

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2012

2005 SENATE APPROPRIATIONS

SB 2012

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date 01/13/05

Tape Number	Side A	Side B	Meter #
One	X	X	
Two	X		2,355
Committee Clerk Signature 			

Minutes: **Chairman Holmberg** opened the meeting on **SB 2012**.

Attendance was taken, all senators were present.

Celeste Kurasta, OMB noted to the committee that an amendment will be attached to SB 2012.

The amendment is attached as appendix I.

David Sprynczynatyk, Director, North Dakota Department of Transportation appeared to provide an overview and support for SB 2012. Mr. Sprynczynatyk supplied the committee with written testimony, (see appendix II). In his testimony, Mr. Sprynczynatyk provided the committee with an overview of NDDOT's accomplishments and challenges, as well as a summary of NDDOT's budget request. Other information included in Mr. Sprynczynatyk's testimony were a December 2004 NDDOT Handbook, 2005-2006 ND highway map, Summary of 2003-2009 NDDOT Strategic Plan, final report from NDDOT customer satisfaction survey, and performance measurement summary. Several questions were asked of Mr. Sprynczynatyk. Most were questions regarding the budget and the \$15 motor vehicle registration cost and how the

money for it would be dispersed. Mr. Sprynczynatyk stated to the committee that of the \$15, \$3 go to the highway fund, \$2 for transit, \$1 would go to townships, everything else goes to the highway tax distribution fund. Questions were also asked regarding how much the federal government and state and local governments are responsible for when funding projects. Mr. Sprynczynatyk stated that the federal government provided 80% while nonfederal governments provide the remaining 20%. Questions were asked regarding the maintenance of roadways, whether or not it is cost effective to continue to overlay road ways. Mr. Sprynczynatyk stated that it is not cost effective to continue to overlay roads because it narrows the road by roughly six inches every time you do it. Mr. Sprynczynatyk also stated to the committee that there are 7,300 roads that the state is responsible for. Numerous questions were also asked regarding weigh stations and their effectiveness of keeping track of log books on semi's. Mr. Sprynczynatyk stated that with the help of the highway patrol they have devised a random system of checking the weights. He also emphasized that the randomness has been very helpful keeping weight regulations in check. Questions were also asked about wet lands and mowing. Questions were also asked regarding the size of the DOT fleet and the price of a fully equipped snow removal vehicle. Mr. Sprynczynatyk stated that the fleet size is about 360 vehicles, and the price of a fully equipped snow removal vehicle is between \$130,000 and \$140,000.

Sen. Christmann: (5394) "Salary, does it count as our share of road projects?"

Mr. Sprynczynatyk: "Yes, its factored in to the project revenue and reimbursed from the federal government. Several questions were also asked regarding 50 million for bonds.

Sen. Schobinger: (811) "Can the bonding amount be used to make the Match?"

Mr. Sprynczynatyk: "Yes."

Page 3
Senate Appropriations Committee
Bill/Resolution Number SB 2012
Hearing Date 01/13/05

Connie Sprynczynatyk, North Dakota League of Cities appeared in support of SB 2012.

(2200) Ms. Sprynczynatyk provided the committee with written testimony, (see appendix III). No questions were asked of Ms. Sprynczynatyk.

Chairman Holmberg closed the meeting on SB 2012

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Conference Committee

Hearing Date January 20, 2005

Tape Number	Side A	Side B	Meter #
1	a	b	
Committee Clerk Signature <i>Janet D. [Signature]</i>			

Minutes: SUB COMMITTEE PRE-DISCUSSION

CONCERNS or SUGGESTIONS:

Senator Bowman, Chairman -- Senator Schobinger -- Senator Tallackson

Senator Christmann, asked whether the DOT department would provide information on a percentage increase for registration fees vs \$15 per vehicle and he would like to see road counts for Highway 2 to determine the reasons for it being a four-lane.

Senator Thane wondered if the registration fees could be on a sliding fee, perhaps this could be explored by this committee.

Senator Robinson suggested looking at the policy for truck registration fees and perhaps raise those fees across the board as there is no way to track for non-farm trucks. Farmers would be far more receptive to an increase to make their fees comparable.

Senator Bowman indicated there is a need to know amount of dollars generated to whichever source we designate. When matching federal money for roads it should be done through the gas

tax, that way everyone using the roads helps pay for it. Need to look at every combination we think we could do to match the federal dollars.

Senator Krauter indicated a need to know how much federal dollars are involved before making any changes. At one time there was a mechanism put into place that triggered when it was known what the federal dollars would be.

Senator Bowman indicated it is philosophical and once starting something, there is an obligation made when we get into big highway projects, once we set a precedent it isn't going to stop, it continues to put us into an obligation situation. Or do we raise enough money from another source by increasing that source to make the payments. We know we have to improve our highways and how do we want to do it, is something we seriously have got to debate with an open mind.

Senator Grindberg indicated with the Heritage Center proposal there are federal money to apply to the expansion of the Heritage Center property. There might be a way of minimizing some of the other funds if federal funds are put in.

Senator Schobinger discussed the name change of Memorial Bridge to the Medal of Honor Bridge. I do plan to bring a legislative intent amendment to the DOT bill. If anyone has any concerns or comments, please let him know.

Senator Andrist indicated the concept of the \$15 increase is unacceptable. I prefer if opposition to raising the gas tax a penny, I would prefer to leave money on the table. On the bonding, had testimony to use the bond concept for accelerating two programs. Indicate the intent of the bond. Example indicate this is the percentage of the bond to be used for X project.

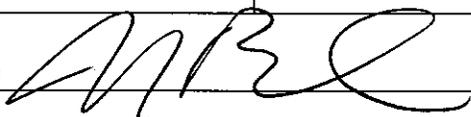
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date 02/14/05

Tape Number	Side A	Side B	Meter #
3	x		1599-4050
Committee Clerk Signature 			

Minutes: **Chairman Holmberg** opened discussion on SB 2012.

Sen. Bowman proposed amendment. #.0104, would address salaries. Also in section 5 there would be new language that is why we have to discuss this because it is a policy switch. Using the garvy bond approach that is what the department wanted to do. Sen Bowman went on to show the committee a chart in previous testimony from the initial hearing of the bill. He stated that if we bond over a 15 yr. period, we see a steady increase. He asked if the committee wanted to put it into the amendment, so the DOT could use it if the funding in Washington does not come though.

Sen. Fischer: Does it stay stable further out?

Sen. Bowman: I don't know, It holds a constant line.

Sen. Robinson: The concern I have is about the cut backs in Washington, This would lead to a difficult situation in ND.

Sen. Bowman: Basically what that would do is keep the lines constant, that has never happened.

We continue to find money to match that. This bridge is a very expensive bridge so is highway

2. If we do not do the bonding it will slow everything else in the State down.

Sen Tallackson All the money in Washington comes from our gas tax. This is going to take advantage of inflation, it will now be constructed as a lower price, because the price of steel and other materials is going to rise.

Sen. Andrist: I feel like a hypocrite because I do not like bonding, but this makes since.

Amendment 0104 passed through with a voice vote.

Amendment 0103, would amend Section 24-01-03 of NDCC. In other words the city would not have the burden of maintaining the bill.

Sen Robinson: Navigable water? What are we talking about here?

Sen. Fischer: You can argue navigable water ways, depending on what permit you are applying for.

Sen. Tallackson: They (local municipalities) do and maintain and build bridges.

Sen Mathern: What is the reasoning behind this amendment, who wants this in the century code.

Sen. Bowman: The maintenance man from the city of Bismarck, who happens to be our majority leader, Sen. Stenehjem.

A voice vote was taken on amendment 0103, it passed 10 to 5.

Sen. Schobinger introduced amendment number 0101. This amendment would name the new bridge, being built to replace the Liberty Memorial bridge between Bismarck and Mandan, the

Medal of Honor bridge. A motion was made to adopt this amendment by Sen. Schobinger, seconded by [inaudible].

Sen. Krauter: Where is the Liberty Memorial bridge going to be now, after we have eliminated the name?

Sen. Schobinger: There is a memorial bridge that has been completed in Fargo. We currently do not have the situation to honor the significant number of medal of honor winners from ND.

Sen. Thane: I am curious if you have spoken to the public about this?

Sen. Schobinger: No.

Sen. Christmann: I hope that we can do further research, as it progresses through the House.

Sen. Schobinger: I do agree with Sen. Christmann. We do have a host of highways and bridges named "Memorial." We need to honor those who received this high honor, this is a request from a highly decorated vet here in ND.

Sen. Krauter: Does anyone know what the significance behind the name of the memorial bridge, does anyone know?

Sen. Schobinger: I will withdraw the amendment and do the research and bring it as a floor amendment if that be the case.

A DO PASS as AMENDED, motion was made by Sen. Schobinger, seconded by Sen. Christmann.

Vote was taken 15 to 0. Sen. Bowman will carry the bill.

Chairman Holmberg closed meeting on SB 2012.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Conference Committee

Hearing Date February 15, 2005

Tape Number	Side A	Side B	Meter #
1	a		3,232
Committee Clerk Signature <i>Janet Parks for J.B.</i>			

Minutes:

Chairman Holmberg opened the hearing on SB 2012.

Senator Schobinger testified on SB 2012. He presented a brief overview of the history of the Liberty Memorial Bridge which was dedicated in 1922 in honor of those who fought in World War I. Overtime it became known as the Bismarck Mandan Memorial Bridge. He indicated that Liberty is associated with World War I, Freedom was associated with World War II, Secure would be associated with what is happening today. Many Veteran's groups, city groups, historic group were contacted about the name of the bridge.

Senator Schobinger moved that an amendment that upon completion of the construction of the new bridge, it will be named the Medal Of Honor Bridge after North Dakota's Medal of Honor recipients. The motion was seconded. A verbal vote was taken. Discussion followed.

Senator Andrist suggested that memorial bridge not be torn down upon completion of the new bridge but that it be used as a pedestrian, cycling bridge. We are not renaming a bridge, we are naming a new bridge.

Senator Krauter questioned the bridge being listed on the historical structures, how did they get out of that.

Chairman Holmberg indicated that this motion had previously been made, later withdrawn with the understanding there would be a study done. In error, it had already written and carried through as an amended bill. This hearing is to correct that and get on the record that the motion was made, voted on, and the amendment was added.

Senator Schobinger moved do pass as amended, Senator Christmann seconded, no further discussion. A roll call vote was taken as DO PASS AS AMENDED. 15 yes, 0 no 0 absent.

Senator Bowman will carry the bill.

Chairman Holmberg closed the hearing.

FISCAL NOTE
Requested by Legislative Council
04/25/2005

Amendment to: Engrossed
SB 2012

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$28,600,000		\$31,000,000
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$5,500,000	\$3,500,000		\$6,300,000	\$4,100,000	

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill has several distinct provisions that impact revenue to the NDDOT, the cities and counties, and the state's general fund. This fiscal note focuses on the impact of those provisions.

The bill also contains the DOT appropriation for the 2005-2007 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Section 10 increases the fees for registration of motor vehicles \$10 per year. Paragraph 7 of section 10 provides that \$13 of each motor vehicle registration fee be deposited into the Highway Fund. Section 15 repeals the current allocation of \$3 of each motor vehicle registration to the Highway Fund.

Section 10 also transfers pickup trucks to the passenger motor vehicle category. This increase is phased in over two bienniums.

Sections 12 and 14 increase the motor vehicle fuels and special fuels taxes by 2 cents per gallon. These increases in fuel taxes are deposited in the Highway Distribution Fund.

Section 11 provides that the first 37.5 million dollars received from the motor vehicle excise tax in excess of 150 million dollars be placed into the state highway fund. Current estimates for the total amount of motor vehicle excise tax for the 2005-2007 biennium do not exceed \$150 million, thus this provision will have no impact on this fiscal note.

Section 8 permits the DOT to utilize a bonding mechanism to fund the US Highway 2 project improvements and the Liberty Memorial Bridge replacement.

Section 13 provides for refunds of tax on fuel purchased by native Americans in certain circumstances. We have no way of determining what the fiscal impact of these provisions may be as we don't know to what degree these provisions may be exercised.

This bill also contains the appropriation for the DOT for the 2005-2007 biennium.

North Dakota Department of Transportation
Synopsis of SB 2012 Revenue Provisions
Prepared by NDDOT Financial Mgmt. Division
April 28, 2005

Revenue Impact for the 2005-2007 Biennium – millions

	<u>Total</u>	<u>DOT</u>	<u>Cities</u>	<u>Counties</u>
Motor Vehicle Reg. Provisions	\$13.4	\$13.4		
Pickup Truck Provision	3.8	2.4	\$.6	\$.8
Fuel Tax Provisions	<u>20.4</u>	<u>12.8</u>	<u>2.9</u>	<u>4.7</u>
Total	<u>\$37.6</u>	<u>\$28.6</u>	<u>\$3.5</u>	<u>\$5.5</u>

Revenue Impact for the 2007-2009 Biennium - millions

	<u>Total</u>	<u>DOT</u>	<u>Cities</u>	<u>Counties</u>
Motor Vehicle Reg. Provisions	\$13.4	\$13.4		
Pickup Truck Provision	7.6	4.8	\$1.2	\$1.6
Fuel Tax Provisions	<u>20.4</u>	<u>12.8</u>	<u>2.9</u>	<u>4.7</u>
Total	<u>\$41.4</u>	<u>\$31.0</u>	<u>\$4.1</u>	<u>\$6.3</u>

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Shannon L. Sauer	Agency:	NDDOT
Phone Number:	328-4375	Date Prepared:	04/28/2005

FISCAL NOTE
 Requested by Legislative Council
 03/25/2005

Amendment to: Engrossed
 SB 2012

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$32,000,000		\$31,000,000
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$5,878,000	\$3,522,000		\$6,500,000	\$3,900,000	

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill has several distinct provisions that impact revenue to the NDDOT, the cities and counties, and the state's general fund. These provisions are intended to provide the funding needed by the DOT to balance its budget for the 2005-2007 biennium. This fiscal note will focus on the impact of those provisions.

The bill also contains the DOT appropriation for the 2005-2007 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Section 10 increases the fees for registration of motor vehicles \$10 per year. Paragraph 7 of section 10 provides that \$13 of each motor vehicle registration fee be deposited into the Highway Fund. Section 16 repeals the current allocation of \$3 of each motor vehicle registration to the Highway Fund.

Section 14 increases the motor vehicle fuel tax 2 cents per gallon. Additionally, the fuel tax increases by an additional 2 cents during the period from May 1 through October 31 of each year. Section 15 increases the tax on special fuels by 2 cents per gallon. These increases in fuel taxes are deposited in the Highway Distribution Fund.

Section 5 provides that the DOT (i.e. the Highway Fund) shall receive \$1 million from the cities and counties share of additional funds resulting from this act. This provision is effective only for the fiscal year beginning July 1, 2005 and ending June 30, 2006. This section also stipulates that cities and counties receive their share of additional funds resulting from this bill only after July 1, 2006 and only after developing an acceptable roadway plan.

Sections 11 and 12 effectively place a one percent motor vehicle excise tax into the Highway Fund beginning July 1, 2009.

Section 8 permits the DOT to utilize a bonding mechanism to fund the US Highway 2 project improvements and the Liberty Memorial Bridge replacement.

The attached schedule provides a synopsis of the revenue provisions of this bill.

This bill also contains the appropriation for the DOT for the 2005-2007 biennium.

**North Dakota Department of Transportation
Synopsis of SB 2012 Revenue Provisions
Prepared by NDDOT Financial Mgmt. Division
March 28, 2005**

Revenue Impact for the 2005-2007 Biennium – millions

	<u>Total</u>	<u>DOT</u>	<u>Cities</u>	<u>Counties</u>
Motor Vehicle Reg. Provisions	\$13.4	\$13.4		
Fuel Tax Provisions	28.0	17.6	\$3.9	\$6.5
\$1 million transfer per section 5			<u>1.0</u>	<u>(.378)</u> <u>(.622)</u>
Total	<u>\$41.4</u>	<u>\$32.0</u>	<u>\$3.522</u>	<u>\$5.878</u>

Revenue Impact for the 2007-2009 Biennium - millions

	<u>Total</u>	<u>DOT</u>	<u>Cities</u>	<u>Counties</u>
Motor Vehicle Reg. Provisions	\$13.4	\$13.4		
Fuel Tax Provisions	<u>28.0</u>	<u>17.6</u>	<u>\$3.9</u>	<u>\$6.5</u>
Total	<u>\$41.4</u>	<u>\$31.0</u>	<u>\$3.9</u>	<u>\$6.5</u>

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Shannon L. Sauer	Agency:	NDDOT
Phone Number:	328-4375	Date Prepared:	03/28/2005

Date 2-14-05
 Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2012

Senate SENATE APPROPRIATIONS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended (0104 + 0103)

Motion Made By B Seconded By S. Fischer

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	✓		SENATOR KRAUTER	✓	
VICE CHAIRMAN BOWMAN	✓		SENATOR LINDAAS	✓	
VICE CHAIRMAN GRINDBERG	✓		SENATOR MATHERN	✓	
SENATOR ANDRIST	✓		SENATOR ROBINSON	✓	
SENATOR CHRISTMANN	✓		SEN. TALLACKSON	✓	
SENATOR FISCHER	/				
SENATOR KILZER	/				
SENATOR KRINGSTAD	/				
SENATOR SCHOBINGER	/				
SENATOR THANE	/				

Total (Yes) 15 No 0

Absent 0

Floor Assignment Bowman

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 1; line 2, after "transportation" insert "; and to amend and reenact section 24-01-03 of the North Dakota Century Code, relating to highway and bridge maintenance"

Page 2, after line 17, insert:

"SECTION 5. AMENDMENT. Section 24-01-03 of the North Dakota Century Code is amended and reenacted as follows:

24-01-03. Responsibility for state highway system. The director is responsible for the construction, maintenance, and operation of the state highway system and ~~is authorized to~~ may enter ~~into~~ a cooperative agreement with any municipality for the construction, maintenance, or repair of any urban connecting street. The director may not divest the state from responsibility for the maintenance of any bridge over a navigable water of this state which is currently maintained by the state.

The jurisdiction, control, and duty of the state and municipality with respect to such urban connecting streets must be as follows:

1. The director has no authority to change or establish any grade of any such street without approval of the governing body of such municipality.
2. The municipality shall maintain at its own expense ~~maintain~~ all underground facilities in such streets and has the right to construct such additional underground facilities as may be necessary in such streets.
3. The municipality has the right to grant the privilege to open the surface of any such street, but all damage occasioned thereby must ~~promptly~~ be repaired promptly by said municipality at its direction and without cost to the department.
4. The municipality has exclusive right to grant franchises over, beneath, and upon such streets."

Renumber accordingly

Date 2-15-05
 Roll Call Vote #: 21

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2012

Senate SENATE APPROPRIATIONS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended (7-20)

Motion Made By Schobinger Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	/		SENATOR KRAUTER	/	
VICE CHAIRMAN BOWMAN	/		SENATOR LINDAAS	/	
VICE CHAIRMAN GRINDBERG	/		SENATOR MATHERN	/	
SENATOR ANDRIST	/		SENATOR ROBINSON	/	
SENATOR CHRISTMANN	/		SEN. TALLACKSON	/	
SENATOR FISCHER	/				
SENATOR KILZER	/				
SENATOR KRINGSTAD	/				
SENATOR SCHOBINGER	/				
SENATOR THANE	/				

Total (Yes) 15 No 0

Absent 0

Floor Assignment ~~Schobinger~~ Same Bowman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2012: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2012 was placed on the Sixth order on the calendar.

Page 1, line 2, after "transportation" insert "; to create and enact section 24-02-40.1 and a new section to chapter 24-08 of the North Dakota Century Code, relating to grant or revenue anticipation financing by the department of transportation and naming of the medal of honor bridge; to amend and reenact section 24-01-03 of the North Dakota Century Code, relating to highway and bridge maintenance; and to declare an emergency"

Page 1, line 20, replace "27,227,294" with "27,185,848"

Page 1, line 21, replace "20,081,797" with "20,048,706"

Page 1, line 22, replace "736,823,693" with "789,997,698"

Page 1, line 23, replace "43,280,168" with "43,271,158"

Page 1, line 24, replace "43,027,034" with "96,117,492"

Page 2, line 6, replace "27,227,294" with "27,185,848"

Page 2, line 7, replace "20,081,797" with "20,048,706"

Page 2, line 8, replace "736,823,693" with "789,997,698"

Page 2, line 9, replace "43,280,168" with "43,271,158"

Page 2, line 10, replace "827,412,952" with "880,503,410"

Page 2, after line 17, insert:

"SECTION 5. AMENDMENT. Section 24-01-03 of the North Dakota Century Code is amended and reenacted as follows:

24-01-03. Responsibility for state highway system. The director is responsible for the construction, maintenance, and operation of the state highway system and ~~is authorized to may~~ enter ~~into~~ a cooperative agreement with any municipality for the construction, maintenance, or repair of any urban connecting street. The director may not divest the state from responsibility for the maintenance of any bridge over a navigable water of this state which is currently maintained by the state.

The jurisdiction, control, and duty of the state and municipality with respect to such urban connecting streets must be as follows:

1. The director has no authority to change or establish any grade of any such street without approval of the governing body of such municipality.
2. The municipality shall maintain at its own expense ~~maintain~~ all underground facilities in such streets and has the right to construct such additional underground facilities as may be necessary in such streets.
3. The municipality has the right to grant the privilege to open the surface of any such street, but all damage occasioned thereby must ~~promptly~~ be

repaired promptly by said municipality at its direction and without cost to the department.

4. The municipality has exclusive right to grant franchises over, beneath, and upon such streets.

SECTION 6. Section 24-02-40.1 of the North Dakota Century Code is created and enacted as follows:

24-02-40.1. Grant or revenue anticipation financing. Notwithstanding any other provision of law, the department, whenever needed, may arrange with any state-owned or private financing agency or underwriter, including the Bank of North Dakota, grant or revenue anticipation financing through the issuance of evidences of indebtedness on such terms and conditions as the department determines if construction funds on hand are insufficient to meet current obligations or to achieve cost-savings or efficiencies in road construction. The department may refund the evidences of indebtedness as often as it is advantageous to do so. Evidences of indebtedness may be sold at public or private sale and must mature not more than fifteen years from their date or dates, and the proceeds of the sale may be invested on such terms and conditions as the department determines. Grant or revenue anticipation financing must be in amounts no larger than can be repaid from moneys known or reasonably anticipated to be due and forthcoming. The grant or revenue anticipation financing may not be used in anticipation of increased federal aid highway grants or increased state highway user revenue funds, and the financing may not be obligated for road construction that cannot be financed from known sources of grants or revenue. The department may pledge any federal aid grants received or to be received for debt service and related issuance costs for evidences of indebtedness issued under this section directly to a trustee in trust for payment to holders of the evidences of indebtedness. The department may also pledge any biennially appropriated revenues for debt service on the evidences of indebtedness directly to a trustee in trust for payment to holders of the evidences of indebtedness. Any evidences of indebtedness issued under this section are not general obligations or debt of the state, the department, or any public officer or employee of the department or this state. The principal of and interest on the evidences of indebtedness are limited obligations payable solely from grants or revenues received or to be received by the department. The department may capitalize from proceeds of the evidences of indebtedness all expenses incidental to issuing the evidences of indebtedness, including any reserves for payment of the evidences of indebtedness.

SECTION 7. A new section to chapter 24-08 is created and enacted as follows:

Medal of honor bridge. A bridge replacing the bridge between Mandan and Bismarck presently known as the liberty memorial bridge is designated the medal of honor bridge upon the completion of the replacement bridge.

SECTION 8. EMERGENCY. Section 6 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

Administration	\$27,227,294	(\$41,446)	\$27,185,848
Driver's and vehicle services	20,081,797	(33,091)	20,048,706
Highways	736,823,693	53,174,005	789,997,698
Fleet Services	<u>43,280,168</u>	<u>(9,010)</u>	<u>43,271,158</u>
Total all funds	\$827,412,952	\$53,090,458	\$880,503,410
Less estimated income	<u>827,412,952</u>	<u>53,090,458</u>	<u>880,503,410</u>
General fund	\$0	\$0	\$0
FTE	1,044.50	0.00	1,044.50

Dept. 801 - Department of Transportation - Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	ADDS FUNDING FROM GARVEE BONDS ¹	TOTAL SENATE CHANGES
Administration	(\$41,446)		(\$41,446)
Driver's and vehicle services	(33,091)		(33,091)
Highways	(325,995)	\$53,500,000	53,174,005
Fleet Services	<u>(9,010)</u>		<u>(9,010)</u>
Total all funds	(\$409,542)	\$53,500,000	\$53,090,458
Less estimated income	<u>(409,542)</u>	<u>53,500,000</u>	<u>53,090,458</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding for the Highway 2 four-lane project and the Memorial Bridge project in Bismarck is added from grant anticipation revenue vehicle (GARVEE) bond proceeds. A section is added as an emergency authorizing the department to issue GARVEE bonds.

A new section is added requiring the department to continue to maintain bridges that it is currently maintaining over navigable waters in the state.

2005 HOUSE APPROPRIATIONS

SB 2012

*These are excerpts from agency overview hearings;
The full set of minutes/handouts available. Ask a
Legislative Council librarian.*

House House Appropriations Full Committee
February 23, 2005

Prior to that consolidation there were security services provided by OMB, Facility Management, Highway Patrol, and the Heritage Center (which still maintains their own security). The 4 FTE's that worked for Facility Management were moved to the Patrol and the Patrol oversees all security personnel. There was a transfer of dollars from Facility Management to the Patrol; it's a net zero gain.

*SB
2012*

Mr. Dave Sprynczytyk spoke on behalf of the Department of Transportation and reviewed written testimony (handout #33-11, attached). Mr. Sprynczytyk reviewed the major funding and FTE variances between the 03-05 budget and the 05-07 budget.

Rep. Eliot Glassheim asked if the committee could get a list of the improvements needed and if it is for a decade or a biennium and what the magnitude of the project is. Mr. Sprynczytyk answered that they do a 3-year plan and they update it annually. It also looks at 5 years and 10 years out, but this part is not published.

Rep. Mike Timm, Vice Chairman, asked how HB1458 tied into this. Mr. Sprynczytyk answered that this was developed with information from data that we have of what the out year costs may be. Rep. Weisz included programs he thought would begin to address improving our highway system. Rep. Mike Timm, Vice Chairman, asked if they endorsed putting three concepts in that bill, including studies. Mr. Sprynczytyk answered that HB 1458 states definitively that the money has to be used for projects, not studies. A portion goes to enhancing the highways. Another to projects where transportation is critical to economic development. Another will improve the railway system and another to improve the transit system. There is another bill relates to an overall study of the impact of transportation on economic development, but that didn't originate from the DOT. Rep. Mike Timm, Vice Chairman, asked if money was

put into other areas besides improving the highways. **Mr. Sprynczyntyk** answered that it is where we put the money now, including places like railways and public transit.

Rep. Mike Timm, Vice Chairman, asked if the bill provided money that both the counties and the cities share in it. **Mr. Sprynczyntyk** answered that he thought all money goes through the distribution fund, but he would need to verify that.

Rep. Mike Timm, Vice Chairman, asked if the bill changes the way the budget is set up. **Mr. Sprynczyntyk** said yes because the amounts contained in HB 1458 are greater than what's contained in SB 2012. In order to access that funding there would have to be an appropriation.

(tape #2, side A, meter #54.2)

Rep. Ole Aarsvold said with the volatility of the fuel market now, and since the DOT is a huge consumer of fuel, has there been any discussion internally about a similar position on the commodities market on fuel to stabilize the cost of fuel. **Mr. Sprynczyntyk** said they considered that 18 months ago, but decided it was too much of a gamble.

Rep. Bob Skarphol asked if the money designated in HB1458 is the same that the DOT would have designated.

(tape #1, side B)

Mr. Sprynczyntyk said that it was not substantially different than what they have already been doing. It would be an increase over and above what they do now. **Rep. Bob Skarphol** noted there is \$75 million going to various categories. He asked if the DOT would typically spend that much money doing that. **Mr. Sprynczyntyk** said that's over an 6-year period. He didn't have the numbers right now, but he said in each of those four areas, it would be an increase over what the DOT is doing now.

Rep. Bob Skarphol asked if oil prices dramatically effect the budget and **Mr. Sprynczyntyk** said there are two areas of concern in that regard. One on the revenue side and one on the expenditure side. The current estimate is slightly over a \$1.50 a gallon at the rack. If the rack prices go up, it will cost the DOT more on the expenditure side or their internal operation. The use of vehicles through the Fleet Service Program becomes a pass-through cost to the user. It's hard to predict how that use may change. The other side of the issue, if fuel prices remain high, is what impact will that have on public usage. If this goes down, there could be decreased revenues. During the current biennium, there has not been significant increase even with prices at \$2 range.

Rep. Bob Skarphol asked what happens if oil prices raise to \$49 per barrel for the next 24 months and what effect would that have. **Mr. Sprynczyntyk** answered that the price is \$51 per barrel now, and so far there has not been a decrease in usage, so it shouldn't have that much of an impact on us. If it stays at \$39 as it has for the past 6-8 months, it may not affect revenues much.

Rep. Ron Carlisle asked if SB2012 had a state match. **Mr. Sprynczyntyk** answered that there were no provisions to increase revenue over and above the current authority. Because of increased revenue in the current biennium and that expected in the next, the DOT is about \$22.7 million short of being able to match all of the federal funds right now. Companion bill SB2144, raised the registration fees \$15, and that would have supported most of it, but it was killed in the Senate.

Rep. Ron Carlisle commented that the DOT needs \$23 million; HB1458 raises \$25-26 million; so, there needs to be a way get the bills together for the match. (tape #2, side B, meter #5.1) **Mr. Sprynczyntyk** said that might be down through HB 1458 or through the budget bill SB 2012 which would provide for increased revenue.

Rep. Mike Timm, Vice Chairman, asked if there was a bill coming from the Senate that dealt with matching funds. **Mr. Sprynczyntyk** answered no.

Rep. Ken Svedjan, Chairman, said that at a minimum the subcommittee had to reconcile 1458 with 2012.

Rep. Larry Bellew asked what percentage of this is state funds and what percentage is federal funds. **Mr. Sprynczyntyk** answered that in the total budget, 58% are federal funds. Motor Vehicle, Driver Services, and Fleet Services do not include federal funding. The funds provided to the DOT are matched on an 80-20 basis. When the funds come in, the DOT retains 75% of the federal money for state highways and \$25 is distributed to the cities and counties.

Rep. Ken Svedjan, Chairman, said absent those three divisions, the DOT would be at 80-20 in terms of the match. He repeated that the DOT retains about 75% and 25% goes to the cities and counties. **Mr. Sprynczyntyk** said there are some programs that are 90-10 and typically, when considering the whole budget, it is 81-82% federal to 18-19% state.

Rep. Mike Timm, Vice Chairman, commented that HB1458 give \$38 million for matching.

Mr. Sprynczyntyk answered \$26 million. **Rep. Mike Timm, Vice Chairman**, said what's needed is \$22.7 million. (tape 2, side B, meter #8.1) **Mr. Sprynczyntyk** said for SB 2012 the answer is yes; they need \$22.7 million. The other authorities and programs contained in HB 1458 are not included in SB 2012. Those are over and above the normal programs.

Rep. Mike Timm, Vice Chairman, asked what they would do with the extra money if this passes. **Mr. Sprynczyntyk** answered that the money will go to the distribution fund.

Rep. Francis J. Wald asked if DOT interacts with the Upper Great Plains Transportation Institute. **Mr. Sprynczyntyk** said the DOT is a member of the Advisory Council to the Upper

Great Plains, the chairman of which is Mr. Sprynczyntyk. The DOT passes some federal money directly to the Upper Great Plains Transportation Institute because of ear marks in federal law.

There is also staff interaction. The DOT contracts research work with them. They work cooperatively with the DOT Design Center, which employs college engineering and IT students who work and receive training. **Rep. Francis J. Wald** asked if this was duplication

Mr. Sprynczyntyk answered no.

Rep. Mike Timm, Vice Chairman, commented that if HB1458 is the vehicle for funding, then the DOT would fall short. **Mr. Sprynczyntyk** answered that SB2144 had a \$15 fee increase on motor vehicle registration and that that money go into the State Highway Fund rather than the Highway Distribution Fund. That was killed in the Senate.

Rep. Chet Pollert speculated that Rep. Weisz assumed the bill raising the drivers' license fees from \$10 to \$20 was going to pass and that would generate \$3-5 million.

Rep. Mike Timm, Vice Chairman, said in the fiscal note for HB1458, DOT does get \$26 million and the counties get \$7 million and the cities get \$4 million. That \$26 million isn't split up. **Mr. Sprynczyntyk** apologized that he wasn't prepared to discuss HB 1458.

Rep. Ken Svedjan, Chairman, confirmed Rep. Timm's statement.

Rep. Ken Svedjan, Chairman, explained the senate changes to SB2012 and asked the House to reconsider the Senate's amendment regarding bridge maintenance. **Rep. Ken Svedjan,**

Chairman, said those costs are in the budget already. **Mr. Sprynczyntyk** said that they are concerned with the Liberty Memorial Bridge. The design needs adjusting because there were enhancements that are not necessary from the state's perspective. Maintenance won't begin until

2007-09 biennium.

Mr. Sprynczyntyk continued to explain his testimony regarding section 6 on bonding and explained the Garvy bonds.

Rep. Ken Svedjan, Chairman, asked for further definition of this type of bond and an explanation of the costs associated with it. **Mr. Sprynczyntyk** answered that Garvy bonds are authorized by the federal government and it's a grant of revenue anticipation vehicle. It's a revenue bond because the repayment of the debt comes from future federal and state revenues that are provided for by federal or state law. It doesn't allow bonding against increased revenues in the future, but it's a vehicle put in place 5 or 6 years ago to allow states to bond against future and state revenues to build the projects and possibly shorten the time frame for construction and in doing that allow for the bond issuance cost and interest to be a part of the federal program to be repaid by portions of federal and state funds. They've compared costs and interest on the bonds with the average construction inflation rate of 5% and they come out money ahead in the long run. There are 14 states which have used this. Two counties in North Dakota have used this authority. **Rep. Ken Svedjan, Chairman**, asked where the interest expense shows up. **Mr. Sprynczyntyk** said that the \$53.5 million is the anticipated loan in the next biennium. The payment wouldn't start until subsequent bienniums.

Rep. Jeff Delzer noted that normally this would be paid for over two or three bienniums. He asked how far into the future the DOT is bonding future revenues. **Mr. Sprynczyntyk** said on the Memorial Bridge project, the project will be constructed in 2006-07, so it falls into the next biennium. If they pay as they go, most of the expense would be incurred in the next biennium. The DOT would shift money from other projects in order to pay for it. On the \$4 million on Highway 2, which was originally set for a 10-year period, the DOT concluded that they would be

money ahead and the impact of the project would be less and the road could be put into service sooner if it were built over a 5-year period, which is the minimum time, given the construction resources of the state, in which to build. He said with regard to repayment and paying it out over the next 15 years, at base level that would come out of future highway appropriations, both federal and state...**Rep. Jeff Delzer** interrupted to ask if over the next 5-15 years, this would become the priority, which would take away from other projects; whereas, bonding allows the other projects to continue and get everything done in less time. **Mr. Sprynczyntyk** affirmed. He said he can provide figures that show costs and impact over the next five years. **Jeff Delzer** asked if the DOT will be asking for more funds in 5-15 years and receive extra funding to do these projects they'd normally put off or if not, is one time frame better than the other. **Mr.**

Sprynczyntyk said the DOT does not anticipate asking for additional money either with or without bonding. DOT will work within the revenue and authority that are given to us. Specific authority under the Garvy bonding seems to be the best way of doing it.

Rep. Keith Kempenich noted that HB1458 gives the DOT the authority to go out and bond for 15 years. It is hard to quit borrowing against the future. **Mr. Sprynczyntyk** answered that the DOT has not stood up and supported HB1458; it's a new program and concept worth considering, but maybe not as written. But, for these two projects this seems an appropriate means of financing because it's eligible for federal reimbursement.

Rep. Ralph Metcalf asked if federal reimbursement is the same for the bridge as it is for the highway. **Mr. Sprynczyntyk** answered yes. Highway 2 is 80% federal, 20% state. The bridge is 80% federal and hopefully, 10% state and 10% of the cities of Bismarck and Mandan on a 70-30 split.

Mr. Sprynczyntyk explained section 7 where it says that the name of the Liberty Memorial Bridge is to be changed to the Medal of Honor Bridge.

SB 2014 (2013)

Mr. Gary Preszler spoke on behalf of the Land Department and reviewed the variances on the written testimony (handout #33-12, attached).

Rep. Ken Svedjan, Chairman asked if the FTE is paid out of a grant.

Mr. Preszler answered no, that this position is funded through the maintenance fund.

Ms. Karlene Fine spoke for the Industrial Commission and reviewed her written testimony (handout #33-13, attached). The variances listed are negative variances. Ms. Fine mentioned that the only changes made by the Senate were the adjustments regarding the compensation packages. (tape #2, side B, meter #37.6)

SB 2014

Ms. Fine reviewed the figures for the State Mill.

Rep. Mike Timm, Vice Chairman, asked about projections of \$5 million for turn over to the state. **Ms. Fine** answered that the profits were \$5 million this year so the turn over would happen with no borrowing.

Rep. Mike Timm, Vice Chairman, asked how the Mill paid their loan back from the last biennium. **Ms. Fine** answered that payments were made through operation as the profits came in.

Rep. Francis J. Wald asked about the 7 FTE's, which were reduced as a result of the merger, and whether or not some of them were added to the payroll at UND. **Ms. Fine** answered that these were all Bismarck employees from the Oil & Gas Division and Geological Survey.

Rep. Ken Svedjan, Chairman asked for more about why the Senate amended the appropriation for Ag promotions. **Ms. Fine** said the Mill got \$50,000 for agriculture promotion, which is for work the management does to promote agriculture. The Senate wanted money to go to the Trade

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date Monday, February 28, 2005

Tape Number	Side A	Side B	Meter #
2	X		31.5-end
2		X	00-end
3	X		00-12.1
Committee Clerk Signature 			

Minutes:

Chairman Carlisle opened the Hearing on SB 2012 concerning the Department of Transportation. **Mr. Dave Sprynczynatyk, Director of the N.D. Department of Transportation**, read his testimony into the record (See Handout #1).

With regard to the testimony on the bottom of page 4 (H#1), **Rep. Kempenich** asked if the current system is Uni-Syst and whether or not this is the program that gave the Agency trouble two years ago. **Dir. Sprynczynatyk** said it was the on-line renewal system for motor vehicle registrations (VRTS). Uni-Syst has provided a tremendous system for under \$3 million and it works very well. The system is run in house. The vendor was hired in 1995 to provide the equipment and software to produce the driver's license itself. **Rep. Kempenich** also asked if the Agency is working with ITD and **Dir. Sprynczynatyk** confirmed.

(Tape #2, Side B)

Rep. Timm asked how the No-mow program started (See "No-mow request," H#1, p. 8). **Dir.**

Sprynczynatyk said the program began in the late 1960's and through the early 1970's as Highways 83 & 2 were made into 4-lanes; about 132 acres of wetlands were impacted. The Agency set aside 300 acres of ditch along those highways and designated them as no-mow. That was approved by the federal government. Over the years, adjacent landowners wanted to mow. In the event of an emergency, the ditches can be mowed after July 15. The proposed amendment would offset those acres so they would be free to be mowed anytime by whomever and it would set aside another 4,800 acres. **Rep. Timm** asked if lands along the new segment of Highway 2 are set aside as no-mow. **Dir. Sprynczynatyk** said there was some, but it was dealt with locally. Regarding the snow removal equipment (See H#1, p. 9), **Rep. Kempenich** asked about the replacement schedule, and **Dir. Sprynczynatyk** said fifteen-year.

At this time in the testimony, **Chairman Carlisle** jumped to the testimony on naming the bridge, Section 7 (See H#1, p. 23). **Senator Ben Tollefson** testified in support of Section 7 which would rename the newly reconstructed Liberty Memorial Bridge, from Bismarck to Mandan, the Medal of Honor bridge. He stated he felt the 16 who were given the Medal of Honor, most of whom died in battle, have never been recognized, and they deserve recognition. **Rep. Timm** asked why they would rename the bridge to honor 16; he suggested that the bridge might be renamed to honor all veterans. **Senator Tollefson** said he would support a compromise.

Representative Dan Ruby also testified in behalf of Section 7. He told the Committee that there is only one other structure in the U.S. honoring the Medal of Honor winners. He suggested that might be because few of them survived the war. **Chairman Carlisle** asked if there were a bridge

in Minot that could be used for this purpose. **Rep. Ruby** said they deserve a bridge of substantial size and importance.

Mr. John Jacobsen, ND Veterans Coordinating Council, testified against Section 7. He polled the Council and couldn't get a positive commitment. There was no clear consensus.

Rep. Timm asked if the Council might accept a name that would honor all vets. **Mr. Jacobsen** affirmed, but the name Veteran's Memorial Bridge is proposed in Engrossed Senate Concurrent Resolution 4003.

Mr. Gerald M. Skogley testified against Section 7 and read his testimony into the record (See Handout #2).

Dir. Sprynczynatyk proposed a possible solution to the Committee and visitors. The bridge could be renamed Liberty Memorial and Medal of Honor Bridge. If the details of maintenance could be worked out, maybe there could be five plazas or overlooks honoring each service branch. The Medal of Honor winners could be listed at the appropriate overlook. **Chairman Carlisle** asked the Director to put some thoughts down in a memo.

Dir. Sprynczynatyk returned to reading his testimony into the record (See H#1, p. 10).

With regard to the map on p. 12, **Rep. Timm** noted the legend is missing and asked for an explanation. **Dir. Sprynczynatyk** said the map shows the 8 maintenance districts. The colored lines drawn outward from each truck depict the maintenance area. **Chairman Carlisle** asked if this winter were a representative year for maintenance and **Dir. Sprynczynatyk** said the northern half of the state has had snow this year. This winter hasn't been as severe as last year, but there are more instances of slush & ice. The average for snow & ice control is \$7 million. It has been lower so far this year.

(Meter #24.0)

Chairman Carlisle asked if **Celeste Kubasta, OMB**, had a guest to introduce. **Ms. Kubasta** introduced Carrie Giese, who is job shadowing with OMB.

Dir. Sprynczynatyk returned to his testimony (See H#1, p. 11). **Chairman Carlisle** asked about the grooves in the road. **Dir. Sprynczynatyk** said dowl bars are put in to strengthen the road and smooth it out. Other instances, the roads are grooved to reduce sound.

Dir. Sprynczynatyk went on to discuss budget (See H#1, p. 13). He pointed out that there was a shortfall of \$21.1 million identified in the submitted budget. The Department proposed offsetting that with a \$15 increase in motor vehicle registration fees (SB 2144), but that bill was defeated in the Senate.

Using the chart on p. 13, **Dir. Sprynczynatyk** pointed out that 54% of the Department's budget comes from the federal government; for every dollar of federal gas tax sent to Washington, N.D. gets a little over \$2 back **Rep. Timm** asked if there will be future cut-backs. **Dir.**

Sprynczynatyk said the debate in Congress is between the donor states, those that send in more than they get back, and the donee states, like N.D., which get back more than is sent in. There's a minimum guarantee of 90.5% of what's sent in comes back. If that's raised to as much as 95%, the donee states will be adversely affected. Hopefully, protection can be built into any new authorization for the donee states, so that they may not get as large percentage back, they will get at least the same amount back as they've gotten in the past. The Department and the Congressional delegation have done everything possible to protect that share.

Chairman Carlisle said the figure mentioned in the Full Committee was \$22.8 million. **Dir.**

Sprynczynatyk said \$22.7 million, which is different than the number mentioned earlier in

testimony. That's because additional federal money has been provided since the budget was submitted.

Rep. Kempenich asked about the \$28 million figure and if that represented the total amount which includes state, county, & city. **Dir. Sprynczynatyk** said he didn't know what the amount needed by the counties and cities would be. They could calculate those figures based on what's expected. The \$22.7 million figure is the total amount needed by the state alone. **Rep.**

Kempenich said they needed to consider the complete picture and **Dir. Sprynczynatyk** said he would prepare that information.

In reference to the "State Highway Tax Distribution Fund" (See H#1, p. 18), **Chairman Carlisle** asked if there were any news from Minnesota and their fuel tax. **Dir. Sprynczynatyk** said a few weeks ago there was talk of a 5 cent gas tax in Minnesota. They have been 1 cent higher than N.D. since 11/1 to replenish the environmental clean-up fund, but after midnight 2/28, they will be 1 cent lower. Today our tax is 21 cents and there's 22 cents. Tomorrow it will be 20.

Rep. Kempenich said that California is talking about an excise tax for hybrid cars that don't use gas. They still use the highways.

(End of Tape #2, Side B)

(Tape #3, Side A)

With regard to the Chart "Impact of Memorial Bridge and US2 4-Laning" (See H#1, p. 23),

Chairman Carlisle asked if this Garvey bond exceeded the bonding ceiling. **Mr. Allen Knudson, Legislative Council**, said the bonding limit only applies to general fund payments.

Dir. Sprynczynatyk informed the Committee that this is a revenue bond, an authority developed through the last highway reauthorization bill in 1998. Repayment is paid by 80% federal and

20% non-federal. **Rep. Kempenich** noted this would cost about \$12 million to pay the bonds back. **Dir. Sprynczynatyk** said that if the \$53.5 million is borrowed in the next biennium, the cost of repayment would be \$6.7 million per year. In the next biennium, to complete the Highway 2 project, the DOT would need to borrow another \$30 million and that would bring it up to that \$10-11 million range. **Rep. Kempenich** said \$24 million a biennium and **Dir. Sprynczynatyk** confirmed. He also pointed out that with construction inflation, that the \$80 million doesn't get the DOT as much, but the repayment is fixed.

Rep. Kroeber asked to return to p. 4 to discuss the drivers' license contract and how that will be provided for after June 2006. **Dir. Sprynczynatyk** said the DOT would do bids this summer and have a vendor ready to go in July 1, 2006. In the next session, the DOT will ask for added costs.

Rep. Timm asked if the Director did in fact tells the Full Committee that even if HB 1458 passes, the DOT would need to add revenue sources to pay for the \$22.7 million shortfall. **Dir. Sprynczynatyk** confirmed. SB 1458 identifies four major programs and although it generates \$26 million of state funds, not all of that can be used to offset the federal match requirement. Some of that has to go toward those four programs. **Rep. Timm** said that if SB 1458 passes, the state will be saddled with a gas tax increase of 3 cents over six years, plus large registration increases, and the legislature will still have to pass some more. **Dir. Sprynczynatyk** said he was certain Rep. Weisz didn't intend SB 1458 to be the vehicle to provide the revenue needed for increased federal funding; the intent was to enhance the DOT's ability to operate and maintain the state's roads, rail, and traffic system. It's a comprehensive transportation initiative over and above what's taking place at the federal level today. **Rep. Timm** asked if HB 1458 passed, what additional revenue would the DOT need to meet the \$22.7 million shortfall. **Dir. Sprynczynatyk**

said he didn't know the answer right now because of the \$26 million generated for the State Highway Fund, what part of that the DOT could use to match the on-going program. He said he would provide that information to the Committee.

Rep. Timm summed up the Committee's dilemma: how much of an increase are the taxpayers willing to absorb? **Rep. Kempenich** identified another problem: other than the budget, there's no vehicle to provide for the matching funds.

Dir. Sprynczynatyk told the Committee that on the federal level because of the two-year delay, funds have been piling up. There has been talk that there might be a 30% increase in 2009 in federal funding. If that materializes, the 2009 legislative will have much work.

Rep. Timm said someone asked him recently whether or not the DOT has to accept all federal fund matches. **Dir. Sprynczynatyk** said the DOT is barely keeping up with the need, just from a maintenance standpoint. It would be a set-back for N.D. to refuse federal money. He also pointed out that as the number of vehicle miles on the roads continues to increase, but the amount of gas consumed and the number of vehicles registered are flat. Since 1970, there has been a 100% increase in terms of the number of miles traveled on our roads. In that same period, there has been only 30% increase in fuel consumed. The number of vehicles hasn't fluctuated much.

Rep. Timm said maybe a federal gas tax increase would help with more money coming back to N.D. **Dir. Sprynczynatyk** said there hasn't been a federal gas tax hike since the early 1980's.

Chairman Carlisle asked if the House Transportation Chairman is from a donor state. **Dir. Sprynczynatyk** said the chairman on the House side is Congressman Young from Alaska, a donee state. On the Senate side is Chairman Inouye of Oklahoma, a donor state. [Note: This is an error. Sen. Daniel Inouye (Hawaii) is Co-Chair; Sen. James Inhofe is from Oklahoma, but is not

Page 8

Government Operations Division

Bill/Resolution Number SB 2012

Hearing Date Monday, February 28, 2005

on the Committee; the Chairman is Ted Stevens (Alaska)] California, Texas, Illinois,

Pennsylvania are donor states. New York is a donee state because they have lots of public transit.

Chairman Carlisle closed the hearing on SB 2012.

(Meter #12.1)

After the hearing, the Executive Director of the N.D. League of Cities Ms. Connie Sprynczynatyk

provided Committee members with written testimony to read (See Handout #3).

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date Monday, March 21, 2005

Tape Number	Side A	Side B	Meter #
1	X		00-38.7
Committee Clerk Signature <i>Don W. Tenbeek</i>			

Minutes:

Chairman Carlisle opened discussion on SB 2012 concerning the North Dakota Department of Transportation. He referred the Committee to Amendment .0202 and deferred to **Rep. Timm** to review.

Rep. Timm told the Committee that Amendment .0202 has two main parts:

- Section 10 that raises the motor vehicle registration fee by \$10 per year and that money will go the Highway Fund. He said the distribution of those funds is outlined on Handout #1. Pages 2, 3, & 4 of the Amendment refer to this increase.
- Section 14 that raises gas tax of 2 cents for diesel all year round and that money will go the Highway Distribution Fund. Motor vehicle gas taxes will increase by 2 cents from November through April and that will go into the Highway Distribution Fund. From May through

October, the gas tax will be raised 4 cents and that money will go into the Highway Distribution Fund.

He referred the Committee to Handout #1 and how the shares are divided among state, county, and city. The state will receive \$31.0 million for the first biennium, 05-07. The state needs 31.4 to meet matching funding and the DOT will come up with the extra \$400,000 within the budget. They will save about \$123,000 on the insurance premium decrease. He pointed out that in the first biennium the counties will have \$6.5 million extra and the cities, \$3.9 million extra. The counties and cities will have to implement a priority plan, which is delineated in Section 5, p. 1 of the Amendment. They will have to submit to the DOT a plan of how they plan to spend the new funds. The funds they would normally get through the Highway Fund Distribution will be allocated the same way it is today. They can spend it as they wish. The new monies are contingent on a priority plan which must be approved and certified by the DOT. The State Treasurer will release those funds once the process is complete.

Chairman Carlisle asked if this funding mechanism would get all the funding available for the match in Washington. **Rep. Timm** said all but \$400,000. **Chairman Carlisle** asked if this is a 4 to 1 match and **Rep. Timm** confirmed.

Rep. Timm said this is a 6-year plan and in the biennium of 07-09, the match needed is \$30.6 million and so the DOT will have a little extra money. There will be a \$400,000 catch up there in the second biennium over what they need to match. (Meter #6.3) The reason the match is so big in the 05-07 biennium is there's a \$22.7 million for the federal match and they need \$8.4 million to finish up Highway 281 and Highway 19 up around the Devils Lake area. That's why the figure is so high in the first biennium. He pointed out that in the 09-11 biennium, the total funds to

match federal funding is \$54.1 million. It jumps dramatically according to the plan that's in Congress right now. Section 11, p. 5 addresses this by adding a 1% motor vehicle excise tax that will shift from the general fund. All excise taxes are going into the general fund now. This would take out 1% of that and put it into the Highway Fund and this fund is not shared by the cities and counties. These funds will go in just to meet the federal match in 09-11.

Rep. Timm went on to say that future legislatures may change this 6-year plan, but for now this is the plan.

Chairman Carlisle noted that the Rep. Weisz's bill was defeated 45-0. The only funding mechanism for highways right now is this bill.

Rep. Timm asked if there were any questions on the funding mechanism and **Mr. Allen**

Knudson, Legislative Council, said that he thought the intent was only for the additional 2 cents to go on gasoline and gasohol during the summer months and **Rep. Timm** confirmed. **Mr.**

Knudson said he thought there was an error on #1 on p. 7, which has the summer month language and that should be taken out. **Rep. Timm** asked why he did that. **Mr. Knudson** said he didn't do this part of the Amendment. He said he's take that off. He said the gasoline language is on p. 6 at the top where it's for the summer months, but this relates to diesel. **Rep. Timm** said diesel is supposed to be 2 cents year round. **Mr. Knudson** said he would remove the underscored language.

(Meter #9.9)

Rep. Timm continued to review the rest of the Amendment. Regarding no-mow, see Section 7, p.2., he deferred to **Mr. Dave Sprynczynatyk, Director of the N.D. Department of**

Transportation, who was present to assist the Committee. **Dir. Sprynczynatyk** said that two

sessions ago the legislature passed a law which stated that by 2004, the NDDOT had to come up with a plan for mitigating the no-mow acres principally along Highways 83 and 2. Those areas were set aside back in the 1960's and early 1970's and the land was purchased. The ditches were set aside as no-mow and over the years there's been interest in mowing it on an ongoing basis. In 2001 the legislature said unless the state comes up with a plan to offset the no-mow areas, those lands will be open to the adjacent landowner to be mowed. The problem with that is that they were set aside as mitigation and if the DOT does that, it will lose federal funding. The plan was not ready in the first two years. Two years ago, the DOT presented a plan and expected to acquire about 4,800 acres of state land at \$500,000. It turned out the appraisals were 25-50% greater than that, so the DOT is still trying to come up with the land and this requests two more years to do that. This Amendment pushes the deadline to 2008.

