

2013 SENATE TRANSPORTATION

SB 2221

2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee Lewis and Clark Room, State Capitol

Senate Bill 2221
January 31, 2013
Job number: 18056

Conference Committee

Doris E. Perez

Explanation or reason for introduction of bill/resolution:

To provide an appropriation to the North Dakota Department of Transportation (DOT) for grants to counties and townships for improvements to scenic roadways and roadways providing access to recreational areas.

Minutes:

Attached testimony: 10

Chairman Oehlke Opened the hearing on SB 2221.

Senator Robert Erbele, District 28, in favor This bill requests a twenty million dollars appropriation from the Strategic Investment and Improvement Fund. He provided a little history on the fund and background on how projects of this type are currently funded. See attached testimony #1. This bill will provide tax relief and help local subdivisions fund these projects. He handed out **Senator's Larry Robinson's** written testimony, in support of this bill, including a copy of the Special Road Fund Study-Background Memorandum listing projects this fund has supported. See attached testimony #2. Senator Robinson was not able to attend the hearing.

In response to **Senator Flakoll's** question regarding who are the members of the Special Road Committee mentioned in page 1 lines 16-17, **Chairman Oehlke** handed out testimony #3.

Senator Carlisle, District 30, there is a bill similar to this in Appropriations and I think this bill is the vehicle.

Bill Butcher, Friends of Lake Sakakawea, an organization representing boaters, fishermen, cabin owners, sailors, businesses, communities and everyone who appreciates this resource. See written testimony #4 in favor of this bill. In response to a question from **Senator Flakoll** regarding amount of money in his "wish list" he said more than twenty million dollars. **Senator Campbell** wanted to know how much money they have received from this fund so far, to which he answered that right now there is no fund. The only money available is the Special Road Fund interest from federal moneys received in transportation with a one hundred twenty five thousand dollars limit. It costs nearly a million dollars a mile to pave a road, so it makes no sense to even apply. The problem is that many of the paved roads that go near recreational areas are good, but the last two to six miles are terrible. We got an increase in population that needs access roads.

Handed out written testimony #5 from Clarence Weltz, former Mountrail County Commissioner, summarizing his discussion of this bill with, current Mountrail County Commissioners, Greg Boschee and David Hynek. All of them favor of this bill.

Randy Hatzenbuehler, President Theodore Roosevelt Medora Foundations in support of bill; written testimony #6

Tom Jochim, Chairman, Voices for Lake Oahe, Emmons County, North Dakota in support of this bill. See written testimony #7, highlighting the benefits of road improvement.

Bill Mitzel, publisher Dakota County Magazine, a monthly hunting, fishing and conservation magazine. Stressing the effect of good roads on tourism. Attached written testimony #8 supporting this bill.

Kelly Sorge, owner Indian Hills Resort, Garrison North Dakota. Written testimony #9 in favor of this bill. She explained the effect of a primitive county road full of washboards and loose rocks not only on campers and boats but on businesses.

Emmanuel Stroh: Member Friends of Lake Sakakawea, Dunn County Director for Friends of Lake Sakakawea, Vice-President of McKenzie Bay Marine Club. Written testimony # 9 stating that much of the road funds in that area are going to roads impacted by high oil traffic and how this bill will allow additional funding for improvement to roads that lead to many recreational spots statewide.

Chairman Oehlke remarked to Mr. Butcher and Ms. Sorge that upgrading roads into some of the residential areas are improvements that increase property values and thus property taxes. He asked if these people are prepared for the increase in property taxes. Mr. Butcher said he can't speak of property values and Ms. Sorge said the increase will be better for her in the long run. Chairman Oehlke remarked that usually everybody likes the increase in property values but two years down the road they come back asking for property tax relief to which neither responded.

Senator Flakoll asked Ms. Sorge and Mr. Stroh what the local mil for roads in their area is. They did not know.

Bill Shaloob Representing ND Chamber of Commerce and the Tourism Alliance Partnership, both organizations favor this bill. One of our initiatives in TAP has been infrastructure development within North Dakota to help tourism. The governor had a small grant program in his last budget and a larger one this time. Tourism is not only the larger communities, it is the hunting and fishing and all the other recreational opportunities within the state while those infrastructure grants deal with the actual building of a thing for people to go to see we still have to get people there to see it so roads are an important part of the process we are trying to create the forward thinking that will be necessary when we don't have as much oil activity as we do and we will have things in place to continue our prosperity in the form of more recreational opportunities for people out of state and create business opportunities.

No additional testimony in favor. No testimony in opposition. No neutral testimony. Hearing closed.

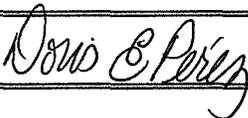
2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

Senate Bill 2221
January 31, 2013
Recording job number 18108

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

To provide an appropriation to the North Dakota Department of Transportation (DOT) for grants to counties and townships from improvements to scenic roadways and roadways providing access to recreational areas.

Minutes:

Attached testimony 1

Chairman Oehlke opened the discussion on SB 2221.

Senator Flakoll: I was thinking about two individual amendments. In the first one we looked at breaking up the dollars, divide the state in eight regions and say that those funds will be dispersed within those eight regions as nearly equal as practicable so that it is not just one big project but a number of projects that can be done across the state so that there isn't this feeling of being left out as it were. The second amendment relates to the county mil rates so that they have at least certain amount of local effort and won't be sailing along with just either no mils or quarter mils and then expect the state to come in and do it for them.

Chairman Oehlke I think it was two sessions ago that increased the dollar amount that went to oil related counties for road work. We passed legislation that gave them more of the oil production tax but we required that they at least put ten mils into that county road fund from each county. Until about five years ago some counties in the oil producing area did not have to spend any of their county money on road work; they were getting plenty of oil money to handle all the road activity. It wasn't until recently that it got out of hand. So if the counties want some of this work they should be stepping up to the plate too.

Senator Campbell That is in addition to the 20% they have to put?

Chairman Oehlke The wording is that they may require up to 20% no that they shall

Senator Sinner Eight regions are equal regions based on population?

Senator Flakoll Established in the late seventies, they are geographic areas.

Senator Sitte I don't like the regional idea. We have a committee in place and I like the grouping. Let's say there is nothing needed in the larger areas; why should they be forced

to put money in there when right now all the demands in recreation, for access, are in the west but in five years it might be in the east. It is only twenty million dollars I don't think this is a huge amount of money and would not want to tie the hands of this committee

Senator Flakoll The committee is already suspicious to me, regardless of who is put on there, they are going to represent certain people or areas and it raises flags immediately by identifying them. There is leadership, members of individual organization, or whatever, that just naturally raises flags in that they don't have a set metrics of scoring in the bill, or otherwise. You are just leaving yourself open to people saying; so and so is voting for, because they live in this or that area.

Senator Sitte Let us review it: one senator, one member of the house, the director of game and fish, the director of parks and recreation and the director of the department of transportation. I consider those five people an adequate committee to determine who gets what.

Senator Sinner Were you suggesting that the money be divided equally between these eight regions?

Senator Flakoll As equal as generally practicable, divided by regional areas. There are lots of groups that would be on the list that aren't on the table. Game and fish put money for people who have expensive boats and RVs but what are we doing for the park at this place or other things like that it is a situation fraught with suspicion.

Senator Campbell I agree with Senator Flakoll. To me it is a huge equity deal; it gives me relief that it is a fair deal.

