Prepared by the Legislative Council staff for
Representative Delzer
February 18, 2015

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2103

Page 1, line 2, remove "school districts,"

Page 1, line 2, replace "an appropriation" with "appropriations"

Page 1, line 3, after the first "for" insert "distributions to counties and for"

Page 1, line 3, after the second semicolon insert "to provide for a report to the budget section; to provide an exemption;"

Page 1, line 8, replace "$836,250,000" with "$298,000,000"

Page 1, line 9, after "distributions" insert "and allocations"

Page 1, line 9, remove "school districts,"

Page 1, remove lines 11 through 23

Page 2, remove lines 1 through 6

Page 2, line 7, replace "2." with "1."

Page 2, line 7, replace "$140,000,000" with "$100,000,000"

Page 2, line 16, replace "$5,000,000" with "$3,600,000"

Page 2, line 19, replace "$30,000,000" with "$21,400,000"

Page 2, line 21, replace "$30,000,000" with "$21,400,000"

Page 2, line 23, replace "$20,000,000" with "$14,300,000"

Page 2, line 25, replace "$13,000,000" with "$9,300,000"

Page 2, line 27, replace "$12,000,000" with "$8,600,000"

Page 2, line 29, replace "$12,000,000" with "$8,600,000"

Page 3, line 1, replace "$10,000,000" with "$7,100,000"

Page 3, line 3, replace "$1,000,000" with "$700,000"

Page 3, line 5, replace "$7,000,000" with "$5,000,000"

Page 3, remove lines 7 through 25

Page 3, line 26, replace "4." with "2."

Page 3, line 26, replace "$19,200,000" with "$16,000,000"

Page 3, line 28, remove "based on the most recent data compiled by the upper great plains"

Page 3, remove line 29

Page 3, line 30, remove "bridge infrastructure needs"

Page 3, line 30, remove "be"

Page 3, remove line 31

Page 4, remove lines 1 through 8

Page 4, line 9, replace "relative to the total township road miles in the county" with "provide for an allocation of $10,000 to each organized and unorganized township within the county"

Page 4, line 18, replace "5." with "3. a."

Page 4, line 18, replace "$21,250,000" with "$10,000,000"

Page 4, line 24, replace "a." with "(1)"

Page 4, line 26, replace "b." with "(2)"

Page 4, line 29, replace "(1)" with "(a)"

Page 4, line 30, replace "(2)" with "(b)"

Page 4, line 31, replace "(3)" with "(c)"

Page 5, line 1, replace "c." with "(3)"

Page 5, line 4, replace "(1)" with "(a)"

Page 5, line 5, replace "(2)" with "(b)"

Page 5, after line 5, insert:

"b."

Page 5, line 7, replace "a." with "(1)"

Page 5, line 9, replace "b." with "(2)"

Page 5, line 11, replace "c." with "(3)"

Page 5, line 13, replace "d." with "(4)"

Page 5, line 15, replace "e." with "(5)"

Page 5, line 17, replace "6." with "4."

Page 5, line 17, replace "$215,000,000" with "$172,000,000"

Page 5, line 20, replace "$80,000,000" with "$64,000,000"

Page 5, line 21, replace "$55,000,000" with "$44,000,000"

Page 5, line 22, replace "$40,000,000" with "$32,000,000"

Page 5, line 23, replace "$40,000,000" with "$32,000,000"

Page 5, after line 25, insert:

"5. a."

Page 5, line 27, after the period insert:

"b."

Page 5, line 27, after "period" insert "beginning"

Page 5, line 27, replace "to" with "and ending"

Page 5, line 29, after "period" insert "beginning"

Page 5, line 29, replace "to" with "and ending"

Page 5, line 29, remove "The funding"

Page 5, remove lines 30 and 31

Page 6, line 1, replace "and 15.1-27 for the 2015-17 biennium." with:

"c."

Page 6, after line 4, insert:

"**SECTION 2. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION - REPORT TO BUDGET SECTION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $352,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of distributions to counties for road and bridge infrastructure needs, for the period beginning with the effective date of this Act, and ending June 30, 2017.

1. The department of transportation shall distribute $240,000,000 to oil-producing counties based on the most recent data compiled by the upper great plains transportation institute regarding North Dakota's county, township, and tribal road and bridge infrastructure needs. The distribution to each oil-producing county must be proportional to each oil-producing county's total estimated road and bridge investment needs for the years 2015 to 2034, identified by the upper great plains transportation institute relative to the combined total estimated road and bridge investment needs for the years 2015 to 2034, identified by the upper great plains transportation institute of all the eligible oil-producing counties under this subsection. Each county's total estimated road and bridge investment needs include unpaved and paved road and bridge needs. For purposes of this section, "oil-producing counties" means the ten counties that received the highest total allocations under subsection 2 of section 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014.