(Meter #11.5)

Chairman Carlisle asked **Mr. Knudson** if the one-call is incorporated into the Amendment as well. **Mr. Knudson** referred the Committee to footnote #1, p. 8.

Rep. Timm said the Senate amended SB 2012, Section 5, p. 2, under "Responsibility for state highway system" by inserting new language at line 27-29. This Amendment would change p. 2, line 28 by replacing "the maintenance" with "maintaining the structural integrity." Also, on p. 2, line 29 after "state" inserting "unless an agreement is reached with the municipality." He referred the explanation to **Dir. Sprynczynatyk** who said there are 4 bridges that this section applies to: Expressway Bridge, Memorial Bridge, the bridge on Highway 210, north of Wahpeton, and the bridge on the 83 bypass, west of Minot. The way it's written, the DOT cannot divest itself of maintenance of those bridges. This provides the DOT flexibility if an agreement can be reached;

the concern is to protect the resources of the state. The DOT will focus on "maintaining the structural integrity."

Rep. Williams asked about the current agreement regarding the Two Gen (?) Bridge in Wahpeton. **Dir. Sprynczynatyk** said there is no agreement on that bridge. **Rep. Williams** said, "you just do it," and the Director said yes. He explained that negotiations take place when a bridge is either enhanced or replaced. **Chairman Carlisle** asked if the Director would keep him apprised of the current negotiations with regard to Bismarck and Mandan.

Rep. Timm continued. He referred the Committee to p. 2 of the Amendment where it refers to "page 4, line 9." The Senate changed the name of the bridge to be built to the Medal of Honor Bridge. He acknowledged the objections by City Council and others. This Amendment would call the bridge "Liberty Memorial-Medal of Honor Bridge." This preserves the original name, but adds the Medal of Honor on the end. The DOT has plans to hang plaques which name the Medal of Honor winners.

Rep. Timm said the final change refers to the Garvey Bonds. See p. 2 where it says "Page 3, line 14." This issue was brought up in Full Appropriations with some skepticism. He referred this explanation to **Dir. Sprynczynatyk**. He said when T21 was passed into law at the federal level in 1998, they provided an authorization that allowed states and other entities to bond against future federal and state revenues. The Garvey Bond allows the DOT to sell bonds to provide the funding up front for the projects which are undertaken. In this case, it's Highway 2 and the Memorial Bridge. Specific to Highway 2, this shortens the time frame for construction from 10 years down to 5 years. Specific to the Memorial Bridge, it essentially minimizes the impact to other projects that are on the docket right now all across the state. The principle of the Garvey

Bond is to allow the state to issue bonds for up to 15 years to allow these projects to go forward.

The repayment would be both future state and federal revenue, and the interest costs and the bond issuance costs are also eligible for reimbursement from the federal government.

Rep. Timm referred to a chart from the DOT (no copies provided for the Committee or clerk) which shows that by accelerating the construction, money is saved over and above what is paid out for interest. In other words, "you save money on interest over and above what the extra costs would be by extending the construction period further out." **Dir. Sprynczynatyk** added that construction inflation costs average 5% a year. Last year it was actually over 10%. The cost of borrowing money under the Garvey Authority averages right now about 3 ½-4 %. When you consider the savings of future costs due to inflation, you save money in total by constructing in a shorter period of time and borrowing the money to do that. There is also the added benefit of being able to utilize the completed project five years sooner.

Rep. Timm went on to explain that this language limits the Garvey Bonds the DOT can issue to Highway 2 and the Liberty Memorial Bridge. If any further bonds are issued, they will have to come back to the next session of the legislature. He asked Mr. Knudson to confirm and **Mr.**

Knudson said the section expires at the end of 07. This refers to one biennium.

Chairman Carlisle asked about the article in the news paper recently regarding Rep. Pomeroy and whether or not the state has secure funding on the Liberty Memorial Bridge. **Dir.**

Sprynczynatyk said it is not secure. The announcement by Congressman Pomeroy is that in the House version of the Reauthorization, funding is earmarked for the Memorial Bridge. It was not in the Senate version, so it will have to go to conference committee in late April/early May. It's not secure by any means. **Chairman Carlisle** asked if the bridge is funded, no matter what. **Dir.**

Sprynczynatyk said the intent is to construct the bridge in 2006-2007 and the DOT, in absence of the Garvey Bond, has existing authority to borrow up to 4 years or if the DOT decides not to borrow, it would pull the money in from those two years for the construction. If the final language which comes out of Congress allows the DOT to get that money in advance from the remaining years of the Highway Reauthorization, then the DOT wouldn't have to bond either. The DOT is asking for that authority in the event that it's needed. On Highway 2, the DOT doesn't have that, but will need to. With regard to Highway 2, there are 4 more years to go. The intent is to bond in this biennium, if given the authority, and also, the DOT hopes to bond in the next biennium for the remaining portion. For this biennium and the upcoming biennium, the DOT hopes to have the authority to bond for \$29 million and \$21 million in the subsequent biennium.

Rep. Timm asked **Mr. Knudson** why the language states that it expires at the end of the biennium, which wasn't his intent. **Mr. Knudson** said the language could be rewritten to say it expires at the end of the following biennium, or the end of 09. **Rep. Timm** asked if this is specific to the two projects and **Mr. Knudson** confirmed. He also said that Section 6 that the Senate added that was going into the Century Code as permanent law, but since the intent was to authorize for the two projects, the expiration date was included. That can be changed to a later date. **Rep. Timm** asked if the two projects could be spelled out in law. **Mr. Knudson** said yes it could, but once the two projects were done, it would still be in law forever. **Mr. Tom Frier, Deputy Director of NDDOT**, pointed out that the two projects are stated in the Amendment on p. 2, under "Page 3, line 14." **Rep. Timm** asked how long the DOT expected the two projects to last. **Dir. Sprynczynatyk** said they hope to have the Memorial bridge done in the next biennium.

Highway 2 will go into the following biennium. He was apprehensive about the expiration date.

He said if there is no authority in the law, and where Garvey Bond section describes how the repayment is done, it concerns him as to the DOT's ability to sell the bonds. If a sections is terminated in 2007 or 2009, on p. 3 of the engrossed bill, it says: "the department may pledge any federal aid grants received or to be received for debt service and related issuance costs for evidences of indebtedness.." If an expiration date were inserted, it would make the bond community very uneasy because it essentially says that after a section expires, the DOT would no longer have the authority to pay the debt. **Rep. Timm** asked where the expiration date is and **Mr. Knudson** said Section 17, top of p. 8. **Rep. Timm** said that section should be removed, so it would be all right. He also asked about the earlier change regarding the diesel fuel and whether or not the correction will change the figures on p. 8 of the Amendment. **Mr. Knudson** said the figures are correct; the language that was added was the only error. **Rep. Thoreson** said that the underlined language on p. 7 of the Amendment should be removed and the Committee concurred. **Rep. Timm** repeated that on p. 8 of the Amendment, Section 17 should be removed. **Mr. Knudson** affirmed.

Rep. Timm asked if Mr. Knudson could get the new amendment back to the Committee by the following morning.

Chairman Carlisle reviewed the changes in Amendment .0202

- remove underlined language on p. 7
- remove Section 17

Rep. Kempenich said that the two projects which relate to the Garvey Bonds are referenced on p. 2 of the Amendment. He asked why this couldn't be written to say "it's not effective after

2009.” In other words, limit the projects without canceling out the section. **Rep. Timm** said it doesn't cancel out the Garvey Bonds. **Rep. Kempenich** said it would put the two projects in Code. He asked why a reference couldn't be used to say that the projects will be gone in four years. If the DOT sells the bonds, it doesn't want the Garvey Section to go away, just the two projects. **Chairman Carlisle** asked how they could do that. **Mr. Knudson** said he would check with one of the attorneys with Legislative Council to key this into the session laws. **Rep. Timm** asked if the new language would be in the bill. **Mr. Knudson** said the new language would stay in the bill, but it wouldn't be underlined language, it would just be in the session laws. **Rep. Timm** asked about the language on p. 2 under “Page 3, line 14...” and whether or not it would stay in. **Mr. Knudson** said that would stay in to identify the projects, but they may just replace the whole section. Section 6 would authorize the Garvey Bonds. **Rep. Kempenich** said then there would be another section to reference the projects. **Mr. Knudson** said they would reference the projects in the Section, but it would just go into the session laws, not go in the Code. He repeated that he would check with legal staff.

Chairman Carlisle suggested the Committee reconvene at 10:00 the following morning to reconsider the Amendment.

Rep. Kroeber asked if he could review the changes one more time. This Amendment increases the tax 2 cents year round on everything, with 2 cents extra for gas and gasohol in the summer months. The \$10 motor registration fees collected will go into the Highway Fund, which is \$5 less than what the Governor recommended. This cuts the cities and counties out of that. Now, all of that is divided up, except for \$2. **Dir. Sprynczynatyk** said that now \$3 goes directly to the Highway Fund. Prior to the last session it was \$1. **Rep. Kroeber** said we're setting a precedent

where all motor vehicle registration fees are going right to the Highway Fund. **Rep. Timm** said just the \$10 increase. **Dir. Sprynczynatyk** said \$10 plus the \$3.

Rep. Kroeber said with regard to the motor vehicle excise tax, you're not increasing that a cent; 1 of the 5 cents will be taken off and shifted straight to the Highway Fund where before it all went to the General Fund. In 2009-2011 the general fund will have \$29.2 million left. He asked why that part of it reduced the counties and cities. **Dir. Sprynczynatyk** asked if he was referring to the decrease that was shown in 2009-2011. Once confirmed, he went on to explain that this a shift from the general fund to the Highway Fund. When that occurs, it decreased the amount of state aid distribution that presently goes to the counties and cities. When you shift 1% of the excise tax from the general fund less state aid distribution, that becomes the amount of the decrease. **Chairman Carlisle** noted a few sessions ago, the legislature put in a trigger for the aid to cities and counties which brought them up to \$72 to \$77 million. It used to be \$50 million.

Rep. Kroeber continued with the priority plan on spending on the new money. This plan goes to the NDDOT where it must be approved before the counties receive the additional 6.5 or 3.9. He asked why. **Rep. Timm** said that the counties need to set priorities which benefit the public good.

Rep. Kroeber asked who's idea this was and **Rep. Timm** said **Rep. Weisz**.

Chairman Carlisle told the Committee once again that other than this, there is no funding proposal. **Rep. Timm** said the Senate doesn't have a plan at all. **Rep. Williams** noted this is doing some shifting. Rather than all intrastate, some of it will be picked up by interstate with the gas tax. **Rep. Timm** said that was the theory behind the 4 cents in the summer time. The reason diesel was kept at 2 cents is because of the truckers.

Page 11
Government Operations Division
Bill/Resolution Number SB 2012
Hearing Date Monday, March 21, 2005

Rep. Williams said it was a plan. It will go to Full Committee and it will end up in conference committee. **Rep. Kempenich** said it would float like a butterfly and **Chairman Carlisle** added sting like a bee.

Rep. Timm checked to make sure there's language to establish the one-call within the Highway Department. **Rep. Kroeber** said p. 8 of the Amendment.

Chairman Carlisle closed discussion on SB 2012 on until 10:00 a.m. 3/22.

(Meter #38.7)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date Tuesday, March 22, 2005

Tape Number	Side A	Side B	Meter #
1	X		00-18.1
Committee Clerk Signature <i>Rowen T. [Signature]</i>			

Minutes:

Chairman Carlisle opened discussion on SB 2012 concerning the budget of the North Dakota Department of Transportation. He referred the Committee to Amendment .0203 and asked **Rep. Timm** to review changes. He mentioned there were two changes, and he deferred to **Mr. Allen Knudson, Legislative Council** who pointed out the following changes:

- p. 7, subsection 1, contains the language that would have increased diesel for the summer months. That language has been removed. What remains is the diesel going up 2 cents all the time.
- p. 2, "Page 3, line 14" designates that the Garvey Bonds are authorized for the two projects. The expiration date has been removed.
- p. 1 under the "...city and county roadway plan," the section takes a \$1 million from increased revenue that this bill generates that would have gone to the cities and counties and transfers

that to the highway fund so DOT will have the \$1 million to develop the roadway plans for the cities and counties. It also provides that the State Treasurer will not distribute the additional revenue to the cities and counties until that roadway plan is completed. The \$1 million is appropriated to the DOT in the numbers on top so they can spend the money.

- p. 5 the registration fees go up \$10. Subsection 7 indicates that \$13 of each registration fee goes directly to the Highway Fund. That's \$3 now, and this increases it by \$10. The other section that had provided for the \$3, is repealed because initially that was a temporary allocation that was made permanent last time. But, now because this is being changed by increasing it another \$10, it's all in one place, instead of being in two places. It's all in subsection 7.

Rep. Timm asked if that was a change, too, from what they had discussed yesterday and **Mr. Knudson** said that was right. It's just all in one place now. That makes it simpler.

Chairman Carlisle asked if the repeal on p. 7, Section 16 was part of that. **Mr. Knudson** said they are repealing that allocation and saying that the \$10 plus the \$3 will go directly to the Highway Fund.

Rep. Timm moved to approve Amendment .0203; **Rep. Kempenich** seconded. Under discussion, **Chairman Carlisle** said the issue about naming the bridge will be discussed in Full Committee. **Rep. Timm** said this plan was developed in the House. The Senate has not developed any kind of a plan. The first bill from the Senate Transportation Committee was killed. They failed to add anything to the DOT budget. HB 1458 which came from the House Transportation Committee was killed yesterday in the Senate. As of right now, the Senate has no plan for funding the Highway Department to meet the federal match. This 6-year plan was

developed with the idea of raising enough money to meet the federal match and to meet the \$8.4 million needed to complete Highway 281 and Highway 19 up around the Devils Lake area. He said he believed the House will pass this, so discussions can begin with the Senate. He said the Governor proposed a \$15 registration fee originally and it all went to the Highway Fund. This plan has been developed to provide extra monies for the counties and cities if they comply with the prioritization aspect of this bill, which adds pressure, but it's a good thing.

Chairman Carlisle asked if Highway 2 is still ongoing. **Dir. Sprynczynatyk, North Dakota Department of Transportation**, who was present to assist the Committee, said the way the amendments are structured now, and the dollar amounts that are in there, the assumption is that the DOT will proceed with the accelerated schedule for Highway 2. He gave the Committee copies of the "US-2 and Memorial Bridge Bonding Analysis" (See Handout #1) which shows cost savings built around the accelerated schedule, and reviewed that information for the record.

Chairman Carlisle said they're both going to be built and **Dir. Sprynczynatyk** said that's correct. The Memorial Bridge will be built in 2006-07 and Highway 2 on the accelerated schedule which started last year will be completed in 2008. **Rep. Timm** said the total savings is \$2.6 million. **Dir. Sprynczynatyk** said actually, the net savings is about \$1 million. The \$2.6 million is part of the savings, which are offset by the bond interest costs.

Chairman Carlisle asked for a memo with a series of bullet points on SB 2012 to help in Full Committee. **Dir. Sprynczynatyk** said he could have that by the end of the day.

Rep. Williams asked for confirmation that this is the only source of revenue for highway funds left and that was confirmed. He asked if the Senate is aware of what's being done. **Rep. Timm**

said they're aware that a funding mechanism is being put on the budget. **Rep. Williams** said he likes the fact that this uses two different sources of income rather than just the registration fees.

Rep. Thoreson stated that he appreciated the work that's been done, but he can't support an increase in gas taxes.

Hearing no further discussion, **Chairman Carlisle** called for Roll Call Vote#1; motion passed, 5-1-0.

Rep. Timm moved a Do Pass on SB 2012 as amended; **Rep. Kempenich** seconded. Under discussion **Rep. Kroeber** said he had concerns with two areas. He said he doesn't understand why the cities and counties have to come up with a roadway plan to get their money. He's also concerned with the way the legislature is diverting funds into the Highway Fund. **Rep. Timm** responded that if part of that registration fee were shifted to the Highway Distribution Fund, there wouldn't be enough money. The original plan, or the Governor's plan, was not to give the counties and cities anything. This gives them extra money if they meet the requirements. **Rep. Kempenich** said it's just a plan; it shouldn't be onerous to them. **Rep. Williams** said most counties have a plan, even though it may not be written out.

Chairman Carlisle had asked **Mr. Knudson** earlier what the figures were regarding distributions to counties. **Mr. Knudson** said that at the end of last session, the projection for 03-05 was \$69 million. The revised projections now for 03-05 is \$74 million. The projection for 05-07 is \$78 million. **Chairman Carlisle** asked if that was off the trigger put in place a few sessions ago. **Mr. Knudson** said that's the 4/10's of 1% of the sales tax. **Rep. Williams** said they're not getting a cut at all. The Committee realized it was actually a boost.

Page 5

Government Operations Division

Bill/Resolution Number SB 2012

Hearing Date Tuesday, March 22, 2005

Chairman Carlisle called for Roll Call Vote #2; Motion passed 4-2-0. **Chairman Carlisle**

asked **Rep. Timm** to carry the bill to Full Committee.

Chairman Carlisle thanked all who helped with this budget and closed discussion on SB 2012.

(Meter #18.1)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2012
Department of Transportation

House Appropriations Full Committee

Conference Committee

Hearing Date March 22, 2005

Tape Number	Side A	Side B	Meter #
1	X		#0 - #48.0
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2012.

Rep. Mike Timm, Vice Chairman explained that the Senate amendments included additional language in section 5 relating to the contracts that the Department of Transportation (DOT) has with cities, which we amended so the cities wouldn't have to maintaining major structures like bridges. We added that the contracts between the state and the cities needed to be mutually agreed on. Another amendment is on page 4, section 7 regarding the name change of the Liberty Memorial Bridge to the Medal of Honor Bridge. We amended this to be the Liberty Memorial - Medal of Honor Bridge as a compromise with the Senate. Page 2 section 7 of amendments extended the date to January 1, 2008 for the haying of the no mow areas. The Senate added page 3 of the bill dealing with Garby bonds.

Mr. Dave Sprynczytyk from the Department of Transportation explained that Garby bonds are grant participative revenue bond authorized by federal law. It is a mechanism for state and

political subdivisions who are able to access to federal highway funds to bond against future anticipated revenue under the federal and state highway programs. This section of the bill will give the DOT authority to use Garby bonds on the construction of the Memorial Bridge and Highway 2 to accelerate the construction of these two projects. The interest costs and the bond issuance costs are then eligible as project costs that can be reimbursed.

Rep. Francis J. Wald asked if only future federal revenue can amortize these bonds

Mr. Dave Sprynczytyk answered that this is written to include future federal revenue and future highway fund revenue as well.

Rep. Francis J. Wald asked if you could use local gas tax money

Mr. Dave Sprynczytyk answered that he would check but it was not written this way

Rep. Francis J. Wald asked if bond payments will run for 15 years with a prepay possibility

Mr. Dave Sprynczytyk answered that the payments will run up to 15 years and the prepay is advantageous but usually at a higher interest rate

Rep. Francis J. Wald asked what is the impact between the end of the 6 year and the 15 year difference and how do you anticipate generating that revenue

Mr. Dave Sprynczytyk answered we would not generate any additional revenue but take the necessary bond repayment amount out of the annual allocation to the state from the federal government or future state revenue generated to the state highway fund. Right now the impact is \$10 million a year for that duration. (meter Tape #1, side A, #11.4)

Rep. Mike Timm, Vice Chairman distributed handout #52-1 (attached) and explained that this shows a \$1 million dollar savings between bond payments and anticipated future accelerated

costs over a 15 year period. It is cheaper to make bond payments versus paying the accelerated construction costs.

Mr. Dave Sprynczyntyk answered that there would be at least a \$1 million dollars through low bond costs and higher construction costs and by accelerating the costs. By using a tool like this we are able to minimalize the impact on other projects throughout the state.

Rep. Mike Timm, Vice Chairman commented that page 2 line 14 authorizes the DOT to purchase Garby bonds for these two projects only and if they wish to issue these again for future projects they would have to request authorization again from the legislature. The rest of the amendments deal with the 6 year plan for the funding source in sections 10, 11, 13, 14, and 15. To meet the federal match of \$31.4 million, we're proposing a 2 cent diesel fuel tax year round and a 2 cent motor vehicle fuel tax which is gas and gasohol for the winter months of November through April and a 4 cent motor vehicle tax for the summer months. These funds would go into the highway distribution fund which is shared by the counties and the cities. There is also a proposal for a \$10 increase in motor vehicle registration fees that would go straight into the highway fund that is not shared with the counties and the cities. The last addition is a 1% excise tax shift from the general fund to the highway fund in 2009-2011 because the federal match increases then to \$54.1 million. Any future legislators can change this. The highway department is saving \$128,000 in their health premiums and they will use this to help offset the \$400,000 needed to meet the federal match in 2005 and then in 2007 the amount of revenues from these increased taxes will meet the match.

Mr. Allen Knudson from legislative council explained that currently \$3 of each registration fee is deposited directly into the highway fund and the amendment on page 5 subsection 7 changes that to \$13.

Rep. Mike Timm, Vice Chairman the last amendment is on page 1 section 5 which would require counties and cities to prioritize their own programs in order to receive the extra \$6.5 in the counties and the extra \$3.9 raised through these new taxes from the DOT. The highway department wants \$1 million to cover this program Rep Timm moved to adopt amendment #0203 to SB2012.

Rep. Ron Carlisle seconded

Rep. Eliot Glassheim asked if the cities and counties get no new project money until July of 2006.

Rep. Mike Timm, Vice Chairman answered that this was correct since it will take that long to draw up plans and get them approved by the DOT.

Rep. Francis J. Wald asked if small communities are required to do these plans (meter Tape #1, side A, #21.4)

Rep. Mike Timm, Vice Chairman answered that yes they do and this is what some of this money requested is to accomplish.

Rep. Pam Gulleon asked what prompted this. We already have city officials who establish their levels of priorities and this sounds like this program could veto the local plans.

Rep. Mike Timm, Vice Chairman answered that this would give local communities new moneys that they wouldn't get any other way. All they have to do is come up with a road plan, which they will come up with on their own.

Rep. David Monson asked why the \$1 million goes to the Department of Transportation to do this when it is the counties who will do the work

Rep. Mike Timm, Vice Chairman answered that the counties will have to be involved and submit their plans, but the DOT will be involved too.

Mr. Dave Sprynczytyk answered that this would be a collaborative effort and coordinated through 410 offices. The purpose is to prioritize and identify the levels of service. This plan needs to be consistent with the highway performance classification system that is already out there. There are 357 city plans that are out there and the 53 county plans. This is a very complex project.

Rep. Ole Aarsvold asked if cities and counties have lost revenues in the course of the three biennia explained in the handout.

Mr. Dave Sprynczytyk answered that if the 1% excise tax is shifted from the general fund to the highway fund then there is a reduction in the state aid distribution from the general fund to the counties and the cities.

Rep. Mike Timm, Vice Chairman commented on the state aid distribution from the sales tax. The projected revenue for 2003-05 was \$69 million. The revised projection for 2003-05 is \$74 million. The projected revenue for 2005-07 is \$78 million so the cities and the counties will gain money from the state aid distribution. But there will be a decrease in the general funding received.

Rep. James Kerzman asked about section 5 and stated that the DOT should develop a plan too

Rep. Keith Kempenich commented that this is the purpose of this, to coordinate and collaborate on a road plan throughout the state with identified transportation routes.

Rep. Mike Timm, Vice Chairman commented that the cities and counties will receive \$107 million from the highway distribution fund in this biennium. It is projected that they will receive \$121 million in the next biennium.

Rep. Al Carlson asked what the cost would be in the reduction of the 2% bio diesel tax in section 15 on the bottom of page 6.

Rep. Mike Timm, Vice Chairman answered that this was old language and present law

Rep. Al Carlson asked if there was any tax that was not increased

Rep. Mike Timm, Vice Chairman answered that we did not increase the driver's license tax, excise tax, special fields for special equipment for farm operator.

Rep. Al Carlson commented that the Senate recently killed a bill which carried similar increases, and then asked why this bill is any different

Rep. Mike Timm, Vice Chairman answered that the other bill did not give \$1 to the highway distribution fund to match the federal funds. This bill will accomplish the federal match.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0203 to SB2012. Motion carried.

Rep. Bob Martinson moved to further amend SB2012 to delete the reference to the Medal of Honor name change for the Liberty Memorial Bridge on page 4, lines 9 and 10..

Rep. Ron Carlisle seconded

Rep. Mike Timm, Vice Chairman commented that this will be a problem in the Senate.

Rep. Ron Carlisle commented that this issue is hot in Burleigh County and we have the backing our constituents on this.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to further amend SB2012 regarding the renaming of the Liberty Memorial Bridge. Motion carried.

Rep. Eliot Glassheim moved to further amend SB2012 by changing the date in Section 5 from July 1, 2006 to December 31, 2005.

Rep. Ralph Metcalf seconded

Rep. Keith Kempenich commented that the date was based on the construction season needs.

Rep. Eliot Glassheim answered that this is why he changed this. There are two ways to release the money, the date and when the DOT certifies the plan so even if you have your stuff ready in 6 months you have to wait for the certification process which may go beyond the construction season. This would give them an additional 6 months that may help. (meter Tape #1, side A, #36.4)

Mr. Dave Sprynczyntyk answered that a year was a reasonable time frame.

Rep. Mike Timm, Vice Chairman asked is the Department of Transportation could live with this date change.

Mr. Dave Sprynczyntyk answered that they could do this as quickly as possible.

Rep. Francis J. Wald asked if we would lose entire construction season if we left the date at July 1, 2006.

Mr. Dave Sprynczyntyk answered that right now the counties and cities try to use all the funds available to them within the year and they are not always able to do this, so if they know what funds to anticipate when they will program this into their budgets.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to further amend SB2012 with the date change in Section 5. Motion failed.

Rep. Ole Aarsvold commented that the language infers 2 packages of money, a base amount and additional dollars from tax increases.

Rep. Mike Timm, Vice Chairman explained the funding the cities and counties would receive anyway and which money they would receive through the prioritization.

Rep. Mike Timm, Vice Chairman move a Do Pass As Amended motion to SB2012

Rep. Ron Carlisle seconded

Rep. Jeff Delzer commented that this bill contains \$41 million in new taxes and asked legislative council, being that this is a budget bill, what would happen if the citizens of North Dakota decided to refer this and it was voted down by the citizens.

Mr. Jim Smith answered that it would depend on what was referred.

Rep. Ole Aarsvold commented that he had trouble with the funding mechanism here. It is really aggressive and the shift in the excise tax is taking general fund money and putting it into the roads. The gas taxes should be sufficient for this.

Rep. Mike Timm, Vice Chairman answered that he did not know what other funds to use. These taxes would be user fees. The history of the excise tax shows that it has been back and forth in and out of the general fund.

Rep. Ole Aarsvold commented that it was unfair that a car registration fee is increased by the same amount as the big farm equipment. (meter Tape #1, side A, #45.4)

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion for SB2012. Motion carried with a vote of 14 yeas, 8 nays and 1 absence. Rep Timm will carry the bill to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on SB2012.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 2, after the semicolon insert "to provide for withholding increased distributions from the highway tax distribution fund to cities and counties and development of a roadway plan;"; replace the second "and" with a comma, and after "24-08" insert ", and a new section to chapter 57-40.3"

Page 1, line 4, replace the first "and" with a comma, after "the" insert "liberty memorial -", and after "bridge" insert "and a separate and additional motor vehicle excise tax"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-02, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, allocation of the separate and additional motor vehicle excise tax revenue, and motor vehicle and fuels special fuels tax rates; to provide an effective date; to provide an expiration date"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "862,094,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "168,186,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "862,094,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "952,572,043"

Page 2, after line 21, insert:

"SECTION 5. WITHHOLDING DISTRIBUTIONS FROM HIGHWAY TAX DISTRIBUTION FUND - CITY AND COUNTY ROADWAY PLAN. Notwithstanding section 54-27-19, the state treasurer may not distribute the additional funds deposited into the highway tax distribution fund resulting from provisions of this Act to cities or counties for the biennium beginning July 1, 2005, and ending June 30, 2007, until the department of transportation certifies to the state treasurer that the cities and counties have developed a roadway plan that is acceptable to the department and that the plan:

1. Identifies a prioritized roadway system that designates tiered levels of roadways and corresponding levels of service;
2. Focuses on high-priority corridors;

3. Is consistent with the department's highway performance classification system and other criteria developed by the department; and
4. Is the result of a cooperative effort of the department, cities, and counties."

Page 2, line 28, replace "the maintenance" with "maintaining the structural integrity"

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 7. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements"

Page 4, line 9, replace "Medal" with "Liberty memorial - Medal"

Page 4, line 10, after the second "the" insert "liberty memorial -"

Page 4, after line 11, insert:

"SECTION 10. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	\$60 <u>\$70</u>	\$52 <u>\$62</u>	\$44 <u>\$54</u>	\$36 <u>\$46</u>
3,200 - 4,499	80 <u>90</u>	68 <u>78</u>	56 <u>66</u>	44 <u>54</u>

4,500 - 4,999	<u>98 108</u>	<u>84 91</u>	<u>66 76</u>	<u>50 60</u>
5,000 - 5,999	<u>129 139</u>	<u>107 117</u>	<u>85 95</u>	<u>63 73</u>
6,000 - 6,999	<u>162 172</u>	<u>133 143</u>	<u>104 114</u>	<u>76 86</u>
7,000 - 7,999	<u>195 205</u>	<u>159 169</u>	<u>124 134</u>	<u>89 99</u>
8,000 - 8,999	<u>228 238</u>	<u>186 196</u>	<u>144 154</u>	<u>102 112</u>
9,000 and over	<u>261 271</u>	<u>212 222</u>	<u>164 174</u>	<u>115 125</u>

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	<u>\$58 \$68</u>	<u>\$45 \$55</u>	<u>\$40 \$50</u>	<u>\$37 \$47</u>	<u>\$36 \$46</u>
4,001 - 6,000	<u>63 73</u>	<u>50 60</u>	<u>44 54</u>	<u>38 48</u>	<u>37 47</u>
6,001 - 8,000	<u>68 78</u>	<u>55 65</u>	<u>48 58</u>	<u>39 49</u>	<u>38 48</u>
8,001 - 10,000	<u>73 83</u>	<u>60 70</u>	<u>52 62</u>	<u>41 51</u>	<u>40 50</u>
10,001 - 12,000	<u>78 88</u>	<u>65 75</u>	<u>56 66</u>	<u>43 53</u>	<u>42 52</u>
12,001 - 14,000	<u>83 93</u>	<u>70 80</u>	<u>60 70</u>	<u>46 56</u>	<u>45 55</u>
14,001 - 16,000	<u>88 98</u>	<u>75 85</u>	<u>64 74</u>	<u>49 59</u>	<u>48 58</u>
16,001 - 18,000	<u>93 103</u>	<u>80 90</u>	<u>68 78</u>	<u>51 61</u>	<u>50 60</u>
18,001 - 20,000	<u>96 106</u>	<u>83 93</u>	<u>70 80</u>	<u>52 62</u>	<u>51 61</u>

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	<u>\$126 \$136</u>	<u>\$100 \$110</u>	<u>\$87 \$97</u>
22,001 - 26,000	<u>178 188</u>	<u>148 158</u>	<u>132 142</u>
26,001 - 30,000	<u>230 249</u>	<u>197 207</u>	<u>176 185</u>
30,001 - 34,000	<u>285 315</u>	<u>250 260</u>	<u>222 232</u>
34,001 - 38,000	<u>366 376</u>	<u>299 309</u>	<u>265 275</u>
38,001 - 42,000	<u>427 437</u>	<u>348 358</u>	<u>307 317</u>
42,001 - 46,000	<u>488 498</u>	<u>396 406</u>	<u>350 360</u>
46,001 - 50,000	<u>549 559</u>	<u>445 455</u>	<u>393 403</u>
50,001 - 54,000	<u>610 629</u>	<u>503 513</u>	<u>444 454</u>
54,001 - 58,000	<u>680 690</u>	<u>552 562</u>	<u>487 497</u>
58,001 - 62,000	<u>742 752</u>	<u>601 611</u>	<u>530 540</u>
62,001 - 66,000	<u>802 812</u>	<u>649 659</u>	<u>573 583</u>
66,001 - 70,000	<u>863 873</u>	<u>698 708</u>	<u>615 625</u>
70,001 - 74,000	<u>924 934</u>	<u>747 757</u>	<u>658 668</u>
74,001 - 78,000	<u>985 995</u>	<u>796 806</u>	<u>701 711</u>
78,001 - 82,000	<u>1,046 1,056</u>	<u>845 855</u>	<u>744 754</u>
82,001 - 86,000	<u>1,109 1,179</u>	<u>890 960</u>	<u>787 841</u>
86,001 - 90,000	<u>1,204 1,301</u>	<u>1,054 1,064</u>	<u>830 928</u>
90,001 - 94,000	<u>1,313 1,423</u>	<u>1,159 1,169</u>	<u>1,005 1,015</u>
94,001 - 98,000	<u>1,435 1,545</u>	<u>1,264 1,274</u>	<u>1,093 1,103</u>
98,001 - 102,000	<u>1,557 1,667</u>	<u>1,368 1,378</u>	<u>1,180 1,190</u>
102,001 - 105,500	<u>1,779 1,789</u>	<u>1,473 1,483</u>	<u>1,267 1,277</u>

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years	
20,001 - 22,000	\$98 <u>\$108</u>	\$84 <u>\$94</u>	\$70 <u>\$80</u>	\$52 <u>\$62</u>	
22,001 - 24,000	108 <u>113</u>	88 <u>98</u>	73 <u>83</u>	54 <u>64</u>	
24,001 - 26,000	111 <u>121</u>	94 <u>104</u>	77 <u>87</u>	56 <u>66</u>	
26,001 - 28,000	122 <u>132</u>	102 <u>112</u>	83 <u>93</u>	60 <u>70</u>	
28,001 - 30,000	131 <u>141</u>	110 <u>120</u>	89 <u>99</u>	64 <u>74</u>	
30,001 - 32,000	146 <u>156</u>	123 <u>133</u>	100 <u>110</u>	73 <u>83</u>	
32,001 - 34,000	156 <u>166</u>	131 <u>141</u>	106 <u>116</u>	77 <u>87</u>	
34,001 - 36,000	166 <u>176</u>	139 <u>149</u>	112 <u>122</u>	81 <u>91</u>	
36,001 - 38,000	176 <u>186</u>	147 <u>157</u>	118 <u>128</u>	85 <u>95</u>	
38,001 - 40,000	186 <u>196</u>	155 <u>165</u>	124 <u>134</u>	89 <u>99</u>	
40,001 - 42,000	196 <u>206</u>	163 <u>173</u>	130 <u>140</u>	93 <u>103</u>	
42,001 - 44,000	206 <u>216</u>	171 <u>181</u>	136 <u>146</u>	97 <u>107</u>	
44,001 - 46,000	216 <u>226</u>	179 <u>189</u>	142 <u>152</u>	101 <u>111</u>	
46,001 - 48,000	226 <u>236</u>	187 <u>197</u>	148 <u>158</u>	105 <u>115</u>	
48,001 - 50,000	236 <u>246</u>	195 <u>205</u>	154 <u>164</u>	109 <u>119</u>	
50,001 - 52,000	256 <u>266</u>	213 <u>223</u>	170 <u>180</u>	123 <u>133</u>	

52,001 - 54,000	266 276	224 231	476 186	427 137
54,001 - 56,000	276 286	229 239	482 192	434 141
56,001 - 58,000	286 296	237 247	488 198	439 145
58,001 - 60,000	296 306	245 255	494 204	439 149
60,001 - 62,000	306 316	253 263	499 210	443 153
62,001 - 64,000	316 326	261 271	499 216	447 157
64,001 - 66,000	326 336	269 279	499 222	451 161
66,001 - 68,000	336 346	277 287	499 228	455 165
68,001 - 70,000	346 356	285 295	499 234	459 169
70,001 - 72,000	356 366	293 303	499 240	463 173
72,001 - 74,000	366 376	301 311	499 246	467 177
74,001 - 76,000	376 386	309 319	499 252	471 181
76,001 - 78,000	386 396	317 327	499 258	475 185
78,001 - 80,000	396 406	325 335	499 264	479 189
80,001 - 82,000	406 416	333 343	499 270	483 193
82,001 - 84,000	416 426	341 351	499 276	487 197
84,001 - 86,000	426 436	349 359	499 282	491 201
86,001 - 88,000	436 446	357 367	499 288	495 205
88,001 - 90,000	446 456	365 375	499 294	499 209
90,001 - 92,000	456 466	373 383	499 300	503 213
92,001 - 94,000	466 476	381 391	499 306	507 217
94,001 - 96,000	476 486	389 399	499 312	511 221
96,001 - 98,000	486 496	397 407	499 318	515 225
98,001 - 100,000	496 506	405 415	499 324	519 229
100,001 - 102,000	506 516	413 423	499 330	523 233
102,001 - 104,000	516 526	421 431	499 336	527 237
104,001 - 105,500	526 536	429 439	499 342	531 241
	536 546	437 447	499 348	535 245
	546 556	445 455	499 354	539 249
	556 566	453 463	499 360	543 253
	566 576	461 471	499 366	547 257
	576 586	469 479	499 372	551 261
	586 596	477 487	499 378	555 265
	596 606	485 495	499 384	559 269
	606 616	493 503	499 390	563 273
	616 626	501 511	499 396	567 277
	626 636	509 519	499 402	571 281
	636 646	517 527	499 408	575 285
		525 535	499 414	579 289
		533 543	499 420	583 293
		541 551	499 426	587 297
		549 559	499 432	591 301
		557 567	499 438	595 305
		565 575	499 444	599 309
		573 583	499 450	603 313
		581 591	499 456	607 317
		589 599	499 462	611 321
		597 607	499 468	615 325
		605 615	499 474	619 329
		613 623	499 480	623 333
		621 631	499 486	627 337
		629 639	499 492	631 341
		637 647	499 498	635 345
		645 655	499 504	639 349
		653 663	499 510	643 353
		661 671	499 516	647 357
		669 679	499 522	651 361
		677 687	499 528	655 365
		685 695	499 534	659 369
		693 703	499 540	663 373
		701 711	499 546	667 377
		709 719	499 552	671 381
		717 727	499 558	675 385
		725 735	499 564	679 389
		733 743	499 570	683 393
		741 751	499 576	687 397
		749 759	499 582	691 401
		757 767	499 588	
		765 775	499 594	
		773 783	499 600	
		781 791	499 606	
		789 799	499 612	
		797 807	499 618	
		805 815	499 624	
		813 823	499 630	
		821 831	499 636	
		829 839	499 642	
		837 847	499 648	
		845 855	499 654	
		853 863	499 660	
		861 871	499 666	
		869 879	499 672	
		877 887	499 678	
		885 895	499 684	
		893 903	499 690	
		901 911	499 696	
		909 919	499 702	
		917 927	499 708	
		925 935	499 714	
		933 943	499 720	
		941 951	499 726	
		949 959	499 732	
		957 967	499 738	
		965 975	499 744	
		973 983	499 750	
		981 991	499 756	
		989 999	499 762	
		997 1007	499 768	
		1005 1015	499 774	
		1013 1023	499 780	
		1021 1031	499 786	
		1029 1039	499 792	
		1037 1047	499 798	
		1045 1055	499 804	

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. Ten dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 11. AMENDMENT. Section 57-40.3-02 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-02. Tax imposed. There is hereby imposed an excise tax at the rate of five ~~four~~ percent on the purchase price of any motor vehicle purchased or acquired either in or outside of the state of North Dakota for use on the streets and highways of this state and required to be registered under the laws of this state.

SECTION 12. A new section to chapter 57-40.3 of the North Dakota Century Code is created and enacted as follows:

Separate and additional motor vehicle excise tax - Transfer of revenue. In addition to the tax otherwise imposed under section 57-40.3-02, there is imposed an excise tax at the rate of one percent on the purchase price of any motor vehicle purchased or acquired in or outside this state for use on the streets and highways of this state and required to be registered under the laws of this state. The entire revenue from tax imposed under this section must be transmitted monthly by the director of the department of transportation to the state treasurer and deposited in the state highway fund and is not considered part of net collections under section 57-39.2-26.1.

SECTION 13. 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 ~~Except as otherwise provided in~~ section 12 of this Act, 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.

SECTION 14. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. Tax imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state, except the tax imposed is twenty-five cents per gallon [3.79 liters] on all motor vehicle fuel sold or used in this state during the period from May first through October thirty-first of each year.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 15. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a

distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.

4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state, except the tax imposed is twenty-five cents per gallon [3.79 liters] on the sale or delivery of all special fuel sold or used in this state during the period from May first through October thirty-first of each year. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 16. EFFECTIVE DATE. Sections 10, 14, and 15 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Sections 11, 12, and 13 of this Act are effective for taxable events occurring after June 30, 2009.

SECTION 17. EXPIRATION DATE. Section 8 of this Act is effective through June 30, 2007, and after that date is ineffective."

Page 4, line 12, replace "6" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242
Driver's and Vehicle Services	20,081,797	20,048,708	(13,354)	20,035,352
Highways	736,823,693	789,997,698	72,096,713	862,094,411
Fleet Services	<u>43,280,168</u>	<u>43,271,158</u>	<u>(3,120)</u>	<u>43,268,038</u>
Total all funds	\$827,412,952	\$880,503,410	\$72,068,633	\$952,572,043
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>72,068,633</u>	<u>952,572,043</u>
General fund	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50

Dept. 801 - Department of Transportation - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL ¹	ADDS HIGHWAY CONSTRUCTION FUNDS ²	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS ³	TOTAL HOUSE CHANGES
Administration	(\$11,606)				(\$11,606)
Driver's and Vehicle Services	(13,354)				(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	72,096,713
Fleet Services	<u>(3,120)</u>				<u>(3,120)</u>
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$72,068,633
Less estimated income	<u>(128,669)</u>	<u>168,520</u>	<u>17,900,000</u>	<u>54,128,782</u>	<u>72,068,633</u>
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No. 2209 which require the department to provide data on the location of utilities on highway rights of way.

² The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006.

³ The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to require the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project. The authority to issue these bonds is effective only until June 30, 2007.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents. This revenue will be deposited in the highway tax distribution fund.

- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October. This revenue will be deposited in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10. This revenue will be deposited directly in the state highway fund.

The Department of Transportation estimates these increases will generate \$41.4 million of additional revenue during the 2005-07 biennium, of which \$31 million will be deposited in the state highway fund, \$6.5 million will be distributed to counties, and \$3.9 million to cities.

A section is added precluding the cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan.

Sections are added providing that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax will be deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 2, after the semicolon insert "to provide for alternative and delayed distributions from the highway tax distribution fund to cities and counties and development of a roadway plan;"; replace the second "and" with a comma, and after "24-08" insert ", and a new section to chapter 57-40.3"

Page 1, line 4, replace the first "and" with a comma, after "the" insert "liberty memorial -", and after "bridge" insert "and a separate and additional motor vehicle excise tax"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-02, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, allocation of the separate and additional motor vehicle excise tax revenue, and motor vehicle and fuels special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide an effective date; to provide an expiration date"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "863,094,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "169,186,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "863,094,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "953,572,043"

Page 2, after line 21, insert:

**"SECTION 5. ALTERNATIVE AND DELAYED DISTRIBUTIONS FROM
HIGHWAY TAX DISTRIBUTION FUND - CITY AND COUNTY ROADWAY PLAN.**

Notwithstanding section 54-27-19, the state treasurer shall transfer \$1,000,000 to the highway fund during the fiscal year beginning July 1, 2005, and ending June 30, 2006, from the cities' and counties' share of the additional funds deposited in the highway tax distribution fund resulting from provisions of this Act. The state treasurer may not distribute any additional funds deposited into the highway tax distribution fund resulting from provisions of this Act to cities or counties before July 1, 2006, and until the department of transportation certifies to the state treasurer that the cities and counties have developed a roadway plan that is acceptable to the department and that the plan:

1. Identifies a prioritized roadway system that designates tiered levels of roadways and corresponding levels of service;
2. Focuses on high-priority corridors;
3. Is consistent with the department's highway performance classification system and other criteria developed by the department; and
4. Is the result of a cooperative effort of the department, cities, and counties."

Page 2, line 28, replace "the maintenance" with "maintaining the structural integrity"

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 7. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements".

Page 4, line 9, replace "Medal" with "Liberty memorial - Medal"

Page 4, line 10, after the second "the" insert "liberty memorial -"

Page 4, after line 11, insert:

"SECTION 10. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:
 - a. Passenger motor vehicles:

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, and 6th Years		7th, 8th, and 9th Years		10th, 11th, and 12th Years		13th and Subsequent Years	
	\$60	\$70	\$52	\$62	\$44	\$54	\$36	\$46
Less than 3,200	60	70	52	62	44	54	36	46
3,200 - 4,499	80	90	68	78	56	66	44	54
4,500 - 4,999	98	108	84	94	66	76	50	60
5,000 - 5,999	129	139	107	117	85	95	63	73
6,000 - 6,999	162	172	133	143	104	114	76	86
7,000 - 7,999	195	205	159	169	124	134	89	99
8,000 - 8,999	228	238	186	196	144	154	102	112
9,000 and over	264	274	212	222	164	174	115	125

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

YEARS REGISTERED

Gross Weights	1st Through 6th Years		7th Through 9th Years		10th Through 12th Years		13th Through 19th Years		20th and Subsequent Years	
	\$58	\$68	\$45	\$55	\$40	\$50	\$37	\$47	\$36	\$46
Not over 4,000	58	68	45	55	40	50	37	47	36	46
4,001 - 6,000	63	73	50	60	44	54	38	48	37	47
6,001 - 8,000	68	78	55	65	48	58	39	49	38	48
8,001 - 10,000	73	83	60	70	52	62	41	51	40	50
10,001 - 12,000	78	88	65	75	56	66	43	53	42	52
12,001 - 14,000	83	93	70	80	60	70	46	56	45	55
14,001 - 16,000	88	98	75	85	64	74	49	59	48	58
16,001 - 18,000	93	103	80	90	68	78	51	61	50	60
18,001 - 20,000	96	106	83	93	70	80	52	62	51	61

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years		8th, 9th, 10th, 11th, and 12th Years		13th and Subsequent Years	
	\$126	\$136	\$100	\$110	\$87	\$97
20,001 - 22,000	126	136	100	110	87	97
22,001 - 26,000	178	188	148	158	132	142
26,001 - 30,000	239	249	197	207	175	185
30,001 - 34,000	305	315	250	260	222	232
34,001 - 38,000	366	376	299	309	265	275
38,001 - 42,000	427	437	348	358	307	317
42,001 - 46,000	488	498	396	406	350	360
46,001 - 50,000	549	559	445	455	393	403
50,001 - 54,000	610	620	493	503	444	454
54,001 - 58,000	680	690	552	562	487	497
58,001 - 62,000	742	752	604	614	530	540
62,001 - 66,000	802	812	649	659	573	583
66,001 - 70,000	863	873	698	708	615	625
70,001 - 74,000	924	934	747	757	658	668
74,001 - 78,000	985	995	796	806	704	714
78,001 - 82,000	1,046	1,056	845	855	744	754
82,001 - 86,000	1,107	1,117	890	900	784	794

86,001 - 90,000	1,291 <u>1,301</u>	1,054 <u>1,064</u>	918 <u>928</u>
90,001 - 94,000	1,413 <u>1,423</u>	1,159 <u>1,169</u>	1,005 <u>1,015</u>
94,001 - 98,000	1,535 <u>1,545</u>	1,264 <u>1,274</u>	1,093 <u>1,103</u>
98,001 - 102,000	1,657 <u>1,667</u>	1,368 <u>1,378</u>	1,180 <u>1,190</u>
102,001 - 105,500	1,779 <u>1,789</u>	1,473 <u>1,483</u>	1,267 <u>1,277</u>

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, and 6th Years		7th and 8th Years		9th and 10th Years		11th and Subsequent Years	
	\$98	\$108	\$84	\$94	\$70	\$80	\$52	\$62
20,001 - 22,000	403 <u>413</u>	113 <u>123</u>	88 <u>98</u>	73 <u>83</u>	54 <u>64</u>			
22,001 - 24,000	411 <u>421</u>	121 <u>131</u>	94 <u>104</u>	77 <u>87</u>	56 <u>66</u>			
24,001 - 26,000	422 <u>432</u>	132 <u>142</u>	102 <u>112</u>	83 <u>93</u>	60 <u>70</u>			
26,001 - 28,000	431 <u>441</u>	141 <u>151</u>	110 <u>120</u>	89 <u>99</u>	64 <u>74</u>			
30,001 - 32,000	446 <u>456</u>	156 <u>166</u>	123 <u>133</u>	100 <u>110</u>	73 <u>83</u>			
32,001 - 34,000	456 <u>466</u>	166 <u>176</u>	131 <u>141</u>	106 <u>116</u>	77 <u>87</u>			
34,001 - 36,000	466 <u>476</u>	176 <u>186</u>	139 <u>149</u>	112 <u>122</u>	81 <u>91</u>			
36,001 - 38,000	476 <u>486</u>	186 <u>196</u>	147 <u>157</u>	118 <u>128</u>	85 <u>95</u>			
38,001 - 40,000	486 <u>496</u>	196 <u>206</u>	155 <u>165</u>	124 <u>134</u>	89 <u>99</u>			

40,001 - 42,000	496 206	463 173	430 140	93 103
42,001 - 44,000	296 216	474 181	436 146	97 107
44,001 - 46,000	216 226	479 189	442 152	104 111
46,001 - 48,000	226 236	487 197	448 158	105 115
48,001 - 50,000	236 246	495 205	454 164	109 119
50,001 - 52,000	256 266	243 223	470 180	123 133
52,001 - 54,000	266 276	224 231	476 186	127 137
54,001 - 56,000	276 286	229 239	482 192	134 141
56,001 - 58,000	286 296	237 247	488 198	135 145
58,001 - 60,000	296 306	245 255	494 204	139 149
60,001 - 62,000	306 316	253 263	200 210	143 153
62,001 - 64,000	316 326	261 271	206 216	147 157
64,001 - 66,000	326 336	269 279	212 222	154 161
66,001 - 68,000	336 346	277 287	218 228	155 165
68,001 - 70,000	346 356	285 295	224 234	159 169
70,001 - 72,000	356 366	293 303	230 240	163 173
72,001 - 74,000	366 376	301 311	236 246	167 177
74,001 - 76,000	376 386	309 319	242 252	174 181
76,001 - 78,000	386 396	317 327	248 258	175 185
78,001 - 80,000	396 406	325 335	254 264	179 189
80,001 - 82,000	406 416	333 343	260 270	183 193
82,001 - 84,000	416 426	355 365	303 313	259 269
84,001 - 86,000	436 446	372 382	317 327	274 281
86,001 - 88,000	456 466	389 399	331 341	283 293
88,001 - 90,000	476 486	406 416	345 355	295 305
90,001 - 92,000	496 506	423 433	359 369	307 317
92,001 - 94,000	516 526	440 450	373 383	319 329
94,001 - 96,000	536 546	457 467	387 397	331 341
96,001 - 98,000	556 566	474 484	401 411	343 353
98,001 - 100,000	576 586	491 501	415 425	355 365
100,001 - 102,000	596 606	508 518	429 439	367 377
102,001 - 104,000	616 626	525 535	443 453	379 389
104,001 - 105,500	636 646	542 552	457 467	391 401

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. Thirteen dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 11. AMENDMENT. Section 57-40.3-02 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-02. Tax imposed. There is hereby imposed an excise tax at the rate of five ~~four~~ percent on the purchase price of any motor vehicle purchased or acquired either in or outside of the state of North Dakota for use on the streets and highways of this state and required to be registered under the laws of this state.

SECTION 12. A new section to chapter 57-40.3 of the North Dakota Century Code is created and enacted as follows:

Separate and additional motor vehicle excise tax - Transfer of revenue. In addition to the tax otherwise imposed under section 57-40.3-02, there is imposed an excise tax at the rate of one percent on the purchase price of any motor vehicle purchased or acquired in or outside this state for use on the streets and highways of this state and required to be registered under the laws of this state. The entire revenue from tax imposed under this section must be transmitted monthly by the director of the department of transportation to the state treasurer and deposited in the state highway fund and is not considered part of net collections under section 57-39.2-26.1.

SECTION 13. 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 Except as otherwise provided in section 12 of this Act, 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.

SECTION 14. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. Tax imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state, except the tax imposed is ~~twenty-five cents~~ per gallon [3.79 liters] on all motor vehicle fuel sold or used in this state during the period from May first through October thirty-first of each year.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 15. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.

2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 16. REPEAL. Section 39-04-39.5 of the North Dakota Century Code is repealed.

SECTION 17. EFFECTIVE DATE. Sections 10, 14, and 15 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Sections 11, 12, and 13 of this Act are effective for taxable events occurring after June 30, 2009. Section 16 of this Act is effective for registrations occurring after June 30, 2005.