Senator Sinner I agree with Senator Sitte I look back at what happened with the water commission and the water distribution funds back in 1980s they were dividing the money equally between the eight regions of the state and were just gradually finishing these little projects all the way along. About the mid-80s they got together with the water commission and a couple other parties and said we need to fix a few problems. The first thing they did was the diversion around West Fargo. It saved West Fargo; they put all the money in one year in just one project because it was so needed. In this case we have very similar situations; we can have people apply. These people are employees; they will make an honest decision on where this money goes. I agree with Senator Sitte

Vice Chairman Armstrong I agree with both of them. I would request that the work "equally" be changed to "equitably". That if we are only appropriating 20 million dollars, it's a lot of money, but when you divide it among eight people that might not be enough for any particular one project. If there is a big group of people who think there are twenty million dollars going out to the west. Some language is needed to give guidance to the committee saying this needs to be spread appropriately across the state is a good idea

Senator Flakoll Just the power of the chairman of legislative management, who appoints the members, there will be a lot of people scrapping for that one It will be hotly discussed that one person gets to pick without advice and consent of anybody. We hear a lot of complaining about the interim committee where the budget section and others allocate

funds for a small group that, for some people go outside of the normal budgeting process. I worry that this is even more egregious for those who have concerns about the math.

Senator Sitte We learned last session. We heard from North Dakota Department of Transportation (DOT) that the roads in the eastern part of the state were built on much higher standard than the roads anywhere else to accommodate the sugar beet and potato growers. That happened years ago and if all the roads in the state would have gone to that quality we would not have the problems in the west that we are having now. At the time, the state responded to a very real need but that is what the legislature does we look out for the entire state not our own little turf or region and when we get into that mode then everybody loses.

Senator Flakoll That is a flawed argument because what I am proposing is about having some across the entire state and the spirit of equity. I don't know what the breakout was at that time.

Chairman Oehlke Have the amendments ready for tomorrow so we can vote on this bill.

Meeting adjourned.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee Lewis and Clark Room, State Capitol

Senate Bill 2221
February 1, 2013
Recording job number 18126

Conference Committee

Committee Clerk Signature

Ann E. Perez

Explanation or reason for introduction of bill/resolution:

To provide an appropriation to the North Dakota Department of Transportation (DOT) for grants to counties and townships from improvements to scenic roadways and roadways providing access to recreational areas.

Minutes:

Attached testimony: 3

Chairman Oehlke opened the discussion on SB 2221.

Senator Flakoll Moved to adopt amendment 13.0662.02001, regarding mils. Explained this will ensure counties and townships make an effort on their own. Testimony #1

Vice Chairman Armstrong Second

Discussion:

Senator Axness Do you know of any counties exempt from this, and levied less than 7 mils?

Senator Flakoll Some will be.

No further discussion. Voice vote on amendment 13.0662.02001 7 in favor 0 against 0 absent not voting

Senator Flakoll Moved to adopt amendment 13.0662.02002 regarding the regionalization, to ensure significant needs all across the state are met. Testimony #2

Vice Chairman Armstrong second

No discussion. Voice vote 5 yes 2 no 0 absent not voting

Senator Flakoll Proposed a third amendment regarding the special road committee under Section 3 Section 24-02-37.2. Looking for a broader spectrum of involvement the proposed amendment before you provides additional legislative involvement that would be broader based. Instead of a minority of members being elected officials representing the legislative branch, it would include five legislators and three agency heads or their designees. It would take five votes to pass something. It goes from two members appointed by the chairman of

legislative council to one member appointed by that individual and it would include the chairmen of the Senate and House Transportation committees, the Senate and House minority leaders; so it has both the majority and minority party representatives. This would probably provide for a better process. Moved to adopt the amendment. Testimony #3

Vice Chairman Armstrong Second

No discussion. Voice vote all in favor (7)

Senator Sitte Moves do pass SB 2221, as amended, and rerefer to Appropriations

Senator Flakoll second

Roll call vote: 7 yes 0 no 0 absent not voting

Carrier: Chairman Oehlke

February 1, 2013

JS
2-5-13

PROPOSED AMENDMENTS TO SENATE BILL NO. 2221

Page 1, line 3, remove "and"

Page 1, line 3, after "transfer" insert "; and to amend and reenact section 24-02-37.2 of the North Dakota Century Code, relating to the special road committee"

Page 1, line 20, after the period insert "The special road committee may distribute a maximum of \$2,500,000 of grants under this section for projects located within the boundaries of each department of transportation district in the state. To be eligible to receive a grant under this section, the county or township road project must be located within a county that levies a combined total of seven or more mills for county road and bridge, farm-to-market and federal aid road, and county road purposes.

SECTION 3. AMENDMENT. Section 24-02-37.2 of the North Dakota Century Code is amended and reenacted as follows:

24-02-37.2. Special road committee.

The special road committee consists of one member of the ~~senate and one member of the house of representatives~~ legislative assembly appointed by the chairman of the legislative management, the chairmen of the senate and house of representatives transportation committees, the senate minority leader, the house minority leader, the director of the game and fish department, the director of the parks and recreation department, and the director of the department of transportation. If any member of the committee, except the director of the department of transportation, is unable to attend a meeting of the committee, the member may appoint a designee to serve in the member's place. The director of the department of transportation is chairman of the committee. The committee must meet at the call of the director to review requests for funding from the special road fund. The committee shall decide which project requests will receive funding. The director shall provide staff services to the committee. The members of the committee who are members of the legislative assembly are entitled to compensation from the department of transportation, from moneys appropriated from the special road fund, for attendance at committee meetings at the rate provided for members of the legislative assembly for attendance at interim committee meetings and are entitled to reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers."

Renumber accordingly

Date: February 1, 2013
Roll Call Vote #: 2

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL NO. 2221**

Senate TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.0662.02002

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Flakoll Seconded By Senator Armstrong

Senators	Yes	No	Senator	Yes	No
Chairman Dave Oehlke			Senator Tyler Axness		
Vice Chairman Kelly Armstrong			Senator George Sinner		
Senator Margaret Sitte					
Senator Tim Flakoll					
Senator Tom Campbell					
<i>Voice Vote</i>					

Total (Yes) 5 No 2

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
Establish regionalization to ensure needs all across the state are met.

Date: February 1, 2013
Roll Call Vote #: 4

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2221

Senate _____ TRANSPORTATION _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number 13,0662.02003

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Sitte Seconded By Senator Flakoll

Senators	Yes	No	Senator	Yes	No
Chairman Dave Oehlke	✓		Senator Tyler Axness	✓	
Vice Chairman Kelly Armstrong	✓		Senator George Sinner	✓	
Senator Margaret Sitte	✓				
Senator Tim Flakoll	✓				
Senator Tom Campbell	✓				

Total (Yes) 7 No 0

Absent

Floor Assignment Senator Oehlke

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

REPORT OF STANDING COMMITTEE

SB 2221: Transportation Committee (Sen. Oehlke, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2221 was placed on the Sixth order on the calendar.

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Renumber accordingly

2013 SENATE APPROPRIATIONS

SB 2221

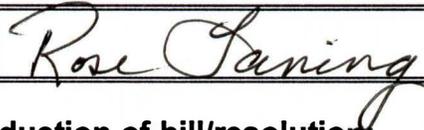
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2221
February 11, 2013
Job # 18647

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of transportation for grants to counties and townships for improvements to scenic roadways and roadways providing access to recreational areas;

Minutes:

Testimony # 1

Legislative Council - Brady Larson
OMB - Joe Morrissette

Chairman Holmberg opened the hearing on SB 2221. Roll call was taken. All committee members were present.

