

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED 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 sections 24-02-37 and 39-01-09 of the North Dakota
3 Century Code, relating to state highway fund expenditures and parking meters; to provide for a
4 transfer; to provide exemptions; to provide for studies; and to provide for reports.

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>	
11				
12				
13	Salaries and wages	\$207,778,278	(\$5,903,676)	\$201,874,602
14	Operating expenses	295,762,751	(66,381,105)	229,381,646
15	Capital assets	700,081,402	70,624,188	770,705,590
16	Grants	<u>62,918,030</u>	<u>4,610,000</u>	<u>67,528,030</u>
17	Total special funds	\$1,266,540,461	\$2,949,407	\$1,269,489,868
18	Full-time equivalent positions	1,080.50	(36.50)	1,044.00

19 **SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in
20 section 1 of this Act includes the sum of \$2,702,395 from other funds for increases in employee
21 health insurance premiums from \$1,130 to \$1,241 per month.

22 **SECTION 3. ONE-TIME FUNDING.** The following amounts reflect the one-time funding
23 items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

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

14 **SECTION 4. LINE ITEM TRANSFERS.** The director of the department of transportation
15 may transfer between the salaries and wages, operating, capital assets, and grants line items in
16 section 1 of this Act when it is cost-effective for construction and maintenance of highways. The
17 department of transportation shall notify the office of management and budget of any transfers
18 made pursuant to this section.

19 **SECTION 5. ADDITIONAL FUNDING FOR FEDERAL HIGHWAY MATCHING FUNDS.**
20 The department of transportation may use up to \$16,300,000 of the funding transferred,
21 pursuant to section 4 of chapter 12 of the 2015 Session Laws, from the general fund to the
22 highway fund to provide state matching funds for federal highway construction funding provided
23 by the federal highway administration during the biennium beginning July 1, 2017, and ending
24 June 30, 2019.

25 **SECTION 6. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENT FUNDING.**
26 Section 54-44.1-11 does not apply to funding of \$503,115,558 in the capital assets line item
27 relating to enhanced state highway investments in section 1 of chapter 12 of the 2015 Session
28 Laws. Any funds continued into the 2017-19 biennium but not spent by June 30, 2019, must be
29 continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be
30 expended only for enhanced state highway investments.

1 **SECTION 7. EXEMPTION - SPECIAL ROADS FUND PROJECTS.** Funding of \$2,000,000
2 appropriated to the department of transportation for special road projects, as contained in
3 section 1 of chapter 12 of the 2015 Session Laws, is not subject to the provisions of
4 section 54-44.1-11. Any unexpended funds from this appropriation are available to the
5 department of transportation for special road projects during the biennium beginning July 1,
6 2017, and ending June 30, 2019.

7 **SECTION 8. DISPOSITION OF MAINTENANCE SECTION SITES.** Notwithstanding any
8 other provision of law, the department of transportation may discontinue operations of
9 department maintenance section sites in New England, Starkweather, Fessenden, Courtenay,
10 Gackle, Litchville, Finley, and Mayville as provided in this section.

- 11 1. During the biennium beginning July 1, 2017, and ending June 30, 2019, the
12 department may not dispose of any property assigned to a section site where
13 operations are being discontinued.
- 14 2. The department shall consult with representatives of the political subdivisions in which
15 the section site is located, in the following order: first with the county, second with the
16 city, and third with the township. If requested by any of the political subdivisions, the
17 department shall negotiate a lease agreement with that political subdivision regarding
18 the use of the section site and facilities. The lease agreement must address, at a
19 minimum, the following:
- 20 a. The political subdivision may use the department's maintenance site and
21 building, road oil tank, and shop equipment contained in the building. The political
22 subdivision must be responsible for all routine maintenance and utility costs.
- 23 b. If requested by the political subdivision, the department may transfer ownership
24 of an equipped snow plow to the political subdivision. The snow plow must be
25 one that the department intends to dispose of as part of its equipment
26 replacement schedule.
- 27 c. The department may charge a reasonable fee to the political subdivision under
28 the lease.
- 29 d. The department shall retain the use of salt buildings located on the property, the
30 right to park one vehicle inside the maintenance building during a major winter
31 storm, the use of an electrical outlet to plug in various vehicles for wintertime

1 loading of deicing materials, and the right to use a portion of the site for a salt
2 and sand pile for winter snow and ice control operations.
3 e. If an emergency occurs in or around a section site, and the department is unable
4 to respond, the political subdivision shall agree to have an individual available to
5 respond to the emergency. The political subdivision shall establish a process that
6 allows emergency response teams to contact the political subdivision to allow it
7 to respond to an emergency occurring within the area currently served by the
8 section site. The response may require the political subdivision to provide snow
9 and ice control on the state highway system.