Page 4, line 12, replace "6" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242
Driver's and Vehicle Services	20,081,797	20,048,706	(13,354)	20,035,352
Highways	736,823,693	789,997,898	73,096,713	863,094,411
Fleet Services	<u>43,280,168</u>	<u>43,271,158</u>	<u>(3,120)</u>	<u>43,268,038</u>
Total all funds	\$827,412,952	\$880,503,410	\$73,068,633	\$953,572,043
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>73,068,633</u>	<u>953,572,043</u>
General fund	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50

Dept. 801 - Department of Transportation - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL 1	ADDS HIGHWAY CONSTRUCTION FUNDS 2	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS 3	ADDS FUNDING FOR ROADWAY PLAN 4	TOTAL HOUSE CHANGE ⁵
Administration	(\$11,606)					(\$11,606)
Driver's and Vehicle Services	(13,354)					(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	\$1,000,000	73,096,713
Fleet Services	<u>(3,120)</u>					<u>(3,120)</u>
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$1,000,000	\$73,068,633
Less estimated income	<u>(128,669)</u>	<u>168,520</u>	<u>17,900,000</u>	<u>54,128,782</u>	<u>1,000,000</u>	<u>73,068,633</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No. 2209 which require the department to provide data on the location of utilities on highway rights of way.

2 The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006.

3 The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways.

4 The highways line item is increased by \$1,000,000 from funds transferred from the cities' and counties' share of the additional revenue generated by this bill for the development of a roadway plan for cities and counties. A section is added precluding the cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to require the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents. This revenue will be deposited in the highway tax distribution fund.
- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October. This revenue will be deposited in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10. This revenue will be deposited directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

The Department of Transportation estimates these increases will generate \$41.4 million of additional revenue during the 2005-07 biennium, of which \$31 million will be deposited in the state highway fund, \$6.5 million will be distributed to counties, and \$3.9 million to cities.

Sections are added providing that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax will be deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

Date: 3/22/05
 Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2012

House House Appropriations Government Operations Committee

Check here for Conference Committee

Legislative Council Amendment Number 58012.0203

Action Taken Apprv. Amend .0203

Motion Made By Rep Timm Seconded By Rep. Kroeber

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams	✓	
Rep. Kempenich	✓				
Rep. Thoreson	1	✓			

Total (Yes) 5 No 1

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: March 22, 2005
 Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2012

House Appropriations - Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 58012.0204

Action Taken DO PASS AS AMENDED

Motion Made By Rep Timm Seconded By Rep Carlisle

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glasheim	X	
Rep. Tom Brusegaard	AB		Rep. Jeff Delzer		X
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew		X
Rep. Ole Aarsvold		X	Rep. Alon C. Wieland	X	
Rep. Pam Guleson		X	Rep. James Kerzman		X
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson		X			
Rep. Joe Kroeber		X			
Rep. Clark Williams	X				
Rep. Al Carlson		X			

Total Yes 14 No 8

Absent 1

Floor Assignment Rep Timm

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2012, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 8 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2012 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide for alternative and delayed distributions from the highway tax distribution fund to cities and counties and development of a roadway plan"; replace the second "and" with a comma, and after "24-08" insert ", and a new section to chapter 57-40.3"

Page 1, line 4, replace the first "and" with a comma, replace "medal of honor" with "liberty memorial", and after "bridge" insert ", and a separate and additional motor vehicle excise tax"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-02, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, allocation of the separate and additional motor vehicle excise tax revenue, and motor vehicle fuels and special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide an effective date; to provide an expiration date"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "863,094,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "169,186,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "863,094,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "953,572,043"

Page 2, after line 21, insert:

"SECTION 5. ALTERNATIVE AND DELAYED DISTRIBUTIONS FROM HIGHWAY TAX DISTRIBUTION FUND - CITY AND COUNTY ROADWAY PLAN.

Notwithstanding section 54-27-19, the state treasurer shall transfer \$1,000,000 to the highway fund during the fiscal year beginning July 1, 2005, and ending June 30, 2006, from the cities' and counties' share of the additional funds deposited in the highway tax distribution fund resulting from provisions of this Act. The state treasurer may not distribute any additional funds deposited into the highway tax distribution fund resulting from provisions of this Act to cities or counties before July 1, 2006, and until the department of transportation certifies to the state treasurer that the cities and counties have developed a roadway plan that is acceptable to the department and that the plan:

1. Identifies a prioritized roadway system that designates tiered levels of roadways and corresponding levels of service;
2. Focuses on high-priority corridors;
3. Is consistent with the department's highway performance classification system and other criteria developed by the department; and
4. Is the result of a cooperative effort of the department, cities, and counties."

Page 2, line 28, replace "the maintenance" with "maintaining the structural integrity"

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 7. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements"

Page 4, line 9, replace "Medal of honor" with "Liberty memorial"

Page 4, line 10, replace "medal of honor" with "liberty memorial"

Page 4, after line 11, insert:

"SECTION 10. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

YEARS REGISTERED			
1st, 2nd,	7th, 8th,	10th, 11th,	13th and

Gross Weights	3rd, 4th, 5th, and 6th Years		and 9th Years		and 12th Years		Subsequent Years	
	\$60	\$70	\$52	\$62	\$44	\$54	\$36	\$46
Less than 3,200	60	90	68	78	56	66	44	54
3,200 - 4,499	98	108	81	91	66	76	50	60
4,500 - 4,999	129	139	107	117	85	95	63	73
5,000 - 5,999	162	172	133	143	104	114	76	86
6,000 - 6,999	195	205	159	169	124	134	89	99
7,000 - 7,999	228	238	186	196	144	154	102	112
8,000 - 8,999	261	271	212	222	164	174	115	125
9,000 and over								

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

YEARS REGISTERED

Gross Weights	1st Through 6th Years		7th Through 9th Years		10th Through 12th Years		13th Through 19th Years		20th and Subsequent Years	
	\$58	\$68	\$45	\$55	\$40	\$50	\$37	\$47	\$36	\$46
Not over 4,000	63	73	50	60	44	54	38	48	37	47
4,001 - 6,000	68	78	55	65	48	58	39	49	38	48
6,001 - 8,000	73	83	60	70	52	62	41	51	40	50
8,001 - 10,000	78	88	65	75	56	66	43	53	42	52
10,001 - 12,000	83	93	70	80	60	70	46	56	45	55
12,001 - 14,000	88	98	75	85	64	74	49	59	48	58
14,001 - 16,000	93	103	80	90	68	78	51	61	50	60
16,001 - 18,000	96	106	83	93	70	80	52	62	51	61
18,001 - 20,000										

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years		8th, 9th, 10th, 11th, and 12th Years		13th and Subsequent Years	
	\$126	\$136	\$100	\$110	\$87	\$97
20,001 - 22,000	178	188	148	158	132	142
22,001 - 26,000	239	249	197	207	175	185
26,001 - 30,000	305	315	250	260	222	232
30,001 - 34,000	366	376	299	309	266	276
34,001 - 38,000	427	437	348	358	307	317
38,001 - 42,000	488	498	396	406	350	360
42,001 - 46,000	549	559	445	455	393	403
46,001 - 50,000	619	629	503	513	444	454
50,001 - 54,000	680	690	552	562	487	497
54,001 - 58,000	742	752	601	611	530	540
58,001 - 62,000	802	812	649	659	573	583
62,001 - 66,000	863	873	698	708	615	625
66,001 - 70,000	924	934	747	757	658	668
70,001 - 74,000	985	995	796	806	701	711
74,001 - 78,000						

78,001 - 82,000	1,046 <u>1,056</u>	845 <u>855</u>	744 <u>754</u>
82,001 - 86,000	1,169 <u>1,179</u>	950 <u>960</u>	831 <u>841</u>
86,001 - 90,000	1,291 <u>1,301</u>	1,054 <u>1,064</u>	918 <u>928</u>
90,001 - 94,000	1,413 <u>1,423</u>	1,159 <u>1,169</u>	1,005 <u>1,015</u>
94,001 - 98,000	1,535 <u>1,545</u>	1,264 <u>1,274</u>	1,093 <u>1,103</u>
98,001 - 102,000	1,657 <u>1,667</u>	1,368 <u>1,378</u>	1,180 <u>1,190</u>
102,001 - 105,500	1,779 <u>1,789</u>	1,473 <u>1,483</u>	1,267 <u>1,277</u>

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	\$98 <u>\$108</u>	\$84 <u>\$94</u>	\$70 <u>\$80</u>	\$52 <u>\$62</u>
22,001 - 24,000	103 <u>113</u>	88 <u>98</u>	73 <u>83</u>	54 <u>64</u>
24,001 - 26,000	111 <u>121</u>	94 <u>104</u>	77 <u>87</u>	56 <u>66</u>
26,001 - 28,000	122 <u>132</u>	102 <u>112</u>	83 <u>93</u>	60 <u>70</u>
28,001 - 30,000	131 <u>141</u>	110 <u>120</u>	89 <u>99</u>	64 <u>74</u>

30,001 - 32,000	146 156	123 133	100 110	73 83
32,001 - 34,000	156 166	131 141	106 116	77 87
34,001 - 36,000	166 176	139 149	112 122	81 91
36,001 - 38,000	176 186	147 157	118 128	85 95
38,001 - 40,000	186 196	155 165	124 134	89 99
40,001 - 42,000	196 206	163 173	130 140	93 103
42,001 - 44,000	206 216	171 181	136 146	97 107
44,001 - 46,000	216 226	179 189	142 152	101 111
46,001 - 48,000	226 236	187 197	148 158	105 115
48,001 - 50,000	236 246	195 205	154 164	109 119
50,001 - 52,000	256 266	213 223	170 180	123 133
52,001 - 54,000	266 276	221 231	176 186	127 137
54,001 - 56,000	276 286	229 239	182 192	131 141
56,001 - 58,000	286 296	237 247	188 198	135 145
58,001 - 60,000	296 306	245 255	194 204	139 149
60,001 - 62,000	306 316	253 263	200 210	143 153
62,001 - 64,000	316 326	261 271	206 216	147 157
64,001 - 66,000	326 336	269 279	212 222	151 161
66,001 - 68,000	336 346	277 287	218 228	155 165
68,001 - 70,000	346 356	285 295	224 234	159 169
70,001 - 72,000	356 366	293 303	230 240	163 173
72,001 - 74,000	366 376	301 311	236 246	167 177
74,001 - 76,000	376 386	309 319	242 252	171 181
76,001 - 78,000	386 396	317 327	248 258	175 185
78,001 - 80,000	396 406	325 335	254 264	179 189
80,001 - 82,000	406 416	333 343	260 270	183 193
82,001 - 84,000	416 426	355 365	303 313	259 269
84,001 - 86,000	436 446	372 382	317 327	271 281
86,001 - 88,000	456 466	389 399	331 341	283 293
88,001 - 90,000	476 486	406 416	345 355	295 305
90,001 - 92,000	496 506	423 433	359 369	307 317
92,001 - 94,000	516 526	440 450	373 383	319 329
94,001 - 96,000	536 546	457 467	387 397	331 341
96,001 - 98,000	556 566	474 484	401 411	343 353
98,001 - 100,000	576 586	491 501	415 425	355 365
100,001 - 102,000	596 606	508 518	429 439	367 377
102,001 - 104,000	616 626	525 535	443 453	379 389
104,001 - 105,500	636 646	542 552	457 467	391 401

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. Thirteen dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 11. AMENDMENT. Section 57-40.3-02 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-02. Tax imposed. There is hereby imposed an excise tax at the rate of ~~five~~ four percent on the purchase price of any motor vehicle purchased or acquired either in or outside of the state of North Dakota for use on the streets and highways of this state and required to be registered under the laws of this state.

SECTION 12. A new section to chapter 57-40.3 of the North Dakota Century Code is created and enacted as follows:

Separate and additional motor vehicle excise tax - Transfer of revenue. In addition to the tax otherwise imposed under section 57-40.3-02, there is imposed an excise tax at the rate of one percent on the purchase price of any motor vehicle purchased or acquired in or outside this state for use on the streets and highways of this state and required to be registered under the laws of this state. The entire revenue from tax imposed under this section must be transmitted monthly by the director of the department of transportation to the state treasurer and deposited in the state highway fund and is not considered part of net collections under section 57-39.2-26.1.

SECTION 13. 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~~ Except as otherwise provided in section 12 of this Act, 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.

SECTION 14. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. Tax imposed on motor vehicle fuels.

1. ~~Except as otherwise provided in this section, a tax of twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state, except the tax imposed is twenty-five cents per gallon [3.79 liters] on all motor vehicle fuel sold or used in this state during the period from May first through October thirty-first of each year.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 15. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.

5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 16. REPEAL. Section 39-04-39.5 of the North Dakota Century Code is repealed.

SECTION 17. EFFECTIVE DATE. Sections 10, 14, and 15 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Sections 11, 12, and 13 of this Act are effective for taxable events occurring after June 30, 2009. Section 16 of this Act is effective for registrations occurring after June 30, 2005."

Page 4, line 12, replace "6" with "8"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242
Driver's and Vehicle Services	20,081,797	20,048,706	(13,354)	20,035,352
Highways	736,823,693	789,997,698	73,096,713	863,094,411
Fleet Services	43,280,168	43,271,158	(3,120)	43,268,038
Total all funds	\$827,412,952	\$880,503,410	\$73,068,633	\$953,572,043
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>73,068,633</u>	<u>953,572,043</u>
General fund	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50

Dept. 801 - Department of Transportation - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL 1	ADDS HIGHWAY CONSTRUCTION FUNDS 2	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS 3	ADDS FUNDING FOR ROADWAY PLAN 4	TOTAL HOUSE CHANGES
Administration	(\$11,606)					(\$11,606)
Driver's and Vehicle Services	(13,354)					(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	\$1,000,000	73,096,713
Fleet Services	(3,120)					(3,120)
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$1,000,000	\$73,068,633
Less estimated income	<u>(128,669)</u>	<u>168,520</u>	<u>17,900,000</u>	<u>54,128,782</u>	<u>1,000,000</u>	<u>73,068,633</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0

FTE 0.00 0.00 0.00 0.00 0.00 0.00

- 1 The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No. 2209 which require the department to provide data on the location of utilities on highway rights of way.
- 2 The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006.
- 3 The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways.
- 4 The highways line item is increased by \$1,000,000 from funds transferred from the cities' and counties' share of the additional revenue generated by this bill for the development of a roadway plan for cities and counties. A section is added precluding the cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to require the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project.

The section added by the Senate naming the replacement bridge for the Liberty Memorial Bridge between Bismarck and Mandan the Medal of Honor Bridge is changed to name the replacement bridge the Liberty Memorial Bridge.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents. This revenue will be deposited in the highway tax distribution fund.
- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October. This revenue will be deposited in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10. This revenue will be deposited directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

The Department of Transportation estimates these increases will generate \$41.4 million of additional revenue during the 2005-07 biennium, of which \$31 million will be deposited in the state highway fund, \$6.5 million will be distributed to counties, and \$3.9 million to cities.

Sections are added providing that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax will be deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

2005 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2012

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date 4/11/05

Tape Number	Side A	Side B	Meter #
1	x		0-4818
Committee Clerk Signature <i>Jane Daves</i>			

Relating to grant or revenue anticipation financing by the department of transportation.

Present: Senator Trenbeth, Chairman - Senator Tallackson - Senator Stenehjem,

Representative Timm, Representative Williams, Representative Weisz.

Chairman Trenbeth - Asked the Representatives to explain what they have changed on the bill.

Representative Timm - Talked of the amendments they added to the bill.

Section 6 - Changed the language so it states that the state will be responsible to maintain the bridge unless an agreement is reached with municipality.

Section 7 - Added a new amendment that changed the date for no mow areas, they extended that date to January 1, 2008.

Section 8 - Regarding language the Senate put in on Garvey Bonds which is funding that the State Hwy. Dept. can get by getting advanced funding from the Federal Government in the form of a loan, they changed the language so that it just includes two projects, the Liberty Memorial Bridge and the Hwy 2 project.

Senator Stenehjem - Questioned sectioned 8 and wondered where in it that it mentions only two projects.

Rep. Timm - Replied, in the first part, does not mention a dollar amount. He continued on with Section 9 - Dealt with the renaming of the bridge, it was amended to read only as the Liberty Memorial Bridge.

Section 5 - Deals with the changes they made in the budget bill for the DOT to match Federal Funds. They decided since the county and cities are getting added money they think they should have a priority program for the road system. Before they could get the new money out of this new funding established they would have to prioritize their program and it would have to be approved by the Hyw. Dept. They allowed a million dollar transfer to the state highway fund to pay for the cost the Hyw. Dept would incur helping the cities and counties establishing these programs.

Senator Stenehjem - Asked if this would tie their hands as to what they can do with the new money.

Rep. Timm - Replied yes, with the new money. He continued on with explanation of amend. Section 10- Deals with motor vehicle registration increase.

Section 12 - Deals with the transfer of the 1% excise tax in the year 2009-2011, the House established a six year plan with 3 biennium's.

Rep. Weisz - Commented on Section 5, would not necessarily dictate how the county and cities would spend the money. It says you have to develop a plan if you want the money but it doesn't say what you have to spend the moneys on that your going to get the some or the 11 million

identified in the bill. Should be clear they are not saying this is where your going to spend your money.

Senator Stenehjem - Said it is his understanding that just about every city in the state or county has a different way of using highway distribution dollars that they get.

Rep. Weisz - Said they can still continue doing that.

Senator Stenehjem - Replied, except now they have to come up with a plan that's approved by DOT to get any more money.

Rep. Weisz - Replied, no that is not correct. That is not what the language says. The language says if you want to have that additional money you have to develop a plan, it doesn't say you have to spend those dollars in certain areas. The point is to get them to the table to address the issues that they need to plan.

Senator Trenbeth - Questioned that it isn't dependent on the plan merely the existence of a plan.

Rep. Weisz - Said to receive the dollars they have to come up with the plan, it does not necessarily have to say that the new dollars are going to be spent on x y and z. It says they still have the ability to use those dollars wherever they see fit.

Senator Stenehjem - Disagreed with that. It does not read that way.

Rep. Timm - Said the idea was that they had to spend it on roads. What they have developed is that the counties and the cities are sharing to the tune of 6.5 for the counties and 3.9 for the cities. They felt they should spend the new money on roads.

Senator Trenbeth - Says that the new money is subject to the DOT.

Rep. Timm - Regarding the financing. They instated a 2 cent diesel fuel tax, a 2 cent motor vehicle tax for gas and gasohol for the winter months which is November through April, a 4 cent motor vehicle fuel tax for the summer months which is May through October. They also put in a \$10 motor vehicle registration fee which goes strictly to the highway fund. For the first biennium 2005-07 they are raising 41.4 dollars in new revenue, the state keeps 31 million of that, counties

6.5, cities 3.9. To match Federal funding was 31.4 million dollars and DOT said they can make up that extra \$400,000 with money they could find in there dept. which includes the 130 million dollars which they will save by the decrease in the health premiums. Also gives the counties \$600,000 and the cities \$1.2 million to meet their Federal matches. He pointed out in the years 2007-09 you have the same amount of moneys raised and the match there is \$30.6 million. He added that the \$31.4 in the first biennium includes \$8.4 to finish the road over by Devils Lake, Hwy. 281.

Senator Stenehjem - Asked what budget that is on.

Rep. Timm - Replied, 2005-2007.

Senator Stenehjem - Asked where that is stated.

Rep. Timm - Looked to see where it is stated. It is not stated in the bill but is in the amendments on footnote 3. He said he thinks the federal match for 2005-2007 is actually \$22.8. Add the \$8.4 gets you \$31.4. Going on to the 2007-2009 biennium the \$30.6 is the actual money needed to meet the federal match, and 2009-2011 DOT claims they will need \$54.1 to meet the federal match according to the projections coming out Congress. That is why they added in a 1% motor vehicle excise tax shift, which is shifting 1% over to the highway fund which is \$29.2 million

that would not be needed to match federal match. He said they are going to collect \$60.2 and they only need \$54.1, he said there is a problem there, if this were to pass the legislature at that time would have to deal with it.

Senator Trenbeth - Asked if that 29.2 would be taken on a continuing curve of increase revenues.

Rep. Timm - Replied, yes, and the cities and counties take a loss in that biennium because they share in the lesser amount of money that is going in to the general fund.

(meter #1830)

Senator Trenbeth - Asked Dave Sprynczynatyk what the status on the Federal bill.

Sprynczynatyk - He elaborated on the Federal bill and that the House passed the bill several weeks ago, the Senate has begun work on it and may be out of committee next week or so.

Rep. Timm - Asked if there is any possibility of any changes or less money given to the states.

Sprynczynatyk - Says it is a safe assumption to use these numbers that are here.

Senator Trenbeth - Asked if the \$8.4 which is designated for Devils Lake reconstruction is that this construction season or the next.

Sprynczynatyk - Said there are five contracts that will comprise that project. The funding for that project is now in place.

Senator Trenbeth - Asked if there is any opportunity this pending bill will affect that.

Sprynczynatyk - Replied, no.

Senator Stenehjem - Asked how much revenue was generated by the Governors \$15 increase in motor vehicle registration fees.

Sprynczynatyk - Replied, approx. \$20.4 .

Spryncznatyk - Said that Congress appropriated more funds than anticipated, and when the President released his budget proposal for next year it went up again. Because of those two actions the amount of Federal money increased and thus the requirement for a match increased. He said the match is roughly \$2 million on \$8 million. He said there is also an \$17 million carry over because Congress did not act till the last week of September in releasing the funds and that was beyond what is in the current budget for this biennium, that has to be added in. Also additional interstate money and earmark money added in to the fiscal year 2005.

Target is \$31.4.

Senator Timm - Addressed the question why the House decided to amend the Senate bill which was the appropriations bill for DOT. They would like to know what direction the Senate is thinking as far as funding for DOT to meet their Federal match. They made a decision to come up with some sort of plan and put it on the DOT appropriation bill. A group met and came up with about 10 different scenarios and decided on this one. This was presented to the Republican Caucus, it was accepted and developed in to the bill, the Democrat Caucus bought in to it and it was passed by the House.

(meter #3122)

Senator Trenbeth - Asked about the 2 cents added during the summer months.

Rep. Timm - Said in their brainstorming it came up that they don't catch the tourists for using our highways.

Rep. Williams - Feels very strongly about this. He feels they need to spread the pain out. He does not feel this tax is a deterrent.

Rep. Weisz - He addressed the Minnesota, North Dakota issue. He said that roughly 40% of your gas tax is generated by out of state. That estimate was given to him by the Retailers Association.

(meter #3670)

Senator Stenehjem - Asked the intern to check on the 2 cent environmental tax in Minnesota, how often it goes on, does it go on every year, when was the last time.

Rep. Weisz - Said it goes on in 3 month increments. If it generates enough revenue it goes off. There was discussion by all on the Minnesota tax.

Rep. Timm - Said he does not know how comfortable the Senate is with what they have developed or planning 6 years in to the future but this was discussed by their side and they adopted it.

Senator Trenbeth - Replied, an excellent effort, you should be commended for getting together a group and doing that. Not a waste of time in his estimate.

Rep. Weisz - Asked if there was discussion on the fees for pick-ups compared to other vehicles.

Senator Trenbeth - Said yes, there was discussion about crew cabs and all.

Senator Tallackson - Asked if the renaming of the bridge has now been given up.

Rep. Weisz - Said its out, back to what it was. He would like to see pick-ups the same as passenger vehicles rates, adds about \$3 million per biennium.

There was discussion on what trucks and what they were used for before compared to what they are used for today.

Senator Tallackson - Said this plan does help the counties and the cities.

Rep. Weisz - Said the issue was not abuse, some counties are planning wisely, others are not.

Page 8
Senate Appropriations
Bill/Resolution Number 2012
Hearing Date 4/11/05

Senator Stenehjem - Said it will hit the small counties and cities. He said he is committed to make that Federal match.

(meter #4818)

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Conference Committee

Hearing Date April 12, 2005

Tape Number	Side A	Side B	Meter #
2	a		1,710
Committee Clerk Signature <i>Janet Pink</i>			

Minutes:

Members of the Conference Committee include Senators Trenbeath, Stenehjem and Tallackson, Representatives Timm, Weisz and Williams.

Senator Trenbeath opened the conference committee on SB 2012 with roll call. He distributed handouts one from Mr. Frier on questions raised yesterday on the Minnesota Clean Up Fund Tax of 2 cents.

Representative Timm distributed information that came from the Highway Dept on the 2 cents tax, when it started, what it is for, when it goes on. Basically it is for the clean up fund of leaks and spills from storage tanks. The tax goes on every time the fund drops below \$4 million in at least monthly increments. During the year 2004 it was in January, February, November and December. For 2005 it was on in January and February.

Senator Trenbeath indicated that Mr. Spryncynatyk, Director, provided information as to where the money comes from and how we arrive at the \$34.4 million in SB 2012 for the match.

Mr. Spryncynatyk indicate it is a breakdown of what has happened the past few years and the funding carryover and what is going to happen this year and next year from a federal funding standpoint. This is how the \$31.4 million figure was derived. The two columns on the right show the individual amounts and the right total and the state funding required to match federal funding available to us.

Senator Stenehjem asked that someone from the house committee give the short and sweet as to what is in it as it came from the house.

Representative Timm indicated there is a \$10 registration increase which goes to the Highway Fund; and raises \$13.4 million. There is a 2 cent tax on diesel fuel which goes to the Highway distribution fund and that tax is in effect all year round. There is a 2 cent tax on gas and gasohol for the winter months of November - April that raises \$6 million dollars and the diesel fuel raises \$6.9 million. That tax increases during the summer months. Totally all taxes and fees raises \$41.4 million and it is almost enough to meet the state share and then use additional moneys from the Cities and Counties. Section 12 refers to an excise tax of 1 percent share for 2009-2011, which will go to the general fund.

Senator Stenehjem indicated he understood this to mean the excise tax is going from 5 percent to 6 percent. In response, Representative Weisz explained that the excise tax, as explained in section 11, will be lowered to 4 percent and then add a 1 percent excise tax effective 2009.

Senator Trenbeath referred to the chart on the motor fuel tax increase and indicated the 2 cents in November - April raises \$6 million and the other six months raises \$15.1 million. That is more then twice the amount is that because of the additional use during the summer.

Representative Timm indicated yes and those figures came from the Department of Transportation.

Discussion took place about the increase in gas usage, the gas price increases, the shift in gas prices every year, the amount of funds needed to raise and the scenario sheets.

Representative Weisz asked about the \$1 million that was transferred from the city/county which increases the amount available for match. Under this proposal we raise \$31.4 million and the \$1 million is added in which brings it to \$32.4.

Senator Stenehjem indicated on page 10, subsection 7 the \$13 of each registration fee plus the amount in 2 and 5 must be deposited in the State highway fund.

Representative Weisz indicated this is a \$10 increase in our proposal and the \$3 that is currently not going into the distribution fund, but straight to the Highway Fund.

Senator Stenehjem clarified that Section 16 repeals the old section of law that says the \$3 went into the fund.

There was further discussion about the increase in registration fees, the effect on the funds raised, funding sources, clarification of the total amount going to the Highway Fund, Section 5, the \$1 million cost to the Highway Department, the disbursement of funds to the counties and cities.

The counties indicated they would like to work directly with the highway department to develop a better system of planning.

Representative Weisz indicated the state is giving \$120 million to the cities and counties with no restrictions and we need to prioritize the roads. We are giving way more than the federal match and we have not been setting down prioritization. This bill says we are willing to give you the money but projects need to be prioritized.

Senator Stenehjem asked if this amendment was on the bill.

Representative Weisz indicated the exact language was on HB 1458. The proposal to put the plan together has been out since the beginning of the session on the house side. Not every county or city is going to agree but they will accept that we need to prioritize.

Senator Trenbeath indicated we don't want to put the burden of wanting the control on the State Highway Department, we asked them to take this priority thing. We should not put the fault on them. If we agree to accept the plan that they have to do this, we could talk to the Highway Dept and cut down that figure of \$1 million. Cities and Counties did not voice their opinion on this part of the bill.

Mr. Spryncynatyk indicated when the House Appropriations Committee came up with the concept they asked the Highway Dept what is really best for the state, counties and cities. This is a concept that looks at all transportation resources and helps to develop a network that better serves all of the people of ND. Look at the bill on page 3 and the four items identified. It states we need to look at prioritization of the roadways, high priority corridors and the state has developed a highway performance classification system. (He showed a map) We need to develop a system consistent with what the state is doing. We need to work with 410 counties and cities to come up with prioritization and work with counties and cities.

Senator Stenehjem asked why this did not come up in a separate bill rather than as an amendment.

Mr. Spryncynatyk indicated this came from the appropriations committee not the department. They asked what could be done and we came up with a plan and cost projection. This whole thing has to be cooperative with the city, state, and counties.

Page 5

Senate Appropriations Committee

Bill/Resolution Number 2012

Hearing Date April 12, 2005

Representative Timm asked how did you come up with the \$1 million.

Mr. Spryncynatyk indicated that basically we looked at 410 entities, make one trip to each entity, at a cost of a couple thousand. We will work with what the Legislature appropriates.

Senator Trenbeath closed the hearing.

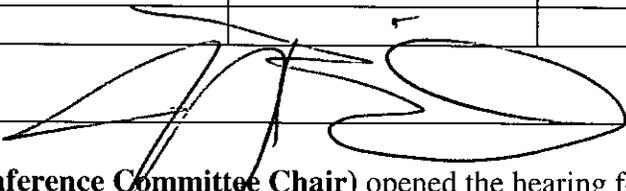
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-13-05**

Tape Number	Side A	Side B	Meter #
3	x		0-4560
Committee Clerk Signature 			

Minutes: **Sen. Trenbeth (Conference Committee Chair)** opened the hearing for SB 2012.

Roll was taken, all members were present.

Rep. Timm (108): Regarding the hand out we received, the draft for state, county, and city planning from the DOT.

Sen. Trenbeth: There are 9 scenarios with one thing that is common to all of them. They all use the excise tax. How does the House want to use that revenue?

Rep. Timm (225): We stayed away from the excise tax because the governors offices was not happy with it, and would not be happy if it increased and taken out of the General Fund.

Rep. Weisz (316): There is no excise tax because we though we would be getting a federal match, then we could tack on the excise tax.

Sen. Trenbeth (414): What might it lead to get present excise tax as a constraint?

Rep. Weisz (456): We have no specific numbers, maybe by the third biennium the excise tax would probably grow. We have no hard numbers.

Sen. Trenbeth: Could the DOT provide the projections of growth over the next biennium?

Dave Sprysynatyk: Yes.

Rep. Timm: Could we get both the excise tax and the gas tax?

Sen. Trenbeth: Some sort of combination, please.

Rep. Timm: I am not sold on the plan. What don't you like?

Sen. Trenbeth: I would go along with the gas tax, reluctantly. I am not okay with the seasonal differentiation. I don't mind the vehicle registration, but I need to look at the equity of the different types of trucks.

Sen. Stenehjem: In regards to some of the previous asked questions, when you are talking about excise tax or motor vehicle excise tax, in 1994 the State collected 44 million, '95 was 46 million, '96 was 48 million, '97 was 51, ect. Estimates for '05 is 71 million. The excise tax has grown throughout the years. Every time we come back to the Legislature we are looking at if the federal government gives us more money we always ask, what do we do?

Rep. Timm: That is way we developed the 6 year plan.

Sen. Stenehjem: We do the budget 2 years at a time, be cause someone get elected every 2 years.

Rep. Weisz (856): The highway should be funded with a user tax, a gas tax is a user tax. The State will get more revenue this time then we have ever had if we take advantage of the gas tax.

Sen. Trenbeth (1186): Good highways are the responsibility of society, not the user.

Sen. Stenehjem (1233): Regarding funding for roads, we have traditionally used a user tax. Regarding a registration fee *if* there is a road it is their if the user wants to use it.

Rep. Timm (1368): We are going to have to compromise at some point.

Rep. Weisz (1447): In the 1930's a portion of the excise tax went into the highly fund. The House's prospective is that a truck does 15,000 times the damage a car does and %60 of those truck come from out of state. We would like a gas tax.

Sen. Stenehjem (1599): To answer your statement why not raise special fuel tax, just putting it on diesel fuel?

Rep. Weisz: I am saying if you look at paying for roads. Truckers in ND do pay the registration fee, but out of state truckers driving through ND do not.

Sen. Stenehjem: If you raise the cost of diesel, it will go on who ever uses the road, whether it is an instead or an out of state person

Rep. Trenbeth: We have our proposal here, I am waiting for one by the Senate.

Sen. Tallackson: Diesel fuel increase will hit farmers.

Sen. Stenehjem (1940): I agree with fuels tax it is fair, but if we were the same of lower than MN those people in the Red River Valley will not be tempted to buy their gas in MN. That is why I cannot support the gas tax. If MN's gas tax goes up, I will have no problem with raising our gas tax.

Rep. Williams (2139): I agree with you on every thing but the reliance on instate revenue and on a gas tax.

Rep. Weisz: Regarding the environmental fund, I would be curious to see have that is effected. Is there data that would track it? Are we going to effect the dealers on the Red River Valley.

Sen. Trenbeth: As the gap widens you don't just loses 2,3, or 4 cents a gallon. You loose that plus the already state gas tax.

Rep. Weisz: When the environment fund kicks in it will only be a penny difference.

Sen. Trenbeth: The public would not have objections on excise tax, they watch the gas tax like a hawk.

Rep. Timm (2425): There is not much support to only do the excise tax.

Sen. Trenbeth: Is it good for the people of ND to raise the gas price?

Rep. Weisz: I got reamed because I proposed a registration increase, it depends on which district you represent. Everyone wants something different. If we look at an excise tax are we looking at increasing or taking in out of the General Fund?

Sen. Trenbeth: Neither way is easy. If you were to do equity with registration with the light trucks, you would end up with a net of about 3.78 million over the biennium. That would change pick ups to passenger vehicles.

Sen. Stenehjem (2780) There is 8.46 million for the disaster relief correct?

Mr. Sprynczynatyk: Yes. The State match is 42.4 million all together The money was allocated to the State 2 weeks ago.

Sen. Stenehjem: There are 5 projects in all this year, the 52 million will be gone at the end of the biennium.

Mr. Sprynczynatyk: Yes that is correct.

Sen. Tallackson: The governor floated a \$15 dollar registration fee, it was unpopular in my area. They expect a gas tax from us, not a registration fee.

Sen. Stenehjem (3189): Lets throw things on the table, that we can take back to digest. I think we should look at the disparity with in pickups, we had estimates that it is \$6 million. We should think about using existing excise tax, now is the time to start not later with regards to your 6 year plan.

Rep. Weisz: If we look at excise tax, we would be looking at some of that to go to the distribution fund.

Sen. Stenehjem: I had some charts made up, see attached, regarding what the Highway Distribution Fund looks like. Here is what the cities and counties look like, see attached. When we are talking about the excise tax, I don't want to hinder the cities and the counties. That's why I think we need to balance. We talked about the pickups, the excise tax. How many dollars of excise tax do we need to get it in, we need to take that into account.

Rep. Timm: Excise tax wasn't popular on our side.

Sen. Stenehjem: We had a recorded roll call vote on it, not increasing it.

Rep. Williams: We are talking about ideas, I respect that. It would be helpful if you could give us something on paper.

Rep. Weisz: How about moving the Highway Department out of General Funds?

Sen. Stenehjem: I don't have a problem with that. I believe part of the Highway Department funding should come out of the Highway Fund.

Sen. Tallackson: There is a lot of out of state traffic in ND, we need to think about a gas tax.

Sen. Trenbeth adjourned the meeting.

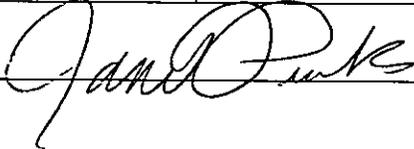
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Conference Committee

Hearing Date April 14, 2005

Tape Number	Side A	Side B	Meter #
1	a	b	5,239 - 1324
Committee Clerk Signature 			

Minutes:

Senator Trenbeath opened the conference committee on SB 2012 with roll call. He distributed an information sheet that Mr. Sprynsynatyk put together. It shows the current registration fees in the various weight classes, the proposed fee increase which creates equity, and shows across the age track of the vehicle. It ultimately shows a per year increase in revenue of over \$3.8 million or \$7.6 million in a biennium.

Mr. Sprynsynatyk talked and responded to questions. He indicated there is one classification of 10,000 pounds and above for passenger vehicles. There are three broad categories of vehicles, passenger vehicles, farm trucks, and non-farm trucks. The registration fees are based on the curb weight of the vehicle on passenger units. To calculate the fee it is the curb weight doubled (registered gross weight). All vehicles have a vin number which identifies the manufacturers curb weight. Non-farm vehicles can go to 105,500 pounds. He indicated if the committee approves

this he suggests calling the first category, passenger vehicles and pickups, the second category would be non-farm vehicles and then farm vehicles and this would fix the problem.

Representative Timm questioned the biennial revenue. He clarified that \$7.6 million is per biennium. He then stated if we adopt this and wouldn't increase other vehicle registration fees, it appears we are asking one segment of the population but no one else to fund this.

Senator Stenehjem indicated he feels this is remedying an inequity because of the changes in pickups over the last several years and not being a farming vehicle. We are not trying to get one group.

Representative Timm indicated we need to look at more than just this fee.

Senator Trenbeath clarified the \$7.6 million under the present law would go into the Highway Distribution Fund which would mean \$4.8 million toward our goal.

Mr. Sprynsynatyk responded that is correct.

Senator Stenehjem indicated this does get confusing but in looking at two single cab pickups they will be under the 10,000 pound range.

Representative Timm discussed the increase of the fee by \$10 but that some would still get higher increases according to schedule.

Senator Stenehjem indicated the House conferees asked the Senate to come up with some scenarios and he distributed five scenarios and they can look them over. All of them include what we are going to do with the pickups.

Senator Tallackson responded to Representative Timm and indicated when is the time and the place to get everything equitable. We could let it go this time and next time we would say we should have done it two years ago. This should have been corrected quite a while ago.

Page 3

Senate Appropriations Committee

Bill/Resolution Number 2012

Hearing Date April 14, 2005

Representative Weisz indicated everyone of these scenarios have the pickups moved into the passenger fee and figured the increase after that.

Senator Stenehjen indicated yes and then we can attach the fees.

Senator Trenbeath closed the hearing until Friday morning.

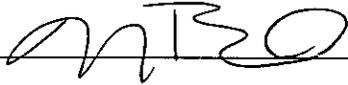
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-15-05**

Tape Number	Side A	Side B	Meter #
1	x		0-2367
Committee Clerk Signature 			

Minutes:

Sen. Trenbeth, (Conference Committee Chair) opened the meeting on SB 2021.

Roll was taken, all members were present.

Sen. Trenbeth: The Senate introduced 5 scenarios...

Rep. Timm: The Senates scenario's include the 7.6 million dollars on the pickups. They include an excise tax shift and a registration fee, not a gas tax. Am I right that the Senate is not looking at any gas tax increase at all?

Sen. Trenbeth: No, not at this time, but it is not off the table.

Rep. Timm: Regarding ND citizens going to MN for gas, I think to much is made of this situation.

Sen. Trenbeth: MN, comes from 2 reasons losing profits and most sales occur in the Red River Valley.

Rep. Timm: Nonresidents who use our highways are not paying for their use.

Sen. Trenbeth: We have reason to believe that MN will raise their gas tax over the next two years.

Sen. Tallackson: The Senate wants a gas tax, it makes more sense to me.

Sen. Trenbeth: The Senate as a body is against raising the gas tax.

Rep. Williams (380): Without the gas tax the House will not but it, and the public too.

Rep. Weisz: The public realizes that we have to fund our roads, and that money must go into the roads, not the General Fund. Also there are a lot of different gas rates on our boarders.

Sen. Trenbeth (525): We are asking our retailers to swallow the tax.

Sen. Stenehjem: The gas tax is not the problem in Bismarck, it however is a problem in the Red River Valley. We don't just loose that penny, we loose 21 cents if they go to MN.

Rep. Weisz (683): The State's citizens will pay less than they would with registration. This is a better deal.

Sen. Stenehjem: A 1 cent gas tax for 20,000mi/yr, that's \$20 for the average person. A businessmen will pay more.

Rep. Timm (918): The House favors some type of gas tax, will the Senate. We have to come to a compromise. A small gas tax and registration fee and adjust pickups.

Sen. Trenbeth (1010): If we did pickups you would end up with 4.87 million. A 1 cent gas tax would yield 10.2 million.

Rep. Timm: 2 cents increase, we have got a lot of ways to consider this. We've got to raise the gas tax.

Sen. Trenbeth: Mr. Sprynczynayk, when we have the Senates 5 scenarios, this will be across the board, right?

Mr. Sprynczynayk: Yes, that's correct.

Sen. Trenbeth: A \$12 increase and pickups exempt what would we have?

Mr. Sprynczynayk: 2.3 million less a year.

Rep. Timm: The House wanted to keep registration fees as low as possible, that is we are in favor of a \$10 increase.

Sen. Trenbeth: We are not going to satisfy everyone.

Rep Weisz: regarding pickups, why not put them into passenger vehicles, and whatever that category pays they pay too? MN will be closer to us if pickups are classified under the passenger category.

Sen. Stenhjem: Just because they don't have a topper. The pickups that we are nervous about are not the ones on the farm.

Rep. Timm: I think we will hear from the public in our respective districts.

Sen. Stenhjem: I understand your point. \$14 dollars is the highest increase. That is what we need to get across.

Sen. Trenbeth: Dave, do you have the numbers of the increase or decrease on vehicles?

Mr. Sprynczynayk: There system is set up by categories, so if they fall into a specific category they will be subject. That is all the information I can give with out a specific vehicle.

Rep. Timm: We have amendment your bill, we would like to see what the Senate would like to do.

Rep Williams: Could we look at either a 1 or 2 cent gas tax.

Sen. Trenbeth: Yes, we can look.

Page 4

Senate Appropriations Committee

Bill/Resolution Number **SB 2012**

Hearing Date **04-15-05**

Sen. Tallackson: Could we see what would happen if we adjusted the pickups, gave a 2 percent gas tax and an \$8 to \$10 registration fee?

Sen. Stenehjem: The DOT would be of great help to you to get that done.

Sen. Trenbeth adjourned the meeting.

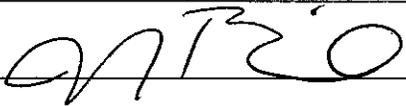
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-18-05**

Tape Number	Side A	Side B	Meter #
	x		0-1947
Committee Clerk Signature 			

Minutes: **Sen. Trenbeth, (Conference Committee Chair)** opened the meeting on SB 2012.

Roll was taken, all members were present.

Sen. Trenbeth indicated that the League of Cities had proposed a scenario and that on will be number 10.

Rep. Weisz: is the ½ for 1 year of ½ for 2? Could you explain it to me?

Sen. Trenbeth: It would add 1 cent gas tax, a \$10-\$11 registration fee, and it would split pickups 1 year at a time. Let's put the pickups aside for now. Lets talk about the registration fee.

Sen. Trenbeth went on to review to the committee what they had discussed during the morning meeting, specifically scenario 6.

Rep. Timm: Is the excise tax is off the table?

Sen. Trenbeth: For today's discussion, let's assume it is.

Rep. Timm: So that scenario, would give us a 2 cent gas tax, a registration fee and move pickups ½ way up, is that possible.

Members of the audience, including the director of the DOT indicated that that would be possible.

Rep. Timm: So this would mean pickup owners don't take the biggest hit, that's good.

Sen. Trenbeth: OK, let's look at scenario 10.

Sen. Stenehjem: It has a 1 cent fuel tax.

Sen. Trenbeth: Yes, it has a 1 cent fuel tax, it will move pickups over a course of 2 years and went the registration fee to \$15.

Rep. Weisz: Where would we be at then?

Sen. Stenehjem: 32.2 million, before distribution.

Sen. Trenbeth: The way this is set up is that the distribution fund would the increase in the pickup registration and the increase in fuel tax. The registration fee would be out of the highway fund.

Mr. Spryncznaytk: 1 cent fuel tax would go to the distribution fund, that will provide that State with 6.4 million. The pickups for 1 year would bring 1.2 million to the state, the 2nd year they will yield 2.4 million to the state. The \$15 registration fee would yield 30.1 million to the state.

Rep. Timm: That is a 1 cent fuel tax?

Mr. Spryncznaytk: Yes.

Sen. Tallackson: There is a lot of resistance to a high registration fee.

Sen. Stenehjem: I am ready to go back to the governor's original plan.

Rep. Williams: The revenue is coming from in state, does that bother you? Everyone should pay who uses our roads, hence the gas tax.

Sen. Stenehjem: Nonresidence are paying 21 cents in state gas tax.

Rep. Williams: I like the gas tax.

Sen. Trenbeth: I think Registration fees...

Rep. Timm: \$15 increase at Senate, and they killed it.

Sen. Stenehjem: We didn't only just vote on a \$15 increase in the Senate, we never did. When that bill came out, it has a registration in it, a gas tax, and an increase in excise tax. That is what we voted on and that is what got killed in the Senate.

Sen. Trenbeth: I think there was something for everyone not to like in that.

Sen. Tallackson: The Democrats on the Senate side want a gas tax, they don't want it all on registration.

Sen. Trenbeth: I have more proposed amendments that would raise up pickups.

Sen. Stenehjem: 1 cent gas tax is equivalent to \$7.60 in vehicle registration. So the scenario that the League of Cities proposed is the equivalent to raising registration fees by \$26 per vehicle, not to mention what the pickups would pay.

Sen. Trenbeth (1836): I will be bringing down 2 amendments here is what they will say. One, will raise pickups which will yield 7.6 million of that 4.8 million will go to the State. A \$12 increase in registration which would yield about 16.1 million, and a 1 cent gas tax which yields 10.2 million which gives you the 31.1 million. Then the emergency excise increase to the highway fund. The second one is the same but only raises the registration to \$10, that generated 28.4 million.

Sen. Trenbeth adjourned the meeting

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Conference Committee

Hearing Date April 18, 2005

Tape Number	Side A	Side B	Meter #
1	a		2829 - end
Committee Clerk Signature <i>Janet Parks</i>			

Minutes:

Senator Trenbeath opened the conference committee session on SB 2012 with roll call. He indicated this committee will meet this afternoon and two times tomorrow.

Senator Timm distributed a proposal for a 3 cents gas tax, a 2 cents special fuels tax and an \$11 registration fee. This does not include the pickups. There is growing opposition to raising the pickup fees substantially.

Representative Weisz indicated that he was looking at putting a proposal together that looks at excise tax funds and that is being drawn up right now. It looks at a reasonable way to generate formula.

Representative Stenhjem discussed the special fuels tax of 2 cents and the excise tax of 2 percent of sales. I don't quite understand that. Is special fuel just fuel that goes in the vehicle.

Joan Gallson, Supervisor for Motor Fuels, Estate, and Alcohol Taxes, spoke indicated special fuel excise tax is on diesel, tax on cost of fuel, heating fuel, and propane as use for off road vehicles.

Senator Stenehjem indicated to make that clear you are saying 2 percent is on what is going to a train. He then indicated he had a proposal which he distributed and discussed. The form with \$10 is the sheet that raises registration fees by \$10 and all of these proposals include pickups. Some things are circled and that represents the amount of dollars the state would have. If everything went to the Highway fund that is what it would raise, \$21 million if it is after distribution formula it would raise \$13.2 for the state. The next one would raise \$18.2. If ran only \$10 and not pickups thorough formula it would raise \$16 million. If all dollars run through the distribution formula but delayed it by twelve months, it would raise \$17.1. If the distribution was to the cities and counties for only six months, it would raise \$18.775 million. The second sheet is exactly what the first one is except the difference is it goes to a \$15 registration fee increase instead of \$10.

Representative Timm indicated then you don't address the \$8.4 million.

Senator Stenehjem thought if this conference committee was willing to look at the registration situation, the \$8.4 million could be addressed and working through the excise tax situation and how we would want to work into that.

Representative Timm indicated he didn't see us getting through any kind of bill that depletes the general fund by taking out any percentage of the excise tax.

Senator Stenehjem stated he thought the proposal Representative Weisz is looking at is one of the areas we could use to make the \$8.4 million dollar match. That is the excess above

anticipated revenue increase in that fund. If we don't make the match this time, we certainly have to look at it the next session. Then, the Highway Department would have to borrow the money if they want to start the project this year.

Representative Timm, stated if we pass this and included the \$8.4, they wouldn't have to borrow any money this biennium.

Mr. Sprynsynatyk indicated it is not uncommon for DOT to borrow for thirty days.

Senator Tallackson indicated he didn't see how we could come out of this session without some gas tax. Everyone who uses the roads should continue to pay to build and maintain the roads.

Senator Trenbeath indicated that last week he said to equalize the pickups and run that through the distribution funds, it nets the state \$4.8 million, a \$12 increase in registration fees would bring \$16.08 million through the highway fund and 1 cent gas tax would be \$10.2 million, then we are at \$31.08 million. If we got more conservative and modify the formula to \$10 and ran the pickups through the distribution fund we get \$28.4 million. If we put in language to sneak out the increase in excise revenues over the March projections that coupled with the fact we will be back in session before the second construction season of the next biennium. We have taken a conservative approach to solving the problem.

Senator Stenehjem presented a question for the DOT. In penciling out the gas tax percent and take it times 21 cents, that is \$214 million. How many million do we crank in from registration? The response was the registration brings in \$40.7 million per year.

Senator Stenehjem indicated we are then bringing in \$214 million from gas tax and \$81 million through registration so it is almost three times as much through gas as it is through registration.

Representative Timm discussed scenario 6 and if this committee decides to increase the pickups, it would be \$7.6 million and the pickup increase could be cut down. This committee has not decided yet on whether to raise the pickup.

The committee discussed whether there was any reason the pickups should not be treated equally with cars and all were in consensus that they should be treated equally but maybe the fee increase could be phased in and how that could be done. The solution would be either all or none for an increase and some members are still not convinced that pickups should shoulder the load of an increase.

Senator Trenbeath then indicated we should settle the pickup issue first.

Representative Timm indicated that a vote should be taken to see where we stand.

Senator Trenbeath indicated he felt he knew the consensus and he would like to additionally discuss how to do the gas and excise taxes and then invite amendments, pick the favorite. We should spend the afternoon session discussing registration fees and fuel tax and perhaps narrow the field.

Senator Trenbeath adjourned the conference committee on SB 2012.

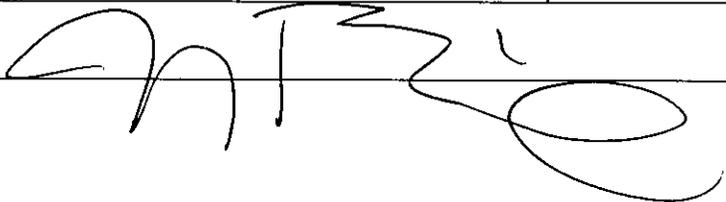
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2014

Senate Appropriations Committee

Conference Committee

Hearing Date April 19, 2005

Tape Number	Side A	Side B	Meter #
1	a		509 - 2180
Committee Clerk Signature 			

Minutes:

Senator Schobbinger opened the conference committee discussion on SB 2014 with roll call.

Representative Thorson distributed a proposed amendment allowing the Industrial Commission to receive bids for the new bank building and there would be an alternate bid for footings to add up to three floors to the bank building and with the approval of the emergency commission the money would be approved for those additional floors.

Discussion took place regarding the amendment as written, the direction the construction should be going, the direction the emergency commission could go during the interim, the fact that it is the banks funds we are authorizing them to spend, the size of the proposed construction, the needs of state government and the need or lack of need for office space, the bidding process and the construction of footings, the variance of the House position versus the Senate position.

Senator Schobbinger closed the discussion on SB 2014. The conference committee will be rescheduled.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Conference Committee

Hearing Date April 19, 2005

Tape Number	Side A	Side B	Meter #
1	a		2185 - 4846
Committee Clerk Signature <i>Janet Parks</i>			

Minutes:

Senator Trenbeath opened the conference committee on SB 2012 with roll call. He began discussing the scenarios Senator Stenehjem had distributed.

Discussion ensued and the various scenarios were discussed relating to gas tax and vehicle registration rates, the amounts generated from these rates, their distributions, the awarding of construction contracts, Grams Island, the county and city distributions, construction projects, funding for those projects, the Garvey Bond and the match program with the federal funding. The Department of Transportation indicated they do borrow funds for the short term when needed until distributions are completed. He also indicated that by within a few months DOT will know what the actual costs of the Grams Island project will be based on bids and contracts. If the contract comes in over 54 million they have to go to the federal government to see if the funds are there.

Senator Trenbeath adjourned the conference committee on SB 2012.

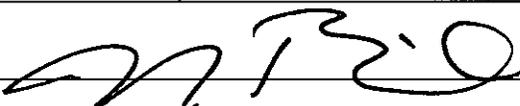
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-20-05**

Tape Number	Side A	Side B	Meter #
4	x		0-17191
Committee Clerk Signature 			

Minutes:

Sen. Trenbeth, (Conference Committee Chair) opened the meeting of SB 2012.

Roll was taken, all members were present.

Sen. Trenbeth: Are there any new proposals.

Rep. Weisz (100): We are looking at sunset vs. 12 months, we would have a problem doing the 12 months.

Sen. Trenbeth: What is the proposal an incremental raise of pickups over 10 years?

Rep. Weisz: If you look at 10 and want the same money...

Sen. Trenbeth: Regarding proposal 14 it would split pickups to get roughly the same number and defer to the 2nd year.