Senator Erbele, District 28, Lehr, ND

Bill Sponsor

SB 2221 is seeking to put \$20 million from the strategic investment fund into a fund for scenic roadways, byways, and recreational access. We have discussed in previous sessions about getting the roads fixed. The stand-alone projects from individual districts don't meet with a lot of approval. The roads are shared by agriculture, tourism, and energy so we need to take care of these roads. Tourism is the third largest industry in the state so we should be supporting that as we have been supporting agriculture and energy. The transportation committee uses a special road funds to get the money distributed. They decided to divide the \$20 million between the 8 road districts to make \$2.5 million per district. The county has to level at least 7 mills. The changed the makeup of the special roads committee. I hope the subcommittee says something to the effect that the funds from unused districts could be moved to other districts. The intent is that not one area would eat up the whole fund.

Chairman Holmberg If you look at the eight different regions, aren't there greater needs in other regions?

Senator Erbele I am thinking so don't have as much need as others. If I was on the Transportation committee I would say we can go to at least three or four regions instead of the eight.

Chairman Holmberg Is there a possibility of everyone getting part of the money and if they don't use it another region that needs it could use it? At the end of the hearing we will be sending this bill to the same committee that is doing the department of transportation: Senator Lee, Senator Holmberg, Senator Wanzek, and Senator O'Connel. We are trying to get all of the transportation issues together.

V.Chairman Bowman We went to \$10,000 per township two years ago in the special session and \$15,000 this year. Is any of that money in those townships going to go towards some of these roads we are talking about now or is this over and above that for the same road?

Senator Erbele The bill says it may require at least 20% from the local counties. I'm hoping those dollars we're sending out there could be used on those projects. We're sending them money because they are behind. They have to have some skin in the game and the special roads committee could require them to have up to 20% come from the locals.

Senator Robinson, District 24, Valley City, ND
Co-sponsor

Testimony attached # 1 - Special Road Fund Study

I stand in support of this proposal and Senator Erbele explained it well. The economic impact in return to invest these dollars in recreational roads is without question. We have done a lot of great things in the state with dollars that have been placed in the special roads fund so I encourage serious consideration. There are a number of projects across the state we have been putting off from year after year for obvious reasons. There comes a time when we need to address these projects. There is a need the area of Fort Ransom State Park that needs work. It would be a major impact on the whole area around For Ransom.

Chairman Holmberg: Would you be adverse to changing the language so regions with projects can have the funds rather than just spending the money because it is there.

Senator Robinson: I would be in full support of that. It is an enhancement to the overall program statewide.

(10:51) Chairman Holmberg talked about bill language with Brady Larson

Bill Butcher, Friends of Lake Sakakawea

Testified in favor of SB 2221

I testified in front of the Transportation Committee. It costs \$1.4 million to pave one mile of roads. We would support your comments about transferring funds to another region needing the funds. That is really important to us.

Senator Gary Lee - In terms of the traffic counts or level of activity, what has it been like in the last three or four years?

Bill Butcher - I don't have figures, but there has been a burgeoning population increase. The roads are in such terrible shape that it detracts from growth.

Senator Gary Lee - There has been some interest in moving gravel roads to paved roads. There are issues who will take care of maintaining those.

Bill Butcher - It does fall on the township or counties.

Senator Wanzek- I got a call last night for an inquiry on the frontage road at KOA in Jamestown. The frontage road is a gravel road and the request was to help pave that. A lot of the tourists have expensive vehicles and didn't like driving them on the road. Is that a type of project this bill might be able to help?

Bill Butcher- I don't think KOA falls under recreational area but the situation is the same to Indian Hills Resort. They have nice RVs and SUVs pulling expensive boats. If it will include the KOA campground that might have to be included in the language.

Kelly Sorge, Friends of Lake Sakakawea, Indian Hills Resort, Garrison, ND

Testified in favor of SB 2221

As a business person the road affects, the delivery trucks, the customers, and the rigs that are worth a lot of money. Some are not willing to go down a gravel road. As our Chairman of Friends of Lake Sakakawea says, you wouldn't see gravel roads if this lake was in another state. People drive hundreds of miles and their first impression is a bumpy dirty trail. The special roads committee should decide where the money should be distributed. Take into consideration that it is costing a lot more money in some districts. The \$20 million could be doubled and used pretty easily. Visiting with my County Commissioners, a question about the engineering costs came up and that is a question I can't answer. Their concern is that if it is the 80/20 they want to be sure the engineering costs are involved as well so that isn't a big unforeseen expense for them. They would rather see it 100% but if they have to have some meat in that, they are up for that.

(20:27)**V.Chairman Bowman**: I come from an oil producing county. We've never had enough money to pave our roads or even buy the gravel to put on the roads. After this huge project going on when they unitized the fields, they destroyed the roads we had built and we have never caught up. We can't take care of the roads we have. If we had big surplus of money, I would be all for this but I'm not sure we are going to catch up until this boom is over. How do you feel about that?

Kelly Sorge - One of our committee members is in favor of roads to McKenzie bay. That is a recreation road that has always had problems. That's probably the only way he's going to get the money to fix that road because it is not a road where the trucks are travelling. They are definitely feeling the stresses though. It's not just out of state people. They are also North Dakota people. The special roads committee is going to decide where the money is going to go and if they feel that county is where it needs to go, that is up to them.

V.Chairman Bowman Part of the money from the oil producing counties should be going to the roads. Not because of the recreation, because of the oil use. If they are not I have a question to the County Commissioners as to why not?

Kelly Sorge - Dividing the money may be the answer to some sore spots. Now they can't say we're favoring one place. That would spread it out. We want to see the money go to the

Senate Appropriations Committee

SB 2221

February 11, 2013

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entire state. Part of it is that we need to remember people are coming here with bad first impressions. Tourism is a very big part of North Dakota. The people in North Dakota deserve the roads taken care of so they can enjoy that.

Chairman Holmberg closed the hearing on SB 2221

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

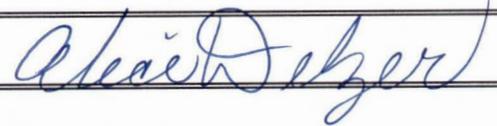
SB 2221 Subcommittee

02-12-2013

Recording job number: 18849

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Subcommittee hearing regarding grants for improvements to scenic roadways.

Minutes:

No testimony submitted

SB 2221

Chairman Lee opened the subcommittee on 2221. All subcommittee members were present: Senators: Holmberg, Wanzek, Lee and O'Connell.

Brady Larson - Legislative Council
Sheila Peterson - OMB

Chairman Lee: This bill has to do with the appropriation of the special road fund, the 20 million dollars that might come out of strategic investment and improvements fund for 2013-15; two million five hundred thousand dollar grants for projects located within the boundaries of each department of transportation district in the state. It changes the special road fund advisory committee as well. Anything the department has to offer in that regard?

Grant Levi, Interim Director of North Dakota Department of Transportation (DOT) At this time DOT has not taken a position on this bill. If the funds were to come to us, we would work carry thru like with have with the special roads fund program that's been in place for years. We work with the committee, which was expanded to include the Senate minority leader and House minority leader, to implement the program. We have some concerns that at some point in time, if the decision was made to fund the bill differently (that has happened) the funds would be taken from the highway tax distribution fund we would be concerned about that.

Senator Wanzek During the discussion on the bill, wasn't there talk about the 2.5M if not used within one district that it could be moved to another district?

Senator Holmberg Yes, a counter discussion point was that if you hold out 2.5M to a region they will find ways to spend it. Alternative was maybe looking at saying that the money be spent in at least 4 of the 8 regions.

Senator Wanzek In reference to Grant's comments, if funding sources would change; I am looking at this as a onetime funding arrangement. It isn't my intention to turn to the highway distribution fund

Chairman Lee The special road fund has ¼ M in it?

Mr. Levi: That is correct, around \$253,000. We should be meeting with the committee again this spring. We believe the way the program was initially structured in the sense that it was a statewide competition for the funding has worked well. The committee has usually recognized that there are needs in each part of the state. We believe that has worked well.