2. The department of transportation shall distribute $112,000,000 to non-oil-producing counties based on county major collector roadway miles, as defined by the department of transportation. The distribution to each non-oil-producing county must be proportional to each non-oil-producing county's total county major collector roadway miles relative to the combined total of county major collector roadway miles of all the eligible non-oil-producing counties under this subsection. For purposes of this section, "non-oil-producing counties" means the forty-three counties that received no allocation of funding or a total allocation under subsection 2 of section 57-51-15 of less than $5,000,000 for the period beginning September 1, 2013, and ending August 31, 2014.

3. a. Each county requesting funding under this section for county road and bridge projects shall submit the request in accordance with criteria developed by the department of transportation. For oil-producing

counties, the request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county which are needed to support oil and gas production and distribution in the state. For non-oil-producing counties, the request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county which are needed to support economic activity in the state. The plan must meet the following criteria:

(1) Roadways and bridges must provide continuity and connectivity to efficiently integrate and improve major paved and unpaved corridors within the county and across county borders.

(2) Projects must be consistent with the upper great plains transportation institute's estimated road and bridge investment needs for the years 2015 to 2034 and other planning studies.

(3) Upon completion of a major roadway construction or reconstruction project, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.995 kilograms].

(4) Design speed on the roadway must be at least 55 miles per hour [88.51 kilometers per hour], unless the department of transportation provides an exemption.

(5) Projects must comply with the American association of state highway transportation officials pavement design procedures and standards developed by the department of transportation in conjunction with the local jurisdiction.

(6) Bridges must be designed to meet an HL 93 loading.

b. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding for county and township rehabilitation and reconstruction projects. Counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.

c. Funding provided under this section may be used for construction, engineering, and plan development costs, but may not be used for routine maintenance. Funding provided under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2015. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017, and ending June 30, 2019, and may be expended only for the purposes authorized by this section. The funding provided in this section is considered a one-time funding item.

4. The department of transportation shall report to the budget section and to the appropriations committees of the sixty-fifth legislative assembly on the

use of this one-time funding, including the amounts distributed to each county, the amounts spent to date, and the amounts anticipated to be continued into the 2017-19 biennium."

Page 6, line 7, replace "$300,000,000" with "$450,000,000"

Page 6, line 8, after the period insert "Of the $450,000,000, the office of management and budget shall transfer $200,000,000 within one month of the effective date of this Act and shall transfer $250,000,000 at the end of the 2013-15 biennium."

Page 6, line 11, replace "$300,000,000" with "$450,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The schedule below compares the funding included in Engrossed Senate Bill No. 2103 (Senate version) and Engrossed Senate Bill No. 2103 with proposed amendments [LC #15.0378.03006] (Proposed House version).

	Engrossed Senate Bill No. 2103 (Senate Version)	Engrossed Senate Bill No. 2103 with Proposed Amendments [LC #15.0378.03006] (Proposed House Version)	Proposed House Version Increase (Decrease) to Senate Version
Oil-producing areas			
Hub cities and other eligible cities			
Williston	$80,000,000	$64,000,000	($16,000,000)
Dickinson	55,000,000	44,000,000	(11,000,000)
Minot	40,000,000	32,000,000	(8,000,000)
Watford City	40,000,000	32,000,000	(8,000,000)
Total hub and other eligible cities	$215,000,000	$172,000,000	($43,000,000)
Counties	300,000,000	240,000,000	(60,000,000)
Certain eligible cities	21,250,000	10,000,000	(11,250,000)
Other cities	140,000,000	100,000,000	(40,000,000)
Total oil-producing areas	$676,250,000	$522,000,000	($154,250,000)
Non-oil-producing areas			
Counties	$140,800,000	$112,000,000	($28,800,000)
Townships	19,200,000	16,000,000	(3,200,000)
Total non-oil-producing areas	$160,000,000	$128,000,000	($32,000,000)
Other appropriations			
Department of Transportation state highway projects	$300,000,000	$450,000,000	$150,000,000
Total other appropriations	$300,000,000	$450,000,000	$150,000,000
Total all funding (strategic investment and improvements fund)	$1,136,250,000	$1,100,000,000	($36,250,000)

The schedule below compares the detail of the sections included in Engrossed Senate Bill No. 2103 and in Engrossed Senate Bill No. 2103 with proposed amendments [LC #15.0378.03006] (Proposed House version).