Sen. Stenehjem: The amounts are to split the equity issue over 2 years?

Sen. Trenbeth: Yes.

Sen. Stenehjem: So it is $\frac{1}{2}$ the first year and $\frac{1}{2}$ the 2nd year. What would happened to the State's share?

Rep. Weisz: The state would lose 1.9 million in Scenario 14.

Rep. Timm: The House will hold hard on a gas tax. The House also needs to agree on the pickups and they want a 2 cent gas tax.

Rep. Weisz: I cannot support that, we either put gas tax into the highway fund or pickups. I can support the Senates idea of the highway fund for 1 year.

Rep. Weisz: What is the minimum we are willing to fund?

Rep. Timm: Do you want to fund the Highway Department for 22.7 million or 31.4 million?

Sen. Trenbeth: $\frac{1}{2}$ of the 8.4 equals 27.7 million.

Rep. Timm: A lot will lie on the segment on pickups.

Sen. Trenbeth: No it will be on the people who drive vehicles, automobile drives have been over paying for 30 years. Absent of the dollar amount, we can agree on pickups, registration fees, and the gas tax. Excise tax isn't worth talking about. You want to lower vehicle registration and raise gas tax, we want the opposite.

Rep. Timm: The House has settled at 31 million.

Rep. Weisz: The House is strong on the gas tax, if you look at my proposal it is a compromise. We have come a long way. 28.3 million is a number I can live with, but I like 38.4.

Rep. Williams: I would support the 28.3 million.

Sen. Tallackson: the Democrats want a 2 cent tax, and registration to make up the difference.

Rep. Timm: If the Senate is willing to take back this proposal and see what happens.

Page 3
Senate Appropriations Committee
Bill/Resolution Number **SB 2012**
Hearing Date **04-20-05**

Sen. Stenehjem: I have no problem doing that if the House would do something on the productive side.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-20-05**

Tape Number	Side A	Side B	Meter #
2	x		1423-4013
Committee Clerk Signature 			

Minutes:

Sen. Trenbeth, (Conference Committee Chair), called the meeting to order.

Roll was taken, all members were present.

Sen. Trenbeth: The proposal we will call number 14 is the one I just passed out. It includes a 1 cent fuel tax, a \$12 registration fee, and move pickups to equity, making them passenger vehicles. This would generate 6.3 million to the cities, and 27.6 million to the State. All the increases will go into the highway distribution fund the 2nd year of the biennium. The first year it will be in the highway fund. At the end of the biennium it will be the way we all want it to be.

Rep. Timm: The House will not go for this is we are moving pickups up. We are putting to much burden on the pickup segment.

Sen. Trenbeth: Pickups will be equal at some point in time.

Rep. Timm: Well the House has not agreed to that. The Senate's proposals have at lease some gas tax. If Sen. Stenjhem's proposals went to the floor would they pass?

Sen. Trenbeth: Yes.

Rep. Timm: Maybe you should try it.

Sen. Trenbeth: Then where would that leave us? Let's not work for failure, let's work toward success.

Rep. Weisz proposed another scenario that would increase the fuel tax by 2 cents, bringing it to 23 cents. It would increase motor vehicle registration, across the board, by \$8, all going into the highway fund. All pickups would be moved into passenger vehicle category. This raises \$7.6 million, which would be distributed through the highway distribution fund. A sunset clause of June 30, 2007, would apply to all registration fees going difficulty to the highway fund. Any excess collection of motor vehicle excise tab above the March 2005 projection (\$148 million) would be transferred to the highway fund. This would continue until @0% of the collection would go to the NDDOT highway fund. It is intended that the NDDOT, to the extent possible, work towards the implementation of the department's Highway Performance Classification System.

Sen. Trenbeth: I think the pickups at \$8 is OK.

Rep. Timm: If the \$8 fee does not apply we would have 3 million less, we would go down to 35.3 million.

Sen. Stenehjem (2082): Even at this proposal, putting the sunset clause on would cause next session to be short, that is going down the wrong road.

Rep. Weisz: No mater what we do the next legislative assembly can move the registration fee back and forth. We are not restricting the future body. I believe this proposal will adequately fund based on normal growth of the excise tax fund. We are 2.9 million short and would have to

add 3 million of emergency relief, and 5 million would go to the cities and counties. So we need about 12 million more next biennium more then we need this biennium. We shouldn't have to come back with this proposal

Sen. Trenbeth: Regarding the sunset clause, it is tougher to change than remove it.

Sen. Stenehjem: Lets just think about where this conference committee has been. We have talked about delaying the cities and counties shares for a year, a sunset for the next time. My fear is that's were we are we have talked about not distributing money that they are already getting. You really want to make this match and mess around with the distribution there getting 81 million. My point isn't that I want to do that, my point is that that is the point of resistance. To not go back and take from the cities and counties. The argument will be that they never got the money before and we are looking for the revenue, so don't give it to them. That is why I don't mind doing it for one year.

Rep Weisz: My fear is that we have never touched the gas tax before. If we do this we will be setting a precedence saying its okay to shift gas taxes to the highway distribution fund.

Sen. Trenbeth: If we did the 1 cent gas and had it go to the highway fund, them move pickups into the passenger category and have that go into the Highway distribution fund from the start.

Sen. Stenehjem: History has showed that we have messed around with it in the past.

Sen. Trenbeth: It an open door, only one time.

Rep. Weisz: The legislature will remember, I think the sunset clause is cleaner and easier to implement.

Sen. Trenbeth: Any other questions or comments?

Rep. Timm: We haven't made much progress.

Sen. Trenbeth: I disagree, I think we have.

Sen. Tallackson: I like my proposal (7a and 7B) it gives you a clear choice.

Rep. Weisz: Did you run the numbers for the next biennium?

Mr. Sprynczynyk: For option 14 ad shift the money to the counties and cities which would equal 21.1 million.

Rep. Timm: Why do we want an increase and not cover the highway departments full needs for funding. I don't understand that. I think we should fully fund them for their needs.

Sen. Trenbeth: In option 14, what are we short?

Rep. Timm: 3.5 million, that is a big registration burden. We would like at least a 2 cent gas tax, that would be backed by the house and a transfer of pickups to passenger vehicles.

Sen. Trenbeth: So raise more taxes? We are hedging our bets on what MN does.

Rep. Timm: What will happen in 2 years.

Sen. Trenbeth: We hope there would be more latitude in the gas tax.

Sen. Tallackson: If a person buys gas, there are using the highway. If a person pays the registration fee they may not even drive on the highway , just on farms. I agree with the gas tax.

Sen. Trenbeth adjourned the meeting.

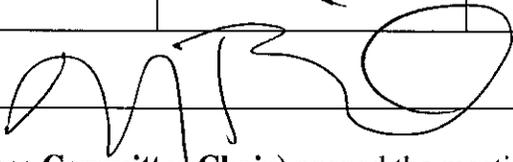
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-21-05**

Tape Number	Side A	Side B	Meter #
2	x		0-1883
Committee Clerk Signature 			

Minutes: **Sen. Trenbeth, (Conference Committee Chair)** opened the meeting of SB 2012.

Roll was taken, all members were present.

NOTE: THIS IS THE FIRST OF 3 MEETINGS ON 04-21-05

Rep. Timm: We have another option on the table, (16.B)

Rep. Timm, explained the proposal, see attached. Rep. Timm stated that with this proposal the DOT would not see any revenue benefit until the 2007-09.

Rep. Weisz: Motor Vehicle Excise Tax collected in excess over March 2005 projection (\$148,408,696 = \$136,536,000 General Fund portion and \$11,872,696 State Aid Distribution) - shift to Highway Fund.

Rep. Timm: Could we adopt the amendment and see if the Senate could get any support for it on the floor.

Sen. Trenbeth: We can do that with any amendment.

Rep. Timm: The House is compromising we just hope the Senate does too.

Sen. Trenbeth: The Senate Has.

Rep. Timm: The House supports a gas tax, I hope the Senate is okay with this plan.

Sen. Trenbeth: What about proposal 14.

Rep. Timm: Number 14 has 27.6 million for the next biennium...

Sen. Trenbeth: You didn't hear me. A \$15 dollar registration fee equals 30.8 million, it is the governors original plan. All three will go to the Highway Distribution Fund.

Rep. Timm: I won't go any lower than a 1.5 cent gas tax.

Rep. Weisz: I agree. From the House's prospective we have come more than half way.

According to 16 B the House has cut over half.

Rep. Williams: Am I correct in assuming still that the registration is between \$12 and \$15 is number 14?

Sen. Trenbeth: Yes, 8.3 million for fuel, 6.2 million for pickups, and 16.3 million for registration fee will all be going to the state. In doing this we have neglected the balance of the bill. Also regarding section 5 of the bill, the Senate would like to delete it.

Rep. Timm: If we take out section 5 we are saying that the counties and cites are not going to have a priority plan at all. Nor will they be receiving help from the DOT in developing a plan.

Sen. Trenbeth: That is not what I am saying. They can contract the DOT for that.

Rep. Timm: Without \$1 million how can they afford it?

Rep. Weisz: This section is important to the House.

Sen. Trenbeth and Rep. Weisz discussed this topic further. They spoke regarding the state hand how what ever funds it has doesn't come from the legislature, it comes from everyone who pays taxes.

Rep. Timm (1469): Regarding the language in the bill, the State Highway Department is not going to control...

Sen. Trenbeth: I disagree because it states in the bill, "expectable to the department." There might be a difference between the cities and the counties.

Rep. Weisz: I agree, that is why there is a property tax.

Sen. Stenhjem: That is the number they get paid for maintenance not for projects, the reasons why it is different is because different counties have different priorities.

Rep. Timm: The language does not pertain to old money, just new money.

Sen. Stenhjem: Am I to understand that in section 5 we are saying here is the amount of money, now the new money is given at the DOT's discretion?

Sen. Trenbeth adjourned the meeting.

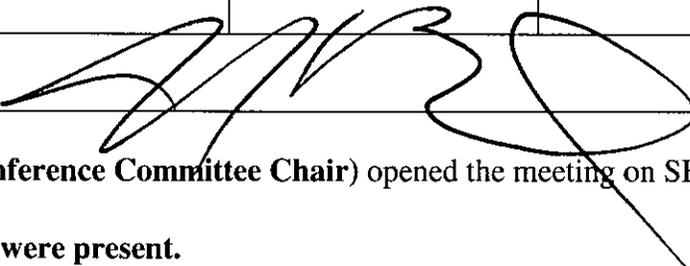
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-21-05**

Tape Number	Side A	Side B	Meter #
4	x		0-357
Committee Clerk Signature 			

Minutes: **Sen. Trenbeth, (Conference Committee Chair)** opened the meeting on SB 2012.

Roll was taken, all members were present.

Rep. Timm: The House is having some amendments drawn up, regarding the memo Celeste gave to us discussing SB 2348.

Sen. Trenbeth: The Senate is also having some drawn up. Rather than sit and stare at each other I want to reschedule until 8 PM this evening.

Sen. Tallackson: I have a proposal I would like every one to look at. Lets call it 7C. It has a 2 cent gas tax, \$10 registration fee and the pickups also it would remove section 5.

Sen. Trenbeth: This taxes the people of ND the most.

Sen. Tallackson: Some in the Senate feel it is OK.

Sen. Trenbeth adjourned the meeting

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date 04-21-05

Tape Number	Side A	Side B	Meter #
Committee Clerk Signature			

Minutes:

Sen. Trenbeth, (Conference Committee Chair) opened the meeting of SB 2012.

Roll was taken, all members were present.

Rep. Timm, proposed amendment number .0208, these are conducive to scenario to 16B. Rep.

Timm explained the amendments to the committee.

Rep. Weisz: Section 16 of #.0208 is where we phase in the pickups.

Sen. Stenhjem (695): I oppose this amendment for a couple of reasons. One is because of section 5. The Senate never had a hearing on this, so why is it in the bill?

Rep. Timm: The House decided that they would devise a financing plan for the money for counties, it is not like the governors plan. The House wanted to help them develop a priority plan for their roads, and for the Highway Department to help the counties. Sometimes the counties are told that they can not use federal matching dollars.

Sen. Stenejhem: Why is it tacked on as an amendment, why not a delayed bill? This is a whole new concept.

Rep. Weisz: There was a House bill that allocated money if they did this plan. Section 5 is a modification of that plan. It is new money to get cities and counties to come into the planning process.

Sen. Trenbeth (1091): Is section 5 at the request of the counties or of the House?

Sen. Stenejhem: We have had over a dozen conference committees and this is the first time we are getting this, because the Senate killed it the first time.

Rep. Weisz: That was not why it was killed in the Senate.

Rep. Williams: This type of situation happens all the time.

Sen. Stenejhem (1270): I can't support this section, it jeopardizes the whole bill.

Rep. Williams: I respect that, it makes sense to me.

Rep. Timm: If section 5 was out of the amendment would you support it.

Sen. Trenbeth: I will vote for a 1 cent gas tax increase.

Rep. Timm: We have come down as low as we can.

Sen. Stenejhem: A conference is about coming up with a compromise that will be passed in both chambers.

Rep. Timm: The 1 cent gas tax proposal is short \$4 million, how are you going to get that money?

Sen. Trenbeth: The Senate will be short, but not by much.

Sen. Tallackson: We are fooling the people of ND that way.

Rep. Weisz: There is a limit on both side regarding what they can live with.

Rep. Timm: The House isn't going to be happy with pickups. Why don't we run this through the Senate quick.

Sen. Stenehjem: I think we should wait for our amendments.

Sen. Tallackson (1817): I don't like the distribution, the House does not have enough on gas and too much on registration. You are short changing the counties, I think we have enough votes in the Senate for my proposal.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-22-05**

Tape Number	Side A	Side B	Meter #
2		x	0 to 2025
Committee Clerk Signature 			

Minutes:

Sen. Trenbeth (Conference Committee Chair) opened the meeting.

Roll was taken, all members were present. Please note that Sen. Schobinger replaced Sen. Stenehjem.

Rep. Timm, proposed amendment number .0215 and a copy of the scenario. Included in the amendment is a 2 cent gas tax, to go to the highway distribution fund. A \$12 registration fee, to go to the highway fund. And a 50% increase to the pickups for the whole biennium. The total New Revenue at \$40.3 million, which the state will yield \$31.79 million, the counties would yield \$5.56 million, and the cities would yield \$3.39 million.

Rep. Timm moved the amendment along with Section 12 of #.0211, seconded by **Sen. Tallackson.**

Sen. Schobinger: What was done 4 years ago regarding the sunset clause on the registration fee to go to the highway fund?

Rep. Timm: This is a different it would be for the whole biennium, it would continue on. No sunset clause.

Sen. Trenbeth: ½ the difference between pickups.

Mr. Spryncznaytk: It would be ½ the difference as it stands now, then the 50%.

Sen. Schobinger: Is there any ending fund balance, will it carry over?

Mr. Spryncznaytk: We keep it at zero, there is no ending fund balance.

Sen. Trenbeth: The Highway Department needs to understand the intent. We raise the 50% of the difference plus \$12 across the board.

Sen. Schobinger: What about registration?

Rep. Weisz: \$10.

Sen. Tallackson: The Democrats are OK with the pickups, this would be satisfied.

Rep. Timm: Section 5 isn't in the amendment, .215 could get passed in both houses.

Roll call vote was taken, motion failed.

House members asked for a 5 minute recess.

Rep. Timm: Where do you want to go from here?

Sen. Tallackson: We could accept mine!

Sen. Schobinger (979): O cant help but feel that the Senate, if a 1 cent fuel tax, a \$10 registration fee, and the pickups into the passenger category, and increase the bonding which would equal over run. The people of ND could live with that.

Rep. Timm: The House accepted the GARVEE Bonds for those 2 projects, and only those 2.

Sen. Trenbeth (1111): There was some objection in the Senate for and increase in gas tax to make the match, and leave the registration at \$15 and the sunset. I have no problem with increasing the gas tax as long as we are competitive.

Sen. Schobinger (1261): Are most plans for 2 years?

Sen. Trenbeth: Most are 2.

Sen. Tallackson: What about a 2 cents, \$10 and ½ the pickups.

Rep. Timm: Why would we want to short the matching funds, that is a bad idea.

Rep. Williams: Sen. Schobinger why are you looking at bonding.

Sen. Schobinger: We bond a lot for capitol construction, the use for bonding is appropriate.

Rep. Timm (1473): Construction and maintenance has always been a user fee, we should continue that way.

Sen. Schobinger: The house and Senate passed a bonding bill that does exactly that.

Rep Weisz: GARVEE bonds are intended for bonding of federal dollars.

Sen. Trenbeth: Just a suggestion, how about a 2 cent gas tax, that would yield 12.8 million dollars. All pickups would yield 4.8 million dollars, a registration fee of 10 dollars. You would come up with the 31 million you need for the federal matching dollars.

Rep. Timm: You are hitting one segment of the driving public all at once.

Sen. Tallackson: ½ and ½?

Rep Weisz: That would be 3.6 million so we would be at 29.8 million instead of the 31.4 million needed.

Rep. Timm: Is there a lot of resistance on the Senate side for the pickups?

Sen. Trenbeth: Yes, but it is not a deal breaker.

Page 4

Senate Appropriations Committee

Bill/Resolution Number **SB 2012**

Hearing Date **04-22-05**

Sen. Schobinger: Okay with the \$10 registration fee, not sure about the 2 cent gas tax.

Rep. Timm: Can we meet later?

Sen. Trenbeth adjourned the meeting.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date **04-22-05**

Tape Number	Side A	Side B	Meter #
2	x		1500-end
Committee Clerk Signature			

Minutes:

PLEASE NOTE THIS IS THE SECOND MEETING OF SB 2012'S CONFERENCE COMMITTEE

Sen. Trenbeth, (Conference Committee Chair) opened the meeting.

Roll was taken, all members were present.

Rep. Timm: After what happened on the floor of the Senate today, what is next?

Sen. Stenehjem: The problem I see is that there is not a lot of differences between the two amendments. There is enough in this bill for different factions to not pass anything This has been my concern since the first time we met. I am willing to try #.0211, but I don't this it will pass in the Senate.

Rep. Weisz: I think the House should take a look at #.0211.

Sen. Stenehjem: Then we will look at raising less money and not totally funding the highway department. I don't like that.

Rep. Timm: The Senate doesn't want to raise the necessary funds to match the federal highway dollars.

Sen. Stenehjem: I hope there are enough votes in the Senate for that reason, federal highway dollars are a lot of money.

Rep. Williams: It is not the House vs. the Senate any more so please make the motion.

Rep. Timm: We will vote to get it out of conference committee.

Sen. Tallackson (2135): I feel that the Majority Leader needs to make the motion, otherwise I do not think it will pass.

Sen. Stenehjem: I will push the bill, but I still do not like the gas tax.

Sen. Trenbeth moved the .0211 amendment, seconded by Sen. Tallackson.

Sen. Stenehjem: I will support it on the floor.

Rep. Timm: I am not sure it will pass it in the House.

Sen. Tallackson: The Tribal people don't want it.

Sen. Stenehjem explained the amendments, by going through all the changes.

Rep. Timm: Has the Maintenance adjustment been taken out.

Sen. Stenehjem: Yes it is still in there.

Sen. Stenehjem: Are the House members going to try to pass this in the House.

Rep. Timm: I cannot agree to that.

Sen. Stenehjem: I am asking, not saying.

Rep. Timm: I will not vote for it.

Sen. Trenbeth: I with draw my motion.

Sen. Tallackson: That is not fair.

Rep. Timm (3100): Sen. Stenehjem didn't campaign for .0209 on the Senate side.

Sen. Stenehjem: I told you I would speak against it on the floor.

Sen. Trenbeth: We will do our best to get it passed.

Sen. Stenehjem: There is enough in this bill that everyone will hate, but I will vote for it.

Rep. Timm: I don't endorse the amendment because it leaves the 07-09 biennium short. I do not think it is best for the state.

Sen. Stenehjem: Myself and the Senate do, we did not however for #.0209.

Rep. Williams: \$7.6 million to roll pickups in, what would be the effect if we went to a 1.5 cent gas tax and a \$15 registration fee?

Sen. Stenehjem: We will be \$7.6 million short.

Sen. Trenbeth: No, 1.5 million short. \$15 if you stagger the pickups, you get 16.4 million which would leave the state short 5.4 million next biennium.

Rep. Timm: We as in the House have a couple more ideas.

Rep. Weisz motioned for #.0211 Rep. William reluctantly seconded the motion.

Rep. Williams: I hope this proposal gets through the Senate.

Rep. Tallackson: This goes against my grain, I feel the gas tax should be more. 505 of gas sold in ND is from out of state people.

Sen. Trenbeth: I don't agree with you.

Roll call vote was taken motion passed

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

Conference Committee

Hearing Date 04-22-05

Tape Number	Side A	Side B	Meter #
2	0		0-1472
Committee Clerk Signature			

Minutes: **Sen. Trenbeth, (Conference Committee Chair)** opened the meeting.

Roll was taken, all members were present.

Sen. Trenbeth proposed amendment number .0211, this amendment deletes section 5 and adds section 12.

Rep. Weisz: Does this include all three going to the Highway Fund the first year?

Sen. Trenbeth: That's correct.

Sen. Stenehjem (238): We also have amendment number .0208, were 16B applies.

Rep. Tim: All three will go to the Distribution Fund the 2nd year?

Sen. Trenbeth: Yes.

Rep. Tim: The counties share and cities share is down.

Sen. Trenbeth: Yes.

Rep. Tim: And move pickups all at once?

Sen. Trenbeth: yes, I don't want to increase the burden on passenger vehicles.

Rep. Timm motioned for the House to adopt amendments .0208, seconded by Rep. Weisz.

Sen. Trenbeth: That would take \$500,000 out of the citizens of ND pockets.

Rep. Weisz: All plans take money from ND citizens, because it costs money to upkeep our roads.

Rep. Tim: I don't like your remark. The Senate's plan adds a burden to registration fee's, these are all user taxes. The House's plan has all users paying for their share.

Sen. Trenbeth: Well, I don't regret saying it.

Discussion carried on regarding whose plan was better with respect to how much the state would yield in revenue. Numbers were given by the Representatives, but the Senator's rejected them because they felt they had no merit.

Sen. Tallackson (1009): We are fooling the people, we have to match the federal dollars. We will have to borrow money because it is under funded.

Sen. Stenehjem: Are there any more proposals left?

Rep. Tim: Not pertaining to gas tax.

Sen. Stenehjem: What about the whole bill?

Rep. Tim: We have another #.0209, it is the same as .0208 except for section 5. That is not in this version.

Rep. Timm withdrew his previous motion and motioned that the Senate accept the House Amendment #.0209, seconded by Rep. Weisz:

Roll call vote was taken, motion passed.

Sen. Trenbeth closed the meeting.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2012

Senate Appropriations Committee

 Conference Committee

Hearing Date **04-22-05**

Tape Number	Side A	Side B	Meter #
2		x	2025-3355
Committee Clerk Signature 			

Minutes: **This is the 4th meeting of this conference committee for this date.**

Sen. Trenbeth, (Conference Committee Chair) opened the meeting.

Roll was taken, all members were present.

Rep. Timm, proposed amendment #.0217. Rep. Timm, stated that in this amendment there is a 2 cent gas tax that would go to the highway distribution fund. \$10 registration fee that would go to the highway fund. Pickups will be in the passenger category for the biennium, ½ would increase. This would yield \$37.6 million total, with 28.59 for the state, 5.56 for the counties, and 3.36 for the cities. For the '07-'09 biennium the other ½ of the increase for the pickups will go into the highway distribution fund. They will make their match for the biennium.

Sen. Trenbeth: This is closing the gap in half then adding the \$10. Next biennium the remaining half of the gas will be closed. This amendment has section 12 in it and it does not have section 5, correct.

Rep. Timm moved the amendment, seconded by Rep. Weisz.

Page 2

Senate Appropriations Committee

Bill/Resolution Number **SB 2012**

Hearing Date **04-22-05**

Rep. Timm: I think this can pass on the House side.

Roll call vote was taken, motion passed.

Allan Knudtson gave a brief over view of the bill.

Sen. Trenbeth adjourned the meeting.

*Relates
to Senate
0208*

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

That the House recede from its amendments as printed on pages 1118-1125 of the Senate Journal and pages 1294-1301 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide for delayed distributions from the highway tax distribution fund to cities and counties and development of a roadway plan;"

Page 1, line 4, replace "medal of honor" with "liberty memorial"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, motor vehicle excise tax revenue, and motor vehicle fuels and special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide for application"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "863,094,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "169,186,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "863,094,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "953,572,043"

Page 2, after line 21, insert:

"SECTION 5. DELAYED DISTRIBUTIONS FROM HIGHWAY TAX DISTRIBUTION FUND - CITY AND COUNTY ROADWAY PLAN. Notwithstanding section 54-27-19, the state treasurer may not distribute any additional funds deposited into the highway tax distribution fund resulting from provisions of this Act to cities or counties before July 1, 2006, and until the department of transportation certifies to the state treasurer that the cities and counties have developed a roadway plan in conjunction with the department and that the plan:

1. Identifies a prioritized roadway system that designates tiered levels of roadways and corresponding levels of service;

2. Focuses on high-priority corridors;
3. Is consistent with the department's highway performance classification system and other criteria developed by the department; and
4. Is the result of a cooperative effort of the department, cities, and counties.

SECTION 6. Highway performance classification plan. To the extent possible, the department of transportation shall implement the highway performance classification plan with available resources."

Page 2, line 28, replace "the maintenance" with "maintaining the structural integrity"

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 8. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements"

Page 4, line 9, replace "Medal of honor" with "Liberty memorial"

Page 4, line 10, replace "medal of honor" with "liberty memorial"

Page 4, after line 11, insert:

"SECTION 11. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:
 - a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years	
Less than 3,200	\$60 \$73	\$52 \$65	\$44 \$57	\$36	\$49
3,200 - 4,499	80 93	68 81	56 69	44	57
4,500 - 4,999	98 111	84 94	66 79	50	63
5,000 - 5,999	129 142	107 120	85 98	63	76
6,000 - 6,999	162 175	133 146	104 117	76	89
7,000 - 7,999	195 208	159 172	124 137	89	102
8,000 - 8,999	228 241	186 199	144 157	102	115
9,000 and over	261 274	212 225	164 177	115	128

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

A pickup truck is subject to registration at the rates prescribed for other vehicles under this subdivision by applying the shipping weight of the vehicle to the fee schedule. At minimum, the registered gross weight displayed on the registration card for a pickup truck must be twice the shipping weight of the vehicle. Unless otherwise exempted by this chapter, the owner of a pickup truck shall request the registered gross weight of the pickup truck be increased to ensure the registered gross weight is sufficient to include the total weight of the vehicle and any load transported on or by the vehicle. For purposes of this subdivision, a pickup truck is a motor vehicle with a manufacturer's gross vehicle weight rating of less than eleven thousand five hundred pounds [5216.31 kilograms], with an unladen weight of less than eight thousand pounds [3628.74 kilograms], and which is equipped with an open box-type bed not exceeding nine feet [2.74 meters] in length.

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under this subsection or subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$58 \$71	\$45 \$58	\$40 \$53	\$37 \$50	\$36 \$49
4,001 - 6,000	63 76	50 63	44 57	38 51	37 50
6,001 - 8,000	68 81	55 68	48 61	39 52	38 51
8,001 - 10,000	73 86	60 73	52 65	41 54	40 53
10,001 - 12,000	78 91	65 78	56 69	43 56	42 55
12,001 - 14,000	83 96	70 83	60 73	46 59	45 58
14,001 - 16,000	88 101	75 88	64 77	49 62	48 61
16,001 - 18,000	93 106	80 93	68 81	51 64	50 63
18,001 - 20,000	96 109	83 96	70 83	52 65	51 64

Gross	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th,	8th, 9th, 10th, 11th, and	13th and Subsequent

Weights	and 7th Years		12th Years		Years	
	\$126	\$139	\$100	\$113	\$87	\$100
20,001 - 22,000						
22,001 - 26,000	478	191	148	161	132	145
26,001 - 30,000	239	252	197	210	175	188
30,001 - 34,000	305	318	250	263	222	235
34,001 - 38,000	366	379	299	312	265	278
38,001 - 42,000	427	440	348	361	307	320
42,001 - 46,000	488	501	396	409	350	363
46,001 - 50,000	549	562	445	458	393	406
50,001 - 54,000	619	632	503	516	444	457
54,001 - 58,000	680	693	552	565	487	500
58,001 - 62,000	742	755	604	614	530	543
62,001 - 66,000	802	815	649	662	573	586
66,001 - 70,000	863	876	698	711	615	628
70,001 - 74,000	924	937	747	760	658	671
74,001 - 78,000	985	998	796	809	704	714
78,001 - 82,000	1,046	1,059	845	858	744	757
82,001 - 86,000	1,109	1,122	890	903	784	797
86,001 - 90,000	1,171	1,184	935	948	824	837
90,001 - 94,000	1,233	1,246	980	993	864	877
94,001 - 98,000	1,295	1,308	1,025	1,038	904	917
98,001 - 102,000	1,357	1,370	1,070	1,083	944	957
102,001 - 105,500	1,419	1,432	1,115	1,128	984	997

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person

violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	\$98 \$111	\$84 \$97	\$70 \$83	\$52 \$65
22,001 - 24,000	103 116	88 101	73 86	54 67
24,001 - 26,000	111 124	94 107	77 90	56 69
26,001 - 28,000	122 135	102 115	83 96	60 73
28,001 - 30,000	131 144	110 123	89 102	64 77
30,001 - 32,000	146 159	123 136	100 113	73 86
32,001 - 34,000	156 169	131 144	106 119	77 90
34,001 - 36,000	166 179	139 152	112 125	84 94
36,001 - 38,000	176 189	147 160	118 131	85 98
38,001 - 40,000	186 199	155 168	124 137	89 102
40,001 - 42,000	196 209	163 176	130 143	93 106
42,001 - 44,000	206 219	171 184	136 149	97 110
44,001 - 46,000	216 229	179 192	142 155	101 114
46,001 - 48,000	226 239	187 200	148 161	105 118
48,001 - 50,000	236 249	195 208	154 167	109 122
50,001 - 52,000	256 269	213 226	170 183	123 136
52,001 - 54,000	266 279	221 234	176 189	127 140
54,001 - 56,000	276 289	229 242	182 195	131 144
56,001 - 58,000	286 299	237 250	188 201	135 148
58,001 - 60,000	296 309	245 258	194 207	139 152
60,001 - 62,000	306 319	253 266	200 213	143 156
62,001 - 64,000	316 329	261 274	206 219	147 160
64,001 - 66,000	326 339	269 282	212 225	151 164
66,001 - 68,000	336 349	277 290	218 231	155 168
68,001 - 70,000	346 359	285 298	224 237	159 172
70,001 - 72,000	356 369	293 306	230 243	163 176
72,001 - 74,000	366 379	301 314	236 249	167 180
74,001 - 76,000	376 389	309 322	242 255	171 184
76,001 - 78,000	386 399	317 330	248 261	175 188
78,001 - 80,000	396 409	325 338	254 267	179 192
80,001 - 82,000	406 419	333 346	260 273	183 196
82,001 - 84,000	416 429	355 368	303 316	259 272
84,001 - 86,000	436 449	372 385	317 330	271 284
86,001 - 88,000	456 469	389 402	331 344	283 296
88,001 - 90,000	476 489	406 419	345 358	295 308
90,001 - 92,000	496 509	423 436	359 372	307 320
92,001 - 94,000	516 529	440 453	373 386	319 332
94,001 - 96,000	536 549	457 470	387 400	331 344
96,001 - 98,000	556 569	474 487	401 414	343 356
98,001 - 100,000	576 589	491 504	415 428	355 368
100,001 - 102,000	596 609	508 521	429 442	367 380
102,001 - 104,000	616 629	525 538	443 456	379 392
104,001 - 105,500	636 649	542 555	457 470	391 404

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. Sixteen dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 12. 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~~ as follows:

1. The first one hundred fifty million dollars received during a biennium must be deposited in the state general fund.
2. The first thirty-seven million five hundred thousand dollars received during the biennium exceeding the amount allocated under subsection 1 must be deposited in the state highway fund.
3. Amounts received in excess of the amount allocated under subsections 1 and 2 must be allocated eighty percent to the state general fund and twenty percent to the state highway fund.

SECTION 13. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. Tax imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-two and one-half cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 14. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-two and one-half cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by

the United States postal service or other postal carrier service before midnight of the due date.

6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 15. REPEAL. Section 39-04-39.5 of the North Dakota Century Code is repealed.

SECTION 16. APPLICATION. Notwithstanding the fees provided by subdivision a of subsection 2 of section 39-04-19, only one-half of the increase in registration fees, rounded up to the nearest dollar, resulting from the reclassification of pickup trucks from subdivision b of subsection 2 to subdivision a of subsection 2 of section 39-04-19 is effective from July 1, 2005, through June 30, 2006.

SECTION 17. EFFECTIVE DATE. Sections 11, 12, 13, and 14 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Section 15 of this Act is effective for registrations occurring after June 30, 2005."

Page 4, line 12, replace "6" with "9"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242	\$27,174,242	
Driver's and Vehicle Services	20,081,797	20,048,706	(13,354)	20,035,352	20,035,352	
Highways	736,823,693	789,997,698	73,646,713	863,644,411	863,094,411	\$550,000
Fleet Services	43,280,168	43,271,158	(3,120)	43,268,038	43,268,038	
Total all funds	\$827,412,952	\$880,503,410	\$73,618,633	\$954,122,043	\$953,572,043	\$550,000
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>73,618,633</u>	<u>954,122,043</u>	<u>953,572,043</u>	<u>550,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50	1044.55	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL 1	ADDS HIGHWAY CONSTRUCTION FUNDS 2	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS 3	ADDS FUNDING FOR PUBLIC TRANSPORTATION GRANTS 4	TOTAL CONFERENCE COMMITTEE CHANGES
Administration	(\$11,606)					(\$11,606)
Driver's and Vehicle Services	(13,354)					(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	73,646,713
Fleet Services	(3,120)					(3,120)
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	\$73,618,633
Less estimated income	<u>(128,669)</u>	<u>168,520</u>	<u>17,900,000</u>	<u>54,128,782</u>	<u>1,550,000</u>	<u>73,618,633</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No.2209 which require the department to provide data on the location of utilities on highway rights of way, the same as the House version.

2 The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006, the same as the House version.

3 The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways, the same as the House version.

4 The highways line item is increased by \$1,550,000 from the public transportation fund to increase the funding available for public transportation grants as a result of provisions of Senate Bill No. 2348, which increase the public transportation fee on motor vehicle registrations from \$2 to \$3 per year.

A section is added precluding the cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan. Provisions added by the House are removed which would have provided \$1 million to the Department of Transportation from funds transferred from the cities' and counties' share of the additional revenue generated by this bill for the development of a roadway plan for cities and counties.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to require the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality, the same as the House version.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty, the same as the House version.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project, the same as the House version.

The section added by the Senate naming the replacement bridge for the Liberty Memorial Bridge between Bismarck and Mandan the Medal of Honor Bridge is changed to name the replacement bridge the Liberty Memorial Bridge, the same as the House version.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 1.5 cents per gallon, from 21 to 22.5 cents. This revenue will be deposited in the highway tax distribution fund.
- Making pickup registration fees equivalent to passenger vehicles by the second year of the biennium. The first year, pickup registration fees will increase by 50 percent of the amount needed to be equivalent to passenger vehicles. This revenue will be deposited in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$13. This revenue will be deposited directly in the state highway fund providing a total of \$16 of each registration fee that is deposited directly in the highway fund.

A section is added allocating motor vehicle excise tax revenues between the general fund and the state highway fund. State aid distribution fund allocations from motor vehicle excise tax collections are not affected.

The following provisions included in the House version for generating additional state highway revenue are removed:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents for deposit in the highway tax distribution fund.
- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October, for deposit in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10, for deposit directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

Sections added by the House are removed which would have provided that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax that would have been deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

That the House recede from its amendments as printed on pages 1118-1125 of the Senate Journal and pages 1294-1301 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 2, after "enact" insert "a new section to chapter 24-01," and after "24-02-40.1" insert a comma

Page 1, line 3, after "to" insert "the highway performance classification plan,"

Page 1, line 4, after "transportation" insert a comma and replace "medal of honor" with "liberty memorial"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, motor vehicle excise tax revenue, and motor vehicle fuels and special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide an effective date; to provide for application"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "863,644,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "169,736,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "863,644,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "954,122,043"

Page 2, line 28, replace "the maintenance" with "maintaining the structural integrity"

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 6. A new section to chapter 24-01 of the North Dakota Century Code is created and enacted as follows:

Highway performance classification plan. To the extent possible, the department of transportation shall implement the highway performance classification plan.

SECTION 7. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements"

Page 4, line 9, replace "Medal of honor" with "Liberty memorial"

Page 4, line 10, replace "medal of honor" with "liberty memorial"

Page 4, after line 11, insert:

"SECTION 10. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years	
Less than 3,200	\$60 <u>\$72</u>	\$52 <u>\$64</u>	\$44 <u>\$56</u>	\$36 <u>\$48</u>	
3,200 - 4,499	80 <u>92</u>	68 <u>80</u>	56 <u>68</u>	44 <u>56</u>	
4,500 - 4,999	98 <u>110</u>	84 <u>93</u>	66 <u>78</u>	50 <u>62</u>	
5,000 - 5,999	129 <u>141</u>	107 <u>119</u>	85 <u>97</u>	63 <u>75</u>	
6,000 - 6,999	162 <u>174</u>	133 <u>145</u>	104 <u>116</u>	76 <u>88</u>	
7,000 - 7,999	195 <u>207</u>	159 <u>171</u>	124 <u>136</u>	89 <u>101</u>	
8,000 - 8,999	228 <u>240</u>	186 <u>198</u>	144 <u>156</u>	102 <u>114</u>	
9,000 and over	264 <u>273</u>	212 <u>224</u>	164 <u>176</u>	115 <u>127</u>	

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

A pickup truck is subject to registration at the rates prescribed for other vehicles under this subdivision by applying the shipping weight of the vehicle to the fee schedule. At minimum, the registered gross weight displayed on the registration card for a pickup truck must be twice the shipping weight of the vehicle. Unless otherwise exempted by this chapter, the owner of a pickup truck shall request the registered gross weight of the pickup truck be increased to ensure the registered gross weight is sufficient to include the total weight of the vehicle and any load transported on or by the vehicle. For purposes of this subdivision, a pickup truck is a motor vehicle with a manufacturer's gross vehicle weight rating of less than eleven thousand five hundred pounds [5216.31 kilograms], with an unladen weight of less than eight thousand pounds [3628.74 kilograms], and which is equipped with an open box-type bed not exceeding nine feet [2.74 meters] in length.

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under this subsection or subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$58 \$70	\$45 \$57	\$40 \$52	\$37 \$49	\$36 \$48
4,001 - 6,000	63 75	50 62	44 56	38 50	37 49
6,001 - 8,000	68 80	55 67	48 60	39 51	38 50
8,001 - 10,000	73 85	60 72	52 64	41 53	40 52
10,001 - 12,000	78 90	65 77	56 68	43 55	42 54
12,001 - 14,000	83 95	70 82	60 72	46 58	45 57
14,001 - 16,000	88 100	75 87	64 76	49 61	48 60
16,001 - 18,000	93 105	80 92	68 80	51 63	50 62
18,001 - 20,000	96 108	83 95	70 82	52 64	51 63

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$126 \$138	\$100 \$112	\$87 \$99
22,001 - 26,000	178 190	148 160	132 144
26,001 - 30,000	239 251	197 209	175 187
30,001 - 34,000	305 317	250 262	222 234
34,001 - 38,000	366 378	299 311	265 277
38,001 - 42,000	427 439	348 360	307 319
42,001 - 46,000	488 500	396 408	350 362
46,001 - 50,000	549 561	445 457	393 405
50,001 - 54,000	610 622	493 505	436 448
54,001 - 58,000	671 683	542 554	479 491
58,001 - 62,000	732 744	591 603	522 534
62,001 - 66,000	793 805	640 652	565 577

66,001 - 70,000	863 875	698 710	615 627
70,001 - 74,000	924 936	747 759	658 670
74,001 - 78,000	985 997	796 808	701 713
78,001 - 82,000	1,046 1,058	845 857	744 756
82,001 - 86,000	1,169 1,181	950 962	821 843
86,001 - 90,000	1,291 1,304	1,054 1,066	918 930
90,001 - 94,000	1,413 1,425	1,159 1,171	1,005 1,017
94,001 - 98,000	1,535 1,547	1,264 1,276	1,093 1,105
98,001 - 102,000	1,657 1,669	1,368 1,380	1,180 1,192
102,001 - 105,500	1,779 1,791	1,473 1,485	1,267 1,279

c. Notwithstanding the fees provided by subdivision a of subsection 2, only one-half of the increase in registration fees, rounded up to the nearest dollar, resulting from the reclassification of pickup trucks in 2005 from subdivision b of subsection 2 to subdivision a of subsection 2 is effective.

d. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, and 6th Years		7th and 8th Years		9th and 10th Years		11th and Subsequent Years	
	\$98	\$110	\$84	\$96	\$70	\$82	\$52	\$64
20,001 - 22,000	103	115	88	100	73	85	54	66
22,001 - 24,000	111	123	94	106	77	89	56	68
24,001 - 26,000	122	134	102	114	83	95	60	72
26,001 - 28,000	131	143	110	122	89	101	64	76
28,001 - 30,000	146	158	123	135	100	112	73	85
30,001 - 32,000	156	168	131	143	106	118	76	89
32,001 - 34,000	166	178	139	151	112	124	81	93
34,001 - 36,000	176	188	147	159	118	130	85	97
36,001 - 38,000	186	198	155	167	124	136	89	101
38,001 - 40,000	196	208	163	175	130	142	93	105
40,001 - 42,000	206	218	171	183	136	148	97	109
42,001 - 44,000	216	228	179	191	142	154	101	113
44,001 - 46,000	226	238	187	199	148	160	105	117
46,001 - 48,000	236	248	195	207	154	166	109	121
48,001 - 50,000	256	268	213	225	170	182	123	135
50,001 - 52,000	266	278	221	233	176	188	127	139
52,001 - 54,000	276	288	229	241	182	194	131	143
54,001 - 56,000	286	298	237	249	188	200	135	147
56,001 - 58,000	296	308	245	257	194	206	139	151
58,001 - 60,000	306	318	253	265	200	212	143	155
60,001 - 62,000	316	328	261	273	206	218	147	159
62,001 - 64,000	326	338	269	281	212	224	151	163
64,001 - 66,000	336	348	277	289	218	230	155	167
66,001 - 68,000	346	358	285	297	224	236	159	171
68,001 - 70,000	356	368	293	305	230	242	163	175
70,001 - 72,000	366	378	301	313	236	248	167	179
72,001 - 74,000	376	388	309	321	242	254	171	183
74,001 - 76,000	386	398	317	329	248	260	175	187
76,001 - 78,000	396	408	325	337	254	266	179	191
78,001 - 80,000	406	418	333	345	260	272	183	195
80,001 - 82,000	416	428	355	367	303	315	259	271
82,001 - 84,000	436	448	372	384	317	329	271	283
84,001 - 86,000	456	468	389	401	331	343	283	295
86,001 - 88,000	476	488	406	418	345	357	295	307
88,001 - 90,000	496	508	423	435	359	371	307	319
90,001 - 92,000	516	528	440	452	373	385	319	331
92,001 - 94,000	536	548	457	469	387	399	331	343
94,001 - 96,000	556	568	474	486	401	413	343	355
96,001 - 98,000	576	588	491	503	415	427	355	367
98,001 - 100,000	596	608	508	520	429	441	367	379
100,001 - 102,000	616	628	525	537	443	455	379	391
102,001 - 104,000	636	648	542	554	457	469	391	403
104,001 - 105,500								

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. Fifteen dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 11. 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~~ as follows:

1. The first one hundred fifty million dollars received during a biennium must be deposited in the state general fund.
2. The first thirty-seven million five hundred thousand dollars received during a biennium exceeding the amount allocated under subsection 1 must be deposited in the state highway fund.
3. Amounts received in excess of the amount allocated under subsections 1 and 2 must be allocated eighty percent to the state general fund and twenty percent to the state highway fund.

SECTION 12. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. Tax imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 13. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon

compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.

2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.

6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 14. REPEAL. Section 39-04-39.5 of the North Dakota Century Code is repealed.

SECTION 15. EFFECTIVE DATE. Sections 10, 11, 12, and 13 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Section 14 of this Act is effective for registrations occurring after June 30, 2005."

Page 4, line 12, replace "6" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242	\$27,174,242	
Driver's and Vehicle Services	20,081,797	20,048,706	(13,354)	20,035,352	20,035,352	
Highways	736,823,693	789,997,698	73,646,713	863,644,411	863,094,411	\$550,000
Fleet Services	43,280,168	43,271,158	(3,120)	43,268,038	43,268,038	
Total all funds	\$827,412,952	\$880,503,410	\$73,618,633	\$954,122,043	\$953,572,043	\$550,000
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>73,618,633</u>	<u>954,122,043</u>	<u>953,572,043</u>	<u>550,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50	1044.55	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL ¹	ADDS HIGHWAY CONSTRUCTION FUNDS ²	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS ³	ADDS FUNDING FOR PUBLIC TRANSPORTATION GRANTS ⁴	TOTAL CONFERENCE COMMITTEE CHANGES
Administration	(\$11,606)					(\$11,606)
Driver's and Vehicle Services	(13,354)					(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	73,646,713
Fleet Services	(3,120)					(3,120)
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	\$73,618,633
Less estimated income	<u>(128,669)</u>	<u>168,520</u>	<u>17,900,000</u>	<u>54,128,782</u>	<u>1,550,000</u>	<u>73,618,633</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No.2209 which require the department to provide data on the location of utilities on highway rights of way, the same as the House version.

² The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006, the same as the House version.

³ The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways, the same as the House version.

⁴ The highways line item is increased by \$1,550,000 from the public transportation fund to increase the funding available for public transportation grants as a result of provisions of Senate Bill No. 2348, which increase the public transportation fee on motor vehicle registrations from \$2 to \$3 per year.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to require the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality, the same as the House version.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty, the same as the House version.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project, the same as the House version.

The section added by the Senate naming the replacement bridge for the Liberty Memorial Bridge between Bismarck and Mandan the Medal of Honor Bridge is changed to name the replacement bridge the Liberty Memorial Bridge, the same as the House version.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents. This revenue will be deposited in the highway tax distribution fund.
- Making pickup registration fees 50 percent of passenger vehicle registrations. This revenue will be deposited in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$12. This revenue will be deposited directly in the state highway fund providing a total of \$15 of each registration fee that is deposited directly in the highway fund.

A section is added allocating motor vehicle excise tax revenues between the general fund and the state highway fund. State aid distribution fund allocations from motor vehicle excise tax collections are not affected.

The following provisions included in the House version for generating additional state highway revenue are removed:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents for deposit in the highway tax distribution fund.
- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October, for deposit in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10, for deposit directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

Sections added by the House are removed which would have provided that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax that would have been deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

The section added by the House is removed which would have precluded cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan. Provisions added by the House are also removed which would have provided \$1 million to the Department of Transportation from funds transferred from the cities' and counties' share of the additional revenue generated by this bill for the development of a roadway plan for cities and counties.

REPORT OF CONFERENCE COMMITTEE

SB 2012, as engrossed: Your conference committee (Sens. Trenbeath, Stenehjem, Tallackson and Reps. Timm, Weisz, Williams) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1118-1125, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1118-1125 of the Senate Journal and pages 1294-1301 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 2, after "enact" insert "a new section to chapter 24-01," and after "24-02-40.1" insert a comma

Page 1, line 3, after "to" insert "the highway performance classification plan,"

Page 1, line 4, after "transportation" insert a comma and replace "medal of honor" with "liberty memorial"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, motor vehicle excise tax revenue, and motor vehicle fuels and special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide an effective date; to provide for application"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "863,644,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "169,736,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "863,644,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "954,122,043"

Page 2, line 28, replace "the maintenance" with "maintaining the structural integrity"

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 6. A new section to chapter 24-01 of the North Dakota Century Code is created and enacted as follows:

Highway performance classification plan. To the extent possible, the department of transportation shall implement the highway performance classification plan.

SECTION 7. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements"

Page 4, line 9, replace "Medal of honor" with "Liberty memorial"

Page 4, line 10, replace "medal of honor" with "liberty memorial"

Page 4, after line 11, insert:

"SECTION 10. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:
 - a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	\$60 <u>\$73</u>	\$52 <u>\$65</u>	\$44 <u>\$57</u>	\$36 <u>\$49</u>
3,200 - 4,499	80 <u>93</u>	68 <u>81</u>	56 <u>69</u>	44 <u>57</u>
4,500 - 4,999	98 <u>111</u>	84 <u>94</u>	66 <u>79</u>	50 <u>63</u>
5,000 - 5,999	129 <u>142</u>	107 <u>120</u>	85 <u>98</u>	63 <u>76</u>
6,000 - 6,999	162 <u>175</u>	133 <u>146</u>	104 <u>117</u>	76 <u>89</u>
7,000 - 7,999	195 <u>208</u>	159 <u>172</u>	124 <u>137</u>	89 <u>102</u>
8,000 - 8,999	228 <u>241</u>	186 <u>199</u>	144 <u>157</u>	102 <u>115</u>
9,000 and over	264 <u>274</u>	212 <u>225</u>	164 <u>177</u>	115 <u>128</u>

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight

applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

A pickup truck is subject to registration at the rates prescribed for other vehicles under this subdivision by applying the shipping weight of the vehicle to the fee schedule. At minimum, the registered gross weight displayed on the registration card for a pickup truck must be twice the shipping weight of the vehicle. Unless otherwise exempted by this chapter, the owner of a pickup truck shall request the registered gross weight of the pickup truck be increased to ensure the registered gross weight is sufficient to include the total weight of the vehicle and any load transported on or by the vehicle. For purposes of this subdivision, a pickup truck is a motor vehicle with a manufacturer's gross vehicle weight rating of less than eleven thousand five hundred pounds [5216.31 kilograms], with an unladen weight of less than eight thousand pounds [3628.74 kilograms], and which is equipped with an open box-type bed not exceeding nine feet [2.74 meters] in length.

