

SENATE BILL NO. 2012

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 transportation; to amend and reenact section 24-02-37 of the North Dakota Century Code,
3 relating to state highway fund expenditures; and to provide for a transfer; and to provide
4 exemptions.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated from special funds derived from federal funds and other
8 income, to the department of transportation for the purpose of defraying the expenses of the
9 department of transportation, for the biennium beginning July 1, 2017, and ending June 30,
10 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
13 Salaries and wages	\$207,778,278	\$0	\$207,778,278
14 Operating expenses	295,762,751	0	295,762,751
15 Capital assets	700,081,402	0	700,081,402
16 Grants	62,918,030	0	62,918,030
17 Total special funds	\$1,266,540,461	\$0	\$1,266,540,461
18 Full-time equivalent positions	1,080.50	0.00	1,080.50
19 <u>Salaries and wages</u>	<u>\$207,778,278</u>	<u>(\$5,692,586)</u>	<u>\$202,085,692</u>
20 <u>Operating expenses</u>	<u>295,762,751</u>	<u>(66,381,105)</u>	<u>229,381,646</u>
21 <u>Capital assets</u>	<u>700,081,402</u>	<u>70,624,188</u>	<u>770,705,590</u>
22 <u>Grants</u>	<u>62,918,030</u>	<u>9,610,000</u>	<u>72,528,030</u>
23 <u>Total special funds</u>	<u>\$1,266,540,461</u>	<u>\$8,160,497</u>	<u>\$1,274,700,958</u>
24 <u>Full-time equivalent positions</u>	<u>1,080.50</u>	<u>(31.50)</u>	<u>1,049.00</u>

1 **SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding
2 items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

3	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
4	General fund transfers to highway fund	\$486,982,489	\$0
5	Transfer to public transportation fund	186,900	0
6	Short line railroad	7,000,000	0
7	Transportation distributions - non-oil-producing counties	104,664,000	0
8	Contingent transfer to highway fund	18,690,000	0
9	Truck harmonization study	56,070	0
10	Recreational road access	1,869,000	0
11	Vehicle registration and titling system replacement	2,500,000	0
12	Motor coach reimbursement	<u>934,500</u>	<u>0</u>
13	Total all funds	\$622,882,959	\$0
14	Total special funds	<u>9,500,000</u>	<u>0</u>
15	Total general fund	\$613,382,959	\$0

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

21 **SECTION 4. ADDITIONAL FUNDING FOR FEDERAL HIGHWAY MATCHING FUNDS.**

22 The department of transportation may use up to \$5,700,000 of the funding transferred, pursuant
23 to section 4 of chapter 12 of the 2015 Session Laws, from the general fund to the highway fund
24 to provide state matching funds for federal highway construction funding provided by the federal
25 highway administration during the biennium beginning July 1, 2017, and ending June 30, 2019.

26 **SECTION 5. FUNDING FOR NORTH DAKOTA COMMUNITY ENHANCEMENT**

27 **PROGRAM.** Notwithstanding any other provision of law, the department of transportation may
28 use up to \$5,000,000 of the funding transferred, pursuant to section 4 of chapter 12 of the 2015
29 Session Laws, from the general fund to the highway fund to improve North Dakota's economic
30 activity by reinvesting and enhancing transportation assets of communities, for the biennium
31 beginning July 1, 2017, and ending June 30, 2019.

1 **SECTION 6. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENT FUNDING.**

2 Section 54-44.1-11 does not apply to funding of \$503,115,558 in the capital assets line item
3 relating to enhanced state highway investments in section 1 of chapter 12 of the 2015 Session
4 Laws. Any funds continued into the 2017-19 biennium but not spent by June 30, 2019, must be
5 continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be
6 expended only for enhanced state highway investments.

7 **SECTION 7. EXEMPTION - SPECIAL ROADS FUND PROJECTS.** Funding of \$2,000,000
8 appropriated to the department of transportation for special road projects, as contained in
9 section 1 of chapter 12 of the 2015 Session Laws, is not subject to the provisions of
10 section 54-44.1-11. Any unexpended funds from this appropriation are available to the
11 department of transportation for special road projects during the biennium beginning July 1,
12 2017, and ending June 30, 2019.

13 **SECTION 8. AMENDMENT.** Section 24-02-37 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **24-02-37. State highway fund - Priorities for expenditure - Use of investment income.**

16 The state highway fund, created by law and not otherwise appropriated and allocated, must
17 be applied and used for the purposes named in this section, as follows:

- 18 1. Except for investment income as provided in subsection 3, the fund must be applied in
19 the following order of priority:
- 20 a. The cost of maintaining the state highway system.
 - 21 b. The cost of construction and reconstruction of highways in the amount necessary
22 to match, in whatever proportion may be required, federal aid granted to this
23 state by the United States government for road purposes in North Dakota.
24 Notwithstanding any other provision of law, the department of transportation may
25 repay the United States department of transportation for previous related
26 expenditures from current biennium appropriations to allow the department to
27 reobligate the federal aid to other federal aid projects.
 - 28 c. Any portion of the highway fund not allocated as provided in subdivisions a and b
29 may be expended for the construction of state highways without federal aid or
30 may be expended in the construction, improvement, or maintenance of such
31 state highways.

1 2. All funds heretofore appropriated or hereafter appropriated or transferred to the
2 department, whether earmarked or designated for special projects or special purposes
3 or not, must be placed or transferred into a single state highway fund in the office of
4 the state treasurer and any claims for money expended by the department upon
5 warrants prepared and issued by the office of management and budget and signed by
6 the state auditor under this title must be paid out of the state highway fund by the state
7 treasurer; provided, however, that the commissioner shall keep and maintain complete
8 and accurate records showing that all expenditures have been made in accordance
9 with legislative appropriations and authorizations.

10 3. The state treasurer shall deposit the moneys in the state highway fund in an
11 interest-bearing account at the Bank of North Dakota. The state treasurer shall deposit
12 eighty percent of the income derived from the interest-bearing account in a special
13 interest-bearing account in the state treasury known as the special road fund. The
14 special road fund may be used, within the limits of legislative appropriation, exclusively
15 for the construction and maintenance of access roads to and roads within recreational,
16 tourist, and historical areas as designated by the special road committee. A political
17 subdivision or state agency may request funds from the special road fund by applying
18 to the committee on forms designated by the committee. The committee may require
19 the political subdivision or state agency to contribute to the cost of the project as a
20 condition of any expenditure authorized from the special road fund. Any moneys in the
21 fund not obligated by the special road committee by June thirtieth of each
22 odd-numbered year must be held for an additional two years after which the funds
23 revert to the state highway fund.