motor vehicle excise tax collections transmitted to the state treasurer after July 31, 2023.

SECTION 14. EMERGENCY. Sections 10 and 11 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Changes	House Version
Salaries and wages	\$204,109,585	\$28,313,251	\$232,422,836
Operating expenses	270,888,188	59,493,286	330,381,474
Capital assets	902,431,344	741,713,721	1,644,145,065
Grants	118,085,610	3,985,848	122,071,458
Contingent loan authorization		78,500,000	78,500,000
Total all funds	\$1,495,514,727	\$912,006,106	\$2,407,520,833
Less estimated income	1,495,514,727	901,631,106	2,397,145,833
General fund	\$0	\$10,375,000	\$10,375,000
FTE	982.00	16.00	998.00

Department 801 - Department of Transportation - Detail of House Changes

	Adds Funding for Cost to Continue Salary Increases ¹	Adjusts Base Level Funding ²	Adds Funding for Salary and Benefit Increases ³	Adds FTE Positions ⁴	Adds Funding to Match Federal Formula Funds ⁵	Adds One-Time Funding to Match Federal Discretionary Grants ⁶
Salaries and wages	\$9,903,727		\$15,414,574	\$2,994,950		
Operating expenses		\$45,216,310		151,976		
Capital assets		(32,536,279)			\$169,250,000	\$490,000,000
Grants		(5,264,152)				
Contingent loan authorization						
Total all funds	\$9,903,727	\$7,415,879	\$15,414,574	\$3,146,926	\$169,250,000	\$490,000,000
Less estimated income	9,903,727	7,415,879	15,414,574	3,146,926	169,250,000	490,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	16.00	0.00	0.00

	Adds Funding for State Flexible Transportation Program ⁷	Adds Contingent Loan Authorizations ⁸	Adds One-Time Funding for Short Line Railroad Programs ⁹	Adds One-Time Funding for Projects to Address Flooding ¹⁰	Adds One-Time Funding for Rural Transit ¹¹	Adds One-Time Funding for Projects and Technology ¹²
Salaries and wages						
Operating expenses				\$5,000,000		\$9,125,000
Capital assets	\$115,000,000					
Grants			\$8,000,000		\$1,250,000	
Contingent loan authorization		\$78,500,000				
Total all funds	\$115,000,000	\$78,500,000	\$8,000,000	\$5,000,000	\$1,250,000	\$9,125,000
Less estimated income	115,000,000	78,500,000	8,000,000	5,000,000	0	0
General fund	\$0	\$0	\$0	\$0	\$1,250,000	\$9,125,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	\$28,313,251
Operating expenses	59,493,286
Capital assets	741,713,721
Grants	3,985,848
Contingent loan authorization	78,500,000
Total all funds	\$912,006,106
Less estimated income	901,631,106
General fund	\$10,375,000
FTE	16.00

¹ Funding is added for the cost to continue 2021-23 biennium salary increases.

² Funding is adjusted based on estimated federal funds to be received and for other adjustments.

³ The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

Other Funds	
Salary increase	\$10,268,264
Health insurance increase	5,146,310
Total	\$15,414,574

⁴ Funding is added for the following FTE positions:

	FTE	Other Funds
Auditors	4.00	\$829,992
Equipment operators	7.00	949,974
Driving examiners	2.00	499,984
Accountants	3.00	715,000
Total	16.00	\$2,994,950

Operating funding of \$151,976 is also added for the examiner positions to increase the availability of commercial driver's license testing.

⁵ Funding from the highway fund is appropriated to match federal funds. The funding is from 50 percent of motor vehicle excise taxes deposited in the highway fund resulting in a general fund revenue reduction of \$169,250,000.

⁶ Funding from the strategic investment and improvements fund (\$200 million) is appropriated to match federal discretionary grants (\$290 million).

⁷ Funding is appropriated from the strategic investment and improvements fund to establish a state flexible transportation program.

⁸ A \$50 million appropriation from a contingent Bank of North Dakota loan is provided to match federal grants

received for projects improving United States Highway 85. A \$28.5 million appropriation from a contingent Bank of North Dakota loan is provided to match funds provided by the Minnesota Department of Transportation for projects to address flooding in the northern Red River Valley.

⁹ One-time funding from the strategic investment and improvements fund is added to enhance loan programs to assist short line railroads with rail improvement projects.

¹⁰ One-time funding from the strategic investment and improvements fund is added for studies, preliminary engineering, and environmental studies to address northern Red River Valley infrastructure affected by flooding.

¹¹ One-time funding is added for grants to rural transit providers.

¹² One-time funding from the general fund is added for the following projects:

- \$6,250,000 for the roadway information management system project;
- \$865,000 for building door security; and
- \$2,010,000 for an automated vehicle location project.

This amendment also:

- Amends North Dakota Century Code Section 57-40.3-10 to deposit 50 percent of motor vehicle excise tax collections in the highway fund. The amendment would reduce estimated general fund revenues by \$169,250,000.
- Amends Section 13 of Chapter 15 of the 2021 Session Laws to adjust appropriation language relating to the distribution of 2021-23 biennium funding to townships.
- Amends Section 10 of Chapter 80 of the 2021 Session Laws to adjust appropriation language relating to the use of funding derived from bond proceeds during the 2021-23 biennium.
- Authorizes the Department of Transportation to construct a rest area in the western part of the state utilizing funds from the highway fund.
- Provides exemptions to allow the Department of Transportation to continue selected 2021-23 biennium appropriations into the 2023-25 biennium.