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under this subsection or subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$58 <u>\$71</u>	\$45 <u>\$58</u>	\$40 <u>\$53</u>	\$37 <u>\$50</u>	\$36 <u>\$49</u>
4,001 - 6,000	63 <u>76</u>	50 <u>63</u>	44 <u>57</u>	38 <u>51</u>	37 <u>50</u>
6,001 - 8,000	68 <u>81</u>	55 <u>68</u>	48 <u>61</u>	39 <u>52</u>	38 <u>51</u>
8,001 - 10,000	73 <u>86</u>	60 <u>73</u>	52 <u>65</u>	41 <u>54</u>	40 <u>53</u>
10,001 - 12,000	78 <u>91</u>	65 <u>78</u>	56 <u>69</u>	43 <u>56</u>	42 <u>55</u>
12,001 - 14,000	83 <u>96</u>	70 <u>83</u>	60 <u>73</u>	46 <u>59</u>	45 <u>58</u>
14,001 - 16,000	88 <u>101</u>	75 <u>88</u>	64 <u>77</u>	49 <u>62</u>	48 <u>61</u>
16,001 - 18,000	93 <u>106</u>	80 <u>93</u>	68 <u>81</u>	51 <u>64</u>	50 <u>63</u>
18,001 - 20,000	96 <u>109</u>	83 <u>96</u>	70 <u>83</u>	52 <u>65</u>	51 <u>64</u>

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$126 <u>\$139</u>	\$100 <u>\$113</u>	\$87 <u>\$100</u>
22,001 - 26,000	178 <u>191</u>	148 <u>161</u>	132 <u>145</u>
26,001 - 30,000	239 <u>252</u>	197 <u>210</u>	175 <u>188</u>
30,001 - 34,000	305 <u>318</u>	250 <u>263</u>	222 <u>235</u>
34,001 - 38,000	366 <u>379</u>	299 <u>312</u>	265 <u>278</u>
38,001 - 42,000	427 <u>440</u>	348 <u>361</u>	307 <u>320</u>
42,001 - 46,000	488 <u>501</u>	396 <u>409</u>	350 <u>363</u>
46,001 - 50,000	549 <u>562</u>	445 <u>458</u>	393 <u>406</u>
50,001 - 54,000	619 <u>632</u>	503 <u>516</u>	444 <u>457</u>
54,001 - 58,000	680 <u>693</u>	552 <u>565</u>	487 <u>500</u>
58,001 - 62,000	742 <u>755</u>	601 <u>614</u>	530 <u>543</u>

62,001 - 66,000	802 815	649 662	573 586
66,001 - 70,000	863 876	698 711	615 628
70,001 - 74,000	924 937	747 760	658 671
74,001 - 78,000	985 998	796 809	701 714
78,001 - 82,000	1,046 1,059	845 858	744 757
82,001 - 86,000	1,109 1,182	950 963	831 844
86,001 - 90,000	1,291 1,304	1,054 1,067	918 931
90,001 - 94,000	1,413 1,426	1,159 1,172	1,005 1,018
94,001 - 98,000	1,535 1,548	1,264 1,277	1,093 1,106
98,001 - 102,000	1,657 1,670	1,368 1,381	1,180 1,193
102,001 - 105,500	1,779 1,792	1,473 1,486	1,267 1,280

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years

20,001 - 22,000	98 <u>111</u>	84 <u>97</u>	70 <u>83</u>	52 <u>65</u>
22,001 - 24,000	103 <u>116</u>	88 <u>101</u>	73 <u>86</u>	54 <u>67</u>
24,001 - 26,000	111 <u>124</u>	94 <u>107</u>	77 <u>90</u>	56 <u>69</u>
26,001 - 28,000	122 <u>135</u>	102 <u>115</u>	83 <u>96</u>	60 <u>73</u>
28,001 - 30,000	131 <u>144</u>	110 <u>123</u>	89 <u>102</u>	64 <u>77</u>
30,001 - 32,000	146 <u>159</u>	123 <u>136</u>	100 <u>113</u>	73 <u>86</u>
32,001 - 34,000	156 <u>169</u>	131 <u>144</u>	106 <u>119</u>	77 <u>90</u>
34,001 - 36,000	166 <u>179</u>	139 <u>152</u>	112 <u>125</u>	81 <u>94</u>
36,001 - 38,000	176 <u>189</u>	147 <u>160</u>	118 <u>131</u>	85 <u>98</u>
38,001 - 40,000	186 <u>199</u>	155 <u>168</u>	124 <u>137</u>	89 <u>102</u>
40,001 - 42,000	196 <u>209</u>	163 <u>176</u>	130 <u>143</u>	93 <u>106</u>
42,001 - 44,000	206 <u>219</u>	171 <u>184</u>	136 <u>149</u>	97 <u>110</u>
44,001 - 46,000	216 <u>229</u>	179 <u>192</u>	142 <u>155</u>	101 <u>114</u>
46,001 - 48,000	226 <u>239</u>	187 <u>200</u>	148 <u>161</u>	105 <u>118</u>
48,001 - 50,000	236 <u>249</u>	195 <u>208</u>	154 <u>167</u>	109 <u>122</u>
50,001 - 52,000	256 <u>269</u>	213 <u>226</u>	170 <u>183</u>	123 <u>136</u>
52,001 - 54,000	266 <u>279</u>	221 <u>234</u>	176 <u>189</u>	127 <u>140</u>
54,001 - 56,000	276 <u>289</u>	229 <u>242</u>	182 <u>195</u>	131 <u>144</u>
56,001 - 58,000	286 <u>299</u>	237 <u>250</u>	188 <u>201</u>	135 <u>148</u>
58,001 - 60,000	296 <u>309</u>	245 <u>258</u>	194 <u>207</u>	139 <u>152</u>
60,001 - 62,000	306 <u>319</u>	253 <u>266</u>	200 <u>213</u>	143 <u>156</u>
62,001 - 64,000	316 <u>329</u>	261 <u>274</u>	206 <u>219</u>	147 <u>160</u>
64,001 - 66,000	326 <u>339</u>	269 <u>282</u>	212 <u>225</u>	151 <u>164</u>
66,001 - 68,000	336 <u>349</u>	277 <u>290</u>	218 <u>231</u>	155 <u>168</u>
68,001 - 70,000	346 <u>359</u>	285 <u>298</u>	224 <u>237</u>	159 <u>172</u>
70,001 - 72,000	356 <u>369</u>	293 <u>306</u>	230 <u>243</u>	163 <u>176</u>
72,001 - 74,000	366 <u>379</u>	301 <u>314</u>	236 <u>249</u>	167 <u>180</u>
74,001 - 76,000	376 <u>389</u>	309 <u>322</u>	242 <u>255</u>	171 <u>184</u>
76,001 - 78,000	386 <u>399</u>	317 <u>330</u>	248 <u>261</u>	175 <u>188</u>
78,001 - 80,000	396 <u>409</u>	325 <u>338</u>	254 <u>267</u>	179 <u>192</u>
80,001 - 82,000	406 <u>419</u>	333 <u>346</u>	260 <u>273</u>	183 <u>196</u>
82,001 - 84,000	416 <u>429</u>	355 <u>368</u>	303 <u>316</u>	259 <u>272</u>
84,001 - 86,000	436 <u>449</u>	372 <u>385</u>	317 <u>330</u>	271 <u>284</u>
86,001 - 88,000	456 <u>469</u>	389 <u>402</u>	331 <u>344</u>	283 <u>296</u>
88,001 - 90,000	476 <u>489</u>	406 <u>419</u>	345 <u>358</u>	295 <u>308</u>
90,001 - 92,000	496 <u>509</u>	423 <u>436</u>	359 <u>372</u>	307 <u>320</u>
92,001 - 94,000	516 <u>529</u>	440 <u>453</u>	373 <u>386</u>	319 <u>332</u>
94,001 - 96,000	536 <u>549</u>	457 <u>470</u>	387 <u>400</u>	331 <u>344</u>
96,001 - 98,000	556 <u>569</u>	474 <u>487</u>	401 <u>414</u>	343 <u>356</u>
98,001 - 100,000	576 <u>589</u>	491 <u>504</u>	415 <u>428</u>	355 <u>368</u>
100,001 - 102,000	596 <u>609</u>	508 <u>521</u>	429 <u>442</u>	367 <u>380</u>
102,001 - 104,000	616 <u>629</u>	525 <u>538</u>	443 <u>456</u>	379 <u>392</u>
104,001 - 105,500	636 <u>649</u>	542 <u>555</u>	457 <u>470</u>	391 <u>404</u>

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. Sixteen dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 11. 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 as follows:

1. The first one hundred fifty million dollars received during a biennium must be deposited in the state general fund.
2. The first thirty-seven million five hundred thousand dollars received during a biennium exceeding the amount allocated under subsection 1 must be deposited in the state highway fund.
3. Amounts received in excess of the amount allocated under subsections 1 and 2 must be allocated eighty percent to the state general fund and twenty percent to the state highway fund.

SECTION 12. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. Tax imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-two and one-half cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 13. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all

special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.

2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-two and one-half cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the

Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.

6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 14. REPEAL. Section 39-04-39.5 of the North Dakota Century Code is repealed.

SECTION 15. APPLICATION. Notwithstanding the fees provided by subdivision a of subsection 2 of section 39-04-19, only one-half of the increase in registration fees, rounded up to the nearest dollar, resulting from the reclassification of pickup trucks from subdivision b of subsection 2 to subdivision a of subsection 2 of section 39-04-19 is effective from July 1, 2005, through June 30, 2006.

SECTION 16. EFFECTIVE DATE. Sections 10, 11, 12, and 13 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Section 14 of this Act is effective for registrations occurring after June 30, 2005."

Page 4, line 12, replace "6" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242	\$27,174,242	
Driver's and Vehicle Services	20,081,797	20,048,706	(13,354)	20,035,352	20,035,352	
Highways	736,823,693	789,997,698	73,646,713	863,644,411	863,094,411	\$550,000
Fleet Services	<u>43,280,168</u>	<u>43,271,158</u>	<u>(3,120)</u>	<u>43,268,038</u>	<u>43,268,038</u>	
Total all funds	\$827,412,952	\$880,503,410	\$73,618,633	\$954,122,043	\$953,572,043	\$550,000
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>73,618,633</u>	<u>954,122,043</u>	<u>953,572,043</u>	<u>550,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50	1044.55	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL 1	ADDS HIGHWAY CONSTRUCTION FUNDS 2	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS 3	ADDS FUNDING FOR PUBLIC TRANSPORTATION GRANTS 4	TOTAL CONFERENCE COMMITTEE CHANGES
Administration	(\$11,606)					(\$11,606)
Driver's and Vehicle Services	(13,354)					(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	73,646,713
Fleet Services	<u>(3,120)</u>					<u>(3,120)</u>
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	\$73,618,633
Less estimated income	<u>(128,669)</u>	<u>168,520</u>	<u>17,900,000</u>	<u>54,128,782</u>	<u>1,550,000</u>	<u>73,618,633</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

- 1 The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No. 2209 which require the department to provide data on the location of utilities on highway rights of way, the same as the House version.
- 2 The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006, the same as the House version.
- 3 The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways, the same as the House version.
- 4 The highways line item is increased by \$1,550,000 from the public transportation fund to increase the funding available for public transportation grants as a result of provisions of Senate Bill No. 2348, which increase the public transportation fee on motor vehicle registrations from \$2 to \$3 per year.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to require the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality, the same as the House version.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty, the same as the House version.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project, the same as the House version.

The section added by the Senate naming the replacement bridge for the Liberty Memorial Bridge between Bismarck and Mandan the Medal of Honor Bridge is changed to name the replacement bridge the Liberty Memorial Bridge, the same as the House version.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 1.5 cents per gallon, from 21 to 22.5 cents. This revenue will be deposited in the highway tax distribution fund.
- Making pickup registration fees equivalent to passenger vehicles by the second year of the biennium. The first year, pickup registration fees will increase by 50 percent of the amount needed to be equivalent to passenger vehicles. This revenue will be deposited in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$13. This revenue will be deposited directly in the state highway fund providing a total of \$16 of each registration fee that is deposited directly in the highway fund.

A section is added allocating motor vehicle excise tax revenues between the general fund and the state highway fund. State aid distribution fund allocations from motor vehicle excise tax collections are not affected.

The following provisions included in the House version for generating additional state highway revenue are removed:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents for deposit in the highway tax distribution fund.
- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October, for deposit in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10, for deposit directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

Sections added by the House are removed which would have provided that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax that would have been deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

The section added by the House is removed which would have precluded cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan. Provisions added by the House are also removed which would have provided \$1 million to the Department of Transportation from funds transferred from the cities' and counties' share of the additional revenue generated by this bill for the development of a roadway plan for cities and counties.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2012, as engrossed: Your conference committee (Sens. Trenbeath, Stenehjem, Tallackson and Reps. Timm, Weisz, Williams) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1118-1225, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1118-1125 of the Senate Journal and pages 1294-1301 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 2, replace the second "and" with a comma and after "24-08" insert ", and section 57-43.1-03.2"

Page 1, line 4, replace the first "and" with a comma, replace "medal of honor" with "liberty memorial", and after "bridge" insert ", and refunds of certain fuels taxes paid by native Americans"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, allocation of motor vehicle excise tax revenue, and motor vehicle fuels and special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide a temporary allocation; to provide an effective date; to provide a contingent expiration date; to provide an expiration date"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "862,094,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "168,186,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "862,094,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "952,572,043"

Page 2, line 28, after "maintenance" insert ", including structural maintenance and rehabilitation."

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 6. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements"

Page 4, line 9, replace "Medal of honor" with "Liberty memorial"

Page 4, line 10, replace "medal of honor" with "liberty memorial"

Page 4, after line 11, insert:

"SECTION 9. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				13th and Subsequent Years
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years		
Less than 3,200	\$60 <u>\$75</u>	\$52 <u>\$67</u>	\$44 <u>\$59</u>	\$36 <u>\$51</u>	
3,200 - 4,499	80 <u>95</u>	68 <u>83</u>	56 <u>71</u>	44 <u>59</u>	
4,500 - 4,999	98 <u>113</u>	81 <u>96</u>	66 <u>81</u>	50 <u>65</u>	
5,000 - 5,999	129 <u>144</u>	107 <u>122</u>	85 <u>100</u>	63 <u>78</u>	
6,000 - 6,999	162 <u>177</u>	133 <u>148</u>	104 <u>119</u>	76 <u>91</u>	
7,000 - 7,999	195 <u>210</u>	159 <u>174</u>	124 <u>139</u>	89 <u>104</u>	
8,000 - 8,999	228 <u>243</u>	186 <u>201</u>	144 <u>159</u>	102 <u>117</u>	
9,000 and over	261 <u>276</u>	212 <u>227</u>	164 <u>179</u>	115 <u>130</u>	

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

A pickup truck is subject to registration at the rates prescribed for other vehicles under this subdivision by applying the shipping weight of the vehicle to the fee schedule. At a minimum, the registered

gross weight displayed on the registration card for a pickup truck must be twice the shipping weight of the vehicle. Unless otherwise exempted by this chapter, the owner of a pickup truck shall request the registered gross weight of the pickup truck be increased to ensure the registered gross weight is sufficient to include the total weight of the vehicle and any load transported on or by the vehicle. For purposes of this subdivision, a pickup truck is a motor vehicle with a manufacturer's gross vehicle weight rating of less than eleven thousand five hundred pounds [5216.31 kilograms], with an unladen weight of less than eight thousand pounds [3628.74 kilograms], and which is equipped with an open box-type bed not exceeding nine feet [2.74 meters] in length.

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under this subsection or subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$58 <u>\$73</u>	\$45 <u>\$60</u>	\$40 <u>\$55</u>	\$37 <u>\$52</u>	\$36 <u>\$51</u>
4,001 - 6,000	63 <u>78</u>	50 <u>65</u>	44 <u>59</u>	38 <u>53</u>	37 <u>52</u>
6,001 - 8,000	68 <u>83</u>	55 <u>70</u>	48 <u>63</u>	39 <u>54</u>	38 <u>53</u>
8,001 - 10,000	73 <u>88</u>	60 <u>75</u>	52 <u>67</u>	41 <u>56</u>	40 <u>55</u>
10,001 - 12,000	78 <u>93</u>	65 <u>80</u>	56 <u>71</u>	43 <u>58</u>	42 <u>57</u>
12,001 - 14,000	83 <u>98</u>	70 <u>85</u>	60 <u>75</u>	46 <u>61</u>	45 <u>60</u>
14,001 - 16,000	88 <u>103</u>	75 <u>90</u>	64 <u>79</u>	49 <u>64</u>	48 <u>63</u>
16,001 - 18,000	93 <u>108</u>	80 <u>95</u>	68 <u>83</u>	51 <u>66</u>	50 <u>65</u>
18,001 - 20,000	96 <u>111</u>	83 <u>98</u>	70 <u>85</u>	52 <u>67</u>	51 <u>66</u>

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$126 <u>\$141</u>	\$100 <u>\$115</u>	\$87 <u>\$102</u>
22,001 - 26,000	178 <u>193</u>	148 <u>163</u>	132 <u>147</u>
26,001 - 30,000	239 <u>254</u>	197 <u>212</u>	175 <u>190</u>
30,001 - 34,000	305 <u>320</u>	250 <u>265</u>	222 <u>237</u>
34,001 - 38,000	366 <u>381</u>	299 <u>314</u>	265 <u>280</u>
38,001 - 42,000	427 <u>442</u>	348 <u>363</u>	307 <u>322</u>
42,001 - 46,000	488 <u>503</u>	396 <u>411</u>	350 <u>365</u>
46,001 - 50,000	549 <u>564</u>	445 <u>460</u>	393 <u>408</u>
50,001 - 54,000	619 <u>634</u>	503 <u>518</u>	444 <u>459</u>
54,001 - 58,000	680 <u>695</u>	552 <u>567</u>	487 <u>502</u>
58,001 - 62,000	742 <u>757</u>	601 <u>616</u>	530 <u>545</u>
62,001 - 66,000	802 <u>817</u>	649 <u>664</u>	573 <u>588</u>
66,001 - 70,000	863 <u>878</u>	698 <u>713</u>	615 <u>630</u>
70,001 - 74,000	924 <u>939</u>	747 <u>762</u>	658 <u>673</u>
74,001 - 78,000	985 <u>1,000</u>	796 <u>811</u>	701 <u>716</u>
78,001 - 82,000	1,046 <u>1,061</u>	845 <u>860</u>	744 <u>759</u>
82,001 - 86,000	1,109 <u>1,124</u>	895 <u>910</u>	787 <u>802</u>
86,001 - 90,000	1,171 <u>1,186</u>	945 <u>960</u>	830 <u>845</u>
90,001 - 94,000	1,233 <u>1,248</u>	995 <u>1,010</u>	873 <u>888</u>
94,001 - 98,000	1,295 <u>1,310</u>	1,045 <u>1,060</u>	916 <u>931</u>

98,001 - 102,000	1,657 <u>1,672</u>	1,368 <u>1,383</u>	1,180 <u>1,195</u>
102,001 - 105,500	1,779 <u>1,794</u>	1,473 <u>1,488</u>	1,267 <u>1,282</u>

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, and 6th Years		7th and 8th Years		9th and 10th Years		11th and Subsequent Years	
	\$98	<u>\$113</u>	\$84	<u>\$99</u>	\$70	<u>\$85</u>	\$52	<u>\$67</u>
20,001 - 22,000	103	<u>118</u>	88	<u>103</u>	73	<u>88</u>	54	<u>69</u>
22,001 - 24,000	111	<u>126</u>	94	<u>109</u>	77	<u>92</u>	56	<u>71</u>
24,001 - 26,000	122	<u>137</u>	102	<u>117</u>	83	<u>98</u>	60	<u>75</u>
26,001 - 28,000	131	<u>146</u>	110	<u>125</u>	89	<u>104</u>	64	<u>79</u>
28,001 - 30,000	146	<u>161</u>	123	<u>138</u>	100	<u>115</u>	73	<u>88</u>
30,001 - 32,000	156	<u>171</u>	131	<u>146</u>	106	<u>121</u>	77	<u>92</u>
32,001 - 34,000	166	<u>181</u>	139	<u>154</u>	112	<u>127</u>	81	<u>96</u>
34,001 - 36,000	176	<u>191</u>	147	<u>162</u>	118	<u>133</u>	85	<u>100</u>
36,001 - 38,000	186	<u>201</u>	155	<u>170</u>	124	<u>139</u>	89	<u>104</u>
38,001 - 40,000	196	<u>211</u>	163	<u>178</u>	130	<u>145</u>	93	<u>108</u>
40,001 - 42,000								

42,001 - 44,000	206 <u>221</u>	474 <u>186</u>	436 <u>151</u>	97 <u>112</u>
44,001 - 46,000	216 <u>231</u>	479 <u>194</u>	442 <u>157</u>	101 <u>116</u>
46,001 - 48,000	226 <u>241</u>	487 <u>202</u>	448 <u>163</u>	106 <u>120</u>
48,001 - 50,000	236 <u>251</u>	495 <u>210</u>	454 <u>169</u>	109 <u>124</u>
50,001 - 52,000	256 <u>271</u>	213 <u>228</u>	470 <u>185</u>	123 <u>138</u>
52,001 - 54,000	266 <u>281</u>	221 <u>236</u>	476 <u>191</u>	127 <u>142</u>
54,001 - 56,000	276 <u>291</u>	229 <u>244</u>	482 <u>197</u>	131 <u>146</u>
56,001 - 58,000	286 <u>301</u>	237 <u>252</u>	488 <u>203</u>	136 <u>150</u>
58,001 - 60,000	296 <u>311</u>	245 <u>260</u>	494 <u>209</u>	139 <u>154</u>
60,001 - 62,000	306 <u>321</u>	253 <u>268</u>	200 <u>215</u>	143 <u>158</u>
62,001 - 64,000	316 <u>331</u>	261 <u>276</u>	206 <u>221</u>	147 <u>162</u>
64,001 - 66,000	326 <u>341</u>	269 <u>284</u>	212 <u>227</u>	151 <u>166</u>
66,001 - 68,000	336 <u>351</u>	277 <u>292</u>	218 <u>233</u>	155 <u>170</u>
68,001 - 70,000	346 <u>361</u>	285 <u>300</u>	224 <u>239</u>	159 <u>174</u>
70,001 - 72,000	356 <u>371</u>	293 <u>308</u>	230 <u>245</u>	163 <u>178</u>
72,001 - 74,000	366 <u>381</u>	301 <u>316</u>	236 <u>251</u>	167 <u>182</u>
74,001 - 76,000	376 <u>391</u>	309 <u>324</u>	242 <u>257</u>	171 <u>186</u>
76,001 - 78,000	386 <u>401</u>	317 <u>332</u>	248 <u>263</u>	175 <u>190</u>
78,001 - 80,000	396 <u>411</u>	325 <u>340</u>	254 <u>269</u>	179 <u>194</u>
80,001 - 82,000	406 <u>421</u>	333 <u>348</u>	260 <u>275</u>	183 <u>198</u>
82,001 - 84,000	416 <u>431</u>	355 <u>370</u>	303 <u>318</u>	259 <u>274</u>
84,001 - 86,000	436 <u>451</u>	372 <u>387</u>	317 <u>332</u>	271 <u>286</u>
86,001 - 88,000	456 <u>471</u>	389 <u>404</u>	331 <u>346</u>	283 <u>298</u>
88,001 - 90,000	476 <u>491</u>	406 <u>421</u>	345 <u>360</u>	295 <u>310</u>
90,001 - 92,000	496 <u>511</u>	423 <u>438</u>	359 <u>374</u>	307 <u>322</u>
92,001 - 94,000	516 <u>531</u>	440 <u>455</u>	373 <u>388</u>	319 <u>334</u>
94,001 - 96,000	536 <u>551</u>	457 <u>472</u>	387 <u>402</u>	331 <u>346</u>
96,001 - 98,000	556 <u>571</u>	474 <u>489</u>	401 <u>416</u>	343 <u>358</u>
98,001 - 100,000	576 <u>591</u>	491 <u>506</u>	415 <u>430</u>	355 <u>370</u>
100,001 - 102,000	596 <u>611</u>	508 <u>523</u>	429 <u>444</u>	367 <u>382</u>
102,001 - 104,000	616 <u>631</u>	525 <u>540</u>	443 <u>458</u>	379 <u>394</u>
104,001 - 105,500	636 <u>651</u>	542 <u>557</u>	457 <u>472</u>	391 <u>406</u>

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. Three dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 10. 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. However, the director of the department of transportation shall transfer to the state treasurer for deposit in the state highway fund any amount of motor vehicle excise tax received in excess of one hundred forty-eight million four hundred eight thousand six hundred ninety-six dollars during a biennium.

SECTION 11. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. Tax imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-two cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 12. Section 57-43.1-03.2 of the North Dakota Century Code is created and enacted as follows:

57-43.1-03.2. Refund of tax for fuel purchased by native Americans - Fuels tax refund reserve fund - Continuing appropriation.

1. A native American may file a claim with the tax commissioner for a refund of motor vehicle fuel taxes paid by that person under this chapter or special fuel taxes paid under chapter 57-43.2 if the motor vehicle fuel or special fuel was purchased from a retail fuel dealer located on the Indian reservation where the native American is an enrolled member and the fuel was delivered to the native American on that reservation. The refund provisions of this chapter apply to refund claims made under this section.
2. A fuels tax refund reserve fund is created as a special fund in the state treasury. The tax commissioner shall deposit in that fund such amounts from motor vehicle fuel tax and special fuel tax collections as the attorney general determines necessary to be expended for refunds to which native American government entities may be entitled under qualifying circumstances and conditions determined by the attorney general. There is appropriated as a continuing appropriation out of funds set aside under this subsection so much of the funds as the attorney general determines is necessary to meet the expenditures authorized under this subsection and such funds may be expended for that purpose.

SECTION 13. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-two cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.

5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 14. TEMPORARY ALLOCATION. Fifteen dollars of each registration fee collected under subsections 2 and 5 of section 39-04-19 and any increase resulting from the reclassification of pickup trucks from subdivision b of subsection 2 to subdivision a of subsection 2 of section 39-04-19 must be deposited in the state highway fund. One cent of the fuels and special fuels tax imposed under sections 57-43.1-02 and 57-43.2-02 must be deposited in the state highway fund.

SECTION 15. REPEAL. Section 39-04-39.5 of the North Dakota Century Code is repealed.

SECTION 16. EFFECTIVE DATE - CONTINGENT EXPIRATION DATE. Section 12 of this Act is effective for qualifying motor vehicle and special fuel purchases made after December 31, 2004, and is effective until the first day of the first month after the tax commissioner, with the approval of the attorney general, certifies to the governor and the office of the legislative council that an Act of Congress has specifically authorized, or a United States Supreme Court decision has held or may be interpreted to have held, that a state may impose its motor vehicle and special fuel tax laws on native Americans who purchase motor vehicle fuels and special fuels from a retail fuel dealer located on the Indian reservation where the native American is enrolled. Sections 9, 10, 11, and 13 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Section 15 of this Act is effective for registrations occurring after June 30, 2005.

SECTION 17. EXPIRATION DATE. Section 14 of this Act is effective through June 30, 2006, and after that date is ineffective."

Page 4, line 12, replace "6" with "7"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242	\$27,174,242	
Driver's and Vehicle Services	20,081,797	20,048,706	(13,354)	20,035,352	20,035,352	
Highways	736,823,693	789,997,698	72,096,713	862,094,411	863,094,411	(\$1,000,000)
Fleet Services	<u>43,280,168</u>	<u>43,271,158</u>	<u>(3,120)</u>	<u>43,268,038</u>	<u>43,268,038</u>	
Total all funds	\$827,412,952	\$880,503,410	\$72,068,633	\$952,572,043	\$953,572,043	(\$1,000,000)
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>72,068,633</u>	<u>952,572,043</u>	<u>953,572,043</u>	<u>(1,000,000)</u>

General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50	1044.50	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL ¹	ADDS HIGHWAY CONSTRUCTION FUNDS ²	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS ³	TOTAL CONFERENCE COMMITTEE CHANGES
Administration	(\$11,606)				(\$11,606)
Driver's and Vehicle Services	(13,354)				(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	72,096,713
Fleet Services	(3,120)				(3,120)
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$72,068,633
Less estimated income	(128,669)	168,520	17,900,000	54,128,782	72,068,633
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No. 2209 which require the department to provide data on the location of utilities on highway rights of way, the same as the House version.

² The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006, the same as the House version.

³ The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways, the same as the House version.

A section is added providing for refunds of fuels taxes paid by Native Americans.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to clarify that the department is required to provide maintenance on these bridges, unless the department enters into an agreement with the municipality. The House version required the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty, the same as the House version.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project, the same as the House version.

The section added by the Senate naming the replacement bridge for the Liberty Memorial Bridge between Bismarck and Mandan the Medal of Honor Bridge is changed to name the replacement bridge the Liberty Memorial Bridge, the same as the House version.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 1 cent per gallon, from 21 to 22 cents. This revenue will be deposited in the state highway fund during the first year of the biennium and in the highway tax distribution fund beginning the second year.
- Making pickup registration fees equivalent to passenger vehicles. This revenue will be deposited in the state highway fund during the first year of the biennium and in the highway tax distribution fund beginning the second year.
- Increasing annual motor vehicle registration fees by \$15. This revenue will be deposited in the state highway fund during the first year of the biennium providing a total of \$18 of each registration fee that is deposited directly in the highway fund and in the highway tax distribution fund during the second year providing a total of \$3 of each registration fee that is deposited directly in the highway fund.

A section is added allocating motor vehicle excise tax revenues between the general fund and the state highway fund. State aid distribution fund allocations from motor vehicle excise tax collections are not affected.

The following provisions included in the House version for generating additional state highway revenue are removed:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents for deposit in the highway tax distribution fund.
- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October, for deposit in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10, for deposit directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

Sections added by the House are removed which would have provided that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax that would have been deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

The section added by the House is removed which would have precluded cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan. Provisions added by the House are also removed which would have provided \$1 million to the Department of Transportation from funds transferred from the cities' and counties' share of the additional revenue generated by this bill for the development of a roadway plan for cities and counties.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2012, as engrossed: Your conference committee (Sens. Trenbeath, Schobinger, Tallackson and Reps. Timm, Weisz, Williams) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1118-1125, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1118-1125 of the Senate Journal and pages 1294-1301 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 2, after "enact" insert "a new section to chapter 24-01,"; replace the second "and" with a comma, and after "24-08" insert ", and section 57-43.1-03.2"

Page 1, line 3, after "to" insert "the highway performance classification plan,"

Page 1, line 4, replace the first "and" with a comma, replace "medal of honor" with "liberty memorial", and after "bridge" insert ", and refunds of certain fuels taxes paid by native Americans"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, motor vehicle excise tax revenue, and motor vehicle fuels and special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide an effective date; to provide a contingent expiration date"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "863,644,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "169,736,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "863,644,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "954,122,043"

Page 2, line 28, replace "the maintenance" with "maintaining the structural integrity"

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 6. A new section to chapter 24-01 of the North Dakota Century Code is created and enacted as follows:

Highway performance classification plan. To the extent possible, the department of transportation shall implement the highway performance classification plan.

SECTION 7. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements"

Page 4, line 9, replace "Medal of honor" with "Liberty memorial"

Page 4, line 10, replace "medal of honor" with "liberty memorial"

Page 4, after line 11, insert:

"SECTION 10. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:
 - a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	\$60 <u>\$70</u>	\$52 <u>\$62</u>	\$44 <u>\$54</u>	\$36 <u>\$46</u>
3,200 - 4,499	80 <u>90</u>	68 <u>78</u>	56 <u>66</u>	44 <u>54</u>
4,500 - 4,999	98 <u>108</u>	84 <u>94</u>	66 <u>76</u>	50 <u>60</u>
5,000 - 5,999	129 <u>139</u>	107 <u>117</u>	85 <u>95</u>	63 <u>73</u>
6,000 - 6,999	162 <u>172</u>	133 <u>143</u>	104 <u>114</u>	76 <u>86</u>
7,000 - 7,999	195 <u>205</u>	159 <u>169</u>	124 <u>134</u>	89 <u>99</u>
8,000 - 8,999	228 <u>238</u>	186 <u>196</u>	144 <u>154</u>	102 <u>112</u>
9,000 and over	264 <u>274</u>	212 <u>222</u>	164 <u>174</u>	115 <u>125</u>

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight

applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

A pickup truck is subject to registration at the rates prescribed for other vehicles under this subdivision by applying the shipping weight of the vehicle to the fee schedule. At a minimum, the registered gross weight displayed on the registration card for a pickup truck must be twice the shipping weight of the vehicle. Unless otherwise exempted by this chapter, the owner of a pickup truck shall request the registered gross weight of the pickup truck be increased to ensure the registered gross weight is sufficient to include the total weight of the vehicle and any load transported on or by the vehicle. For purposes of this subdivision, a pickup truck is a motor vehicle with a manufacturer's gross vehicle weight rating of less than eleven thousand five hundred pounds [5216.31 kilograms], with an unladen weight of less than eight thousand pounds [3628.74 kilograms], and which is equipped with an open box-type bed not exceeding nine feet [2.74 meters] in length.

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under this subsection or subsection 5:

Gross Weights	YEARS REGISTERED								
	1st Through 6th Years		7th Through 9th Years		10th Through 12th Years		13th Through 19th Years		20th and Subsequent Years
Not over 4,000	\$58 \$68		\$45 \$55		\$40 \$50		\$37 \$47		\$36 \$46
4,001 - 6,000	63 73		50 60		44 54		38 48		37 47
6,001 - 8,000	68 78		55 65		48 58		39 49		38 48
8,001 - 10,000	73 83		60 70		52 62		41 51		40 50
10,001 - 12,000	78 88		65 75		56 66		43 53		42 52
12,001 - 14,000	83 93		70 80		60 70		46 56		45 55
14,001 - 16,000	88 98		75 85		64 74		49 59		48 58
16,001 - 18,000	93 103		80 90		68 78		51 61		50 60
18,001 - 20,000	96 106		83 93		70 80		52 62		51 61

Gross Weights	YEARS REGISTERED					
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years		8th, 9th, 10th, 11th, and 12th Years		13th and Subsequent Years	
20,001 - 22,000	\$126 \$136		\$100 \$110		\$87 \$97	
22,001 - 26,000	178 188		148 158		132 142	
26,001 - 30,000	239 249		197 207		175 185	
30,001 - 34,000	305 315		250 260		222 232	
34,001 - 38,000	366 376		299 309		265 275	
38,001 - 42,000	427 437		348 358		307 317	
42,001 - 46,000	488 498		396 406		350 360	
46,001 - 50,000	549 559		445 455		393 403	
50,001 - 54,000	619 629		503 513		444 454	
54,001 - 58,000	680 690		552 562		487 497	
58,001 - 62,000	742 752		601 611		530 540	
62,001 - 66,000	802 812		649 659		573 583	

66,001 - 70,000	863 873	698 708	615 625
70,001 - 74,000	924 934	747 757	658 668
74,001 - 78,000	985 995	796 806	701 711
78,001 - 82,000	1,046 1,056	845 855	744 754
82,001 - 86,000	1,169 1,179	950 960	831 841
86,001 - 90,000	1,291 1,301	1,054 1,064	918 928
90,001 - 94,000	1,413 1,423	1,159 1,169	1,005 1,015
94,001 - 98,000	1,535 1,545	1,264 1,274	1,093 1,103
98,001 - 102,000	1,657 1,667	1,368 1,378	1,180 1,190
102,001 - 105,500	1,779 1,789	1,473 1,483	1,267 1,277

- c. Notwithstanding the fees provided by subdivision a of subsection 2, only one-half of the increase in registration fees, rounded up to the nearest dollar, resulting from the reclassification of pickup trucks in 2005 from subdivision b of subsection 2 to subdivision a of subsection 2 is effective from July 1, 2005, through June 30, 2007.
- d. Motorcycles, fifteen dollars.
3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
 4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
 5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	98 <u>108</u>	84 <u>94</u>	70 <u>80</u>	52 <u>62</u>
22,001 - 24,000	103 <u>113</u>	88 <u>98</u>	73 <u>83</u>	54 <u>64</u>
24,001 - 26,000	111 <u>121</u>	94 <u>104</u>	77 <u>87</u>	56 <u>66</u>
26,001 - 28,000	122 <u>132</u>	102 <u>112</u>	83 <u>93</u>	60 <u>70</u>
28,001 - 30,000	131 <u>141</u>	110 <u>120</u>	89 <u>99</u>	64 <u>74</u>
30,001 - 32,000	146 <u>156</u>	123 <u>133</u>	100 <u>110</u>	73 <u>83</u>
32,001 - 34,000	156 <u>166</u>	131 <u>141</u>	106 <u>116</u>	77 <u>87</u>
34,001 - 36,000	166 <u>176</u>	139 <u>149</u>	112 <u>122</u>	81 <u>91</u>
36,001 - 38,000	176 <u>186</u>	147 <u>157</u>	118 <u>128</u>	85 <u>95</u>
38,001 - 40,000	186 <u>196</u>	155 <u>165</u>	124 <u>134</u>	89 <u>99</u>
40,001 - 42,000	196 <u>206</u>	163 <u>173</u>	130 <u>140</u>	93 <u>103</u>
42,001 - 44,000	206 <u>216</u>	171 <u>181</u>	136 <u>146</u>	97 <u>107</u>
44,001 - 46,000	216 <u>226</u>	179 <u>189</u>	142 <u>152</u>	101 <u>111</u>
46,001 - 48,000	226 <u>236</u>	187 <u>197</u>	148 <u>158</u>	105 <u>115</u>
48,001 - 50,000	236 <u>246</u>	195 <u>205</u>	154 <u>164</u>	109 <u>119</u>
50,001 - 52,000	256 <u>266</u>	213 <u>223</u>	170 <u>180</u>	123 <u>133</u>
52,001 - 54,000	266 <u>276</u>	221 <u>231</u>	176 <u>186</u>	127 <u>137</u>
54,001 - 56,000	276 <u>286</u>	229 <u>239</u>	182 <u>192</u>	131 <u>141</u>
56,001 - 58,000	286 <u>296</u>	237 <u>247</u>	188 <u>198</u>	135 <u>145</u>
58,001 - 60,000	296 <u>306</u>	245 <u>255</u>	194 <u>204</u>	139 <u>149</u>
60,001 - 62,000	306 <u>316</u>	253 <u>263</u>	200 <u>210</u>	143 <u>153</u>
62,001 - 64,000	316 <u>326</u>	261 <u>271</u>	206 <u>216</u>	147 <u>157</u>
64,001 - 66,000	326 <u>336</u>	269 <u>279</u>	212 <u>222</u>	151 <u>161</u>
66,001 - 68,000	336 <u>346</u>	277 <u>287</u>	218 <u>228</u>	155 <u>165</u>
68,001 - 70,000	346 <u>356</u>	285 <u>295</u>	224 <u>234</u>	159 <u>169</u>
70,001 - 72,000	356 <u>366</u>	293 <u>303</u>	230 <u>240</u>	163 <u>173</u>
72,001 - 74,000	366 <u>376</u>	301 <u>311</u>	236 <u>246</u>	167 <u>177</u>
74,001 - 76,000	376 <u>386</u>	309 <u>319</u>	242 <u>252</u>	171 <u>181</u>
76,001 - 78,000	386 <u>396</u>	317 <u>327</u>	248 <u>258</u>	175 <u>185</u>
78,001 - 80,000	396 <u>406</u>	325 <u>335</u>	254 <u>264</u>	179 <u>189</u>
80,001 - 82,000	406 <u>416</u>	333 <u>343</u>	260 <u>270</u>	183 <u>193</u>
82,001 - 84,000	416 <u>426</u>	355 <u>365</u>	303 <u>313</u>	259 <u>269</u>
84,001 - 86,000	436 <u>446</u>	372 <u>382</u>	317 <u>327</u>	271 <u>281</u>
86,001 - 88,000	456 <u>466</u>	389 <u>399</u>	331 <u>341</u>	283 <u>293</u>
88,001 - 90,000	476 <u>486</u>	406 <u>416</u>	345 <u>355</u>	295 <u>305</u>
90,001 - 92,000	496 <u>506</u>	423 <u>433</u>	359 <u>369</u>	307 <u>317</u>
92,001 - 94,000	516 <u>526</u>	440 <u>450</u>	373 <u>383</u>	319 <u>329</u>
94,001 - 96,000	536 <u>546</u>	457 <u>467</u>	387 <u>397</u>	331 <u>341</u>
96,001 - 98,000	556 <u>566</u>	474 <u>484</u>	401 <u>411</u>	343 <u>353</u>
98,001 - 100,000	576 <u>586</u>	491 <u>501</u>	415 <u>425</u>	355 <u>365</u>
100,001 - 102,000	596 <u>606</u>	508 <u>518</u>	429 <u>439</u>	367 <u>377</u>
102,001 - 104,000	616 <u>626</u>	525 <u>535</u>	443 <u>453</u>	379 <u>389</u>
104,001 - 105,500	636 <u>646</u>	542 <u>552</u>	457 <u>467</u>	391 <u>401</u>

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

7. Thirteen dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 11. 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~~ as follows:

1. The first one hundred fifty million dollars received during a biennium must be deposited in the state general fund.
2. The first thirty-seven million five hundred thousand dollars received during a biennium exceeding the amount allocated under subsection 1 must be deposited in the state highway fund.
3. Amounts received in excess of the amount allocated under subsections 1 and 2 must be allocated eighty percent to the state general fund and twenty percent to the state highway fund.

SECTION 12. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. Tax imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 13. Section 57-43.1-03.2 of the North Dakota Century Code is created and enacted as follows:

57-43.1-03.2. Refund of tax for fuel purchased by native Americans - Fuels tax refund reserve fund - Continuing appropriation.

1. A native American may file a claim with the tax commissioner for a refund of motor vehicle fuel taxes paid by that person under this chapter or special fuel taxes paid under chapter 57-43.2 if the motor vehicle fuel or special fuel was purchased from a retail fuel dealer located on the Indian reservation where the native American is an enrolled member and the fuel was delivered to the native American on that reservation. The refund provisions of this chapter apply to refund claims made under this section.
2. A fuels tax refund reserve fund is created as a special fund in the state treasury. The tax commissioner shall deposit in that fund such amounts from motor vehicle fuel tax and special fuel tax collections as the attorney general determines necessary to be expended for refunds to which native American government entities may be entitled under qualifying circumstances and conditions determined by the attorney general. There is appropriated as a continuing appropriation out of funds set aside under this subsection so much of the funds as the attorney general determines is necessary to meet the expenditures authorized under this subsection and such funds may be expended for that purpose.

SECTION 14. AMENDMENT. Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.

6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Effective after June 30, 2005) Tax imposed.

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-three cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

SECTION 15. REPEAL. Section 39-04-39.5 of the North Dakota Century Code is repealed.

SECTION 16. EFFECTIVE DATE - CONTINGENT EXPIRATION DATE. Section 13 of this Act is effective for qualifying motor vehicle and special fuel purchases made after December 31, 2004, and is effective until the first day of the first month after the tax commissioner, with the approval of the attorney general, certifies to the governor and the office of the legislative council that an Act of Congress has specifically authorized, or a United States Supreme Court decision has held or may be interpreted to have held, that a state may impose its motor vehicle and special fuel tax laws on native Americans who purchase motor vehicle fuels and special fuels from a retail fuel dealer located on the Indian reservation where the native American is enrolled. Sections 10, 11, 12, and 14 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Section 15 of this Act is effective for registrations occurring after June 30, 2005."

Page 4, line 12, replace "6" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242	\$27,174,242	
Driver's and Vehicle Services	20,081,797	20,048,706	(13,354)	20,035,352	20,035,352	
Highways	736,823,693	789,997,698	73,646,713	863,644,411	863,094,411	\$550,000
Fleet Services	43,280,168	43,271,158	(3,120)	43,268,038	43,268,038	
Total all funds	\$827,412,952	\$880,503,410	\$73,618,633	\$954,122,043	\$953,572,043	\$550,000
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>73,618,633</u>	<u>954,122,043</u>	<u>953,572,043</u>	<u>550,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50	1044.55	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL 1	ADDS HIGHWAY CONSTRUCTION FUNDS 2	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS 3	ADDS FUNDING FOR PUBLIC TRANSPORTATION GRANTS 4	TOTAL CONFERENCE COMMITTEE CHANGES
Administration	(\$11,606)					(\$11,606)
Driver's and Vehicle Services	(13,354)					(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	73,646,713
Fleet Services	(3,120)					(3,120)
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	\$73,618,633
Less estimated income	<u>(128,669)</u>	<u>168,520</u>	<u>17,900,000</u>	<u>54,128,782</u>	<u>1,550,000</u>	<u>73,618,633</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No. 2209 which require the department to provide data on the location of utilities on highway rights of way, the same as the House version.

2 The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006, the same as the House version.

3 The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways, the same as the House version.

4 The highways line item is increased by \$1,550,000 from the public transportation fund to increase the funding available for public transportation grants as a result of provisions of Senate Bill No. 2348, which increase the public transportation fee on motor vehicle registrations from \$2 to \$3 per year.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to require the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality, the same as the House version.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty, the same as the House version.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project, the same as the House version.

The section added by the Senate naming the replacement bridge for the Liberty Memorial Bridge between Bismarck and Mandan the Medal of Honor Bridge is changed to name the replacement bridge the Liberty Memorial Bridge, the same as the House version.

A section is added providing for refunds of fuels taxes paid by Native Americans.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents. This revenue will be deposited in the highway tax distribution fund.
- Making pickup registration fees equivalent to passenger vehicles by providing for 50 percent of the increase necessary to make this change during the 2005-07 biennium and the remainder beginning July 2007. This revenue will be deposited in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10. This revenue will be deposited directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

A section is added allocating motor vehicle excise tax revenues between the general fund and the state highway fund. State aid distribution fund allocations from motor vehicle excise tax collections are not affected.

The following provisions included in the House version for generating additional state highway revenue are removed:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents for deposit in the highway tax distribution fund.
- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October, for deposit in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10, for deposit directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

Sections added by the House are removed which would have provided that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax that would have been deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

The section added by the House is removed which would have precluded cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan. Provisions added by the House are also removed which would have provided \$1 million to the Department of Transportation from funds transferred from the cities' and counties' share of the additional revenue generated by this bill for the development of a roadway plan for cities and counties.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

2005 TESTIMONY

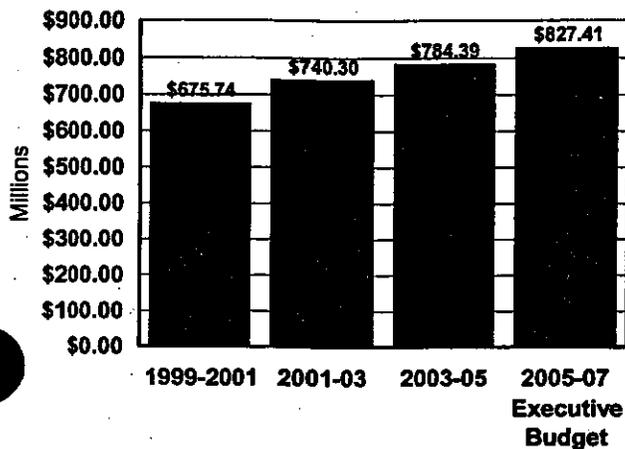
SB 2012

**Department 801 - Department of Transportation
 Senate Bill No. 2012**

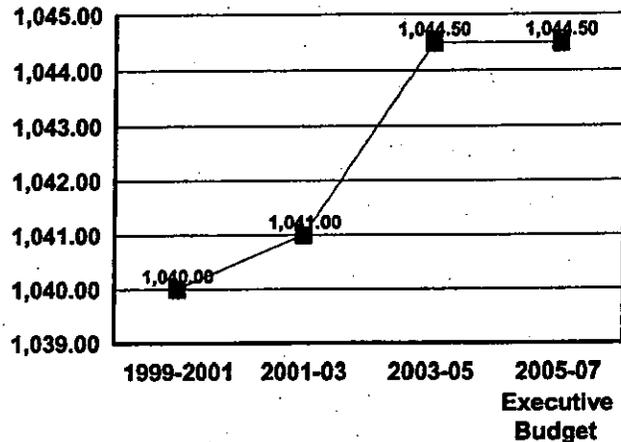
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	1,044.50	\$0	\$827,412,952	\$827,412,952
2003-05 Legislative Appropriations	1,044.50 ¹	0	784,385,918	784,385,918
Increase (Decrease)	0.00	\$0	\$43,027,034	\$43,027,034

¹The number of FTE positions for the 2003-05 biennium has been adjusted to reflect the reduction and transfer of 1.5 FTE positions relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services from the Department of Transportation to the Information Technology Department as of November 1, 2003, provided for in Section 10 of House Bill No. 1505.

Agency Funding



FTE Positions



■ Special Funds

Executive Budget Highlights

- Anticipates federal highway construction funds of \$199.7 million per year compared to \$182.5 million for each year of the 2003-05 biennium
 Increases motor vehicle registration fees by \$15 per year and deposits the collections from the increase estimated at \$20.1 million for the 2005-07 biennium directly in the state highway fund rather than the highway tax distribution fund (SB 2144)
 Provides \$504 million for highway construction projects compared to \$475.8 million for the 2003-05 biennium
- Provides funding for consulting engineers of \$32.3 million compared to \$24.3 million provided for the 2003-05 biennium
- Provides funding for information technology projects, including the pavement management system, roadway information management system, traffic data editing analysis, construction priority system, motor carrier systems, commercial vehicle information systems, and networks
 Adds federal funding for grants for traffic safety-related activities
 Provides \$23.7 million from the Fleet Services fund for replacing Fleet Services vehicles

	General Fund	Other Funds	Total
		\$28,178,005	\$28,178,005
		\$8,018,000	\$8,018,000
		\$1,388,018	\$1,388,018
		\$890,000	\$890,000
		(\$683,244)	(\$683,244)

6. Provides \$10.1 million for Fleet Services vehicle maintenance and repair compared to \$8.3 million for the 2003-05 biennium

\$1,797,484

\$1,797,484

Major Related Legislation

Senate Bill No. 2121 - This bill allows the Department of Transportation to request approval to continue appropriation authority from the biennium to the next relating to the funding needed to pay for roadway maintenance equipment costing more than \$10,000 per unit if the equipment was ordered during the first 21 months of the biennium in which the funding was appropriated.

Senate Bill No. 2144 - This bill increases annual motor vehicle registration fees by \$15 and deposits the collections from the increase estimated at \$20.1 million for the 2005-07 biennium directly in the state highway fund rather than the highway tax distribution fund.

SB 2012

TESTIMONY BEFORE THE SENATE APPROPRIATIONS COMMITTEE

2005 – 2007 Biennium Budget

*Added, large maps
did not reproduce
for this testimony*

Prepared by
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
BISMARCK, NORTH DAKOTA

DIRECTOR
David A. Sprynczynatyk

JANUARY 2005

SENATE APPROPRIATIONS COMMITTEE

January 13, 2003

North Dakota Department of Transportation
David A. Sprynczynatyk, Director

SB 2012

Included in this testimony:

- Overview of NDDOT's accomplishments and challenges
- Summary of NDDOT's budget request

Also included:

- December 2004 North Dakota Transportation Handbook
- 2005-2006 North Dakota highway map
- Summary of 2003-2009 NDDOT Strategic Plan
- Final report from NDDOT customer satisfaction survey
- Performance measurement summary

2003-2009 NDDOT strategic plan

Mission: "Providing a transportation system that safely moves people and goods"

Vision: "Safe Ways – Great Ways – Promoting Economic Growth"

Goals:

- Enhance customer satisfaction
- Increase the safety of North Dakota's transportation system and within NDDOT
- Improve the quality and efficiency of North Dakota's transportation and services
- Enhance employee satisfaction
- Strengthen stakeholder relationships

Our employees are the reason for our success

During this biennium, NDDOT employees accomplished a long list of initiatives, a few of which I'll mention today. We accomplished these initiatives while the employee count remained fairly steady. The work load and responsibilities of many employees expanded even though their compensation may not have been adjusted proportionately.

Over the past 15 years, the department's construction program has increased by about 175 percent, from \$80 million per year to about \$220 million per year. During that same period, the number of full-time employees has decreased by about four percent, from 1,086 to 1,044.5 employees. Having sufficient staff to address project development poses a challenge for us as our program grows. Many of our central office and district office employees routinely come in early, stay late, and work on weekends. We keep asking them to do more, and somehow they always do. Every accomplishment I describe here today is the product of the NDDOT's outstanding work force.

2003-2005 NDDOT accomplishments

Customer and stakeholder satisfaction

Performance measurement

NDDOT supports accountability that focuses on agency outcomes and customer service. To meet our legal, ethical, and professional obligations, we as leaders must think and act strategically and communicate strategic guidance throughout the organization. The successful implementation of strategic goals depends on performance measurement. NDDOT's performance measurement report card focuses on our five major goals: customer satisfaction, employee satisfaction, safety (of workers and of motorists), highway system condition, and development and delivery of highway construction projects. As we measure improvement in these key areas, the people of North Dakota will be increasingly better served.

Customer satisfaction survey

In the spring of 2004, the UND Bureau of Governmental Affairs conducted a survey for NDDOT to determine how well the department is meeting the needs of North Dakota's motorists, motor carriers, government officials, and businesses. Questions included topics such as ride quality, load capacity, safety, snow and ice removal, debris removal, rest areas, NDDOT communication with the public, and the public's perception of transactions with our Motor Vehicle and our Drivers License and Traffic Safety divisions. A copy of the summary report is included with this testimony.

The survey shows that 82 percent of North Dakota residents are either *satisfied* or *highly satisfied* with the services we provide. Specifically, the satisfaction from various groups was: government officials 90 percent, motorists 82 percent, businesses 80 percent, and motor carriers 77 percent. Customers have high regard for the Motor Vehicle and Drivers License divisions, and are happy with the state highway system's safety, rest areas, traveler information, and removal of debris, snow, and ice.

Areas where need for improvement was indicated included smoothness of ride and load-carrying capacity. To manage the state highway system most effectively and satisfy public expectations, the department has implemented strategic objectives to optimize our investments and improve the ride quality and load-carrying capacity of our roadways. In addition, we have formed two in-house task forces that work with the public and highway industry representatives to improve the ride and load-carrying capacity on the state system.

Stakeholder relationships

Our service to the people of North Dakota is enhanced by the quality of our stakeholder relationships. We take every opportunity to enhance our communication, and place a high degree of emphasis on every partnering relationship. Whether it is the governor, a legislator, a member of the business community, or any other stakeholder, we value their interest in our issues and appreciate their involvement.

Major 2003-2005 construction projects

During the current biennium, we began several major construction projects, some of which will be completed next biennium. These included the largest single contract NDDOT has ever had: the \$55 million Four Bears Bridge near New Town. Some of our other major projects included:

- Main Avenue reconstruction, Fargo
- Main Avenue Bridge across the Red River, Fargo
- U.S. 2 reconstruction, Devils Lake
- U.S. 281 bypass, Jamestown
- N.D. 1804 University Avenue, Bismarck
- South Broadway Avenue, Minot
- 32nd Avenue South and Columbia Road, Grand Forks
- U.S. 81, Grafton to N.D. 66
- N.D. 32, Gwinner to Lisbon
- N.D. 22 through Killdeer
- N.D. 13, Edgeley to LaMoure
- U.S. 2, Ray to Knox
- Regrading and paving U.S. 52 from Kenmare to Brooks Junction
- Beginning four-lane expansion of U.S. 2 between Minot and Williston
- Beginning U.S. 281 relocation at Minnewaukan

Overall, on the state system we graded or widened 102 miles of roadway, paved 652 miles, and seal-coated 434 miles. On the city and county systems we processed 53 miles of grading or widening, 266 miles of paving, and 155 miles of seal coat.

The map on the following page shows the location of our 2003-2005 projects.

Highway performance classification system (HPCS)

With 7,382 miles of roadway on the state system, and having limited resources, the state cannot provide the same level of service and apply the same roadway standards on all roadways. In fact, not all roadways need to provide the same level of service, because they don't function in the same manner. The department has adopted a highway performance classification system (HPCS) in order to use available resources most effectively.

The classification system focuses on the performance of the state highway system by prioritizing existing highways into five classifications according to the level of service needed. The five classifications are the Interstate system (highest level of service required), the interregional system, state corridors, district corridors, and district collectors (lowest level of service required).