Chairman Lee I served on that committee for a while, pretty objective, pretty fair. I think the state as a whole has gotten such a pretty good coverage in terms of where that money has eventually gone. There is just not a lot of money there, in terms of making a significant difference nowadays. The way this bill is written, would those funds, be co-mingled or dealt with separately? This distribution is not necessarily talking about the 300?

Mr. Levi: Looking at the legislation, one could interpret it that we would have a cap and limitation of a maximum of 2.5M of grants under the entire section for projects located within the boundaries of each of the North Dakota Department of Transportation (DOT) district. Given that one would have to see how we could work in the present funding we have if there is a maximum established of 2.5. We haven't had a chance to talk this through. If the requirement in law is that you spend 2.5M in each of the districts then it may be appropriate to us just to solicit by district, review and discuss, then prioritize within that district. It doesn't give you that statewide perspective in reviewing projects. The 8 districts are: Williston, Dickinson, Minot, Bismarck, Devils Lake, Valley City, Grand Forks and Fargo. I can get a district boundary map.

Senator Holmberg The program has been around for some time, in this bill they put the restrictions that you got to do it around there, have you had a lot of complaints about how the system has worked in the past with less money involved.

Mr. Levi: We don't get complaints about the process we use for selection. Generally there just isn't enough funding available to carry through with the requests that come forward the process itself is defensible. It is a rigorous process each committee member is asked to select a project and we believe that works well.

Senator O'Connell I served on that committee never did hear a complaint except we never have enough money.

Senator Wanzek This won't put any additional demands on that committee? It sounds like you have a lot of demands that you couldn't fund anyway.

Mr. Levi: When there is additional funding that will create additional oversight requirements on the part of our team to work with. We are comfortable that we have the means to administer it. We will also require more time and more reviews by our committee members.

Chairman Lee What are your wishes with this bill?

Senator Holmberg I don't know yet, this adds to the budget, whether we call it one time funding or not. The one time funding is a convenient explanatory tool. I don't know if the amount of dollars is right. Some senators were concerned that there are some other needs that have to be part of the big picture. It's a huge increase. It's gigantic.

Chairman Lee We heard in the interim people that want to see this work done they have good arguments. I wonder where the limits are in terms of county and township roads are getting substantial amount this biennium and we need to look where and how much we should fund. This will change the dynamics of that considerably. I will be different approach to funding what had been nice tourist areas or the roads to them. The projects that are coming through for this type of grants would be a lot different. I think we have to look realistically at the dollars we are going to spend.

Senator Wanzek You are making good point. We have not had any prior studies on this; we have nothing to go on. I am not sure 20M is the right number, we are basing that on some of the upper Great Plains studies, and I feel infrastructure is a wise use of one time funds. We had something to guide us a little bit on the roads. I am a little less prepared to explain why we need 20M here. I sat on the transportation committee, I do recall there being quite a few requests and the money is pretty paltry. I am not ready to vote. I don't want to vote against this maybe there is a number that is more realistic for the next biennium.

Senator Holmberg There is two avenues that this committee could take. We can roll it into 2012 at the end of the day, which would truly set up discussion with the House, on the needs of the special road funds. If we put the bill out there by itself, it may not be part of the final discussion. If we think it's important to continue the discussion until the end of April, then we should consider putting it in the DOT. Its budget is large, but it is going to pass at the end of the day. That is the decision this committee will be making recommendations on.

Senator O'Connell Give each district one million dollars and roll it in 2012.

Senator Holmberg That would not reduce it much. I am not ready for a number. Let's keep our thinking caps on. We have a little time.

Chairman Lee We will adjourn subcommittee on 2221.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee

Harvest Room, State Capitol

SB 2221

02-13-2013

Job # 18906

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A subcommittee for DOT regarding roadways to recreational facilities

Minutes:

You may make reference to "attached testimony."

Chairman Lee called the subcommittee to order at 4:30 pm. Let the record show that all committee members were present. Holmberg, O'Connell & Wanzek

Brady Larson - Legislative Council
Laney Herauf- OM

Chairman Lee- We discussed this bill yesterday, everybody knows what it is about, what it intends to do. Dave from DOT sent a map outlining the different regions/districts for North Dakota Department of Transportation (DOT). Any other discussion or suggestion

Senator Wanzek move a do pass. 2nd by Senator O'Connell. On 2221 No discussion

Roll call vote: Lee no, Wanzek yes, Senator O'Connell yes. Holmberg no Motion fails.

Senator Wanzek a do not pass would result in the same outcome do we, as a subcommittee, make a "without committee recommendation".

Senator Holmberg we just put it back up on the calendar as a bill that's ready to go and discuss it before the full committee.

Senator Holmberg move we do not pass. 2nd by Senator O'Connell No other discussion

Roll call vote: Lee yes, Holmberg yes, Wanzek no. Senator O'Connell yes. The do not pass motion carries 3 to 1

Chairman Lee adjourned the subcommittee hearing on SB 2221.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2221
February 18, 2013
Job #19083

Conference Committee

Committee Clerk Signature

Rose Laning

Explanation or reason for introduction of bill/resolution:

This is a vote on SB 2221 which has to do with appropriating money to the department of transportation for grants to counties and townships for improvements to scenic roadways and roadways providing access to recreational areas.

Minutes:

Chairman Holmberg opened the hearing on SB 2221.

Senator Gary Lee: This bill was taking \$21M out of the strategic investments and improvements fund for scenic roadways and recreational areas around the state; and related to the special load fund that changed the committee membership a little bit in adding the minority senate and house leaders to it. The money was to be spent (a change that came out of the policy committee) using the eight North Dakota Department of Transportation (DOT) districts and allowing \$2.5M grants to each. The committee recommended a DO NOT PASS. Some of the arguments were that each of the counties, townships, etc. are getting added fees, added dollars into their treasuries with the distribution of funds. The funding amount is increasing and adding \$2.5M to the 8 districts doesn't necessarily mean there is significant projects or needs in those areas. The special road fund has been around for a long time. It has operated off interest on federal money going to the highway fund. The dollars have not been there because of the interest rates. They have taken on a lot of projects around the state. It was intended to be a fund that did small projects in terms of small road improvements or accesses to recreational areas. Part of the committee thought that the \$21M, changes what that fund was intended to do in a very dramatic way. Some recreational areas want gravel roads changed to pavement roads, but who is going to maintain them? The counties don't want to fix them; the townships can't do it because of the dollar amount involved. We understand their needs but really didn't think that changing the special road fund in this way was an appropriate way to do it.

Senator Robinson: - I would disagree. There is no other option in counties and cities. Although they are going to get the township some extra money the backlog is long and significant. We're seeing a real slow down in these type of projects. We're putting this program in cold storage if we don't fund it. \$20M looks like a lot of money but costs have increased significantly. The special road fund that we have known in the past is not able to

meet the needs of today construction projects. We have to find a way of funding them or they are not going to get done. We have a number of areas that could add to the quality of life with no big investment. I hope we look at this and support 2221.

Senator Gary Lee: I don't disagree entirely but look across the state to the projects that have been done, a significant number. Doing what they propose to this fund will take a lot of small projects out of play because the big money will go to bigger projects. A lot of things aren't going to get done, like fixing access to roads and interchange - those kinds of projects won't get done.

Senator Robinson: We should amend the bill and correct it, so both can be done. Or we tell folks they need to wait another five year.

Senator Erbele: - reason for going to the special road funds, it was a mechanism for distributing the funds without creating a separate fund. I agree with Senator Robinson - we've been kicking this around for a long time. Everybody is using the roads, agriculture, energy and tourism. They are big players in the state. This bill is a way to support them all.

Senator Gary Lee Moved Do Not Pass.

V.Chairman Bowman seconded.