10 3. If the department does not enter a lease agreement for a section site during the
11 biennium beginning July 1, 2017, and ending June 30, 2019, the department may
12 dispose of the section site property in accordance with state law.

13 **SECTION 9. DRIVER'S LICENSE SERVICE SITES.** During the biennium beginning
14 July 1, 2017, and ending June 30, 2019, the department may not discontinue operations at a
15 driver's licenses service site that processed 600 or more transactions during the prior state
16 fiscal year.

17 **SECTION 10. AMENDMENT.** Section 24-02-37 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **24-02-37. State highway fund - Priorities for expenditure - Use of investment income.**

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

22 1. Except for investment income as provided in subsection 3, the fund must be applied in
23 the following order of priority:

24 a. The cost of maintaining the state highway system.
25 b. The cost of construction and reconstruction of highways in the amount necessary
26 to match, in whatever proportion may be required, federal aid granted to this
27 state by the United States government for road purposes in North Dakota.

28 Notwithstanding any other provision of law, the department of transportation may
29 repay the United States department of transportation for previous related
30 expenditures from current biennium appropriations to allow the department to
31 reobligate the federal aid to other federal aid projects.

1 c. Any portion of the highway fund not allocated as provided in subdivisions a and b
2 may be expended for the construction of state highways without federal aid or
3 may be expended in the construction, improvement, or maintenance of such
4 state highways.

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

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

28 **SECTION 11. AMENDMENT.** Section 39-01-09 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **39-01-09. Parking meters prohibited - Exemption.**

- 2 1. It is unlawful for the state of North Dakota, its political subdivisions, counties, or cities,
3 including home rule counties and cities, and the state department of transportation to
4 establish and maintain any mechanical device or devices known as "parking meters",
5 or by whatever name designated, requiring the deposit therein of coins or tokens for
6 the privilege of parking cars or other vehicles upon the streets and highways in the
7 state of North Dakota. ~~Any and all ordinances and resolutions now existing authorizing~~
8 ~~the establishment and maintenance of such mechanical devices or parking meters, or~~
9 ~~by whatever name designated, are hereby declared null and void.~~
- 10 2. Notwithstanding subsection 1, if approved by a majority of the voters of the jurisdiction
11 voting on the question at a general election, a political subdivision may approve the
12 use of parking meters.
- 13 3. Except for parking meters located on property owned by an institution under the
14 control of the state board higher education, twenty percent of all revenue generated
15 from the use of parking meters under this section must be deposited in the state public
16 transportation fund.

17 **SECTION 12. DEPARTMENT OF TRANSPORTATION STUDY - SNOW AND ICE**

18 **CONTROL SERVICES - REPORT TO LEGISLATIVE MANAGEMENT.** During the 2017-18
19 interim, the department of transportation shall study the manner in which it provides snow and
20 ice control services on the state highway system, including the existing costs for these services
21 and any potential savings available in providing these services. Based on its findings, the
22 department shall determine the most efficient and effective manner in which to provide snow
23 and ice control services. The department shall provide a report to the legislative management
24 before July 1, 2018, regarding the results of the study.

25 **SECTION 13. DEPARTMENT OF TRANSPORTATION STUDY - CONSOLIDATION OF**
26 **SERVICES - REPORT TO LEGISLATIVE MANAGEMENT - REPORT TO SIXTY-SIXTH**

27 **LEGISLATIVE ASSEMBLY.** During the 2017-18 interim, the department of transportation shall
28 study options to consolidate transportation facilities within Williams County and the Williston
29 district headquarters. The department shall provide the final report, including the results of the
30 study, to the legislative management before July 1, 2018. If the results of the study determine
31 that it is beneficial to consolidate facilities, the department may proceed with consolidation

1 efforts. Before the completion of the study and the determination whether the consolidation of
2 facilities is beneficial, the department may not construct any new buildings at the Williston
3 district headquarters. The department shall provide reports to the appropriations committees of
4 the sixty-sixth legislative assembly regarding the study and the outcomes of the study.

5 **SECTION 14. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION FUNDING.**

6 During the 2017-18 interim, the legislative management shall consider studying the funding
7 mechanisms and options available to the department of transportation, political subdivisions,
8 and public transportation providers, for road construction, maintenance, other transportation
9 infrastructure needs, and transit services. The legislative management shall report its findings
10 and recommendations, together with any legislation necessary to implement the
11 recommendations, to the sixty-sixth legislative assembly.

12 **SECTION 15. DEPARTMENT OF TRANSPORTATION FEES - REPORT TO BUDGET**

13 **SECTION.** The department of transportation shall report to the legislative management's budget
14 section by September 30, 2017, and by September 30, 2018, regarding all fees charged by the
15 department in comparison to the actual cost of providing the services for which the fee is
16 charged.