The top three classifications contain 52 percent of the state highway system's centerline miles, and carry 89 percent of both the truck miles traveled and total vehicle miles traveled on the state system. Maintaining these classifications to appropriate standards is important. However, it's just as important to maintain the remaining two classifications to standards appropriate for their use. At 20 public meetings across the state last spring, most people agreed with the overall concept of prioritizing the system in order to best allocate limited resources.

NDDOT is working to tie the HPCS to the department's overall investment strategy and pavement preservation program. We're working closely with the Federal Highway Administration to combine federal-aid highway funds with state maintenance funds to develop a long-range pavement preservation program. This will enable us to provide timely maintenance and improvements to ensure that we get the full life out of our pavements and protect the investment we have in our system.

The map on the following page shows the HPCS.

Intermodal transportation

Intermodal freight transportation uses large containers to transport goods and commodities very efficiently via truck, train, plane, and ship. North Dakota needs an intermodal facility in order to compete globally. We are working with several cities in the state to determine where intermodal facilities could be placed, including Minot, Tioga, Fargo, and Bismarck. The city of Bismarck has developed plans to locate and begin construction of the Northern Plains Commerce Center this year. The concept of intermodal transportation is exciting for North Dakota and must be pursued aggressively for economic growth.

Online vehicle registration renewals

November 2004 was the most successful month for online vehicle registration renewals since the department began offering the service in July 2002. In November 2004, we processed more than 11,000 online renewals. This was more than 12 percent of the total – and a 50 percent increase from November 2003. November 2004 online renewal fees exceeded \$600,000. Since July 2002, we have processed online more than \$5.3 million in vehicle registration renewals.

Fargo driver licensing services

The department prides itself on providing efficient driver licensing services across the entire state. The changing demographics of the state, combined with limited resources, including staff, pose a challenge to providing this service. This is especially true in the Fargo area, where the population is growing quickly and a significant number of drivers with special needs – such as refugees – require more than the usual amount of attention. Although other areas of the state may be processing fewer licenses, it is important that we continue to provide services to those areas, too.

New driver licensing contract

Our contract with the vendor for our current driver licensing system expires on June 30, 2006. This is not an IT system, as such, because we pay the vendor for each card generated and do not purchase any of the equipment, supplies, or software, which are maintained and upgraded by the vendor. With extensions allowed by the contract, we will have used basically the same system (with one equipment upgrade) for eleven and a half years. Our contract was effective January 1, 1995, with a seven-year term, and has been extended once, for 4.5 years.

No more extensions are allowed under our contract. To be fair to all vendors, we will need to issue a request for proposals and enter into a new contract in time to have a new system in place by July 1, 2006. Because of new federal standards (such as the recently passed Intelligence Reform and Terrorism Prevention Act), any new license system will be significantly more expensive per card. We believe we can make it through the next biennium with current funding levels, but that will not be possible for the 2007-2009 biennium. This will necessitate enhanced funding, or we won't be able to adequately issue licenses.

Load restrictions

Spring load restrictions are needed to protect roadways when they are most vulnerable to damage from heavy loads. However, load restrictions also add to the costs of agriculture, manufacturing, and the trucking industry. For instance, No. 1 or No. 2 load restrictions could mean additional costs of \$230 to \$350 per truckload for a five-axle farm truck carrying 800 bushels and making a 100-mile round trip.

Weigh-in-motion sites

During this biennium, the department made significant progress on its weight enforcement partnership with the State Highway Patrol as directed by the 2003 Legislative Assembly. We have installed 12 permanent weigh-in-motion sites throughout the state. At the sites, electronic sensors are installed in the roadway and linked telemetrically with Highway Patrol vehicles. There is also a direct link to NDDOT for data collection purposes. These sites have enhanced the state's mobile enforcement program that keeps freight moving by not requiring trucks to stop at weigh stations. Installation of the last site was completed in November 2004. A comparison of partial data from 2003 and 2004 shows that the fees collected have increased; part of this increase is likely the result of weigh-in-motion sites. The development of the weigh-in-motion program has saved money for the trucking industry, helped to protect North Dakota's roadways, and enhanced roadway safety. Now that 12 sites have been installed, NDDOT is exploring ways to properly maintain the system. Our options are a maintenance contract or hiring an additional person to do the maintenance internally.

The weigh-in-motion map is on the next page.

Transit

Transit plays an important role in the lives of many North Dakotans, and NDDOT is involved in many transit initiatives, including:

- Fixed route bus systems in Bismarck/Mandan, Fargo/West Fargo, Grand Forks, and Minot. Jamestown is also studying a fixed-route bus system.
- Intrastate bus lines from Minot to Grand Forks, Minot to Bismarck, and Minot to New Town
- Interstate bus lines that run along I-94 and along I-29
- The 21 projects that provide rides for people in rural areas so they can get to medical and social activities. These projects also provide rides to elderly and handicapped people in the communities across the state.

When Greyhound decided to eliminate its bus route across North Dakota, the department worked hard to help bring a new carrier into North Dakota to pick up the route along I-94. Since August 2004, Rimrock Trailways has been doing a fine job, with ridership increasing monthly.

No-mow request

The Fifty-Seventh Legislative Assembly passed SB 2224, which directed NDDOT to submit a plan to the Fifty-Eighth Legislative Assembly to eliminate areas designated as no-mow or managed-mow from the right-of-way adjacent to highways under NDDOT jurisdiction. The Fifty-Eighth Legislative Assembly, in HB 1012, authorized NDDOT to purchase land to mitigate the no-mow.

The State Land Department (SLD) possessed some land that they were willing to transfer to NDDOT for mitigation. This land had been approved for mitigation by the ND Game and Fish Department. We held public hearings on the tracts, took public comments, and received considerable negative input on some of the tracts.

We applied to the SLD to purchase the tracts, and SLD had the tracts appraised. The original estimated cost to purchase 4,800 acres was about \$480,000. However, as the appraisals came in, it became clear that the purchase would cost about \$1.3 million.

NDDOT has eliminated the most expensive tracts and the tracts that generated a lot of negative public comment. We and SLD have looked at some other tracts of school land appraised at \$80-\$300 per acre. With these new tracts of land, the total estimated cost to mitigate the no-mow will still cost between \$800,000 and \$1 million.

Because the cost to mitigate the no-mow has risen dramatically from the original estimate, largely because of rapid escalation in land prices, NDDOT will likely ask the legislature to repeal the NDCC provisions that require removing the no-mow areas from State Highway System right-of-way.

Safety

Snow and ice control

We're seeing increased customer expectations when it comes to keeping our highways safe in the winter. We continue to improve our program, and are undertaking a number of major initiatives to enhance our ability to control snow and ice on the roads, including the following.

- **Right-sizing the fleet.** We continue to upgrade our snowplow trucks with additional wings, underbody plows, and state-of-the-art equipment to handle liquid deicers. These upgrades enable us to respond more quickly to snow and ice. We have offset the cost of the upgrades by reducing the number of motor graders in the fleet, and are developing lease and short-term rental programs on support equipment.
- **Maintenance decision support system (MDSS).** We have joined six surrounding states to study and develop a department system for providing the optimum response to winter storms. This system will help our operators identify the most efficient and effective snow and ice control treatments.
- **Automated vehicle location (AVL) project.** We have initiated a pilot automated vehicle location (AVL) project in southwest North Dakota to help our staff optimize the use of our snow and ice control equipment and materials. By tracking our equipment, we can ensure that our resources are moved to the areas of greatest need.

511 traveler information system

The 511 system provides “one-stop shopping” for customers: daily weather reports, winter road conditions, spring load restrictions, and summer construction information. This system is critical in helping motorists plan trips and travel as safely and efficiently as possible. During the three-day New Year’s weekend, North Dakota’s 511 system received more than 31,000 calls.

Maintenance and construction costs

We continue to experience increases in costs such as steel, oil-based material and fuel costs, salted sand for winter operations, overtime and temporary salaries, janitorial costs, and utility costs for department facilities and highway lighting. This past year the price of oil surpassed \$50 a barrel and motor fuel prices exceeded \$2 a gallon. The cost of oil-based construction materials continues to rise, with the average bid price for asphalt approaching \$200/ton. The price of steel has also escalated, with a 40-50 percent increase in certain steel items used for construction.

Comprehensive highway safety plan

As part of the department’s strategic plan, we have developed a comprehensive highway safety plan to reduce crashes, injuries, and fatalities on our state’s roadways. The elements of the plan include engineering, education, and enforcement. We collect and use crash data to identify the priority concerns in each of these three areas and develop effective strategies. As the plan has been developed, we have already started to see some success. For 2004, fatalities were down slightly, alcohol fatalities were down significantly, and seatbelt use increased. Unfortunately, one area that has increased significantly is motorcycle fatalities.

Traffic and Criminal Software (TraCS)

The department has implemented an electronic crash reporting system, Traffic and Criminal Software (TraCS). This system will greatly improve the efficiency and effectiveness of crash reporting for numerous entities by:

- Saving time for law enforcement officers in the field and for law enforcement agencies by providing them with their own database and analysis tools
- Giving insurance companies and the public faster access to crash reports and more reliable data
- Improving the handling of data that NDDOT needs in order to make roads safer
- Giving the local, state, and federal governments better information to use in making programming decisions

Currently, four North Dakota law enforcement agencies use TraCS: the Bismarck and Mandan police departments, the Morton County sheriff’s office, and the North Dakota Highway Patrol. By April 30, 2005, our goal is to have 40 percent of all crash reports submitted electronically through TraCS. By the end of 2006, we hope to receive more than 90 percent of our crash reports through TraCS. We are facilitating this by providing technical assistance and some federal traffic safety funds for equipment, offering the necessary software free of charge, and providing information on the local benefits.

Employee satisfaction

Recruiting and retaining employees

An important piece of our ability to recruit and retain employees is our ability to compensate employees. Although we use every tool available to us – recruiting bonuses, performance bonuses, and other forms of special recognition – we must be able to adequately compensate employees on a regular basis. HB 1015, the executive budget, allows a four-percent salary adjustment on July 1, 2005 and another four-percent adjustment on July 1, 2006. HB 1015 also begins to address the issue of salary inequities. These items are critical to NDDOT's future.

We pursue every available incentive to help us recruit, hire, and retain employees. The most problematic employees to recruit and retain have been engineers and engineering technicians. We are also beginning to experience challenges in recruiting and retaining equipment operators and licensing clerks and examiners. We offer pay that is generally 20 percent below market for engineers and technicians in the state, and have begun to see similar discrepancies with equipment operators and others.

On the most recent biennial NDDOT survey of our employees, pay and morale were the areas that employees rated least satisfactory – and pay plays a large role in morale. Employee salaries need to be brought current with the market, or we will see a loss of our skilled, hard-working employees.

Over the next 5 years, more than 25% of the department workforce will be eligible for retirement under the Rule of 85. More than half of those will also be eligible for Social Security at age 62. When we analyze the next 10 years, those numbers double. And although the numbers themselves are daunting, it is important to note that this retirement group includes nearly all department managers, down to and including section heads. This makes it critical that the department be able to retain its existing workforce in order to have an effective feeder system for future leadership roles.

Maintenance equipment and facility improvements

In the past two bienniums, as a result of increased budgets allocated to maintenance equipment and facilities, their overall condition has improved. Although having adequate equipment and facilities helps us serve the public, it also helps increase employee satisfaction by giving employees the resources necessary to do a good job.

- **Maintenance equipment.** The increased maintenance equipment budget authority during the current biennium has been focused on upgrading maintenance loading equipment at the maintenance sections. To most efficiently manage our equipment, we have established a base fleet and developed a department-wide equipment management system.
- **Facilities.** We've also made significant improvements in NDDOT facilities. The construction of three new section buildings, planned construction of another, additions of offices to about 20 buildings and repairs to 13 section or district facilities buildings are anticipated by the end of this biennium.

The map on the next page shows NDDOT's 67 maintenance sections across the state.

2005-2007 NDDOT Budget

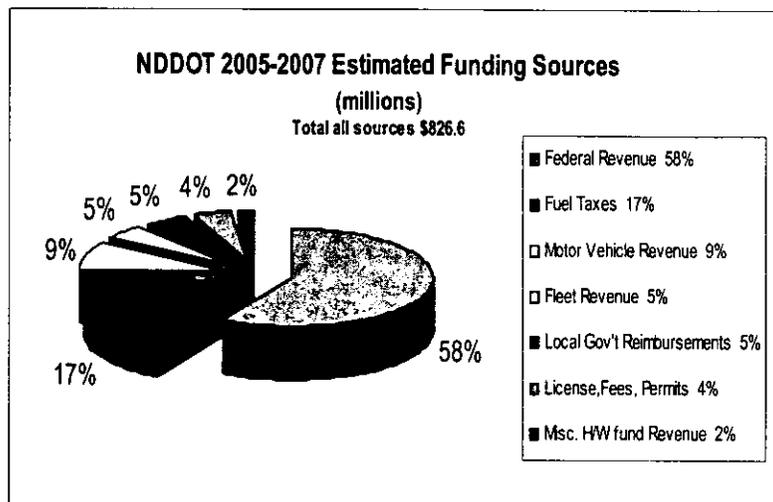
The budget charts on the following pages reflect the revenue and spending authority contained within the NDDOT budget. Included are the enrolled budget from the 2003 legislative session and the executive recommendations for the 2005-2007 biennium. The total budget of \$827.4 million represents an increase of \$43 million over our current enrolled budget. This increase is the result primarily of increased federal funds, increased state match required, and increased salaries. As a result of this increase, a shortfall of \$2.1 million was identified when the budget was submitted. This is proposed to be offset with the \$15 increase in motor vehicle registration fees.

REVENUE

Most state revenue, motor fuel tax, and motor vehicle registration fees go into the **Highway Tax Distribution Fund**. From there, 63 percent goes to the state **Highway Fund**, 14 percent goes to the cities, and 23 percent goes to the counties. All federal funds go into the state **Highway Fund** to be used by the state, cities, and counties. Federal funds are also split, with 75 percent (on average) going to the state, 16.6 percent going to the urban areas, and 8.4 percent going to the counties.

North Dakota transportation is very dependent on federal funding. Federal funds comprise about 58 percent of our total budget. For every \$1 in federal gas tax that we send to Washington, we receive \$2.06.

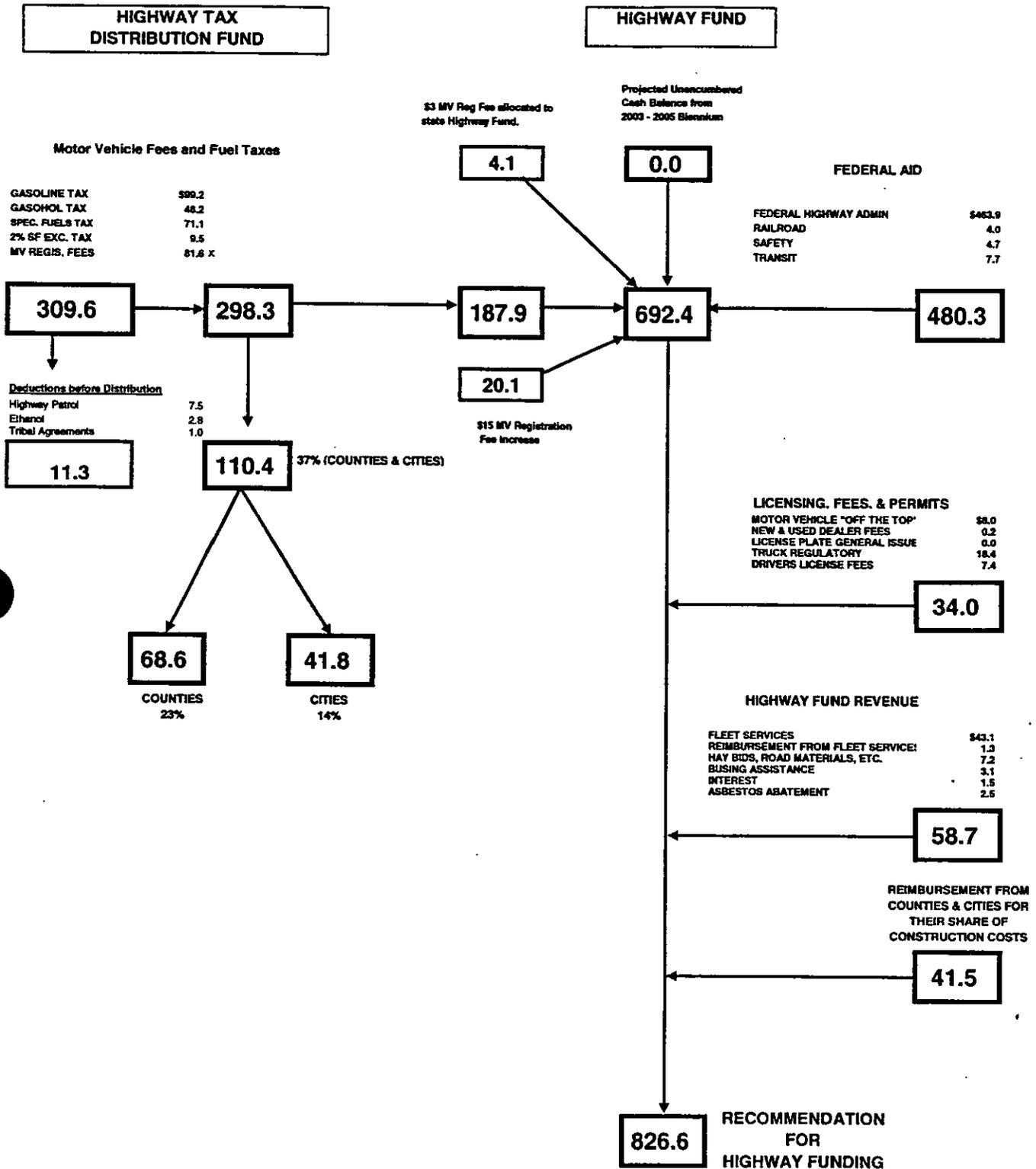
The NDDOT budget proposal was developed with a \$15 increase in motor vehicle registration fees allocated directly to the state **Highway Fund**. SB 2144 addresses the increased motor vehicle registration fee structure. The following pie chart reflects the proposed funding to NDDOT.



Currently, \$3 of each registration fee collected is allocated directly to the state **Highway Fund**. Increasing the registration fee going to the **Highway Fund** to \$18 is necessary in order to match additional federal funds received this biennium, to match increased federal funds next biennium at the FY 2004 level, and to address salary adjustments. There is also an increase in match ratios that will happen next biennium because of the change in the project mixes regarding city, county, and state projects.

DEPARTMENT OF TRANSPORTATION 2005 - 2007 BIENNIUM EXECUTIVE RECOMMENDATION REVENUE

(MILLIONS)



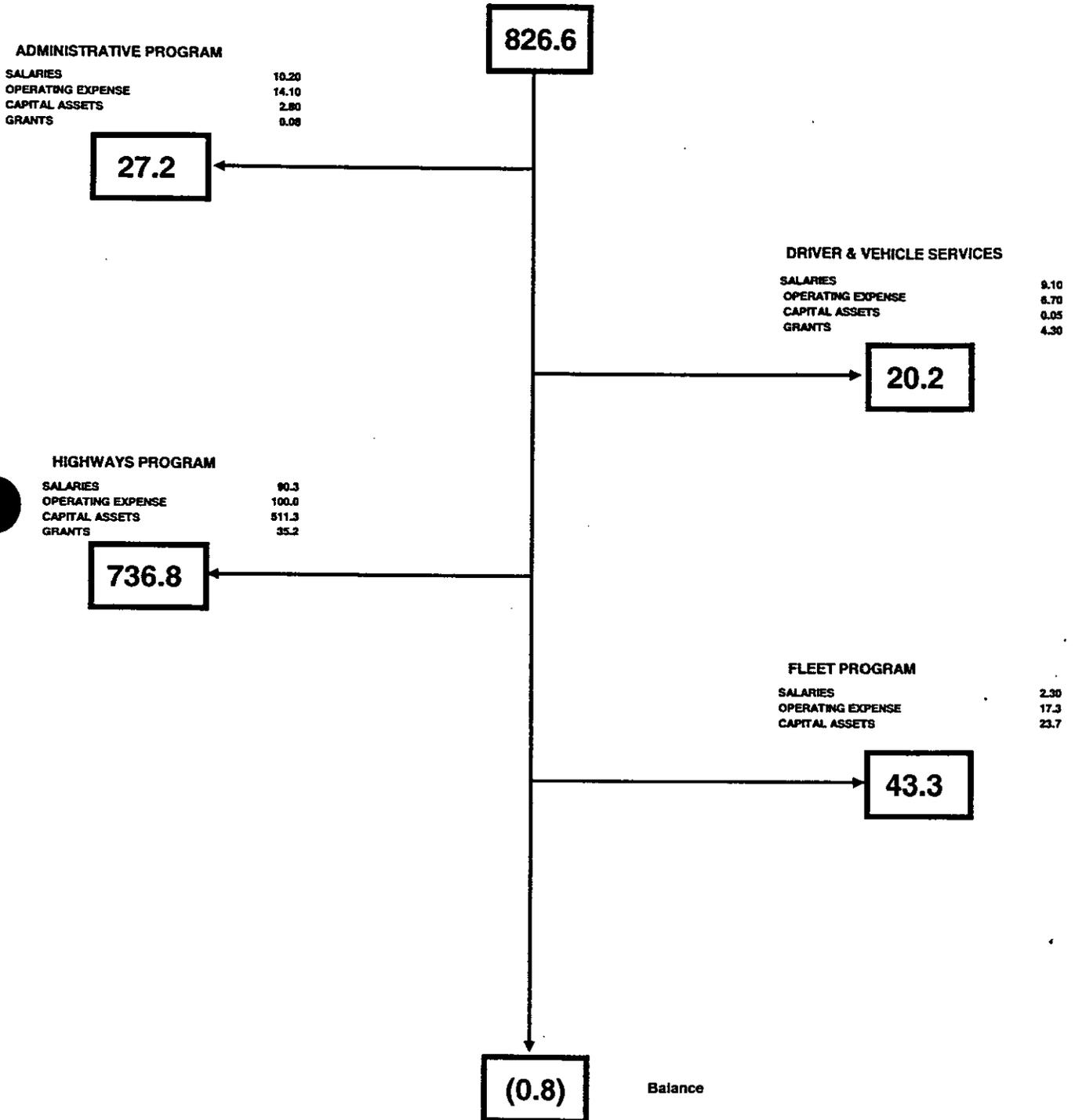
This chart reflects enrolled HB 1012 prior to the Special Session.

X TOTAL MV REGIS. FEES	889.6
(less "off the top" & dealer fees)	(88.2)
AVAILABLE FOR DISTRIBUTION	81.6

PREPARED BY NDDOT
FINANCIAL MANAGEMENT DIVISION
December 22, 2004

DEPARTMENT OF TRANSPORTATION 2005 - 2007 BUDGET EXECUTIVE RECOMMENDATION EXPENDITURES

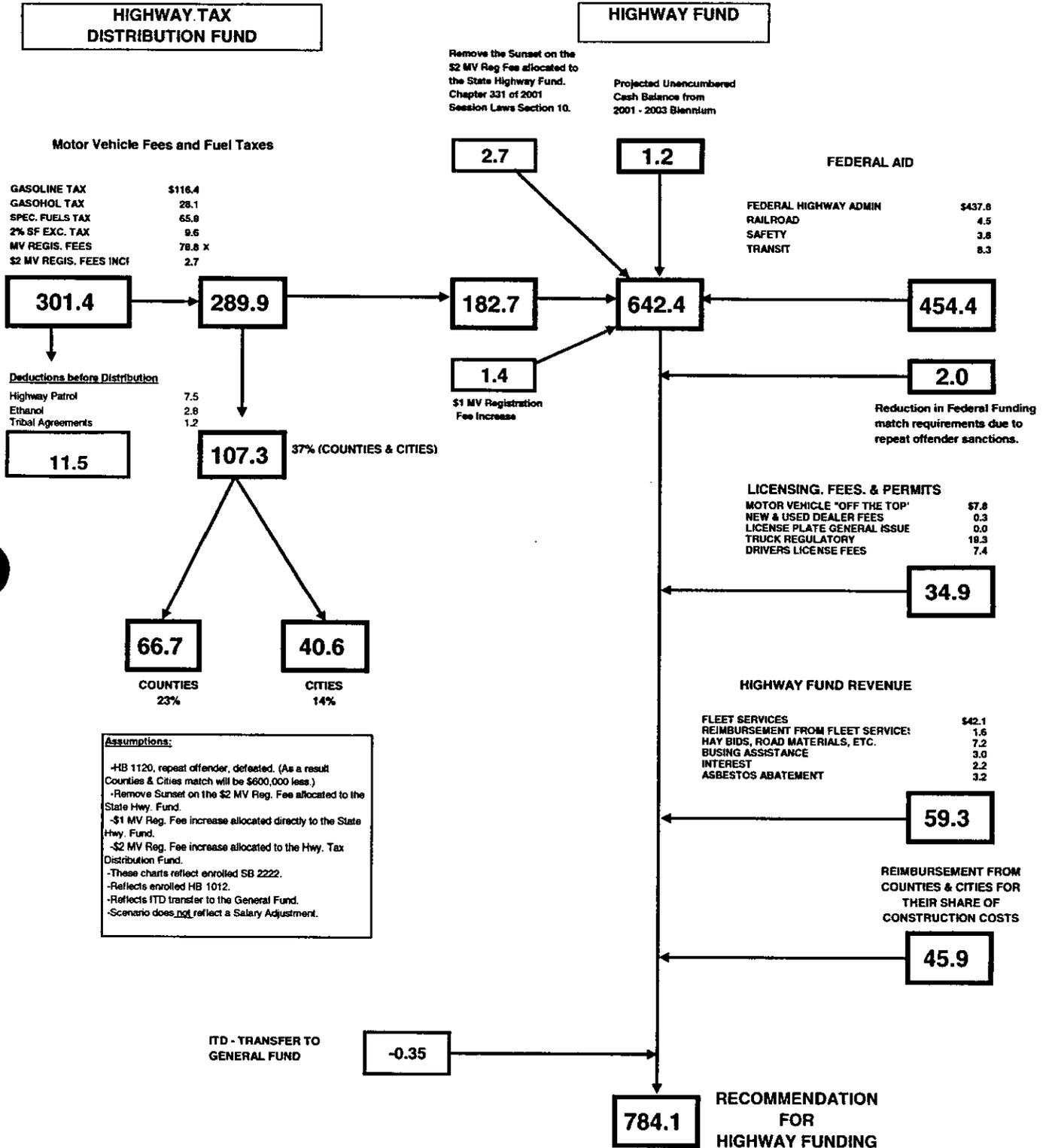
(MILLIONS)



PREPARED BY MODOT
FINANCIAL MANAGEMENT DIVISION
December 23, 2004

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BIENNIUM ENROLLED HB 1012 REVENUE

(MILLIONS)



* This chart reflects enrolled HB 1012 prior to the Special Session.

X TOTAL MV REGIS. FEES	\$89.6
(less "off the top" & dealer fees)	(\$8.1)
AVAILABLE FOR DISTRIBUTION	<u>81.475</u>

PREPARED BY AODOT
FINANCIAL MANAGEMENT DIVISION
December 21, 2004

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENROLLED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

(MILLIONS)

784.1

ADMINISTRATIVE PROGRAM (1000)
SALARIES 9.10
OPERATING EXPENSE 11.98
CAPITAL ASSETS 3.8
GRANTS 0.04

24.9

MOTOR VEHICLE PROGRAM (2000)
SALARIES 3.80
OPERATING EXPENSE 4.25
CAPITAL ASSETS 0.04

8.1

DRIVERS LICENSE PROGRAM (3000)
SALARIES 5.00
OPERATING EXPENSE 1.74
CAPITAL ASSETS 0.00
GRANTS 3.40

10.1

HIGHWAYS PROGRAM (4000)
SALARIES 85.30
OPERATING EXPENSE 89.3
CAPITAL ASSETS 481.94
GRANTS 40.60

697.2

2.0

Capital Asset appropriation
authority related to repeat offender
sanctions.

FLEET SERVICES PROGRAM (5000)
SALARIES 2.10
OPERATING EXPENSE 15.60
CAPITAL ASSETS 24.40

42.1

(0.4)

Balance

This Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary cuts.

STATE REVENUE

State Highway Tax Distribution Fund

The total projected revenue into the **Highway Tax Distribution Fund** is \$309.6 million for the 2005-2007 biennium. Based on current projections, we should see a slight increase to the **Highway Tax Distribution Fund's** projected revenues for gasohol and diesel fuel, and a slight decrease for gasoline and 2 percent special fuel taxes. We also foresee a very minimal growth in motor vehicle registration fees. The net result is a \$5.2 million increase to the state **Highway Fund** over projections for the current biennium.

Highway Tax Distribution Fund Allocations (Millions)	
\$309.6	TOTAL PROJECTED REVENUE 2005-2007
	\$7.5 to Highway Patrol
(\$11.3)	\$2.8 (40 percent of all farm vehicle registrations) to Ethanol Production Incentive Fund
	\$1.0 to Indian reservations, based on our agreements with them
(\$187.9)	To NDDOT (Highway Fund)
(\$41.8)	To cities
(\$68.6)	To counties

State Highway Fund

The Motor Vehicle registration revenue going directly into the state **Highway Fund** will total \$24.2 million. This includes the proposed \$15 motor vehicle registration fee increase allocated directly to the **Highway Fund**, and the \$3 motor vehicle registration fee that is currently deposited into the **Highway Fund**.

We receive additional revenue from a number of license and permit fees, such as the fee for obtaining a driver's license. The structure for these revenue sources remains unchanged and our estimates reflect a slight decrease from current end-of-biennium projections. These revenue sources generate about \$34 million per biennium and go directly into the state **Highway Fund**.

We also receive revenue from other sources, such as the user charges for state fleet vehicles. This revenue is a pass-through item for the agency, covering fleet expenses. Most of this revenue reflects the volume of related activity, such as agencies' use of fleet vehicles, and is based on actual costs to the NDDOT. These other revenue sources generate about \$58.7 million per biennium, an increase over current end-of-biennium projections. The department anticipates receiving about \$41.5 million from cities and counties as reimbursement for their share of local construction costs. We do not expect an unencumbered balance in the **Highway Fund** at the close of this biennium.

FEDERAL REVENUE

Congress has not yet passed a new federal highway reauthorization bill to provide federal funding through this decade. When we prepared our budget, we were uncertain what North Dakota's funding level would be, and we based the budget on \$199.7 million of regular federal highway formula funds per year, the same as we received in FY 2004. Federal Highway Administration funding for the biennium was estimated at

\$463.9 million for the budget submitted. Additional federal funding for earmarks, special programs, rail projects, and safety projects brings the total to \$480.3 million.

The increase in federal funding in FY04, FY05, and FY06, along with redistribution from other states and the realignment of funds between the counties, cities, and state, result in a net increase of \$14.5 million needed to match federal funding. Another \$6.6 million is needed for the executive budget recommended salary increases. The total additional state funds needed to support the executive budget as submitted to the legislature is \$21.1 million.

On December 8, 2004, President Bush signed the 2005 appropriation, which will actually provide \$202.3 million in formula funds in FY 2005. It is appropriate to use this new value for FY 2005 and as the minimum for FY 2006 in the NDDOT budget. This will result in an increase of \$5.2 million in federal formula funds over the original budget estimate.

In addition to the formula funds, the appropriation provided several earmarks for specific projects. Not all of the earmarks require match. The following table shows the resulting overall match increase resulting from the increase in formula funds received from the 2005 appropriation, as well as the match needed for specific project earmarks identified in the appropriation. The increase in state matching requirements as a result of these increases is \$1.5 million. Thus, the current requirement for increased state funds for match and salaries is \$22.6 million.

Federal Funding Assumptions after Budget Preparation – Based on 2005 Federal Appropriation (Millions)			
	Executive Budget	2005 Congressional Appropriation	Additional Match Required
FY 05-07			
Year 1	199.7	202.3	.5
Year 2	199.7	202.3	.5
2005 Congressional Appropriation – Earmarked Projects	Interstate Discretionary Fndng I – 94 Main Ave. North – NB	2.0	.5
	Surface Transp. Program Memorial Bridge Plaza	1.0	0
	Federal Lands Ojibwa Indian School Access Roadway	1.0	0
	Federal Transit Statewide Busing	3.0	0
	Surface Transp. Program Lewis & Clark Legacy Trail	1.0	0
Additional State Match Needed			1.5

Emergency Relief (ER) funding

We continue to move forward with emergency relief projects, primarily in the Devils Lake region. Eligibility has been determined and federal funding is available. Projects that have been determined eligible for the 2005 and 2006 construction seasons include:

- Relocating U.S. 281 to the west of Minnewaukan
- Extending N.D. 19 north of Minnewaukan
- Raising U.S. 2 in the Channel A area northwest of the city of Devils Lake
- Raising U.S. 2 in the Hay Bale Bay area southeast of Devils Lake

These emergency relief projects will require about \$8.46 million in state match. NDDOT will use the authority provided in NDCC 24-02-44 to borrow funds to complete the projects.

EXPENDITURES

In the past, our budget included five major programs. We have asked to consolidate this into four programs, combining Motor Vehicle and Drivers License into one program. The four programs, their corresponding 2003-2005 appropriation, and their proposed 2005-2007 budgets are as follows:

Four NDDOT Programs 2005-2007			
	2003-2005 (current) appropriation	2005-2007 proposed budget	Increase
Administrative	\$25.2 million	\$27.2 million	\$2.0 million
Driver & Vehicle Services (formerly separate programs)	\$18.1 million	\$20.1 million	\$2.0 million
Highways	\$699.0 million	\$736.8 million	\$37.8 million
State Fleet Services	\$42.1 million	\$43.3 million	\$1.2 million
TOTAL	\$784.4 million	\$827.4 million	\$43.0 million

Increases in the Administrative, Driver and Vehicle Services, and Highways programs are primarily the result of increases in federal funds of \$25.9 million and the coinciding match of \$15.9 million. These increases are as follows: Administration (\$2.0 million), Driver and Vehicle Services (\$2.0 million), and Highways (\$37.8 million). In addition, in response primarily to the increase in fuel costs, the State Fleet Services program has increased by about \$1.2 million.

The executive budget does not include any additional full-time equivalent (FTE) employees. However, we're asking for legislative authorization in Section 4 of SB 2012 to allow us to consider hiring additional employees when it is cost-effective to do so. Our intent would be to do an analysis comparing the cost of outsourcing with the cost of doing the work with internal staff. Two examples of where this section might apply include maintenance along the additional 100 two-lane miles of U.S. 2 between Minot and Williston, and maintenance of weigh-in-motion sites. Although it would not be considered highway construction or maintenance, this same analysis could be applied to the provision of driver's license services.

Bonding NDDOT projects

NDDOT and OMB have requested a modification of our authority to provide for bonding to advance major projects in the next biennium. Currently, NDDOT has authority to borrow on a short-term basis for projects. As we explored this further, it became obvious that it would be advantageous for the state to bond on a long-term basis, up to 15 years. Proposed Section 5 of SB 2012 would give NDDOT authority for long-term bonding. Bonds of this type are known as GARVEE (Grant Anticipation Revenue Vehicle) bonds and are allowed by federal law. Interest costs and bond issuance costs are eligible for federal reimbursement. The proposed Section 6 is an emergency clause that would allow us to begin the process of bond issuance immediately and to have the bond proceeds in place for the 2005 construction season.

The Federal Highway Administration (FHWA), in a report on innovative finance, indicates that 10 states, Puerto Rico, and the Virgin Islands currently use GARVEE bonds. Most of these states have used the bonds on more than one project; the earliest appears to be Ohio in May of 1998. The FHWA report does not cover all bonding activities in the states; we are aware that the Montana DOT uses bonding to advance rural road projects. Steele and LaMoure counties in North Dakota also use GARVEE bond authority, making payments with future federal funds passed through NDDOT to the individual county.

Two projects appropriate for long-term bonding include the four-laning of U.S. 2 between Williston and Minot, and the reconstruction of the Bismarck Memorial Bridge.

The original plan was to begin constructing the additional two lanes of U.S. Highway 2 in 2004 and complete the four-laning by 2013, without affecting the existing program. We realized later, however, that a project of this type is an excellent candidate for bonding to accelerate the construction. Construction inflation is typically five percent or higher – certainly higher than conventional inflation. Current bond rates are less than five percent. By bonding the project, we can complete the entire project by the end of 2008 and pay back the bond in annual payments over a period of up to 15 years. The bonding would cover contractor payments, including the federal share and state match. Future payments against the bond would be a combination of federal funds and state match.

The last Congress's House version of the federal transportation reauthorization bill provided for a \$24 million earmark for the construction of the Bismarck Memorial Bridge. Unfortunately, Congress did not provide for reauthorization. The bridge's condition necessitates beginning construction in 2006, regardless of the outcome of the earmark. If the earmark does not materialize, bonding could be exercised to cover the \$24 million. Here, too, the bond could be paid back over 15 years without affecting the overall construction program. If bonding is not available and the earmark does not materialize, the bridge will still need to be constructed and funds will need to come from several other currently scheduled highway construction projects programmed for 2006 and 2007. The other projects would need to be delayed.

Administrative Program

2003-05 Legislative Appropriation	2003-05 Estimated Expenditures	Variance	2005-07 Executive Recommendation	2005-07 Recommendation Change (Variance) to 2003-05
\$25.2	\$22.0	-\$3.2	\$27.2	\$2.0

The Administrative program consists of the Executive Office, financial management, human resources, information technology, strategic planning, and communication.

- The executive office sets and administers overall policy direction.
- The Financial Management division prepares the budget, does the day-to-day accounting, performs audits, and handles procurement.
- The Human Resources division performs all duties associated with employees, including hiring practices, training issues, classification, discipline, and all other employee issues.
- The Information Technology division oversees the development and maintenance of all IT-related programs, maintains the printing and mailing operations, provides multi media services, and oversees facilities maintenance.
- The strategic planning function deals with the strategic business planning and performance measurement
- The communication function performs, oversees, or make recommendations on all internal and external communication.

The decrease from the 2003-05 Legislative Appropriation and Estimated Expenditures of \$3.2 million results from the asbestos abatement project that will not be completed this biennium.

The net change of the Administrative program budget is an increase of \$2.0 million. Most of this change can be attributed to three factors:

- A \$1 million increase in salaries and wages resulting from changes in the mix of FTEs between programs, a slight increase in overtime and temporary salaries, and the proposed raises included in the executive recommendation
- A net increase in the operating expenditures of about \$1.95 million. This is primarily due to "Costs to Continue" of about \$765,000 (for IT consolidation and ConnectND), IT projects that will be funded with about \$1.2 million in federal funds.
- The capital asset line has decreased \$987,496. The decrease consists of a net reduction of \$300,000 in requested IT equipment and a reduction in the funds available for asbestos abatement.

FTEs: 94.5

Driver and Vehicle Services Program

2003-05 Legislative Appropriation	2003-05 Estimated Expenditures	Variance	2005-07 Executive Recommendation	2005-07 Recommendation Change (Variance) to 2003-05
\$18.1	\$18.1	\$0.0	\$20.1	\$2.0

The Driver and Vehicle Services program consists of the Motor Vehicle Division and the Drivers License and Traffic Safety Division.

The Motor Vehicle division administers all programs relating to the titling and registration of vehicles, including regulating motor vehicle dealers, interstate motor carriers, mobility-impaired parking privileges, and intrastate household goods carriers. It is responsible for maintaining and making available records created by its various activities.

The Motor Vehicle division serves the public at physical locations in the central office in Bismarck and 16 branch offices located throughout the state. Four of these branch offices are located in county treasurer offices. Service is also offered via mail, fax, e-mail, and through the Internet. Five of the branch offices also provide partial registration services to interstate motor carriers, removing the necessity of conducting the transaction in Bismarck. Twelve of the branch offices are privatized operations that decrease NDDOT's operational costs. Internet vehicle registration has been a success and its popularity continues to grow.

The Drivers License and Traffic Safety division serves about 465,000 North Dakota licensed drivers, and also other non-driving residents, law enforcement officers, and the courts. The division ensures that only qualified and competent people are licensed to drive, and educates the public about traffic safety issues.

The Drivers License division has 28 automated licensing and testing sites across the state. NDDOT is required to check a national database before issuing or renewing a commercial driver's license (CDL). As a result of automation, the department can now issue and renew a driver's CDL in a matter of minutes rather than days. There are also 16 non-automated sites.

The net change of the Driver and Vehicle Services program budget is an increase of \$2.0 million, caused by several factors.

- A \$376,438 increase in salaries and wages resulting from the proposed raises included in the executive recommendation
- An increase in operating expenditures of \$736,500, resulting from: an IT project that will be funded with federal funds of \$166,500; a \$290,000 increase in fees for processing credit card; \$5,000 to process the new digital drivers licenses; and \$275,000 for license plates because of a shortage projected this biennium.
- An increase in capital assets of \$5,500 for a copy machine
- An increase of \$890,000 for traffic safety grants, which are 100% federally funded

FTEs: 105.0

Highways Program

2003-05 Legislative Appropriation	2003-05 Estimated Expenditures	Variance	2005-07 Executive Recommendation	2005-07 Recommendation Change (Variance) to 2003-05
\$699.0	\$707.0	\$8.0	\$736.8	\$37.8

The highways program provides for the planning, surveying, design, construction, maintenance, and evaluation of roads, bridges, and streets to ensure the safe and efficient movement of people and goods. Programming of federal and state funds and transportation planning functions relating to highways, railroads, and transit are also budgeted in this area. The staffing to oversee the highways program is located in our Bismarck central office, eight district offices, and 67 maintenance sections across the state.

The \$8.0 million variance between the 2003-05 legislative appropriation and the estimated expenditures results from a continuation of appropriation-requesting authority from the 2001-03 biennium; the authority was carried over to the 2003-05 biennium for projects that were started and not yet complete.

The net change of the highway program budget is an increase of about \$37.8 million. This large increase is primarily the result of the increase in federal funds for construction.

- Salaries and wages increased \$5,059,574 as a result of the proposed raises included in the executive recommendation and a slight increase in overtime and temporary salaries.
- Operating costs increased as a result of increases primarily in consultants (\$8,615,406), fees for processing credit cards (\$15,000), relocation assistance (\$2,505,000), and amounts transferred from capital assets (\$301,900). There are also offsets of \$401,159 for savings in risk management insurance, and the airplane lease of \$259,361.
- Capital assets increased \$28,840,857 for contractor payments, and there are decreases totaling \$1,492,072 from miscellaneous building improvements, equipment from the airplane budget, budget relocated to operating, and right-of-way purchases.
- Grants to cities, the historical society, and colleges were decreased a total of \$5,400,003.

FTEs: 820.5

State Fleet Services Program

2003-05 Legislative Appropriation	2003-05 Estimated Expenditures	Variance	2005-07 Executive Recommendation	2005-07 Recommendation Change (Variance) to 2003-05
\$42.1	\$42.1	\$0.0	\$43.3	\$1.2

The mission of the State Fleet Services division is to provide motor vehicle transportation to state agencies and institutions at the lowest possible cost. The state fleet furnishes motor vehicles used by 60 state agencies, 11 state universities, and 11 extension and research center entities.

During this biennium, fuel costs – especially wholesale fuel costs – have been a challenge. Recently, the wholesale rack price has fluctuated between \$1.10 and \$1.64 per gallon, and the future is uncertain.

Maintenance costs have increased over the past few years. Although this has affected our parts and labor budget, we still try to cycle our vehicles based on our depreciation schedule. This results in a very good return on the vehicles we sell at our auctions.

We continue to purchase the lowest-cost appropriate-size vehicles. We have expanded our program of sharing specialty vehicles, and we continue to monitor vehicle use so that we provide all necessary service using the fewest possible vehicles.

The net increase to the State Fleet Services Program budget is about \$1.2 million.

- The \$210,901 change in salaries results from the change in the mix of FTE's between the program, a slight increase in overtime and temporary salaries, and the proposed raises included in the executive recommendation.
- The increase in operating costs of \$1,670,633 is primarily the result of the anticipated increase in fuel costs.
- A \$683,244 reduction in capital assets is based on the current replacement schedule.

FTEs: 24.5

2005-2007 Biennium

2007-2009 Biennium

2009-2011 Biennium

	New Revenue	State	County	City
2 cent special fuel tax (diesel) - to Highway Distribution Fund (All year around)	6.9	4.3	1.6	1.0
2 cent motor vehicle fuel tax (gas & gasohol) in the winter months - to Highway Tax Distribution Fund (Nov - Apr)	6.0	3.8	1.4	0.8
4 cent motor vehicle fuel tax (gas & gasohol) in the summer months - to Highway Tax Distribution Fund (May - Oct)	15.1	9.5	3.5	2.1
\$10 MV Registration Fee - to Highway Fund	13.4	13.4	0.0	0.0
1% MV Excise Tax - shift to Highway Fund				
Total	41.4	31.0	6.5	3.9

	New Revenue	State	County	City
2 cent special fuel tax (diesel) - to Highway Distribution Fund (All year around)	6.9	4.3	1.6	1.0
2 cent motor vehicle fuel tax (gas & gasohol) in the winter months - to Highway Tax Distribution Fund (Nov - Apr)	6.0	3.8	1.4	0.8
4 cent motor vehicle fuel tax (gas & gasohol) in the summer months - to Highway Tax Distribution Fund (May - Oct)	15.1	9.5	3.5	2.1
\$10 MV Registration Fee - to Highway Fund	13.4	13.4	0.0	0.0
1% MV Excise Tax - shift to Highway Fund				
Total	41.4	31.0	6.5	3.9

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4 cent motor vehicle fuel tax (gas & gasohol) in the summer months - to Highway Tax Distribution Fund (May - Oct)	15.1	9.5	3.5	2.1
\$10 MV Registration Fee - to Highway Fund	13.4	13.4	0.0	0.0
1% MV Excise Tax - shift to Highway Fund		29.2	(1.2)	(1.1)
Total	41.4	60.2	5.3	2.8

Funds Needed to Match Federal Funding

31.4 0.6 1.2

30.6 1.3 2.4

54.1 3.6 5.7

Federal Funds for State Highways

\$530.2

\$532.7

\$637.9

State Funds for State Highways

357.6

359.4

385.2

Total Funding for State Highways

\$887.8

\$892.1

\$1,023.1

SOURCE OF ADDITIONAL STATE DOLLARS NEEDED TO MATCH FEDERAL FUNDS

#2

	State Legislative Appropriation Levels (\$million)	Actual Congressional Appropriation (\$million)	Expected Appropriation (\$million)	Additional Federal Funds Requiring Match (\$million)	Additional Match Required (\$million)	Running Total - Match (\$million)
FY 03-05						
Year 1	182.5	182.5		0	0	
Year 2	182.5	199.7 ¹		17.2	4.3	4.3
Redistribution	3.0	9.5 ²		6.5	1.6	5.9
FY 05-07						
Year 1			202.3	19.8	4.8	10.7
Year 2			205.0	22.5	5.3	16.0
Interstate Earmark			2.0 ³	2.0	.5	16.5
Emergency Relief			44 ⁴	44	8.4	24.9
Fleet & Salaries				0	6.5	31.4
GRAND TOTAL				112	31.4	31.4

Office of Transportation Programs

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¹ The final 199.7 million came after the 2004 construction season so the impact of the difference between \$182.5 million and \$199.7 million will be realized in the next biennium. This will result in the difference being carryover.

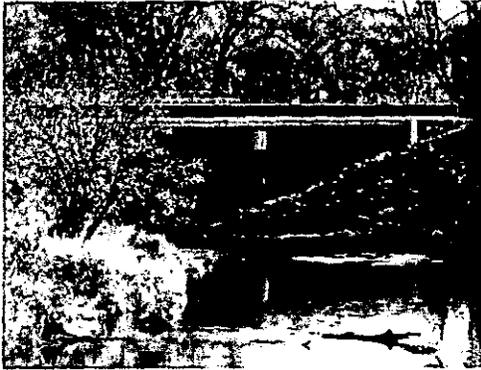
² This was higher than expected due to the delay of the Highway bill reauthorization. The federal agencies that receive a portion of the overall funding were reluctant to advance projects due to uncertainty of final rules and program details. This greatly increased the amount that was redistributed to states with available projects ready for authorization.

³ This earmark is already received as part of Federal Fiscal Year 2005 appropriation

⁴ Federal Emergency Relief Funds have already been assigned to ND – available for use immediately

North Dakota

Transportation Handbook



December 2004

North Dakota
Department of Transportation

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DOT
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SB 2012

SB 2012

*with the
exception of
these pages,
this testimony was
the same as
given to the
Senate*

TESTIMONY

before the

Government Operations Division

of the

House Appropriations Committee

2005-2007 Biennium Budget

Prepared by

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

BISMARCK, NORTH DAKOTA

DIRECTOR

David A. Sprynczynatyk

FEBRUARY 2005

HOUSE APPROPRIATIONS COMMITTEE
Government Operations Division
February 28, 2005

North Dakota Department of Transportation
David A. Sprynczynatyk, Director

SB 2012

Included in this testimony:

- Overview of NDDOT's accomplishments and challenges
- Summary of NDDOT's budget request

2003-2009 NDDOT strategic plan

Mission: "Providing a transportation system that safely moves people and goods"

Vision: "Safe Ways – Great Ways – Promoting Economic Growth"

Goals:

- Enhance customer satisfaction
- Increase the safety of North Dakota's transportation system and within NDDOT
- Improve the quality and efficiency of North Dakota's transportation and services
- Enhance employee satisfaction
- Strengthen stakeholder relationships

Our employees are the reason for our success

During this biennium, NDDOT employees accomplished a long list of initiatives, a few of which I'll mention today. We accomplished these initiatives while the employee count remained steady. The work load and responsibilities of many employees expanded even though their compensation may not have been adjusted proportionately.

Over the past 15 years, the department's construction program has increased by about 175 percent, from \$80 million per year to about \$220 million per year. During that same period, the number of full-time employees has decreased by about four percent, from 1,086 to 1,044.5 employees. Having sufficient staff to address project development poses a challenge for us as our program grows. Many of our central office and district office employees routinely come in early, stay late, and work on weekends. We keep asking them to do more, and somehow they always do. Every accomplishment I describe here today is the product of the NDDOT's outstanding work force.

When Greyhound decided to eliminate its bus route across North Dakota, the department worked hard to help bring a new carrier into North Dakota to pick up the route along I-94. Since August 2004, Rimrock Trailways has been doing a fine job, with ridership increasing monthly.

No-mow request

The Fifty-Seventh Legislative Assembly passed SB 2224, which directed NDDOT to submit a plan to the Fifty-Eighth Legislative Assembly to eliminate areas designated as no-mow or managed-mow from the right-of-way adjacent to highways under NDDOT jurisdiction. The Fifty-Eighth Legislative Assembly, in HB 1012, authorized NDDOT to purchase land to mitigate the no-mow.

The State Land Department (SLD) possessed some land that they were willing to transfer to NDDOT for mitigation. This land had been approved for mitigation by the ND Game and Fish Department. We held public hearings on the tracts, took public comments, and received considerable negative input on some of the tracts.

We applied to the SLD to purchase the tracts, and the SLD had the tracts appraised. The original estimated cost to purchase 4,800 acres was about \$480,000. However, as the appraisals came in, it became clear that the purchase would cost about \$1.3 million.

NDDOT has eliminated the most expensive tracts and the tracts that generated a lot of negative public comment. We and the SLD have looked at some other tracts of school land appraised at \$80-\$300 per acre. With these new tracts of land, the total estimated cost to mitigate the no-mow will still cost between \$800,000 and \$1 million.

Because the cost to mitigate the no-mow has risen dramatically from the original estimate, largely as a result of the rapid escalation in land prices, NDDOT asks the Legislature to extend NDCC Chapter 24-01-51, "Haying of no-mow areas," allowing NDDOT two more years to develop a successful mitigation plan for the no-mow areas. Here is the amendment repealing this provision of law.

Proposed Amendments to Engrossed SB 2012

Page 1, line 6, after "maintenance;" insert "to amend and reenact section 24-01-51 of the North Dakota Century Code, relating to haying of no-mow areas;"

Page 4, after line 11, insert: "**SECTION 8. AMENDMENT.** Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas.

Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Renumber accordingly

Safety

Snow and ice control

We're seeing increased customer expectations when it comes to keeping our highways safe in the winter. We continue to improve our program, and are undertaking a number of major initiatives to enhance our ability to control snow and ice on the roads, including the following.

- **Right-sizing the fleet.** We continue to upgrade our snowplow trucks with additional wings, underbody plows, and state-of-the-art equipment to handle liquid deicers. These upgrades enable us to respond more quickly to snow and ice. We have offset the cost of the upgrades by reducing the number of motor graders in the fleet, and are developing lease and short-term rental programs on support equipment.
- **Maintenance decision support system (MDSS).** We have joined six surrounding states to study and develop a department system for providing the optimum response to winter storms. This system will help our operators identify the most efficient and effective snow and ice control treatments.
- **Automated vehicle location (AVL) project.** We have initiated a pilot automated vehicle location (AVL) project in southwest North Dakota to help our staff optimize the use of our snow and ice control equipment and materials. By tracking our equipment, we can ensure that our resources are moved to the areas of greatest need.

511 traveler information system

The 511 system provides "one-stop shopping" for customers: weather reports for highway segments, winter road conditions, spring load restrictions, and summer construction information. This system is critical in helping motorists plan trips and travel as safely and efficiently as possible. During the President's Day weekend, January 21-23, North Dakota's 511 system received more than 20,000 calls. During the entire month of January, the 511 system received more than 63,000 calls.