A roll call vote was taken. Yea: 5 Nay: 8 Absent: 0

Motion failed.

Senator Mathern Moved Do Pass and re refer to transportation

Senator Erbele seconded

A roll call vote was taken. Yea: 8 Nay: 5 Absent: 0

The bill goes to Transportation and Senator Oehlke will carry the bill on the floor.

Date: 2-13-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2221 Subcommittee

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass

Motion Made By Wanzek Seconded By O'Connell

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg		✓	Senator Tim Mathern		
Co-Vice Chairman Bill Bowman			Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg			Senator Larry Robinson		
Senator Ralph Kilzer			Senator John Warner		
Senator Karen Krebsbach					
Senator Robert Erbele					
Senator Terry Wanzek	✓				
Senator Ron Carlisle					
Senator Gary Lee		✓			

Total (Yes) 2 No 2 *Do pass failed*

Absent _____

Floor Assignment _____

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

Date: 2-13-13

Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2221 *Subcommittee*

Senate Appropriations Sub - Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken recommend. D N P

Motion Made By Holmberg Seconded By O'Connell

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mathern		
Co-Vice Chairman Bill Bowman			Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg			Senator Larry Robinson		
Senator Ralph Kilzer			Senator John Warner		
Senator Karen Krebsbach					
Senator Robert Erbele					
Senator Terry Wanzek		✓			
Senator Ron Carlisle					
Senator Gary Lee	✓				

Total (Yes) 3 No 1

Absent _____ Do not pass motion carried.

Floor Assignment _____

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

Date: 2-18-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2221

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ~~Pass~~ Do Not Pass

Motion Made By Lee Seconded By Bowman

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mathern		✓
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell		✓
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson		✓
Senator Ralph Kilzer	✓		Senator John Warner		✓
Senator Karen Krebsbach		✓			
Senator Robert Erbele	✓	✓			
Senator Terry Wanzek		✓			
Senator Ron Carlisle		✓			
Senator Gary Lee	✓				

Total (Yes) 5 No 8

Absent _____

Floor Assignment _____

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

Failed.

Date: 2/22/2-18-13

Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2221

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP

Motion Made By Mathern Seconded By Erbele

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg		✓	Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman		✓	Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg		✓	Senator Larry Robinson	✓	
Senator Ralph Kilzer		✓	Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee		✓			

Total (Yes) 8 No 5

Absent _____

Floor Assignment Transportation Erbele

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

REPORT OF STANDING COMMITTEE

SB 2221, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (8 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2221 was placed on the Eleventh order on the calendar.

2013 HOUSE TRANSPORTATION

SB 2221

2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

SB 2221
03-21-13
Job # 20279

Conference Committee

Committee Clerk Signature

Jeanette Cook

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of transportation for grants to counties and townships for improvements to scenic roadways and roadways providing access to recreational areas; to provide for a transfer; and to amend and reenact section 24-02-37.2 of the North Dakota Century Code, relating to the special road committee.

Minutes:

Attachments 1-7

Chairman Ruby opened the hearing on SB 2221.

Senator Robert Erbele, District 28, spoke to support SB 2221. Written testimony was provided. See attachment #1.

Representative Becker: Do you feel that you need \$20 million for the projects in your specific area for recreational improvement?

Senator Erbele: No, we don't need \$20 million in our area. If the county in my district can match 20%, they could get by with \$2 million. We did not want to present an isolated project. Every district has something that needs improvement, so we wanted to make the fund large enough to touch all of those projects.

Representative Delmore: How much road will \$20M actually fix or pave?

Senator Erbele: Now, a mile of pavement might cost close to \$2 million dollars. Most of the areas have a half mile to three miles of access road.

Representative Heller: On line 18 it says that a match MAY be required. So, a match does not have to be required? Would it just be on a project by project basis?

Senator Erbele: Yes, that is what the Senate policy committee put in. I felt that up to 20% match should be required, but there may be a reason that they couldn't. I do feel that they should have some skin in the game.

Representative Heller: It says that the project amount will not be limited. Could one project take up all the money for the biennium?

Senator Erbele: I understand that would be up to the committee to decide.

Representative Gruchella: Would this be restricted to roads or could this be used for a paved bike trail?

Senator Erbele: The sponsors weren't thinking bicycles; we were thinking roads to keep your RVs and boats to a recreational area.

Representative Gruchella: I'm hoping that this wouldn't be so specific that it wouldn't allow the leeway for something like that.

Senator Erbele: The committee will have to find that out.

Chairman Ruby: Would this require the same application process, or is that for us to determine?

Senator Erbele: It would work much as is does now when they go to the special roads fund. We attached it to something so it had a mechanism to distribute. We just had to change the rules of the special road fund a little bit.

Chairman Ruby: It states that the project must be in a county that levies seven or more mills. Do all the counties do that, or how many don't?

Senator Erbele: I don't know if some are below that.

Chairman Ruby: Do you add three members to the committee?

Senator Erbele: That was done in policy, and I sit in appropriations. I did not ask specifically why they thought they needed to be on there.

Senator Ron Carlisle, District 30, Bismarck: I am not a sponsor of this bill, but I do hunt, fish, and camp a lot. I would ask that you give this bill a good look. Pulling campers into some of these areas is difficult.

Senator Larry Robinson, District 24: There is clearly a need for this bill. It branches out across the entire state. We have needs in the Sheyenne River area as well as the people at Lake Sakakawea who have been working on a project for some time. We appreciate your consideration of the bill. As far as membership on the committee, the Department of Transportation recommended that we not create another administrative agency. That is why it is the special roads fund.

Bill Butcher, Friends of Sakakawea, spoke to ask for support for SB 2221. Written testimony was provided. (17:10) See attachment # 2.

Clarence Wertz, Parshall, North Dakota, provided written testimony to support SB 2221. (21:10) The testimony was read by Bill Butcher. See attachment #3.

Representative Delmore: Do they have any statistics of what those numbers were before they paved the roads?

Bill Butcher: I don't know. I could try to find out.

Representative Vigesaa: I don't see in the legislation that it is a requirement that the roads be paved. Could the projects just be regrading and graveling to a better level?

Bill Butcher: Yes, they could, but the committee felt that there is so much traffic on most of the roads that gravel immediately becomes wash boarded and is very ruinous to RVs and boats.

Representative Becker: On your website it lists seven areas that need attention. How many of the seven would fall into one district?

Bill Butcher: In anticipation of the 2009 or 2011 session bill, we prioritized the recreational areas on Lake Sakakawea that we felt deserved attention. If we had our way the special roads committee would start at the top of the list and as money is available work their way down. But, that is the troublesome part about the money being divided into eight districts, with no way to shift funding if one district has less need than another. It would be so much better if we gave the special roads committee the latitude and authority to prioritize themselves and make the determinations.

Representative Delmore: If the dollars stay at \$20M, would you be in favor of using the money for four projects instead of trying to equal it out, and letting the committee decide what the priority would be?

Bill Butcher: We wouldn't be opposed to that. Our preference would be that the special road committee decides the number of projects they can fund with the money that is available.

Chairman Ruby: Are the costs that were given to us for paving that would be at State Highway specs? Would it possibly be cheaper to pave some of the county or township roads?

Bill Butcher: I don't know. Maybe someone else can answer that.

Bill Shalhoob, North Dakota Tourism Alliance Partnership, spoke to support SB 2221. TAP looks at the tourism industry from a broad perspective. In the last few years hotels and restaurants have increased about 40%. We are looking to a time when the oil tapers off, and what we can do for that time. We would like to get infrastructure built in the state to build up things that people can see in the future. Marketing is important; as the oil industry use declines what can we replace it with? The answer is: more visitors to the state. We want to be able to attract people to the state. Another part of this is contained in this bill. We have some sites that have infrastructure built; we are marketing to get them interested; and now we need to get the roads built to get them there. Good roads make for delivery of people that allow our business to keep going. We are asking that you support this bill. It

helps fill in the piece that grows the infrastructure that is necessary to keep attracting visitors to North Dakota.