Engrossed Senate Bill No. 2103 (Senate Version)	Engrossed Senate Bill No. 2103 with Proposed Amendments [LC #15.0378.03006] (Proposed House Version)
The distributions by the State Treasurer in Section 1 of Engrossed Senate Bill No. 2103 include: • $300 million to 10 counties with the highest total oil and gas gross production tax allocations for fiscal year 2014 (Subsection 1). The 10 counties include McKenzie, Mountrail, Williams, Dunn, Divide, Bowman, Stark, Burke, Billings, and Bottineau. This	The distributions in proposed changes to Engrossed Senate Bill No. 2103 include: • $240 million to 10 counties with the highest total oil and gas gross production tax allocations for fiscal year 2014. The 10 counties include McKenzie, Mountrail, Williams, Dunn, Divide, Bowman, Stark, Burke, Billings, and Bottineau. This funding will be

subsection requires counties to construct major roadway projects to a posted legal load limit of 105,500 pounds if the county uses the funding received in this bill for a major roadway project.	distributed by the Department of Transportation based on data compiled by the Upper Great Plains Transportation Institute, and guidelines are included for the use of the funding.
• $140 million to the cities within the 10 counties with the highest total oil and gas gross production tax allocations for fiscal year 2014 (Subsection 2). The distributions are based on the cities' populations.	• $100 million by the State Treasurer to the cities within the 10 counties with the highest total oil and gas gross production tax allocations for fiscal year 2014. The distributions are based on the cities' populations.
• $140.8 million to non-oil-producing counties based on data compiled by the Upper Great Plains Transportation Institute (Subsection 3). Non-oil-producing counties include counties that did not receive oil and gas gross production tax allocations and counties that received total oil and gas gross production tax allocations of less than $5 million for fiscal year 2014. This subsection requires counties to construct major roadway projects to a posted legal load limit of 105,500 pounds if the county uses the funding received in this bill for a major roadway project.	• $112 million to non-oil-producing counties based on county major collector roadway miles as defined by the Department of Transportation. Non-oil-producing counties include counties that did not receive oil and gas gross production tax allocations and counties that received total oil and gas gross production tax allocations of less than $5 million for fiscal year 2014. This funding will be distributed by the Department of Transportation based on county major collector roadway miles, and guidelines are included for the use of the funding.
• $19.2 million to non-oil-producing counties for the benefit of organized and unorganized townships within the county (Subsection 4). The distributions to each county are based on data compiled by the Upper Great Plains Transportation Institute. Organized and unorganized townships receive distributions proportional to their road miles within their county. Non-oil-producing counties include counties that did not receive oil and gas gross production tax allocations and counties that received total oil and gas gross production tax allocations of less than $5 million for fiscal year 2014.	• $16 million by the State Treasurer to non-oil-producing counties for the benefit of organized and unorganized townships within the county. The distributions to each county must provide for an allocation of $10,000 to each organized and unorganized township within the county. Non-oil-producing counties include counties that did not receive oil and gas gross production tax allocations and counties that received total oil and gas gross production tax allocations of less than $5 million for fiscal year 2014.
• $21.25 million to certain cities in eligible counties based on the population of each city (Subsection 5). The eligible counties include Adams, Golden Valley, Hettinger, McLean, Mercer, Morton, Renville, Slope, and Ward. Some of the cities within the eligible counties are excluded from the distributions based on population criteria.	• $10 million by the State Treasurer to certain cities in eligible counties based on the population of each city. The eligible counties include Adams, Golden Valley, Hettinger, McLean, Mercer, Morton, Renville, Slope, and Ward. Some of the cities within the eligible counties are excluded from the distributions based on population criteria.
• $215 million to hub cities and other eligible cities based on oil and gas gross production tax allocations for fiscal year 2014 (Subsection 6). The distributions include $80 million to Williston, $55 million to Dickinson, $40 million to Minot, and $40 million to Watford City.	• $172 million by the State Treasurer to hub cities and other eligible cities based on oil and gas gross production tax allocations for fiscal year 2014. The distributions include $64 million to Williston, $44 million to Dickinson, $32 million to Minot, and $32 million to Watford City.
Engrossed Senate Bill No. 2103 provides for a transfer of $300 million from the strategic investment and improvements fund to the highway fund and provides an appropriation of $300 million from the highway fund to the Department of Transportation for state transportation infrastructure (Sections 2 and 3).	The proposed changes to Engrossed Senate Bill No. 2103 provide for a transfer of $450 million from the strategic investment and improvements fund to the highway fund and provide an appropriation of $450 million from the highway fund to the Department of Transportation for state transportation infrastructure.