Maintenance and construction costs

We continue to experience increases in costs such as steel, oil-based material and fuel costs, salted sand for winter operations, overtime and temporary salaries, janitorial costs, and utility costs for department facilities and highway lighting. This past year the price of oil surpassed \$50 a barrel and motor fuel prices exceeded \$2 a gallon. The cost of oil-based construction materials continues to rise, with the average bid price for asphalt approaching \$200/ton. The price of steel has also escalated, with a 40-50 percent increase in certain steel items used for construction.

Comprehensive highway safety plan

As part of the department's strategic plan, we have developed a comprehensive highway safety plan to reduce crashes, injuries, and fatalities on our state's roadways. The elements of the plan include engineering, education, and enforcement. We collect and use crash data to identify the priority concerns in each of these three areas and develop effective strategies. As the plan has been developed, we have already started to see some success.

For 2004, fatalities were down slightly, alcohol fatalities were down significantly, and seatbelt use increased. Unfortunately, one area that has increased significantly is motorcycle fatalities.

Traffic and Criminal Software (TraCS)

The department has implemented an electronic crash reporting system, Traffic and Criminal Software (TraCS). This system will greatly improve the efficiency and effectiveness of crash reporting for numerous entities by:

- Improving the handling of data that NDDOT needs in order to make roads safer
- Giving the local, state, and federal governments better information to use in making programming decisions
- Saving time for law enforcement officers in the field and for law enforcement agencies by providing them with their own database and analysis tools
- Giving insurance companies and the public faster access to crash reports and more reliable data

Currently, seven North Dakota law enforcement agencies use TraCS: the Bismarck, Mandan, Minot, and West Fargo police departments, the Morton County and Cass County sheriffs' offices, and the North Dakota Highway Patrol. By April 30, 2005, our goal is to have 40 percent of all crash reports submitted electronically through TraCS. By the end of 2006, we hope to receive more than 90 percent of our crash reports through TraCS. We are facilitating this by providing technical assistance and some federal traffic safety funds for equipment, offering the necessary software free of charge, and providing information on the local benefits.

Employee satisfaction

Recruiting and retaining employees

An important piece of our ability to recruit and retain employees is our ability to compensate employees. Although we use every tool available to us – recruiting bonuses, performance bonuses, and other forms of special recognition – we must be able to adequately compensate employees on a regular basis. The Executive Salary Proposal allowed for a 4% + 4% increase, if available, and also addressed the salary inequity issue. HB 1050 allows for a 3% + 4% increase. We appreciate the effort to provide adequate salaries for our employees, whose pay is well below market averages for their professions. We encourage your support for the 4% + 4% increase contained in the Executive Salary Proposal, as well as a separate equity pool. This pool is a key factor in retaining good employees.

We pursue every available incentive to help us recruit, hire, and retain employees. The most problematic employees to recruit and retain have been engineers and engineering technicians. We are also beginning to experience challenges in recruiting and retaining equipment operators and licensing clerks and examiners. We offer pay that is generally 20 percent below market for engineers and technicians in the state, and have begun to see similar discrepancies with equipment operators and others.

2005-2007 NDDOT Budget

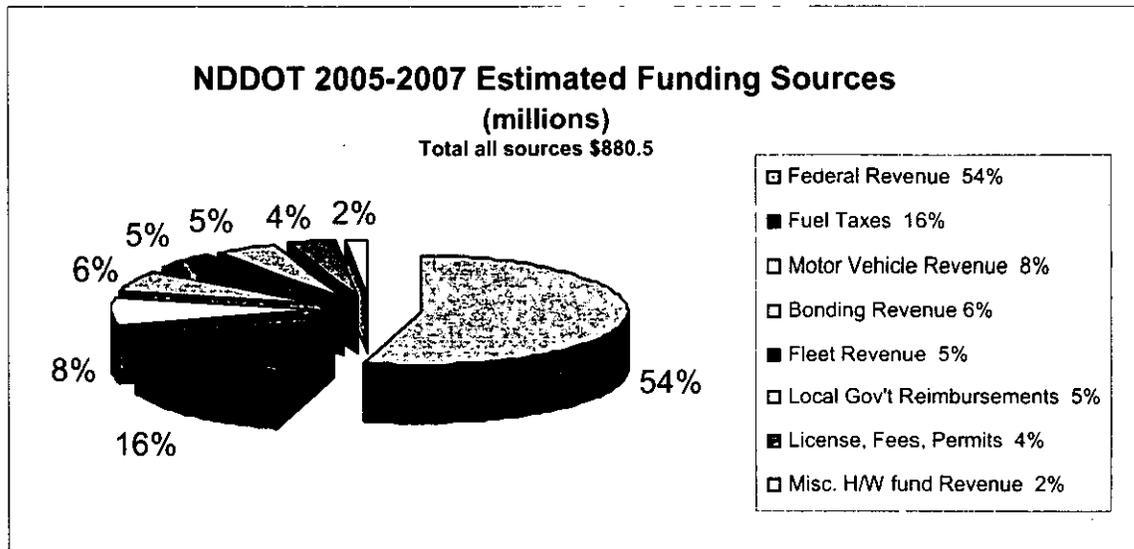
The budget charts on the following pages reflect the revenue and spending authority contained within the NDDOT budget. Included are the enrolled budget chart from the 2003 legislative session and the Senate Engrossed Budget chart for the 2005-2007 biennium. The total budget of \$880.5 million represents an increase of 96.1 million over our current enrolled budget. This increase is the result primarily of increased federal funds, increased state match required, the bonding issuance, and increased salaries. As a result of this increase, a shortfall of \$21.1 million was identified when the budget was submitted. This was proposed to be offset with the \$15 increase in motor vehicle registration fees.

REVENUE

Most state revenue, motor fuel tax, and motor vehicle registration fees go into the **Highway Tax Distribution Fund**. From there, 63 percent goes to the state **Highway Fund**, 14 percent goes to the cities, and 23 percent goes to the counties. All federal funds go into the state **Highway Fund** to be used by the state, cities, and counties. Federal funds are also split, with 75 percent (on average) going to the state, 16.6 percent going to the urban areas, and 8.4 percent going to the counties.

North Dakota transportation is very dependent on federal funding. Federal funds comprise about 54 percent of our total budget. For every \$1 in federal gas tax that we send to Washington, we receive \$2.06.

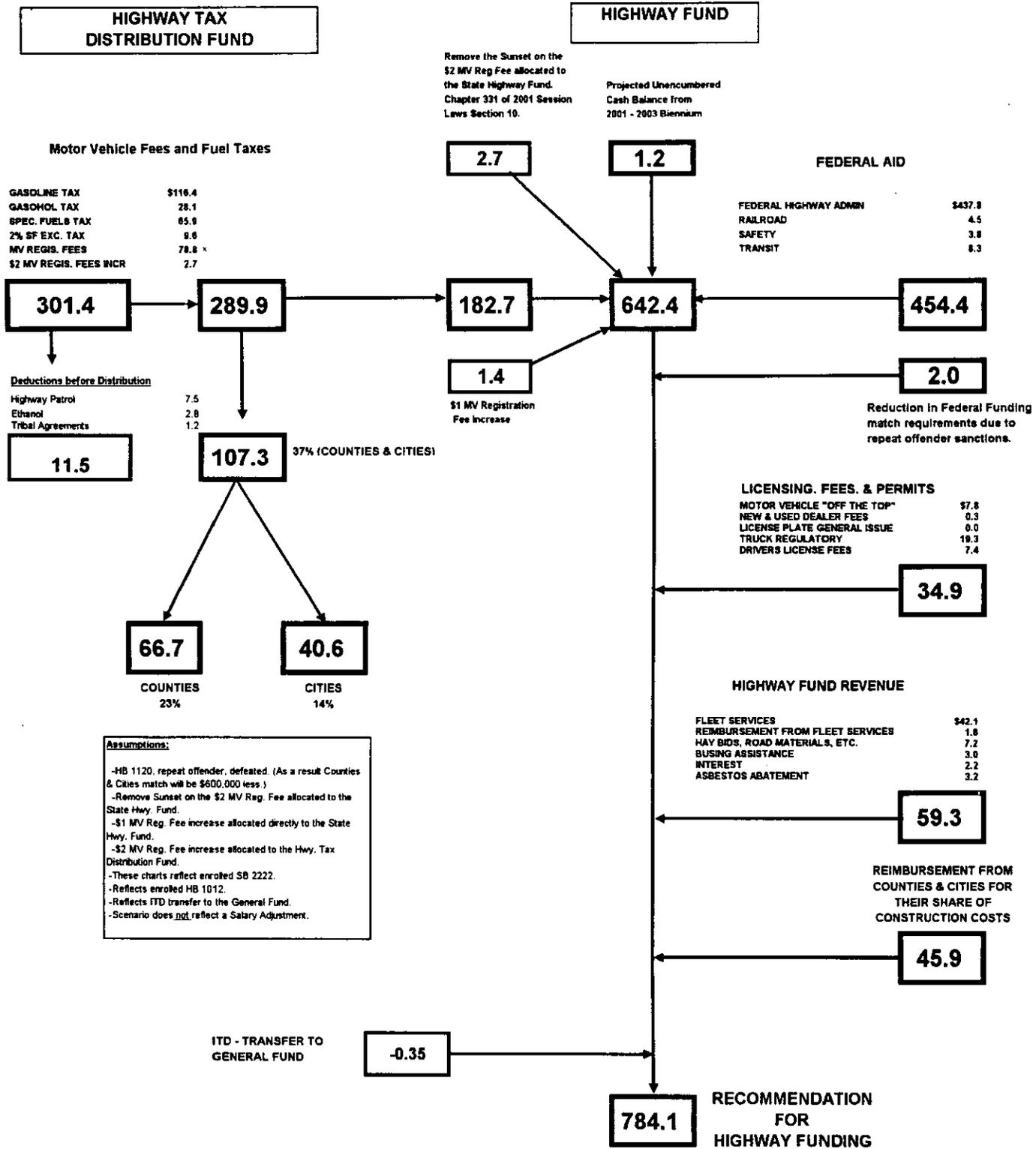
The NDDOT budget proposal was developed with a \$15 increase in motor vehicle registration fees allocated directly to the state **Highway Fund**. The following chart reflects the proposed funding to NDDOT.



Currently, \$3 of each registration fee collected is allocated directly to the state **Highway Fund**. Increasing the registration fee going to the **Highway Fund** to \$18 is necessary in order to match additional federal funds received this biennium, to match increased federal funds next biennium at the FY 2004 level, and to address salary adjustments. There is also an increase in match ratios that will happen next biennium because of the change in the project mixes regarding city, county, and state projects.

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BIENNIUM ENROLLED HB 1012 REVENUE

(MILLIONS)



Assumptions:

- HB 1120, repeat offender, defeated. (As a result Counties & Cities match will be \$600,000 less.)
- Remove Sunset on the \$2 MV Reg. Fee allocated to the State Hwy. Fund.
- \$1 MV Reg. Fee increase allocated directly to the State Hwy. Fund.
- \$2 MV Reg. Fee increase allocated to the Hwy. Tax Distribution Fund.
- These charts reflect enrolled SB 2222.
- Reflects enrolled HB 1012.
- Reflects ITD transfer to the General Fund.
- Scenario does not reflect a Salary Adjustment.

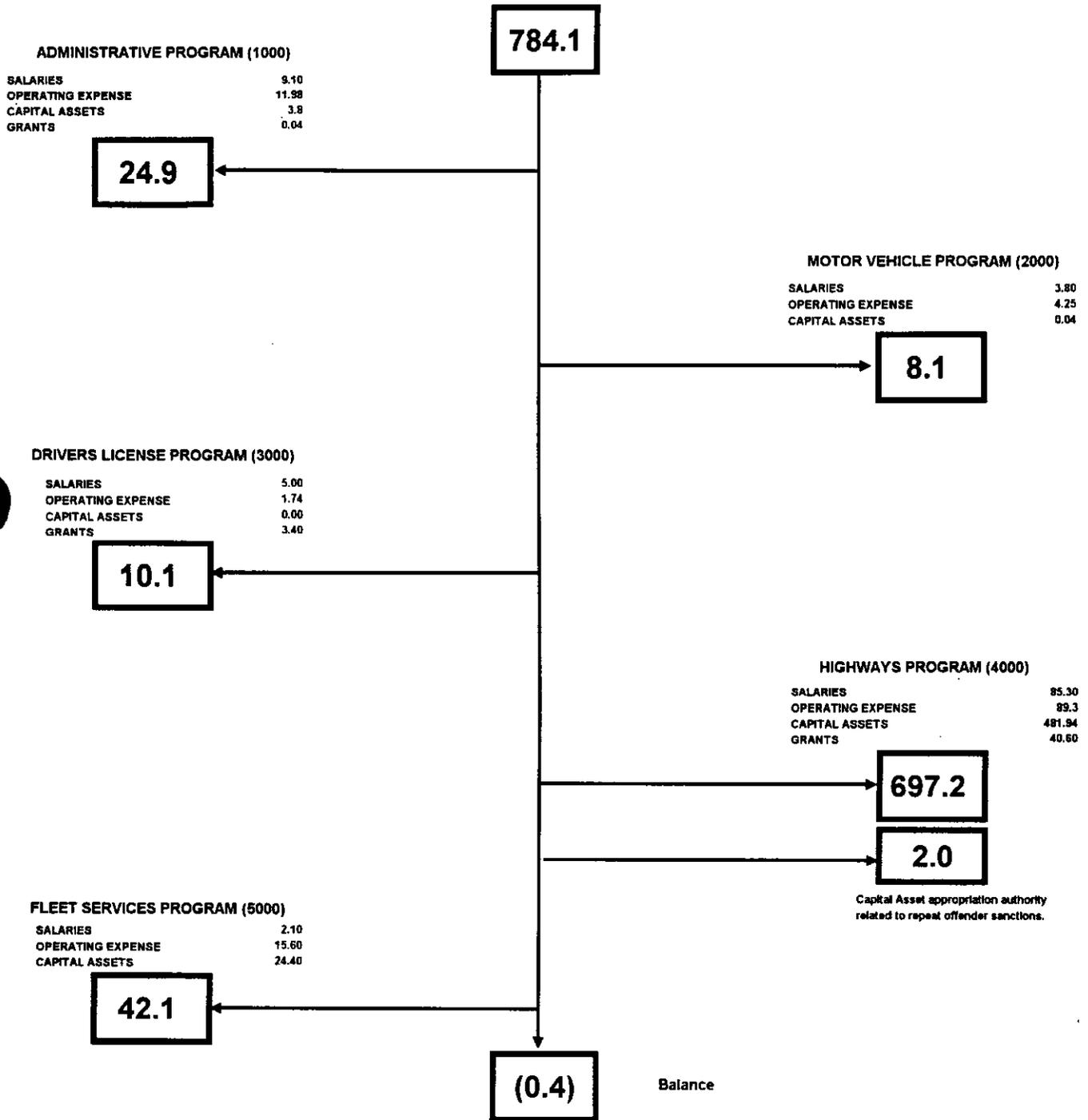
* This chart reflects enrolled HB 1012 prior to the Special Session.

X TOTAL MV REGIS. FEES	\$89.8
(less "off the top" & dealer fees)	(\$8.1)
AVAILABLE FOR DISTRIBUTION	\$81.475

PREPARED BY MDDOT
FINANCIAL MANAGEMENT DIVISION
December 21, 2004

DEPARTMENT OF TRANSPORTATION 2003 - 2005 BUDGET ENROLLED HOUSE VERSION WITH UPDATED FEDERAL FUNDING EXPENDITURES

(MILLIONS)



* This Scenario utilizes all Federal Funds, additional Federal Funds from 2/13/03, and the Federal Funds associated with the salary cuts.

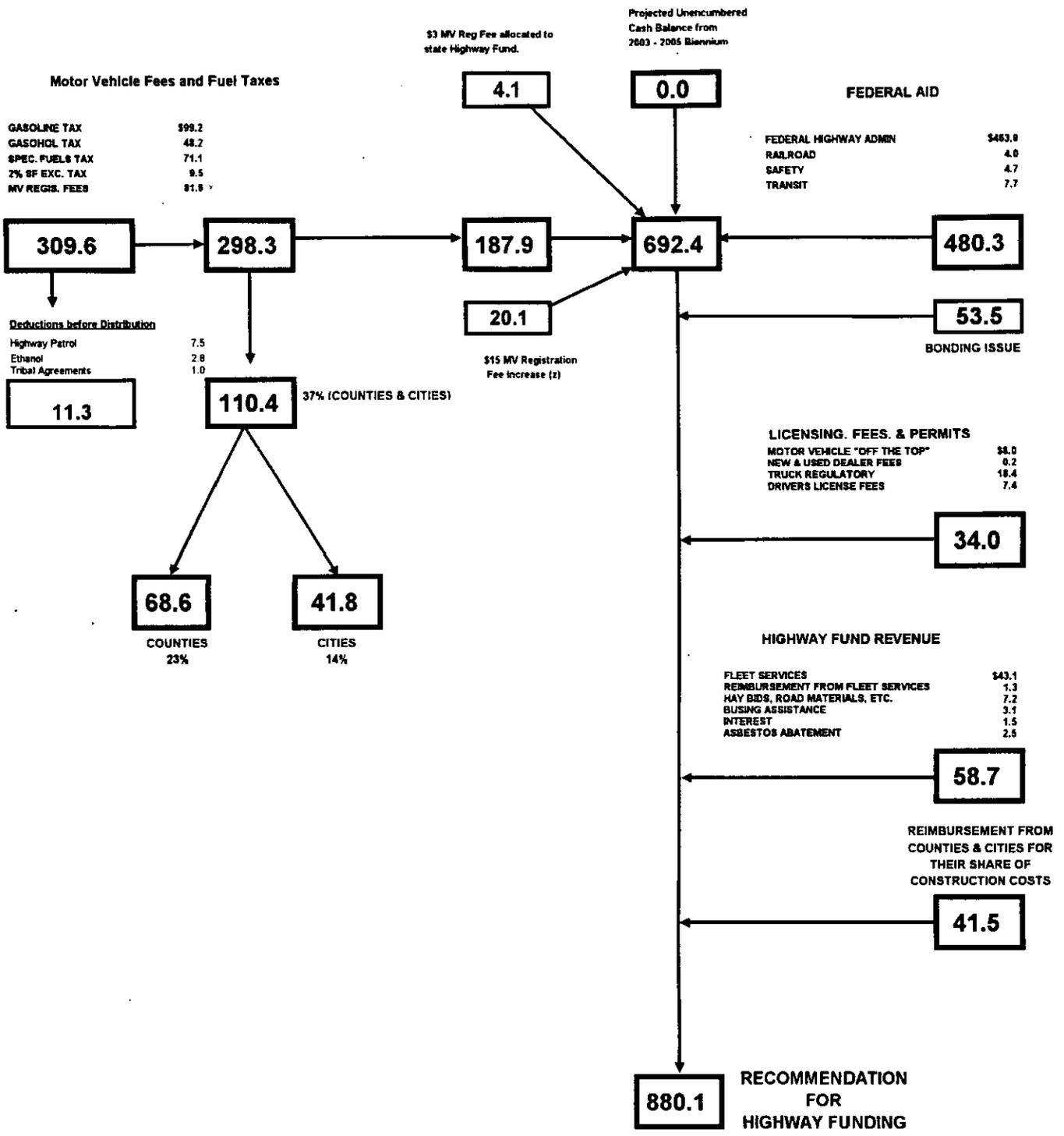
PREPARED BY HDOOT
FINANCIAL MANAGEMENT DIVISION
December 21, 2004

DEPARTMENT OF TRANSPORTATION 2005 - 2007 BIENNIUM ENGROSSED SENATE BILL 2012 REVENUE

(MILLIONS)

**HIGHWAY TAX
DISTRIBUTION FUND**

HIGHWAY FUND



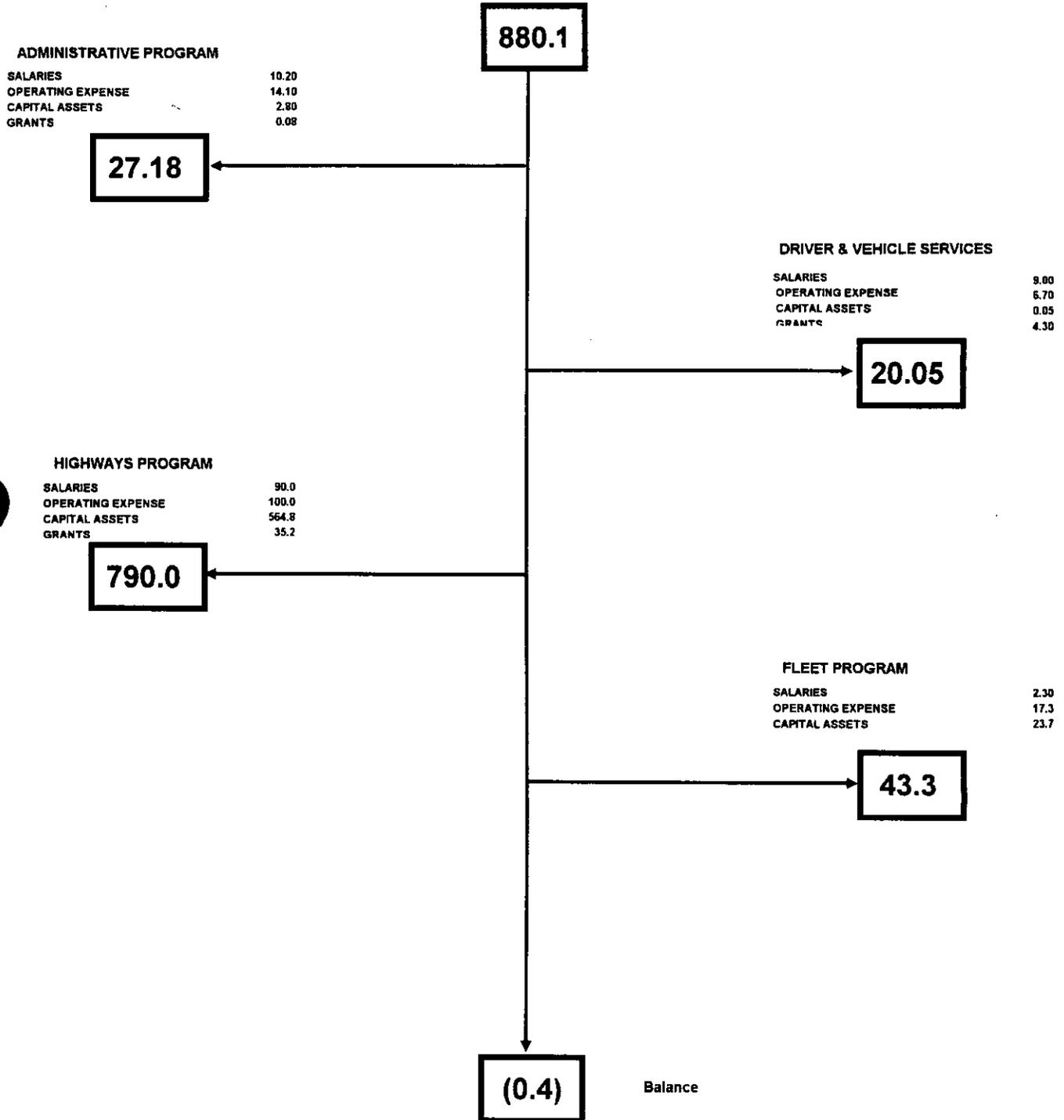
(z) Executive Recommendation for Motor Vehicle Registration Fee Increase.
 * This chart reflects enrolled HB 1012 prior to the Special Session.

X TOTAL MV REGIS. FEES	\$89.8
(less "off the top" & dealer fees)	(\$8.2)
AVAILABLE FOR DISTRIBUTION	<u>81.6</u>

PREPARED BY HSDOT
FINANCIAL MANAGEMENT DIVISION
FEBRUARY 23, 2004

DEPARTMENT OF TRANSPORTATION 2005 - 2007 BUDGET ENGROSSED SENATE BILL 2012 EXPENDITURES

(MILLIONS)



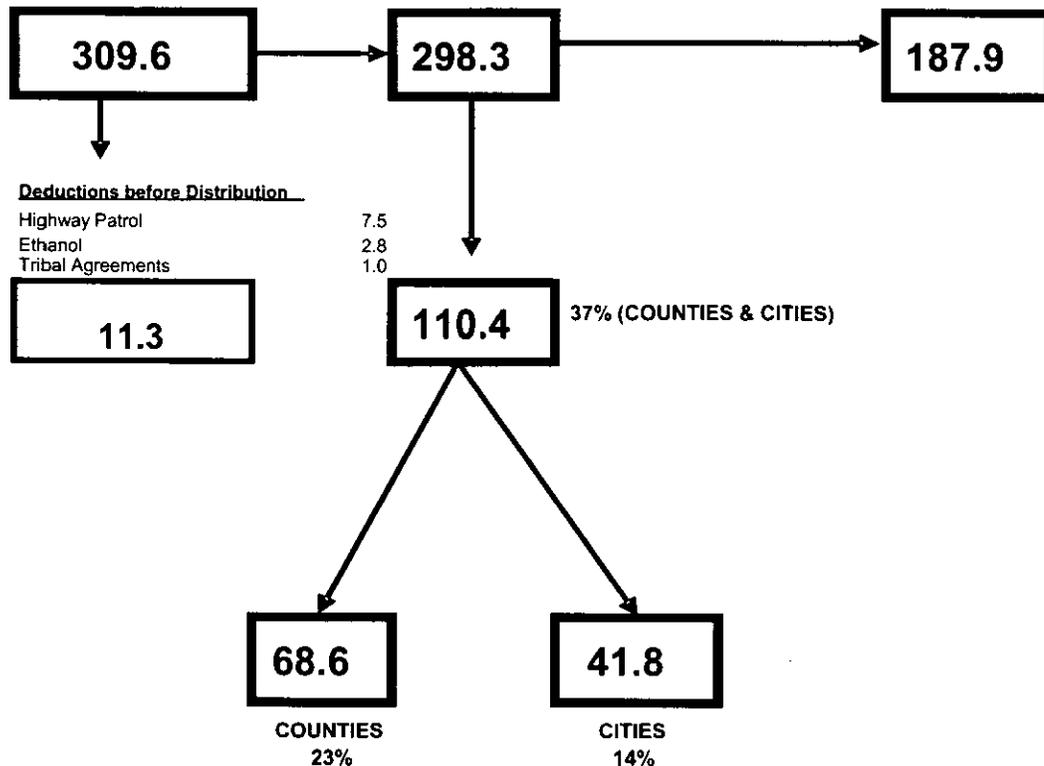
PREPARED BY MDDOT
FINANCIAL MANAGEMENT DIVISION
February 27, 2006

STATE REVENUE

State Highway Tax Distribution Fund

The total projected revenue into the **Highway Tax Distribution Fund** is \$309.6 million for the 2005-2007 biennium. Based on current projections, we should see a slight increase to the **Highway Tax Distribution Fund's** projected revenues for gasohol and diesel fuel, and a slight decrease for gasoline and 2 percent special fuel taxes. We also foresee a very minimal growth in motor vehicle registration fees. The net result is a \$5.2 million increase to the state **Highway Fund** over the enrolled budget for the biennium.

GASOLINE TAX	\$99.2
GASOHOL TAX	48.2
SPEC. FUELS TAX	71.1
2% SF EXC. TAX	9.5
MV REGIS. FEES	81.6



State Highway Fund

The Motor Vehicle registration revenue going directly into the state **Highway Fund** will total \$24.2 million. This includes the proposed \$15 motor vehicle registration fee increase allocated directly to the **Highway Fund**, and the \$3 motor vehicle registration fee that is currently deposited into the **Highway Fund**.

We receive additional revenue from a number of license and permit fees, such as the fee for obtaining a driver's license. The structure for these revenue sources remains unchanged and our estimates reflect a slight decrease from current end-of-biennium projections. These revenue sources generate about \$34 million per biennium and go directly into the state **Highway Fund**.

We also receive revenue from other sources, such as the user charges for state fleet vehicles. This revenue is a pass-through item for the agency, covering fleet expenses. Most of this revenue reflects the volume of related activity, such as agencies' use of fleet vehicles, and is based on actual costs to the NDDOT. These other revenue sources generate about \$58.7 million per biennium, an increase over current end-of-biennium projections. The department anticipates receiving about \$41.5 million from cities and counties as reimbursement for their share of local construction costs. We do not expect an unencumbered balance in the **Highway Fund** at the close of this biennium.

FEDERAL REVENUE

Congress has not yet passed a new federal highway reauthorization bill to provide federal funding through this decade. When we prepared our budget, we were uncertain what North Dakota's funding level would be, and we based the budget on \$199.7 million of regular federal highway formula funds per year, the same as we received in FY 2004. Federal Highway Administration funding for the biennium was estimated at \$463.9 million for the budget submitted. Additional federal funding for earmarks, special programs, rail projects, and safety projects brings the total in the engrossed budget to \$480.3 million.

The increase in federal funding in FY04, FY05, and FY06, along with redistribution from other states and the realignment of funds between the counties, cities, and state, result in a net increase of \$14.5 million needed to match federal funding. Another \$6.6 million is needed for the executive budget salary increases. The engrossed senate budget reduced the salary increases to \$6.2 million. Additional state funds needed to support the executive budget as submitted to the Legislature total \$21.1 million; additional state funds needed to support Engrossed SB 2012 total \$20.7 million.

On December 8, 2004, President Bush signed the 2005 appropriation, which will actually provide \$202.3 million in formula funds in FY 2005. It is important to use this new value for FY 2005. On February 7, 2005 President Bush released the 2006 budget. The numbers reflect an increase over past budgets and translate into a 2006 distribution to North Dakota of \$205.0 million. These two developments will result in an increase of \$7.9 million in federal formula funds over the original budget estimate.

In addition to the formula funds, the December 8 appropriation provided several earmarks for specific projects. Not all of the earmarks require match. The following table shows the overall match increase resulting from the increase in formula funds received from the 2005 appropriation, the match needed for specific project earmarks identified in the appropriation, and the match needed for the February 7 Bush budget. The increase in state matching requirements as a result of these increases is \$2.0 million. Thus, the current requirement for increased state funds for match and salaries (as per Engrossed SB 2012) is \$22.7 million.

Federal Funding Assumptions after Budget Preparation – Based on 2005 Federal Appropriation, President’s 2006 Budget, and Engrossed SB 2012 (Millions)			
	Executive Budget	2005 Congressional Appropriation	Additional Match Required
FY 05-07			
Year 1	199.7	202.3	0.5
Year 2	199.7	205.0	1.0
2005 Congressional Appropriation – Earmarked Projects	Interstate Discretionary Fndng I-94 Main Ave. North – NB	2.0	0.5
	Surface Transp. Program Memorial Bridge Plaza	1.0	0
	Federal Lands Ojibwa Indian School Access Roadway	1.0	0
	Federal Transit Statewide Busing	3.0	0
	Surface Transp. Program Lewis & Clark Legacy Trail	1.0	0
Additional State Match Needed			2.0

Emergency Relief (ER) funding

We continue to move forward with emergency relief projects, primarily in the Devils Lake region. Eligibility has been determined and federal funding is available. Projects that have been determined eligible for the 2005 and 2006 construction seasons include:

- Relocating U.S. 281 to the west of Minnewaukan
- Extending N.D. 19 north of Minnewaukan
- Raising U.S. 2 in the Channel A area northwest of the city of Devils Lake
- Raising U.S. 2 in the Hay Bale Bay area southeast of Devils Lake

These emergency relief projects will require about \$8.46 million in state match. NDDOT will use the authority provided in NDCC 24-02-44 to borrow funds to complete the projects.

EXPENDITURES

The executive budget does not include any additional full-time equivalent (FTE) employees. However, we’re asking for legislative authorization in Section 4 of SB 2012 to allow us to consider hiring additional employees when it is cost-effective to do so. Our intent would be to do an analysis comparing the cost of outsourcing with the cost of doing the work with internal staff. Two examples of where this section might apply include maintenance along the additional 100 two-lane miles of U.S. 2 between Minot and Williston, and maintenance of weigh-in-motion sites. Although it would not be considered highway construction or maintenance, this same analysis could be applied to the provision of driver’s license services, because of the shift in demographics in the state, mainly to the Fargo area. Possibly this can be addressed by amendment.

In the past, our budget included five major programs. We have asked to consolidate this into four programs, combining Motor Vehicle and Drivers License into one program. The four programs, their corresponding 2003-2005 appropriation, and their proposed 2005-2007 budgets are as follows:

Four NDDOT Programs 2005-2007			
	2003-2005 (current) appropriation	2005-2007 Engrossed SB 2012	Increase
Administrative	\$25.2 million	\$27.18 million	\$2.0 million
Driver & Vehicle Services (formerly separate programs)	\$18.1 million	\$20.05 million	1.95 million
Highways	\$699.0 million	\$790.0 million	\$91.0 million
State Fleet Services	\$42.1 million	\$43.3 million	\$1.2 million
TOTAL	\$784.4 million	\$880.53 million	\$96.15 million

Increases in the Administrative, Driver and Vehicle Services, and Highways programs are primarily the result of increases in federal funds of \$25.9 million and the coinciding match of \$15.9 million. In addition to the Highways program bonding of \$53.5 million, the increases are as follows: Administration (\$2.0 million), Driver and Vehicle Services (\$1.95 million), and Highways (\$91.0 million). In addition, in response primarily to the increase in fuel costs, the State Fleet Services program has increased by about \$1.2 million.

As referenced in the Federal Revenue section, our latest projection of federal revenue is \$202.3 million for federal FY 2005 and \$205 million for federal FY 2006. As the increases are added to Engrossed SB 2012, the total NDDOT budget would increase to \$898,403,410. Below is the amendment to Engrossed SB 2012:

Proposed Amendments to Engrossed SB 2012
Page 2, line 2 replace "789,997,698" with "807,897,698".
Page 2, line 4 replace "96,117,492" with "114,017,492".
Page 2, line 12 replace "789,997,698" with "807,897,698".
Page 2, line 14 replace "\$880,503,410" with "\$898,403,410".

Maintenance Responsibility

Section 5 of Engrossed Senate Bill 2012 is a Senate amendment making the state responsible for maintaining any bridge over navigable water, within a municipality, if the bridge is currently maintained by the state. It prohibits the state from negotiating the transfer of maintenance responsibility to a city, even as the city grows and the bridges carry predominantly local traffic.

This philosophical and operational shift in state law will challenge the state's resources. Our current practice mirrors our understanding of NDCC Section 24-01-03: that our primary responsibility is to maintain the state highway system in order to allow the safe movement of people and goods between municipalities, not to dedicate state resources to maintaining roadways and bridges that have become urban connecting streets.

We negotiate bridge maintenance responsibilities with cities only upon any major improvement and widening project. We ask the city to take over responsibility for snow and ice control, pavement marking, signing, lighting, and other minor maintenance responsibilities. And we continue our involvement by performing the bridge inspections and cost-sharing major structural work with the city.

North Dakota has 11 non-Interstate bridges over navigable water within municipalities. Seven of these bridges are maintained by the municipalities, and NDDOT currently maintains four: two in Bismarck-Mandan, one in Minot, and one in Wahpeton. As these four bridges are improved and widened to better serve urban needs, we would customarily negotiate maintenance cost-sharing with the city.

Section 5 does not allow shifting the maintenance responsibility for an urban bridge from the state to the community benefiting from the bridge. We ask the committee to remove Section 5 from Engrossed Senate Bill 2012.

Bonding NDDOT projects

Section 6 of Engrossed SB 2012 provides authority for long-term bonding to advance major projects in the next biennium. Currently, NDDOT has authority to borrow on a short-term basis for projects. As we explored this further, it became obvious that it would be advantageous for the state to bond on a long-term basis, up to 15 years. Bonds of this type are known as GARVEE (Grant Anticipation Revenue Vehicle) bonds and are allowed by federal law. Interest costs and bond issuance costs are eligible for federal reimbursement. Section 8 is an emergency clause that would allow us to begin the process of bond issuance immediately and to have the bond proceeds in place for the 2005 construction season.

The Federal Highway Administration (FHWA) reports that 13 states and territories have used GARVEE bonds for a total of more than \$5 billion. Most of these states have used the bonds on more than one project; the earliest appears to be Ohio in May of 1998. The FHWA report does not cover all bonding activities in the states; we are aware that the Montana DOT uses bonding to advance rural road projects. Steele and LaMoure counties in North Dakota also use GARVEE bond authority, making payments with future federal funds passed through NDDOT to the individual county.

Two projects appropriate for long-term bonding include the four-laning of U.S. 2 between Williston and Minot, and the reconstruction of the Bismarck-Mandan Liberty Memorial Bridge.

The original plan was to begin constructing the additional two lanes of U.S. Highway 2 in 2004 and complete the four-laning by 2013, without affecting the existing program. We realized later, however, that a project of this type is an excellent candidate for bonding to accelerate the construction. Construction inflation is typically five percent or higher – certainly higher than conventional inflation. Last year, construction inflation exceeded 10 percent, mainly because of fuel, steel, and cement price increases. Current bond rates are less than five percent. By bonding the project, we can complete the entire project by the end of 2008 and pay back the bond in annual payments over a period of up to 15 years. The bonding would cover contractor payments, including the federal share and state match. Future payments against the bond would be a combination of federal funds and state match. Making future payments with reduced present-worth dollars also reduces the overall cost.

The last Congress's House version of the federal transportation reauthorization bill provided a \$24 million earmark for construction of the Bismarck-Mandan Liberty Memorial Bridge. Unfortunately, Congress did not pass the reauthorization bill. The bridge's condition necessitates beginning construction in 2006, regardless of the outcome of the earmark. If the earmark does not materialize, bonding could be exercised to cover the \$24 million. Here, too, the bond could be paid back over 15 years without affecting the overall construction program.

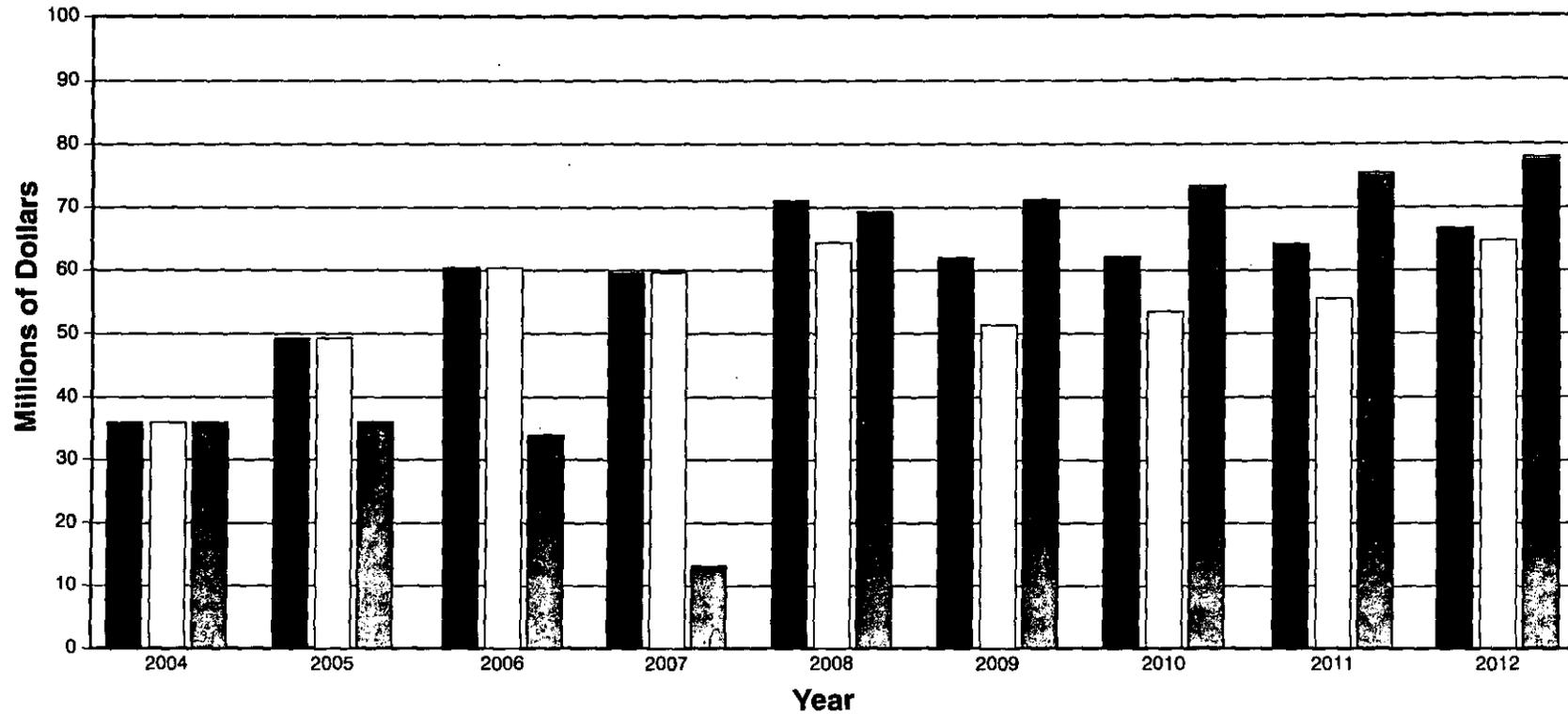
If bonding is not available and the earmark does not materialize, the bridge will still need to be constructed and funds will need to come from several other currently scheduled highway construction projects programmed for 2006 and 2007. The other projects would need to be delayed.

The chart on the next page shows the benefit of bonding the Memorial Bridge and U.S. 2 projects. The bonds will be repaid with about 80 percent federal funds and 20 percent state funds.

Naming a bridge

Section 7 is a Senate amendment that mandates the name of the proposed reconstructed Liberty Memorial Bridge between Bismarck and Mandan to be the "Medal of Honor Bridge."

Impact of Memorial Bridge and US2 4-Laning With Bonding and Loan Options



- Non-Interstate Construction Program With 15-Year Bond
- Non-Interstate Construction Program With 4-Year Loan
- Non-Interstate Construction Program Without 4-Year Loan or Bond (Pay as you go.)

** The numbers reflect only the federal portion of projects.*

Administrative Program

2003-05 Legislative Appropriation	2003-05 Estimated Expenditures	Variance	2005-07 Engrossed SB 2012	2005-07 Engrossed SB 2012 Variance to 2003-05
\$25.2	\$22.0	-\$3.2	\$27.2	\$2.0

The Administrative program consists of the Executive Office, financial management, human resources, information technology, strategic planning, and communication.

- The executive office sets and administers overall policy direction.
- The Financial Management division prepares the budget, does the day-to-day accounting, performs audits, and handles procurement.
- The Human Resources division performs all duties associated with employees, including hiring practices, training issues, classification, discipline, and all other employee issues.
- The Information Technology division oversees the development and maintenance of all IT-related programs, maintains the printing and mailing operations, provides multi media services, and oversees facilities maintenance.
- The strategic planning function deals with the strategic business planning and performance measurement
- The communication function performs, oversees, or makes recommendations on all internal and external communication.

The decrease from the 2003-05 Legislative Appropriation and Estimated Expenditures of \$3.2 million results from the asbestos abatement project that will not be completed this biennium.

The net change of the Administrative program budget is an increase of \$2.0 million. Most of this change can be attributed to three factors:

- A \$1 million increase in salaries and wages resulting from changes in the mix of FTEs between programs, a slight increase in overtime and temporary salaries, and the proposed raises included in the executive recommendation
- A net increase in the operating expenditures of about \$1.95 million. This is primarily due to "Costs to Continue" of about \$450,000 for ConnectND, an IT project that will be funded with about \$1.2 million in federal funds.
- The capital asset line has decreased \$987,496. The decrease consists of a net reduction of \$300,000 in requested IT equipment and a reduction in the funds available for asbestos abatement.

FTEs assigned: 106.5

Driver and Vehicle Services Program

2003-05 Legislative Appropriation	2003-05 Estimated Expenditures	Variance	2005-07 Engrossed SB 2012	2005-07 Engrossed SB 2012 Variance to 2003-05
\$18.1	\$18.1	\$0.0	\$20.05	\$1.95

The Driver and Vehicle Services program consists of the Motor Vehicle Division and the Drivers License and Traffic Safety Division.

The Motor Vehicle division administers all programs relating to the titling and registration of vehicles, including regulating motor vehicle dealers, interstate motor carriers, mobility-impaired parking privileges, and intrastate household goods carriers. It is responsible for maintaining and making available records created by its various activities.

The Motor Vehicle division serves the public at physical locations in the central office in Bismarck and 16 branch offices located throughout the state. Four of these branch offices are located in county treasurer offices. Service is also offered via mail, fax, e-mail, and through the Internet. Five of the branch offices also provide partial registration services to interstate motor carriers, removing the necessity of conducting the transaction in Bismarck. Twelve of the branch offices are privatized operations that decrease NDDOT's operational costs. Internet vehicle registration has been a success and its popularity continues to grow.

The Drivers License and Traffic Safety division serves about 465,000 North Dakota licensed drivers, and also other non-driving residents, law enforcement officers, and the courts. The division ensures that only qualified and competent people are licensed to drive, and educates the public about traffic safety issues.

The Drivers License division has 28 automated licensing and testing sites across the state. NDDOT is required to check a national database before issuing or renewing a commercial driver's license (CDL). As a result of automation, the department can now issue and renew a driver's CDL in a matter of minutes rather than days. There are also 16 non-automated sites.

The net change of the Driver and Vehicle Services program budget is an increase of \$2.0 million, caused by several factors.

- A \$343,347 increase in salaries and wages resulting from the proposed raises included in the executive recommendation
- An increase in operating expenditures of \$736,500, resulting from: an IT project that will be funded with federal funds of \$166,500; a \$290,000 increase in fees for processing credit card; \$5,000 to process the new digital drivers licenses; and \$275,000 for license plates because of a shortage projected this biennium.
- An increase in capital assets of \$5,500 for a copy machine
- An increase of \$890,000 for traffic safety grants, which are 100% federally funded

FTEs assigned: 107.0

Highways Program

2003-05 Legislative Appropriation	2003-05 Estimated Expenditures	Variance	2005-07 Engrossed SB 2012	2005-07 Engrossed SB 2012 Variance to 2003-05
\$699.0	\$707.0	\$8.0	\$790.0	\$91.0

The highways program provides for the planning, surveying, design, construction, maintenance, and evaluation of roads, bridges, and streets to ensure the safe and efficient movement of people and goods. Programming of federal and state funds and transportation planning functions relating to highways, railroads, and transit are also budgeted in this area. The staffing to oversee the highways program is located in our Bismarck central office, eight district offices, and 67 maintenance sections across the state.

The \$8.0 million variance between the 2003-05 legislative appropriation and the estimated expenditures results from a continuation of capital construction carryover appropriation-requesting authority from the 2001-03 biennium. The authority was carried over to the 2003-05 biennium for projects that were started and not yet complete.

The net change of the highway program budget is an increase of about \$37.8 million. This large increase is primarily the result of the increase in federal funds for construction.

- Salaries and wages increased \$4,650,032 as a result of the proposed raises included in the executive recommendation and a slight increase in overtime and temporary salaries.
- Operating costs increased as a result of increases primarily in consultants (\$8,615,406), fees for processing credit cards (\$15,000), relocation assistance (\$2,505,000), and amounts transferred from capital assets (\$301,900). There are also offsets of \$401,159 for savings in risk management insurance, and the airplane lease of \$259,361.
- Capital assets increased \$28,840,857 for contractor payments, and there are decreases totaling \$1,492,072 from miscellaneous building improvements, equipment from the airplane budget, budget relocated to operating, and right-of-way purchases. In addition, capital assets were increased by \$53.5 million for the bonding to complete the four-laning of U.S. Highway 2 and the reconstruction of the Liberty Memorial Bridge.
- Grants to cities, the historical society, and colleges were decreased a total of \$5,400,003.

FTEs assigned: 821.0

State Fleet Services Program

2003-05 Legislative Appropriation	2003-05 Estimated Expenditures	Variance	2005-07 Engrossed SB 2012	2005-07 Recommendation Change (Variance) to 2003-05
\$42.1	\$42.1	\$0.0	\$43.3	\$1.2

The mission of the State Fleet Services division is to provide motor vehicle transportation to state agencies and institutions at the lowest possible cost. The state fleet furnishes motor vehicles used by 60 state agencies, 11 state universities, and 11 extension and research center entities.

During this biennium, fuel costs – especially wholesale fuel costs – have been a challenge. Recently, the wholesale rack price has fluctuated between \$1.10 and \$1.64 per gallon, and the future is uncertain.

Maintenance costs have increased over the past few years. Although this has affected our parts and labor budget, we still try to cycle our vehicles based on our depreciation schedule. This results in a very good return on the vehicles we sell at our auctions.

We continue to purchase the lowest-cost appropriate-size vehicles. We have expanded our program of sharing specialty vehicles, and we continue to monitor vehicle use so that we provide all necessary service using the fewest possible vehicles.

The net increase to the State Fleet Services Program budget is about \$1.2 million.

- The \$201,891 change in salaries results from the change in the mix of FTE's between the program, a slight increase in overtime and temporary salaries, and the proposed raises included in the executive recommendation.
- The increase in operating costs of \$1,670,633 is primarily the result of the anticipated increase in fuel costs.
- A \$683,244 reduction in capital assets is based on the current replacement schedule.

FTEs assigned: 10.0

US-2 and Memorial Bridge Bonding Analysis

3/21/2005

Year	Without Bonding - Memorial Bridge Plus US 2 Cost as per Original Schedule (\$Million)	Memorial Bridge plus US 2 - Reduced Cost Due to Earlier Completion Through Bonding (\$Million)	Bond Sale Schedule (\$Million)	Memorial Bridge and US-2 Combined Bond Payback (\$Million)	Combined US-2 and Memorial Bridge Payback - Present Worth Value (\$Million)	Memorial Bridge- Loss of Purchasing Power equal to inflationary value of delayed asphalt projects (\$Million)	Net Value of Bonding Considering present worth and inflationary gain. (\$Million)
2004	\$7.15	\$7.15					
2005	\$9.84	\$25.34	\$29.00				
2006	\$49.44	\$55.47	\$24.00	\$1.98	\$1.92		
2007	\$16.07	\$28.77	\$21.50	\$2.47	\$2.33		
2008	\$11.11	\$16.41		\$2.47	\$2.26		
2009	\$12.45			\$8.44	\$7.50		
2010	\$14.81			\$10.06	\$8.68		
2011	\$16.35			\$10.06	\$8.43		
2012	\$5.06			\$10.06	\$8.18		
2013				\$10.06	\$7.94		
2014				\$10.06	\$7.71		
2015				\$10.06	\$7.49		
2016				\$10.06	\$7.27		
2017				\$10.06	\$7.06		
2018				\$10.06	\$6.85		
2019				\$3.33	\$2.20		
2020				-\$0.11	-\$0.07		
ROW	\$0.50						
Total	\$142.78	\$133.14	\$74.50	\$109.12	\$85.73	\$2.46	\$83.27

Notes:

The total cost of first 4 years US 2 unbonded projects (\$58.61 million) plus the net value of bonding with inflationary gain/savings (\$83.27 million) is \$141.88 million as compared to the \$142.78 million value without bonding .

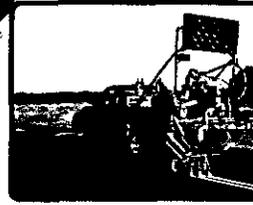
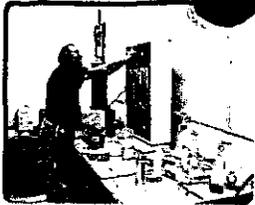
Inflationary gain - Without Memorial Bridge Bonding - \$24 million in asphalt surfacing projects will be delayed 2 years.

Construction Inflation is at least 5% annually - as high as 10%

Inflationary cost of delayed projects - \$2.46 million

An additional \$4.4 million in user cost savings can also be considered for US 2 based on upon FHWA values for truck and auto time savings for 100 miles @ 70 mph versus 65 mph over 4

If Memorial Bridge is not constructed as planned and closure must be implemented the annual user costs will be about \$3.5 million.



STRATEGIC PLAN 2003-2009

OUR MAP TO THE FUTURE

A note from the Director:

In the past year, we increased the effectiveness of NDDOT's programs, products, and services. This updated strategic plan takes into account those successes and continues to focus us on our vision: Safe Ways, Great Ways, Promoting Economic Growth.

The previous (2002-2008) plan included six goals and 29 objectives. NDDOT employees' efforts resulted in the completion of one entire goal and six objectives. The executive re-validation process identified four new objectives and split 4.7 in two, so the updated plan has five goals and 28 objectives.

This strategic plan touches each of the Department's core functions: planning and project development, operations, services to government, security and safety, and our overall organizational health. The purpose of the plan is to concentrate our effort on "providing a transportation system that safely moves people and goods."

As you become more familiar with this brochure you'll see we've made substantial progress on our journey. Although much remains to be done, I'm confident that our employees will continue to make NDDOT's programs, products, and services second to none.