Greg Goschee, Mountrail County Commissioner, spoke in support of SB 2221. He referred to the letter from Clarence Weltz, former Mountrail County Commissioner. See attachment # 3. (35:45-44:00) He discussed the recreation areas that have paved roads. They have excellent access. The visitation numbers are way up there. Some numbers from the Corps counts are: Fort Stevenson - 74,800, Sakakawea State Park - 69,700, Lewis and Clark State Park - 57,100. Van Hook is a county park with 89,000 visitors because it is three miles off of a main highway with good access. The reason those parks are the way they are, is because of the paved roads. Twenty million dollars is really short when it comes to building roads. I agree with changing the \$20 million back to the original \$40 million. In Mountrail County \$1.4 million dollars is about the figure it will take to build a mile of road. In western North Dakota you do have to build the roads up to state highway specs. The Parshall Bay road is used by the oil field just like the Van Hook road. We have a young community that is coming to the west. They need places to go. Let's get these roads fixed.

Representative Gruchella: Does your county have a dedicated mill levy towards roads?

Greg Goschee: Yes, but I don't know exactly what it is. It is more than 10 because we have to qualify for everything.

Representative Gruchella: If you build a road to the lake for campers and boats, are you going to build it to the same point that will allow oil trucks to use the same road?

Greg Goschee: No, but I used the Parshall Bay road as an example because it is used by the oil field. It used to be a 65,000 pound road. At 65,000 pounds you are even limiting farmers hauling a regular semi-truck. When we put a top on that road, we raised it to 80,000 pounds. It depends on where the road is. Some of these roads would be built for recreation and commercial traffic.

Bill Mitzel, publisher of Dakota Country magazine, Bismarck, spoke to support SB 2221. Written testimony was provided. (48:00) See attachment # 4.

Representative Delmore: Do you know what Burleigh County levies for roads?

Bill Mitzel: I don't.

Michael Gunsch, Vice Chairman of Friends of Sakakawea, spoke to support SB 2221. Written testimony was provided. (53:20) See attachment # 5.

Representative Fransvog: Are there other funding sources out there besides the state?

Michael Gunsch: There are other funds out there. In western North Dakota the problem is that every dime is being used to keep up with what they are already doing. Reallocating funds for these types of roadways are not always a priority. Townships are broke, counties have very limited resources, and the next step is the state.

Representative Fransvog: Have you considered special assessments?

Michael Gunsch: That really depends on the project area. What is the level of traffic, and what is the need. Townships and counties do have the ability to create special assessment districts. I don't know how much that option has been considered.

Chairman Ruby: Do you perceive that if these grants come in, would they not be eligible for the other application process for the funds that are normally dispersed in the special roads fund, or would it be in addition to those?

Michael Gunsch: It is the same process and same pot.

Chairman Ruby: This expands it to some different areas, so it is expanded some.

Michael Gunsch: I think that you are right. There may be some special applications that could be submitted for these specific funds. I don't know what that fund has in it right now.

Chairman Ruby: I think it has been \$200,000 - \$300,000 in the last few years.

Representative Gruchella: The state has given some money back to property owners in the form of property tax relief. Should the property owners step up try to do some of these projects?

Michael Gunsch: From the perspective of someone who lives along the road, I would not see that as my responsibility to pay for that road. I would already pay taxes to that should provide for the upkeep of the road. The use that is causing the breakdown of the road probably isn't from my use. The local and county are going to have to decide how they come up with their match. If they feel that the special assessment district is the way to accomplish that match, versus their normal township funds, they will have to consider it.

Representative Drovdal: I am familiar with McKenzie Bay Marine Club which is in Dun County. The road that goes into there, currently, was made and maintained by the 50 cabin owners that are there. They have no ability to put a special assessment on, but we do kick into the kitty. A fund like this would be something that this group would try to qualify for. The area is being used by people from all over North Dakota. It is the only deep water recreational site on the west side of Lake Sakakawea.

Michael Gunsch: (1:06:44) The projects that I am familiar with already have had a lot invested in them, and they have tried to keep them up to standards, but they can't take them to the next level. They have limited dollars. Each applicant should tell the committee what they have done and what they have invested locally. I think that the committee should have that information when they make their decision.

Randy Hatzenbuhler, President of the Theodore Roosevelt Medora Foundation spoke in support of SB 2221. Written testimony was provided. (1:08:14) He agrees that \$20 million is not enough, but it is a good start. See attachment # 6.

Terry Traynor, North Dakota Association of Counties, we very much support SB 2221. We agree with the match and are supportive of that. In addressing the mill levy questions, currently the gross production tax revenue tax distribution has a threshold for receiving it at 10 mills. All the western oil counties do levy that. In this time of rising property values we have counties in the state that are barely above seven, some have fallen below seven in recent years in what they levy for roads. This is sort of an encouragement to keep raising your mill levy. That is challenging for some counties, to ask their citizens to raise their taxes.

Chairman Ruby: Does the 10 mills include the farm to market roads?

Terry Traynor: The farm to market road program is whatever the voters vote in. There is no specific mill levy requirement. It is whatever is put on the ballot by the commissioners or by petition of the citizens. Some counties have a 15 mill farm to market levy, some have only 5 mills.

Representative Vigesaa: Are you aware of any counties or townships that use regular tax revenue to do projects like this, or do they always go to the Special Roads Fund?

Terry Traynor: I really couldn't say. There are a lot of roads to a lot of parks and recreational areas across the state. Someone has to be grading them and graveling them now, so there is some local money going into those roads. My understanding of this is to target the roads with the high volume of traffic to a very popular recreation facility.

Representative Delmore: Did you say how many counties have less than 7 mills?

Terry Traynor: I believe there are three that are less and two that are barely above seven.

Harold Newman, President of Newman Traffic Signs, spoke to support SB 2221. He feels that there are a lot of good tourist areas in the state that need support. The buffalo area in Jamestown is one of those areas. It needs a better road for access from the east. A proposed amendment was provided. (1:16:30) In order to meet the standards for roadwork in the state, there are five companies that manufacture the signs and install them. They are necessary. See attachment #7.

Representative Gruchella: Is the road to the buffalo area in Jamestown inside the city limits?

Harold Newman: It is inside the city limits, and most of it is owned by the state hospital.

Representative Gruchella: So, isn't that road very high on the city's priority list?

Harold Newman: It should be higher.

Representative Gruchella: Has the city turned you down when you asked to fix that road?

Harold Newman: The argument that we get is that the standards have to be changed. It has to wind around another area west of the water plant. One of the problems is that it is now open twelve months, so sometimes snow removal is a problem.

Chairman Ruby: Do you know how many private sector vendors we have to receive bids on for signage?

Harold Newman: Five in the state.

Chairman Ruby: This language would mainly eliminate Roughrider Industries?

Harold Newman: I hope so.

There was no further support for SB 2221.
There was no opposition to SB 2221.

Steve Salwei represented the Department of Transportation and spoke in a neutral capacity.

Vice Chairman Owens: Can you get us the average daily traffic counts in some of these areas, the six that were in Clarence Wertz's testimony?

Steve Salwei, Transportations Programs Director for the Department of Transportation: I can go back and look for those.

Representative Oversen: I know a lot of these routes are on Ft. Berthhold Reservation, and I was wondering how this will work together with that?

Steve Salwei: Currently the Department of Transportation sends out letters to every county, city, and tribal agency in the state informing them of the program. The tribal areas are eligible to receive funding through this program as well. If they do have a project, they can submit it to the committee.

Representative Drovdal: How do you get numbers for a place that is a long way from a road, like the McKenzie Bay Marine Club? It is twenty miles from any road.

Steve Salwei: We used to count every road every three years, and now in the west we try to count every year. The other two areas we now try to count on alternative years.

Chairman Ruby: Do you have the actual number of dollars that is in the Special Roads Fund?

Steve Salwei: The number for the most current year is about \$300,000.

Representative Weisz: What is the cost share for the local subdivisions?

Steve Salwei: Currently under the Special Roads Fund the maximum one entity could receive is \$250,000. On a normal federal aid project the cost share is 20%. Through the Special Roads Fund the current policy is a 60/40 match. 40% is local.

Representative Vigesaa: Is there a minimum that needs to be retained in the special road fund?

Steve Stalwei: No, the funds are there to be distributed out.

Representative Vigesaa: How many projects are in the que waiting to be heard?

Steve Stalwei: Currently we have thirteen applications for the \$300,000. The total cost of all of those projects is about \$3.6 million. The Special Roads Fund requested dollars is about \$1.9 million.

The hearing was closed on SB 2221.

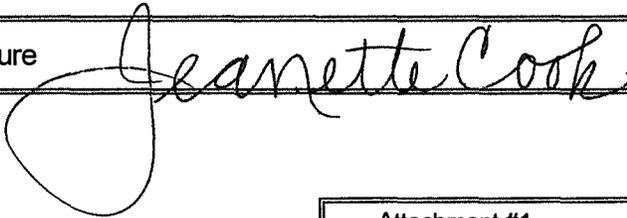
2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

SB 2221
03-22-13
Job # 20356

Conference Committee

Committee Clerk Signature



Minutes:

Attachment #1

Chairman Ruby brought SB 2221 back before the committee. He commented that if the committee passes this bill, we may want to make an amendment with a reallocation option in case some of the districts don't use their funds. There is also a request for a possible emergency clause.

Chairman Ruby: I don't like the expansion of the committee in the bill. In the Special Roads Fund committee we have a requirement of a 40% match. This bill drops that down to 20%.

An informational sheet was provided to the committee with requested information from Steve Salwei, North Dakota Department of Transportation. See attachment #1.

Representative Weisz: I don't see why we would need any for any language specifying where the funds have to go. You sit on the committee. The committee has a process that scores every project and then discusses them. I think it is a thorough process by a diverse group of people. The committee has worked well for years.

Chairman Ruby: I don't think we need to add more legislators because then it will get more political.

Representative Weisz: Then you could argue the need for regions.

Chairman Ruby: We look at the project, what the damage is, the amount of traffic, or what they have been helped with in the past. Some come back for a few years in a row. Then I might score them higher since we haven't given them anything before. Then the parks and rec, or Department of Transportation they might look at a project in a different way. It is a good system.

Representative Becker: It seems to me that the Friends of Sakakawea have a real desire to have some improvement for their industry, and the means by which they thought they would have a greater chance of passing this through was to not limit it to a very small and specific constituency group. So, they raised the amount that they want so it could be dispersed throughout all the Department of Transportation districts to make it a whole state

thing, not just one small region versus another. That also brought in some areas like the Jamestown buffalo and the Chateau de' Mores. Those bring in some good money. I think the counties and specific industries should be interested. I am not viewing this very favorably.

Representative Fransvog: I agree with Representative Weisz that we should leave the funding allocation with the committee. I also think it is reasonable to look at a reallocation of unused money.

Chairman Ruby: If the district part of this goes away, I don't think we need the reallocation either. We have had some projects that banked what we gave them before, and then asked for more to finish their project.

Representative Fransvog: I think that it is not unreasonable to look at a reallocation if a project is completed, and they have a significant amount of money left.

Chairman Ruby: They do that normally. There have been some monies that have been turned back because they couldn't get their own matching funds or the scope of the project changed. It is currently allowed.

Representative Drovdal: Would you like me to get an emergency clause on this and take it up to Legislative Council to get the amendments done?

Chairman Ruby: Yes, draft it the way you want.

Representative Sukut: Why are we taking seven mills out of this? Most require ten. It is not hurting anything by having it in there.

Representative Drovdal: Okay, I will leave it in there.

Representative Weisz: With the property tax reform, there won't even be a specified mill levy for roads. We could run into the issue of requiring something that doesn't exist.

Vice Chairman Owens: If that happened, they would be frozen at the levied part of their budget which establishes their base year. They couldn't raise it if we said ten, which is a good point. If we raise it to ten, they wouldn't have a chance to raise it, other than the normal process of the restrictions.

Representative Weisz: If that mill is consolidated in the overall county budget, there is no longer a specified ten mills; there is only a dollar amount. The county has the flexibility then to increase or decrease that. So, we really don't even have a dollar number to apply those criteria to. Is that correct?

Vice Chairman Owens: Actually it works out to 70 cents per 1000 for seven mills. It will take two years to get that out.

Chairman Ruby: The original bill didn't have anything about mills in it.

Representative Weisz: It could say up to 40% match and leave the decision up to the committee depending on the situation.

Representative Drovdal: Twenty million dollars sounds like a lot of money to us, but when it comes to road construction it's not. It is going to be designated more for the smaller projects that finish off a road into a recreation area, not to build a main county road.

Chairman Ruby: The committee does get requests for new gravel bases.

Representative Kreun: The language says for scenic byways and roads into recreational areas. Are we expanding this discussion?

Chairman Ruby: Yes, that is what it is to be used for, but there are roads, like the one that goes to Van Hook, that are used by the oil industry as well.

Representative Drovdal: When this bill was put in, the money was intended for small recreational areas that don't have any other place to get money. The major oil road funding should come from somewhere else.

Chairman Ruby: We will hold the bill until we get some amendments.

2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

SB 2221
03/28/13
Job # 20601

Conference Committee

Committee Clerk Signature

Jeanette Cook

Minutes:

Chairman Ruby brought SB 2221 back before the committee.

Representative Drovdal brought forward amendments and moved a DO PASS on the amendments. See attachment #1. The amendments put the bill back in its original form and add an emergency clause.

Representative Sukut seconded the motion.

Chairman Ruby: This takes out the districts and the mills. It is still at the 20% match. I like the original version of the bill better than the engrossed form.

There was discussion about the purpose of the bill and the amendment. It gives additional money to the Special Road Fund since the interest going into that fund has been limited in the past years. There is need for recreational areas to have access roads improvement. (The recorder quit and some of the discussion was not recored.)

A voice vote was taken. All aye. The motion carried.

Representative Kreun stated his concern about spending \$20 million for special roads and not being able to get funds to finish building one of the main arteries in Grand Forks that goes to the hospital without having to split the project into three parts. Only half of the road will be funded this session, and they will have to come back next session for additional funding. He will not support the bill. (2:47)

Representative Heller: Representative Drovdal said that the counties and the townships don't handle the money, but in the bill it says that the counties and townships apply for the grants. So, if the counties and townships aren't responsible for the road, where is the disconnect?

Representative Drovdal: There has to be someone to apply for the grant. Some of these areas might be on Corp of Engineers or tribal land.

Representative Heller: So the county would just act as a pass-through and hand the money over to someone else?

Representative Sukut: Over the years there has been a lot of work that hasn't been done on the roads throughout the entire state. Many things have been overlooked because we have not had money. Over the last five or six years I have been telling people that we have money, and now is the time that we should be looking at projects that have fallen through the cracks and have not been addressed for years and years. This is one of those projects. Now we have an opportunity to do some of these things that we haven't been able to do. I think this is something we need to support. It is a one-time spending, not an ongoing expense. I'd like to see this go forward.