*David A. Sprynczynatyk, P.E.
September 2003*

NDDOT

**North Dakota
Department of Transportation**

Objective 4.5. Implement a 5-year plan to improve North Dakota Department of Transportation work facilities by 25 percent NLT March 31, 2007. Objective owners: Deputy Director for Business Support and Deputy Director for Engineering

Objective 4.6. Develop a succession planning program NLT June 30, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

Objective 4.7. Develop and implement an employee wellness program NLT June 30, 2004. Objective owner: Deputy Director for Business Support (New)

GOAL 5. Strengthen stakeholder relationships. GOAL SPONSOR: Director, DOT

Objective 5.1. Enhance our knowledge and understanding of stakeholders NLT December 31, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services (Formerly 6.1)

Objective 5.2. Enhance communication processes with stakeholders NLT December 31, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services (Formerly 6.2)

Objective 5.3. Develop context-sensitive design procedures that recognize the need for protection of our historic, cultural, and environmental resources NLT June 30, 2005. Objective owner: Deputy Director for Engineering (New)

**DAVID A. SPRYNCZYNATYK, P.E.
DIRECTOR**

Tom Freler	Deputy Director for Business Support
Grant Levi	Deputy Director for Engineering
Keith Magnusson	Deputy Director for Driver and Vehicle Services
Gary Barreth	Director of Operations
Tim Horner	Director of Transportation Programs
Francis Ziegler	Director of Project Development
Paul Seado	General Counsel

Objective 3.4. Review, map, and assess processes NLT December 31, 2006. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

Objective 3.5. Develop a process to track trends, best practices, and technological advancements which impact transportation NLT June 30, 2004. Objective owner: Deputy Director for Engineering (Formerly 5.3)

Objective 3.6. Complete a state highway modal plan NLT December 31, 2004. Objective owner: Deputy Director for Engineering (New)

Objective 3.7. Develop and implement a strategy to improve construction quality through partnering NLT December 31, 2004. Objective owner: Deputy Director for Engineering (New)

Objective 3.8. Advance implementation of TransAction initiatives working with Director's Advisory Council and Director's Transportation Forum NLT December 31, 2007. Objective owner: Deputy Director for Engineering (New)

GOAL 4. Enhance employee satisfaction. GOAL SPONSOR: Director, DOT

Objective 4.1. Complete development of career path program NLT June 30, 2004. Objective owner: Deputy Director for Business Support

Objective 4.2. Develop and implement plans that provide employees with effective and efficient maintenance and fleet services equipment NLT June 30, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services (Formerly 4.7.1)

Objective 4.3. Develop and implement plans that provide employees with effective and efficient engineering and information technology equipment NLT June 30, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services (Formerly 4.7.2)

Objective 4.4. Enhance training opportunities to ensure employees continued professional growth NLT August 31, 2004. Objective owner: Deputy Director for Business Support (Formerly 4.8)



STRATEGIC PLAN 2003-2009

VISION

Safe Ways

Great Ways

Promoting Economic Growth

MISSION

Providing a transportation system that safely moves people and goods.

VALUES

Professionalism - Our employees strive to improve themselves and the products and services they deliver.

Respect - Our employees treat others courteously and are treated with courtesy by the department.

Integrity - Our employees deal honestly with coworkers and with contacts outside the department.

Dedication - Our employees assume responsibility for their work and do the job right the first time.

Excellence - Our employees continually exceed and raise the high standards they set for themselves.

GOALS AND OBJECTIVES

Goal 1. Enhance customer satisfaction.

Goal 2. Increase safety on North Dakota's transportation system and within the Department of Transportation.

Goal 3. Improve the quality and efficiency of North Dakota's transportation system and services.

Goal 4. Enhance employee satisfaction.

Goal 5. Strengthen stakeholder relationships.

GOAL 1. Enhance customer satisfaction. GOAL SPONSOR: Director, DOT

Objective 1.1. Conduct customer satisfaction survey NLT April 30, 2004 to determine: perception of road ride quality, road maintenance quality, quality of driver licensing services, quality of information and services at visitor centers/rest areas, perception of road safety information and traffic services, as well as quality of communication with customer groups and segments. Objective owner: Deputy Director for Business Support

Objective 1.2. Enhance internal and external communication NLT September 30, 2006. Objective owner: Deputy Director for Business Support

Objective 1.3. Improve ride quality by 10 percent NLT March 31, 2008. Objective owner: Deputy Director for Engineering

Objective 1.4. Enhance maintenance service levels NLT April 30, 2007. Objective owner: Deputy Director for Engineering

Objective 1.5. Improve load-carrying capacity of the state highway system by 20 percent NLT September 30, 2008. Objective owner: Deputy Director for Engineering

Objective 1.6. Enhance customer service in the Motor Vehicle division NLT December 31, 2006. Objective owner: Deputy Director for Driver and Vehicle Services

Objective 1.7. Enhance customer service in the Drivers License and Traffic Safety division NLT December 31, 2006. Objective owner: Deputy Director for Driver and Vehicle Services

GOAL 2. Increase safety on North Dakota's transportation system and within the Department of Transportation. GOAL SPONSOR: Director, DOT

Objective 2.1. Enhance employee safety and security plans NLT December 31, 2004. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services (Formerly 2.4)

Objective 2.2. Increase driver awareness by improved communication of traveler information NLT September 30, 2004. Objective owner: Deputy Director for Business Support

Objective 2.3. Develop and implement a safety plan that reduces transportation-related reportable crashes, injuries, and fatalities relative to vehicle miles traveled (VMT) by 10 percent NLT December 31, 2007. Objective owners: Deputy Director for Business Support, Deputy Director for Engineering, and Deputy Director for Driver and Vehicle Services

GOAL 3. Improve the quality and efficiency of North Dakota's transportation system and services. GOAL SPONSOR: Director, DOT

Objective 3.1. Develop a strategic performance measurement system NLT July 31, 2005. Objective owner: Deputy Director for Business Support

Objective 3.2. Refine and implement highway modal investment strategy to include a pavement preservation program NLT December 31, 2004. Objective owner: Deputy Director for Engineering

Objective 3.3. Refine and implement roadway classification system NLT December 31, 2004. (Work will continue in this area; objective is being considered for consolidation with others) Objective owner: Deputy Director for Engineering

APP I

Draft State/County/City Roadway Planning

Purpose

To develop a policy plan that ensures the state, county, and city roadway systems are integrated to allow North Dakota to provide the most efficient and effective services possible given the resources available.

- 53 counties having 75,552 miles of roadway
- 357 cities having 3,848 miles of city streets
- State Highway System having 7,382 miles of state highway
- Total of 86,782 miles of roadway

Criteria

Criteria for developing the policy plan.

1. Identifies a prioritized roadway system that designates tiered levels of roadways and corresponding levels of service.
2. Focuses on high-priority corridors;
3. Is consistent with the department's highway performance classification system and other criteria developed by the department.

Steps

- Develop Background Material
- Eight Regional Meetings – To present background material, the process, and to seek input.
- 410 Local Meetings – To meet with governing body and seek input.
- Develop Draft Plan
- Eight Regional Meetings – To discuss draft plan and receive input.
- Develop Final Draft Plan
- 410 Local Meetings – To present and discuss a final draft plan and receive final comment.
- Final Plan
- Eight Regional Meetings to share Final Plan

Resources and Cost Estimate

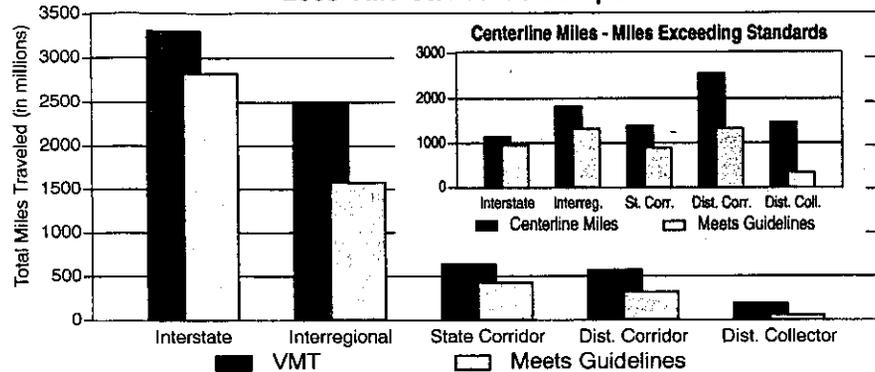
A minimum of 24 regional meetings and 820 local meetings requiring three people for 10 months to facilitate input ensuring alignment with legislative intent.

Three people at approximately \$4,000 per month equals \$12,000/month times 10 months in eight regions equals \$960,000. Additional travel expenses and printing will bring the total to approximately \$1 million.

Highway System Condition

North Dakota has 7,382 miles (8,407 centerline miles) on its state highway system. These miles fall into five categories of the Highway Performance Classification System (HPCS). The following chart shows the number of miles and the respective travel on each system that meets the performance guidelines.

Highway Performance Classification System
2003 VMT Standards Comparison



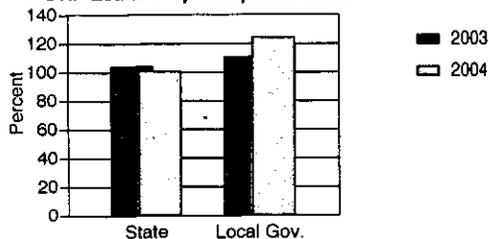
Project Development and Delivery

The projects bid in 2003 and 2004 were also reviewed with respect to total program cost. The graph illustrates the total bid amount in comparison with the estimates published in the STIP (Statewide Transportation Improvement Program). Achieving a value of 100 percent would be ideal.

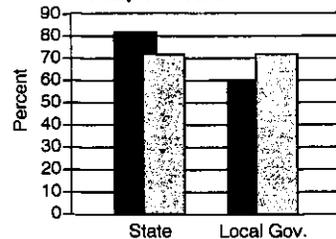
The DOT developed 45 projects for 2003 and 43 projects for 2004 construction which were outlined in the previous years STIP. In 2003, 82 percent of the STIP projects were advanced as planned, 31 of the 43 projects in 2004, or 72 percent, were bid as planned.

There were also 39 STIP projects that were developed by non-DOT organizations in 2004. Twenty-nine of those projects, or 74 percent, were bid and the remaining 10 projects were delayed due to federal funding transfer or non-DOT agency decisions. The rate for 2003 was 59 percent.

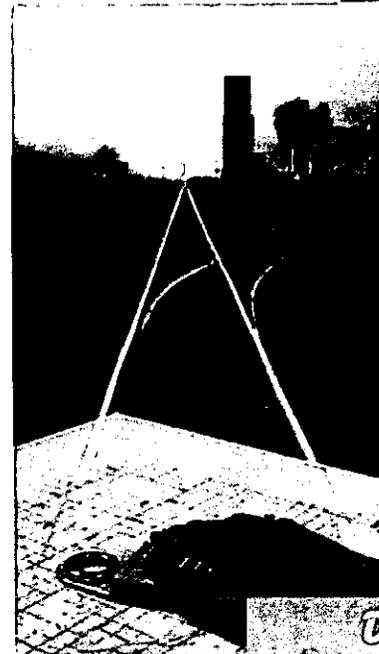
STIP Est. to Proj. Completion Cost



Completed As Scheduled



North Dakota Department of Transportation



Performance Measures Report Card



NDDOT
North Dakota
Department of Transportation

DIRECTOR
David A. Sprynczatyk, P.E.
Bismarck, North Dakota
www.discovernd.com/dot
December 2004

In 2004, the department identified five significant Performance Measure outcome areas. These outcome areas are tied to and directly reflect organizational progress toward accomplishing our strategic goals. Many of the benchmark results for customer satisfaction, worker and highway safety, highway system condition, and project development and delivery were obtained in the spring 2004 customer satisfaction survey.

Customer Satisfaction

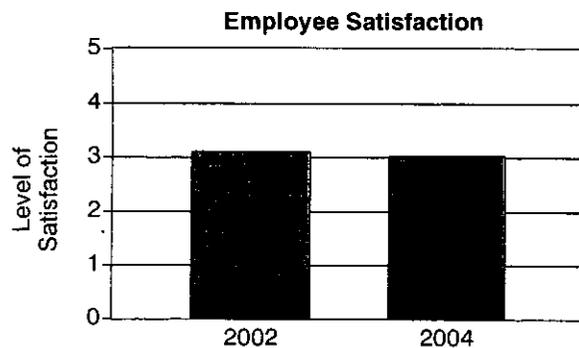
The 2004 survey showed that overall, 82 percent of our customers are *satisfied* or *very satisfied* with our performance. Some of the survey questions were:

- Ride quality
- Debris, snow and ice removal
- Safety
- Rest areas
- Traveler information
- General communication
- Motor Vehicle and Drivers License Divisions



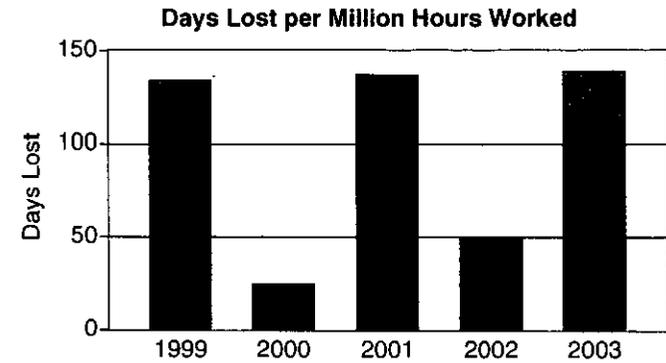
Employee Satisfaction

The department conducted an employee satisfaction survey in 2002 and 2004. Some of the highest percentages deal with loyalty to the department and benefits. Some of the lowest percentages deal directly with pay and compensation issues.



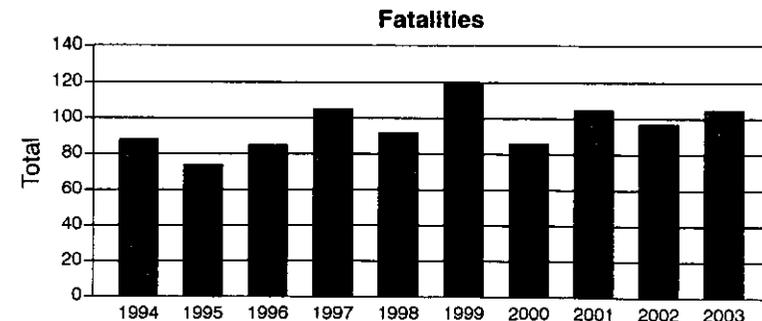
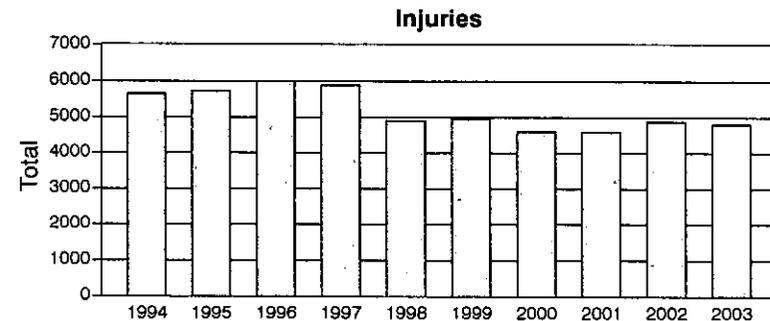
Worker Safety

In 2002, as a result of workplace accidents, the department lost 49 hours per million hours worked by employees. In 2003, the department lost 139 hours per million hours worked.



Highway Safety

From 1994 through 2003, North Dakota has averaged 5,213 highway injuries and 97 highway deaths each year. In 2003, there were 4,817 injuries and 105 fatalities.



North Dakota Department of Transportation 2004 Customer Satisfaction Survey

Executive Summary

Principal Investigator Cullen F. Goenner, PhD
UND Department of Economics, Bureau of Business and Economic Research

Purpose and Methodology

In the spring of 2004, the Bureau of Governmental Affairs at the University of North Dakota conducted a survey on behalf of the North Dakota Department of Transportation (NDDOT). The purpose of the survey was to provide NDDOT with information regarding how well the department is meeting the needs of North Dakota's motorists, motor carriers, government officials, and businesses. The survey covered topics including ride quality, snow and ice removal, safety, debris removal, rest areas, load capacity, NDDOT communication with the public, and interaction with the motor vehicle and drivers license divisions. The survey was administered by phone to random samples of 600 motorists, 120 motor carriers, 115 government officials, and 86 businesses in North Dakota.

Overall Satisfaction

Overall, North Dakota residents are highly satisfied with the performance of NDDOT. For example, 82% of motorists responded that they were either satisfied or very satisfied with the services provided by NDDOT. Table 1 provides a summary of responses. Similarly, motor carriers, government officials, and businesses responded positively with 77%, 90%, and 80% respectively either satisfied or very satisfied.

Of particular note is the high regard that customers give the motor vehicle and drivers license divisions. Customers who interacted with the motor vehicle division reported satisfaction above 86% for each group, while those who interacted with the drivers license division reported satisfaction above 90%.

With respect to debris removal, snow and ice removal, safety, rest areas, and traveler information, respondents were generally satisfied (more than 60% reporting satisfaction).

The results, though, indicate that improvement could be made in the smoothness of ride, load carrying capacity, and communication with the public. Only 35% and 29% of motorists and motor carriers respectively responded that they were satisfied with the smoothness of the noninterstate highway system. Motor carriers were also dissatisfied with the load carrying capacity of roads (28% reporting satisfaction). Not surprisingly, government officials were generally more satisfied with communication from NDDOT than other customer groups.

Key Factors Influencing Overall Satisfaction

The three most important factors contributing to the overall satisfaction of respondents for the services provided by the NDDOT were:

- **Motorists:** Traffic flow through construction, highway signing, and interaction with the motor vehicle division.
- **Motor carriers:** Overall safety, interaction with the motor vehicle division, and highway signing.
- **Government Officials:** Interaction with drivers license division, pavement striping, and highway signing.
- **Businesses:** Timelines of snow removal, notice of NDDOT activities, and rest area location.

Demographic Factors

Analysis indicates that there are no statistical differences in the overall satisfaction of individuals across the four groups based on gender, purpose for using the highway system, or primary vehicle driven. The one difference among motorists that did exist was that older individuals tended to be less satisfied overall.

Frequency of Services Used

With respect to the frequency in use of the services provided by NDDOT:

- 81% of motorists responded that they had used North Dakota's rest areas. The other groups' use ranged from 86-89%. The primary reasons given for not using rest areas were safety concerns, location, and lack of need given the distance traveled.
- Respondents across the four groups reported that they were generally satisfied with their ability to obtain current information on road conditions. While motorists primarily received this information from the news media, motor carriers, government officials, and businesses were more likely to get this information from the internet.
- Use of the NDDOT road information system 511 was 33% of motorists, 42% of motor carriers, 41% of government officials and, 29% of businesses.
- Motorists use the NDDOT website (28%) much less frequently than the other three groups, perhaps due to less access to the internet. Motorists, government officials, and businesses primarily used the website to obtain information on road conditions, while motor carriers used the website primarily for "other" purposes.
- Customer access to NDDOT services without visiting a site location is also an important goal of the NDDOT. In person use of the driver license division was 90% or above for each group, whereas customers did business with the motor vehicle division in person 72% of the time for motorists, 78% for motor carriers, 58% for government officials, and 72% for businesses. These latter numbers may suggest that government officials have a greater awareness of the availability of these alternative methods than other customers.

2004 Customer Satisfaction Survey Results
Percentage of respondents either "Very Satisfied" or "Satisfied"

Category	Residents	Motor Carriers	Government Officials	Businesses
Overall Satisfaction	82%	77%	90%	80%
Ride				
Interstate Smoothness	53%	24%	N/A	54%
Non-Interstate Smoothness	35%	29%	N/A	40%
Snow, Ice, and Debris Removal				
Snow / Ice Timeliness	84%	74%	92%	84%
Snow / Ice Effectiveness	84%	80%	91%	87%
Debris Removal	72%	71%	65%	73%
Safety				
Overall Safety	86%	84%	88%	86%
Pavement Striping	72%	79%	77%	73%
Highway Signing	89%	93%	87%	85%
Construction Signing	83%	84%	88%	86%
Traffic Flow through Construction	69%	78%	80%	69%
Rest Areas				
Safety	76%	90%	82%	83%
Lighting	81%	89%	85%	89%
Cleanliness	82%	94%	87%	81%
Information	66%	74%	77%	64%
Location	76%	78%	65%	70%
Communication				
Road Condition Information	72%	76%	81%	76%
Notice of DOT Activities	52%	43%	74%	52%
Public Input on Activities	50%	53%	76%	50%
Motor Vehicle Division				
Overall	93%	91%	90%	86%
Drivers License and Traffic Safety Division				
Overall	92%	90%	93%	97%
Load-Carrying Capacity				
Load-Carrying Capacity	N/A	28%	N/A	60%



111

NORTH DAKOTA LEAGUE of CITIES

Founded in 1912

*Service, Advocacy, Leadership,
Education & Support*

Senate Appropriations Committee
Senate Bill 2012
January 13, 2005

For decades, the cities and counties in North Dakota have worked with the state's Department of Transportation to address transportation needs. The state's 357 incorporated cities use state, federal and local funds to maintain and improve streets, and transportation funds have become the largest per capita payment to cities.

Beginning in 2001, the League participated with representatives of local government, the private sector and the state in developing North Dakota's statewide strategic plan (TransAction). It quantifies the ever-growing transportation infrastructure needs and caused us to think about our transportation system as a key component in growing the economy in North Dakota. Among many things, this effort focused our collective attention on the need to approach our transportation system in a comprehensive manner, to prioritize the needs, and to recognize it as an investment.

Together, using federal, state and local funds, we have made substantial investments in transportation and this state-local partnership has served us well over the decades. City leaders recognize the value of maintaining a high level of transportation services at the local level, as well as the crucial need for a well-maintained network of highways among communities. Recent examples of state-local partnership efforts include:

- Constructing the four-lane section of Highway 2 between Minot and Williston which will significantly improve connections between communities in northwest North Dakota and the rest of the state;
- Valley City's bridge improvements;
- Carrington's Highway 281 overpass;
- Fargo's Main Avenue and Main Avenue bridge projects;
- The State Street and the Highway 1804 reconstruction projects in Bismarck;
- South Broadway project in Minot;
- Killdeer's Highway 22 project through the city;
- 32nd Avenue and Columbia Road improvements in Grand Forks; and
- Highway 2 improvements in the Devils Lake area.

410 East Front Avenue ■ Bismarck, ND 58504-5641

Phone: 701-223-3518 ■ Toll Free (in state): 1-800-472-2692 ■ Fax: 701-223-5174 ■ Web: www.ndlc.org

Of course there are always greater needs and major projects on the drawing board. These are just a few:

- Memorial Bridge must be reconstructed between Bismarck and Mandan;
- Watford City wants to improve their main access through town; and
- Dickinson's Highway 22 underpass improvements.

The League supports the North Dakota Department of Transportation's 2005-07 budget and the continuation of this state-local partnership. The executive budget provides increased local funding and we deeply appreciate that.

While the strategic planning efforts in 2001 revealed Herculean efforts to address the needs at the state and local levels, it is also clear that the state, the cities and the counties are finding it increasingly difficult to keep up. Despite increased levels of federal funding, our needs are growing faster than resources.

While each entity could find areas of disagreement on dollars and priorities, the state-city-county partnership that has existed for many years has served all parties well. On behalf of the North Dakota League of Cities, I look forward to continued focus on finding the resources to meet this state's transportation needs.

Connie Sprynczynatyk
Executive Director



NORTH DAKOTA
LEAGUE of CITIES
Founded in 1912

*Service, Advocacy, Leadership,
Education & Support*

#3
H. App. 6.0.
mm. 2/28/05
SB 2012

House Appropriations Committee
Government Operations Division
Senate Bill 2012
February 28, 2005

For decades, the cities and counties in North Dakota have worked with the state's Department of Transportation to address transportation needs. The state's 357 incorporated cities use state, federal and local funds to maintain and improve streets, and transportation funds have become the largest per capita payment to cities.

Beginning in 2001, the League participated with representatives of local government, the private sector and the state in developing North Dakota's statewide strategic plan (TransAction). It quantifies the ever-growing transportation infrastructure needs and caused us to think about our transportation system as a key component in growing the economy in North Dakota. Among many things, this effort focused our collective attention on the need to approach our transportation system in a comprehensive manner, to prioritize the needs, and to recognize it as an investment.

Together, using federal, state and local funds, we have made substantial investments in transportation and this state-local partnership has served us well over the decades. City leaders recognize the value of maintaining a high level of transportation services at the local level, as well as the crucial need for a well-maintained network of highways among communities. Recent examples of state-local partnership efforts include:

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- Dickinson's Highway 22 underpass improvements.

The League supports the North Dakota Department of Transportation's 2005-07 budget and the continuation of this state-local partnership. The executive budget provides increased local funding and we deeply appreciate that; however, cities remained concerned that increases in funding flow through the Highway Distribution Fund in addition to the Highway Fund.

While the strategic planning efforts in 2001 revealed Herculean efforts to address the needs at the state and local levels, it is also clear that the state, the cities and the counties are finding it increasingly difficult to keep up. Despite increased levels of federal funding, our needs are growing faster than resources.

While each entity could find areas of disagreement on dollars and priorities, the state-city-county partnership that has existed for many years has served all parties well. On behalf of the North Dakota League of Cities, I look forward to continued focus on finding the resources to meet this state's transportation needs.

Connie Sprynczynatyk
Executive Director

PICKUP TRUCKS
=====

1 THRU 6 YEARS

REGISTERED GROSS WEIGHT	CURRENT FEE	CURRENT VEHICLES	CURRENT REVENUE	PROPOSED FEE	INCREASE AMOUNT	INCREASE PERCENTAGE	PROJECTED REVENUE
NOT OVER 4,000	\$58.00	23	\$1,334.00	\$60.00	\$2.00	3.45%	\$1,380.00
4,001 - 6,000	\$63.00	308	\$19,404.00	\$60.00	(\$3.00)	-4.76%	\$18,480.00
6,001 - 8,000	\$68.00	6,228	\$423,504.00	\$80.00	\$12.00	17.65%	\$498,240.00
8,001 - 10,000	\$73.00	27,832	\$2,031,736.00	\$98.00	\$25.00	34.25%	\$2,727,536.00
10,001 - 12,000	\$78.00	17,090	\$1,333,020.00	\$129.00	\$51.00	65.38%	\$2,204,610.00
12,001 - 14,000	\$83.00	8,736	\$725,088.00	\$162.00	\$79.00	95.18%	\$1,415,232.00

TOTAL 60,217 \$4,534,086.00 \$6,865,478.00

PICKUP TRUCKS
=====

7 THRU 9 YEARS

REGISTERED GROSS WEIGHT	CURRENT FEE	CURRENT VEHICLES	CURRENT REVENUE	PROPOSED FEE	INCREASE AMOUNT	INCREASE PERCENTAGE	PROJECTED REVENUE
NOT OVER 4,000	\$45.00	9	\$405.00	\$52.00	\$7.00	15.56%	\$468.00
4,001 - 6,000	\$50.00	720	\$36,000.00	\$52.00	\$2.00	4.00%	\$37,440.00
6,001 - 8,000	\$55.00	4,284	\$235,620.00	\$68.00	\$13.00	23.64%	\$291,312.00
8,001 - 10,000	\$60.00	15,837	\$950,220.00	\$81.00	\$21.00	35.00%	\$1,282,797.00
10,001 - 12,000	\$65.00	4,800	\$312,000.00	\$107.00	\$42.00	64.62%	\$513,600.00
12,001 - 14,000	\$70.00	1,223	\$85,610.00	\$133.00	\$63.00	90.00%	\$162,659.00

TOTAL 26,873 \$1,619,855.00 \$2,288,276.00

PICKUP TRUCKS
=====

10 THRU 12 YEARS

REGISTERED GROSS WEIGHT	CURRENT FEE	CURRENT VEHICLES	CURRENT REVENUE	PROPOSED FEE	INCREASE AMOUNT	INCREASE PERCENTAGE	PROJECTED REVENUE
NOT OVER 4,000	\$40.00	6	\$240.00	\$44.00	\$4.00	10.00%	\$264.00
4,001 - 6,000	\$44.00	1,557	\$68,508.00	\$44.00	\$0.00	0.00%	\$68,508.00
6,001 - 8,000	\$48.00	6,060	\$290,880.00	\$56.00	\$8.00	16.67%	\$339,360.00
8,001 - 10,000	\$52.00	15,089	\$784,628.00	\$66.00	\$14.00	26.92%	\$995,874.00

TOTAL 22,712 \$1,144,256 \$1,404,006.00

PICKUP TRUCKS
=====

13 THRU 15 YEARS

REGISTERED GROSS WEIGHT	CURRENT FEE	CURRENT VEHICLES	CURRENT REVENUE	PROPOSED FEE	INCREASE AMOUNT	INCREASE PERCENTAGE	PROJECTED REVENUE
NOT OVER 4,000	\$37.00	25	\$925.00	\$36.00	(\$1.00)	-2.70%	\$900.00
4,001 - 6,000	\$38.00	5,710	\$216,980.00	\$36.00	(\$2.00)	-5.26%	\$205,560.00
6,001 - 8,000	\$39.00	14,032	\$547,248.00	\$44.00	\$5.00	12.82%	\$617,408.00
8,001 - 10,000	\$41.00	18,125	\$743,125.00	\$50.00	\$9.00	21.95%	\$906,250.00

TOTAL 37,892 \$1,508,278 \$1,730,118.00

PICKUP TRUCKS
=====

20TH & SUI YEARS

REGISTERED GROSS WEIGHT	CURRENT FEE	CURRENT VEHICLES	CURRENT REVENUE	PROPOSED FEE	INCREASE AMOUNT	INCREASE PERCENTAGE	PROJECTED REVENUE
NOT OVER 4,000	\$36.00	56	\$2,016.00	\$36.00	\$0.00	0.00%	\$2,016.00
4,001 - 6,000	\$37.00	3,621	\$133,977.00	\$36.00	(\$1.00)	-2.70%	\$130,356.00
6,001 - 8,000	\$38.00	20,971	\$796,898.00	\$44.00	\$6.00	15.79%	\$922,724.00
8,001 - 10,000	\$40.00	20,104	\$804,160.00	\$50.00	\$10.00	25.00%	\$1,005,200.00

TOTAL 44,752 \$1,737,051 \$2,060,296.00

TOTAL VEHICLES 192,446

TOTAL REVENUE \$10,543,526 \$14,348,174.00

AVERAGE FEE PER VEHICLE \$54.79

ADDITIONAL REVENUE \$3,804,648.00

AVERAGE INCREASE \$19.77

NOTE: The vehicle counts listed in this spreadsheet are an estimate of the number of pickup trucks by age and weight category, and are intended ONLY to provide an estimate of additional revenue generated by requiring ALL pickups to pay passenger car fees.

NORTH DAKOTA SENATE BILL NO. 2012
GOVERNMENT OPERATIONS DIVISION
HOUSE APPROPRIATIONS COMMITTEE
Monday, February 28, 2005

2
H. App. 6.0.
mm. 2/28/05
SB 2012

Testimony of Gerald M. Skogley

Chairman Carlisle and members of the Committee:

My name is Gerald Skogley. I am a resident of Bismarck and retired from active employment. I am not here to speak to the appropriation for the Department of Transportation. I am here to oppose Section 7 of Senate Bill 2012.

I am a native North Dakotan. Along with eight siblings, I graduated from Mott High School. I was a member of the North Dakota National Guard which was activated during the Korean War in 1951. I am an honorably discharged veteran of the Army. I had three brothers and one sister in World War II. The three brothers saw extensive combat in the Pacific Theatre. My sister, in the Navy served as a newspaper writer at a west coast Naval air station.

My father, a 12 year old immigrant from Norway came to North Dakota in 1910. Seven years later, he enlisted in the Army and was sent to Europe. He spent one year on the front lines in France and at the end of the war, stayed in France and Germany as part of the occupation force. He was a very patriotic man. He was proud to be a North Dakotan and citizen of the United States. He was always proud of the Liberty Memorial Bridge being named a monument to the veterans of World War I, both those who came home, as well as those who made the supreme sacrifice and did not return.

I am not opposed to proper recognition being given to Medal of Honor recipients. They have a special place in our nation and should be recognized - but not at the expense of the veterans of World War I. I urge you to delete Section 7 of this bill and continue to recognize that bridge as a memorial to the North Dakota veterans of World War I. My father passed away 12 years ago at the age of 96 - I am speaking on his behalf.

REVENUE OPTIONS (MILLIONS)

	New Revenue	State	County	City
Scenario #1				
½ cent MV Excise Tax – to Highway Fund	14.6	14.6	0.0	0.0
1 cent fuel tax – to Highway Distribution Fund	10.2	6.4	2.4	1.4
\$5 MV Registration Fee – to Highway Distribution Fund	6.7	4.22	1.54	.94
\$5 MV Registration Fee – to Highway Fund	6.7	6.7	0.0	0.0
Total	38.2	31.92	3.94	2.34
Scenario #2				
2 cent fuel tax – to Highway Distribution Fund	20.4	12.8	4.7	2.9
½ cent MV Excise Tax – to Highway Fund	14.6	14.6	0.0	0.0
\$3 MV Registration Fee – to Highway Fund	4.0	4.0	0.0	0.0
Total	39.0	31.4	4.7	2.9
Scenario #3				
2 cent fuel tax – to Highway Distribution Fund	20.4	12.8	4.7	2.9
½ cent MV Excise Tax – to Highway Fund	14.6	14.6	0.0	0.0
Remove Highway Patrol Funding		4.7	1.7	1.1
Total	35.0	32.1	6.4	4.0
Scenario #4				
1 cent fuel tax – to Highway Distribution Fund	10.2	6.4	2.4	1.4
½ cent MV Excise Tax – to Highway	14.6	14.6	0.0	0.0
\$7 MV Registration Fee – to Highway Distribution Fund	9.4	5.9	2.2	1.3
Remove Highway Patrol Funding		4.7	1.7	1.1
Total	34.2	31.6	6.3	3.8

Requested by Representative Timm
 Revenue Options: 3/9/05
 Prepared by NDDOT Financial Management Division

REVENUE OPTIONS (MILLIONS)

	New Revenue	State	County	City
Scenario #5				
3 cent fuel tax – to Highway Distribution Fund	30.6	19.3	7.0	4.3
\$9 MV Registration Fee – to Highway Fund	12.1	12.1	0.0	0.0
Total	42.7	31.4	7.0	4.3
Scenario #6				
2 cent fuel tax – to Highway Distribution Fund	20.4	12.8	4.7	2.9
\$5 MV Registration Fee – to Highway Distribution Fund	6.7	4.22	1.54	.94
\$11 MV Registration Fee – to Highway Fund	14.7	14.7	0.0	0.0
Total	41.8	31.72	6.24	3.84
Scenario #7				
3 cent fuel tax – to Highway Distribution Fund	30.6	19.3	7.0	4.3
1/4 cent MV Excise Tax increase – to Highway Fund	7.3	7.3	0.0	0.0
Remove Highway Patrol Funding		4.7	1.7	1.1
Total	37.9	31.3	8.7	5.4
Scenario #8				
2 cent fuel tax – to Highway Distribution Fund	20.4	12.8	4.7	2.9
1/4 cent MV Excise Tax – shift to Highway Fund		7.3	-31	-27
\$5 MV Registration Fee – to Highway Fund	6.7	6.7	0.0	0.0
\$5 MV Registration Fee – to Highway Distribution Fund	6.7	4.22	1.54	.94
Total	33.8	31.0	5.9	3.6
Scenario #9				
2 cent fuel tax in the winter months – to Highway Distribution Fund	9.0	5.7	2.1	1.2
4 cent fuel tax in the summer months – to Highway Distribution Fund	22.8	14.4	5.2	3.2
\$8 MV Registration Fee – to Highway Fund	10.7	10.7		
Total	42.5	30.8	7.3	4.4

Revenue Options: 3/11/05

Prepared by NDDOT Financial Management Division

REVENUE OPTIONS (MILLIONS)

	New Revenue	State	County	City
Scenario #7A				
2 cent fuel tax – to Highway Distribution Fund	20.4	12.8	4.7	2.9
½ cent MV Excise Tax – shift to Highway Fund	0.0	14.6	0.0	0.0
Move pick-ups into passenger fee category	7.6	4.8	1.7	1.1
Total	28.0	32.2	6.4	4.0
Scenario #7B				
2 cent fuel tax – to Highway Distribution Fund	20.4	12.8	4.7	2.9
\$11 MV Registration Fee – to Highway Fund	14.7	14.7	0.0	0.0
Move pick-ups into passenger fee category	7.6	4.8	1.7	1.1
Total	42.7	32.3	6.4	4.0

Tim proposal

REVENUE OPTIONS (MILLIONS)

	New Revenue	State	County	City
Scenario #8 Conference committee				
3 cent gas tax – to Highway Distribution Fund	20.2	12.7	4.7	2.8
2 cent special fuels tax – to Highway Distribution Fund	6.9	4.4	1.6	0.9
\$11 MV Registration Fee – to Highway Fund	14.7	14.7	0.0	0.0
Total	41.8	31.8	6.3	3.7

Requested by Conference Committee

Revenue Options: 4/18/05

Prepared by NDDOT Financial Management Division

11-20-05

REVENUE OPTIONS (MILLIONS)

	New Revenue	State	County	City
Conference Committee Scenario #14				
1 cent fuel tax – to Highway Distribution Fund +	10.2	8.3	1.2	0.7
\$12 MV Registration Fee – to Highway Distribution Fund +	16.1	13.1	1.85	1.15
Move pick-ups into passenger fee category – to Highway Distribution Fund +	7.6	6.2	0.85	0.55
Total	33.9	27.6	3.9	2.4

+ Counties and Cities would receive their share of the distribution the second year of the biennium.

Requested by Conference Committee
Revenue Options: 4/20/05
Prepared by NDDOT Financial Management Division

Trenburt:

Option # 14

Winters

Requested by Conference Committee
Revenue Options 4/20/05
Prepared by NDDOT Financial Management Division

REVENUE OPTIONS (MILLIONS)

	New Revenue	State	County	City
Conference Committee Scenario #15				
2 cent fuel tax – to Highway Distribution Fund	20.4	12.8	4.7	2.9
\$8 MV Registration Fee – to Highway Fund	10.7	10.7	0.0	0.0
Move pick-ups into passenger fee category	7.6	4.8	1.7	1.1
*				
Total	38.7	28.3	6.4	4.0

* Motor Vehicle Excise Tax collected in excess over March 2005 Projection (\$148,408,696 = \$136,536,000 General Fund portion and \$11,872,696 State Aid Distribution) – shift to Highway Fund. The DOT would not see any revenue benefit until the 2007-09 biennium.

This proposal would increase the fuel tax by two cents, bringing it to 23 cents. It would increase motor vehicle registration, across the board, by eight dollars, all going into the highway fund. All pickups would be moved into the passenger vehicle category. This raises \$7.6 million, which would be distributed through the highway distribution fund.

A sunset clause of June 30, 2007, would apply to all registration fees going directly to the highway fund.¹

Any excess collection of motor vehicle excise tax above the March 2005 projection (\$148 million) would be transferred to the highway fund. This would continue until 20 percent of the collection would go to the NDDOT highway fund.²

It is intended that the NDDOT, to the extent possible, work towards the implementation of the department's Highway Performance Classification System.

¹ After June 30, 2007, the net result would be a reduction of \$5.5 million to the highway fund and an increase of \$3.4 million to the counties and \$2.1 million to the cities.

² After the total excise tax collection reaches \$185 million, the distribution would be fixed, 80 percent to the state aid distribution fund and 20 percent to NDDOT highway fund.

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REVENUE OPTIONS (MILLIONS)

	New Revenue	State	County	City
Conference Committee Scenario #16A				
1 cent fuel tax 1 st year – to Highway Distribution Fund	5.1	3.2	1.2	0.7
2 cent fuel tax 2 nd year – to Highway Distribution Fund	10.2	6.4	2.4	1.4
\$13 MV Registration Fee – to Highway Fund	17.4	17.4	0.0	0.0
Move pick-ups into passenger fee category – ½ in year one	1.9	1.2	0.4	0.3
Move pick-ups into passenger fee category - ½ in year two	3.8	2.4	0.8	0.6
*				
Total	38.4	30.6	4.8	3.0
Conference Committee Scenario #16B				
1 ½ cent fuel tax – to Highway Distribution Fund	15.3	9.6	3.6	2.1
\$13 MV Registration Fee – to Highway Fund	17.4	17.4	0.0	0.0
Move pick-ups into passenger fee category – ½ in year one	1.9	1.2	0.4	0.3
Move pick-ups into passenger fee category - ½ in year two	3.8	2.4	0.8	0.6
*				
Total	38.4	30.6	4.8	3.0

* Motor Vehicle Excise Tax collected in excess over March 2005 Projection (\$148,408,696 = \$136,536,000 General Fund portion and \$11,872,696 State Aid Distribution) – shift to Highway Fund. The DOT would not see any revenue benefit until the 2007-09 biennium.

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REVENUE OPTIONS (MILLIONS)

2005-2007 Biennium

	New Revenue	State	County	City
Conference Committee Scenario H-3				
2 cent fuel tax –Highway Distribution Fund	20.4	12.8	4.69	2.86
\$10 MV Registration Fee –Highway Fund	13.4	13.4	0.0	0.0
Move pick-ups into passenger fee category – plus ½ passenger fee increase – Highway Distribution Fund	3.8	2.39	0.87	0.53
*				
Total	37.6	28.59	5.56	3.39

* Motor Vehicle Excise Tax collected in excess over March 2005 Projection (\$148,408,696 = \$136,536,000 General Fund portion and \$11,872,696 State Aid Distribution) – shift to Highway Fund. The DOT would not see any revenue benefit until the 2007-09 biennium.

2007-2009 Biennium

	New Revenue	State	County	City
Conference Committee Scenario H-3				
2 cent fuel tax –Highway Distribution Fund	20.4	12.8	4.69	2.86
\$10 MV Registration Fee –Highway Fund	13.4	13.4	0.0	0.0
Move pick-ups into passenger fee category – full passenger fee –Highway Distribution Fund	7.6	4.8	1.7	1.1
*				
Total	41.4	31.0	6.39	3.96

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REVENUE OPTIONS (MILLIONS)

	New Revenue	State	County	City
Conference Committee Scenario H-2				
2 cent fuel tax –Highway Distribution Fund	20.4	12.8	4.69	2.86
\$12 MV Registration Fee –Highway Fund	16.1	16.1	0.0	0.0
Move pick-ups into passenger fee category – ½ passenger fee –Highway Distribution Fund	3.8	2.39	0.87	0.53
*				
Total	40.3	31.29	5.56	3.39

* Motor Vehicle Excise Tax collected in excess over March 2005 Projection (\$148,408,696 = \$136,536,000 General Fund portion and \$11,872,696 State Aid Distribution) – shift to Highway Fund. The DOT would not see any revenue benefit until the 2007-09 biennium.

Requested by Conference Committee
Revenue Options: 4/22/05
Prepared by NDDOT Financial Management Division

MINNESOTA · REVENUE

2003 Report on Petroleum Taxes

Introduction

The mission of the Petroleum Division is to achieve compliance with the laws pertaining to the taxes and fees we administer. Most revenues collected are dedicated to specific purposes:

The motor vehicle gasoline and special fuel taxes, approximately \$639 million collected during 2003, are dedicated to the Highway User Tax Distribution Fund.

Taxes totaling approximately \$3.3 million collected during the past year on aviation gasoline and jet fuel were transferred to the Aviation Fuel Tax Fund.

The Cleanup Fee, which amounted to approximately \$26 million during the year, is used to clean up spills from leaking storage tanks. This fee is imposed for periods of four consecutive months and is imposed when the fund level goes below \$4 million. The Cleanup Fee was collected for four months during 2003.

Inspection fees amounting to \$3.6 million are used partially for activities performed by the Department of Public Service, Weights and Measures Division, and to provide funding to improve the efficiency of heating units in low income housing. The remainder goes into the General Fund.

Propane Fees amounting to \$546,360 are also used to provide funding to improve the efficiency of heating units in low income housing.

Approximately \$18,000 in license fees are placed in the General Fund.

The rates of these taxes and fees remained unchanged from 1997.

The Petroleum Tax Division

The Petroleum Tax Division collects state taxes on gasoline, special fuel, aviation special fuel and aviation gasoline, and collects inspection and cleanup fees on petroleum products received in Minnesota. It licenses distributors, special fuel dealers and bulk purchasers, and issues certain gasoline and special fuel tax refunds.

The Petroleum Tax Division is comprised of the following units which perform a wide range of activities:

The License Unit issues new distributor and special fuel licenses.

The Document Processing Unit receives, records and pre-audits returns from distributors, special fuel dealers and bulk purchasers;

and prepares and maintains records of receipts and disbursements, including additional tax and overpayment notices and related correspondence.

The Computer Support Unit provides assistance in developing and maintaining all computer systems.

The Office Audit Unit audits terminal reports and distributor and special fuel tax returns, initiates assessments and credits, maintains files on licensed accounts, processes aviation and miscellaneous refund claims, and answers questions on adjustments and reporting procedures.

The Field Audit Unit performs field audits of licensed distributors, special fuel dealers, bulk purchasers and interstate

trucking companies, and reviews refund claims. It assists clientele in setting up record keeping systems, and detects and assesses taxes due from unlicensed accounts consuming or selling petroleum products on which the tax has not been paid or accrued.

The Field Audit Unit also administers the dyed fuel program, which includes checking licensed vehicles throughout the state.

License Summary

Distributors of petroleum products	508
Special fuel dealers and bulk purchasers	192
Total	700

MONTHS IN WHICH THE CLEANUP FEE HAS BEEN IMPOSED

1987 - September, October

1988 - None

1989 - September

1990 - January, March through December

1991 - January, July through December

1992 - January through December

1993 - January through December

1994 - January through October

1995 - February, March, April, May

1996 - April, May, June, July, October, November, December

1997 - January, August, September, October, November

1998 - March, April, May, June

1999 - October, November, December

2000 - January, November, December

2001 - January, February

2002 - January, February, March, April, November, December

2003 - January, February, November, December

2004 - January, February, November, December

2005 - January, February

FUND NAME Petroleum Tank Release Clean-up Fund
FUND CODE 150
FUND CLASS CODE 150
FUND TYPE Special Revenue
DATE OF ORIGIN 1987
LEGAL CITATION M.S. 115C.08
PRIMARY ADMINISTERING AGENCY Department of Commerce

PURPOSE OF FUND

The fund was established to ensure the cleanup of leaks and spills from petroleum storage tanks that might endanger Minnesotans' health, safety and environment. The program consults with the Minnesota Pollution Control Agency to determine the extent of contamination and the degree of its threat to human health or the environment; develops and submits cleanup plans to the Pollution Control Agency; and reimburses responsible parties for up to 92.5 percent of eligible cleanup costs. Petroleum leaks pose a threat to human and animal life. By cleaning up the petroleum leaks promptly, the program returns land to productive natural or economic use while protecting water and wildlife resources and human health.

SOURCE OF FUND: Money in the fund is generated through the following sources:

- 1) petroleum tank cleanup fee: a 2 cent per gallon fee assessed on petroleum distributors when the fund balance drops below \$4 million;
- 2) money recovered by the state against a responsible person, including costs of investigating a release, administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;
- 3) interest attributable to investment of money in the fund;
- 4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the fund; and
- 5) fees charged for the operation of the tank installer certification program.

PRIMARY EXPENDITURE

Money in the fund may only be spent:

- 1) to administer the petroleum tank release cleanup program;
- 2) for administrative costs and costs of corrective action taken by the pollution control agency;
- 3) \$6,200,000 is annually appropriated from the fund to the commissioner of trade and economic development for contamination cleanup grants. Of this amount, the commissioner may spend up to \$120,000 annually for administration of the grant program. The appropriation does not cancel and is available until expended. Unless otherwise provided, the appropriation may be used for:



"Freier, Tom D."
<tfreier@state.nd.us>

To: "NDLA, Intern 1" <intern1@state.nd.us>
CC:
Subject: SB2012

04/11/2005 05:12 PM

Carlee, my understanding is that the conference committee is asking you to furnish information about Minnesota's gas tax, and more specifically the cleanup fund tax of 2 cents that goes on every so often. We furnished the info during the session, and to save you the time I will share the source. Through the internet, I believe we got most of the info from the Minnesota Dept of Revenue. Within that department, the Petroleum Tax Division collects and administers the tax on gas, etc... including the 2 cent Cleanup Fund..... I called a gentleman in the department, and sent me a listing of the months that the 2 cent tax has been imposed, 1987 to 2005...

If I can be of help, please call..... 8-2642.....

Tom D. Freier
ND Department of Transportation
608 East Boulevard Avenue
Bismarck, ND 58505-0700
701-328-2581 Phone

OFFICE OF MANAGEMENT AND BUDGET

600 East Boulevard Ave, Dept 110 • Bismarck, North Dakota 58505-0400

FAX - (701) 328-3230

TO: Rep. Timm
FROM: Celeste Kubasta *Celeste*
DATE: April 21, 2005
RE: Department of Transportation

Senate bill 2348, as passed and signed by the Governor increases the public transportation fee from \$2 to \$3. This increase provides an additional \$1,550,000 to be distributed by the Department of Transportation.

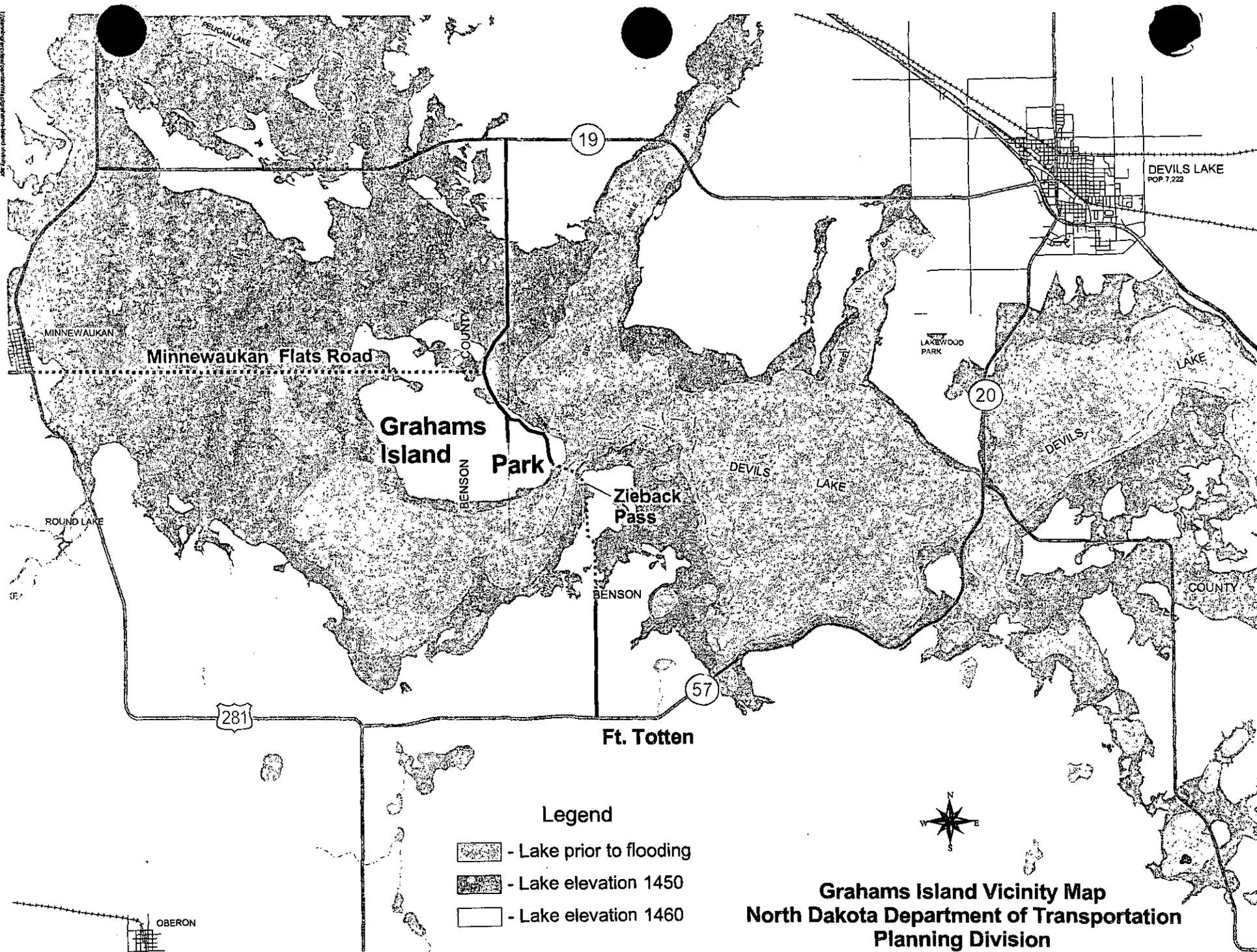
Senate bill 2348 did not increase the appropriation for the Department of Transportation. In order for DOT to pay out the additional grants, the department's appropriation for Highways needs to be increased \$1,550,000.

If you need any additional information, please call me at 328-4947. Thanks for your assistance.

Director - Fourth Floor - (701) 328-4904
Fiscal Management - Fourth Floor - (701) 328-2680
State Radio - Fraine Barracks - (701) 328-8154

Central Services - Fourteenth Floor - (701) 328-2780
Human Resources Mgmt. Services - Fourteenth Floor - (701) 328-3290
Facility Management - Fourth Floor - (701) 328-2471

Risk Management - 1600 E. Century Ave, Suite 4 - (701) 328-7584



Grahams Island Vicinity Map
North Dakota Department of Transportation
Planning Division
August 2004