Vice Chairman Owens: There were some comments made in the hearing. The one thing that bothered me the most was when someone stood there and told us that there are oil trucks that use these roads. They are not talking about the little pieces of roads to recreational areas. They were talking about whole roads that they want to work on. With all of the work that we have to do, and all of the roads that we have to rebuild that people are actually using, I can't support a road that has an average daily traffic count of 65.

Vice Chairman Owens moved a DO NOT PASS as amended on SB 2221.

Representative Kreun seconded the motion.

A roll call vote was taken. Aye 8 Nay 6 Absent 0 The motion carried.

Vice Chairman Owens will carry SB 2221. (End time 8:00)

3/19/13
CJL

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2221

Page 1, line 3, remove "amend and reenact section 24-02-37.2 of"

Page 1, line 4, replace "the North Dakota Century Code, relating to the special road committee"
with "declare an emergency"

Page 1, line 8, remove "on"

Page 1, line 9, replace "July 1, 2013" with "during the period beginning with the effective date of
this Act and ending June 30, 2015"

Page 1, line 15, remove "biennium beginning July 1,"

Page 1, line 16, replace "2013," with "period beginning with the effective date of this Act"

Page 1, line 21, remove "The special"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 22 with:

"SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Re-number accordingly

Date: 3/28/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2221

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.0662.03001

Action Taken: Do Pass Do Not Pass Amended Adopt
Amendment

Rerefer to Appropriations Reconsider

Motion Made By Drovdal Seconded By Sukut

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby			Rep. Lois Delmore		
Vice Chairman Mark Owens			Rep. Edmund Gruchalla		
Rep. Rick Becker			Rep. Kylie Oversen		
Rep. David Drovdal					
Rep. Robert Frantsvog					
Rep. Brenda Heller					
Rep. Curtiss Kreun					
Rep. Mike Schatz					
Rep. Gary Sukut					
Rep. Don Vigesaa					
Rep. Robin Weisz					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Motion carried

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

Date: 3/20/13
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2221**

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
 Amendment

Rerefer to Appropriations Reconsider

Motion Made By Owens Seconded By Kreun

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby	✓		Rep. Lois Delmore	✓	
Vice Chairman Mark Owens	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Kylie Oversen		✓
Rep. David Drovdal		✓			
Rep. Robert Frantsvog		✓			
Rep. Brenda Heller		✓			
Rep. Curtiss Kreun	✓				
Rep. Mike Schatz		✓			
Rep. Gary Sukut		✓			
Rep. Don Vigesaa	✓				
Rep. Robin Weisz	✓				

Total (Yes) 8 No 6

Absent _____

Floor Assignment Owens

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

REPORT OF STANDING COMMITTEE

SB 2221, as engrossed: Transportation Committee (Rep. Ruby, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO NOT PASS (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2221 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "amend and reenact section 24-02-37.2 of"

Page 1, line 4, replace "the North Dakota Century Code, relating to the special road committee" with "declare an emergency"

Page 1, line 8, remove "on"

Page 1, line 9, replace "July 1, 2013" with "during the period beginning with the effective date of this Act and ending June 30, 2015"

Page 1, line 15, remove "biennium beginning July 1,"

Page 1, line 16, replace "2013," with "period beginning with the effective date of this Act"

Page 1, line 21, remove "The special"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 22 with:

"SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Re-number accordingly

2013 TESTIMONY

SB 2221

Chairman Oehlke, and members of the Senate Transportation Committee, for the record my name is Robert Erbele, Senator from district 28.

SB2221 is a bill to address the need to update our roads leading to recreational access and scenic byway and backway roads. The bill requests that 20 million dollars be appropriated from the Strategic Investment and Improvement Fund.

A little history on the fund . The fund was established last session by HB 1451 that instructed the State Treasurer to close out the lands and minerals trust fund and transfer any remaining unobligated balance to the strategic investment and improvements fund The bill stated it is the intent of the Legislative Assembly that the fund be used for one-time expenditures relating to improving state infrastructure or initiatives to improve the efficiency and effectiveness of state government. HB1451 created a new chapter to the Century Code to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit to the following funds.

- . The first \$200 million is deposited in the general fund
- .The next \$341,790,000 is deposited in the property tax relief sustainability fund
- .The next \$100,000 million is deposited in the general fund
- . The next \$100,000 million is deposited in the strategic investment and improvement fund
- .The next \$22 million is deposited in the state disaster relief fund, and any additional revenue is deposited in the strategic investment and improvements fund.

There is a healthy balance in the fund today, but whether or not we choose that fund or if the Appropriations committee deems there is a fund that may fit these projects better, it is important to move forward while we have the resources to enhance the access to some our states' special sites.

Each session legislators have requests from their constituents for special projects within their districts, and isolated stand alone bills that only serve one district as a general rule do not receive a favorable outcome. SB2221 is designed to put a pool of money together to address road improvements to scenic areas and

recreational access on a statewide basis. There are individuals here today from different locales in North Dakota to speak to the benefits of providing funds for those areas.

I would like to give just a little more background on how projects of this type are currently funded. These type of projects are funded from the special roads fund within the department of transportation's budget. That pool receives its money from the interest on the funds we receive from the Federal Hi way distribution fund. As you know interest rates are very low so the special roads fund has been struggling, plus it is limited to 250,000 dollars per project, it functions as a supplement to local subdivision efforts.

SB2221 directs the money to be put into the special road fund as means to assist the DOT in the disbursements of the funds, however it does remove the dollar limitations and has permissive language that depending on the project they may require that up to 20% be funded from the local subdivision .

There are three charges that the people of North Dakota have given this legislature in regards to our surplus. 1. Improve our infrastructure, this bill does that. 2. Send some money back to the people, this bill will bring money and economic development to those communities receiving the funds. 3. Property tax relief, this bill will provide relief to those communities that have struggled for years to raise the revenues for these special projects.

I ask for your favorable consideration of this SB221.

January 30, 2013

Senate Bill 2221
Senate Transportation Committee
Honorable Sen. David Oehlke, Chairperson

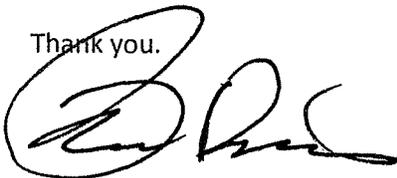
Testimony - Sen. Larry Robinson

Good morning Mr. Chairperson and members of the committee. I am providing written testimony today in support of SB2221. SB 2221 would surcharge the special roads fund within the Department of Transportation. The Special Roads fund was established by the legislative assembly. The legislation directed the interest income earned on the highway fund be deposited into the fund. The dollars in this fund were overseen by the Special Road Committee. I have attached to my testimony a background memorandum prepared by the Legislative Council staff for the Transportation Committee in September of 2011. The memorandum provides a history of the fund and a listing of the many projects that have been funded over the years.

Mr. Chairperson and members of the committee. The concept embedded in the special Roads Fund is as relevant today as it was when the fund was established. The projects funded by this means are of significant value to the state of North Dakota. The fund has provided for projects at recreational areas, parks, wildlife, and so much more. These projects would otherwise not be completed if it were not for this special fund. It is safe to say that these projects promote tourism and enhance the quality of life for the citizens of North Dakota.

There are others that will testify in support of SB2221. I believe the time has come for us to surcharge this fund so we can move forward with projects that would fall into the classification as special road fund designation.

Thank you.

A handwritten signature in black ink, appearing to read "Larry Robinson", written over the text "Thank you.".

SPECIAL ROAD FUND STUDY - BACKGROUND MEMORANDUM

House Concurrent Resolution No. 3032 (2011) (attached as an appendix) directs the Legislative Management to study the needs of, economic values of, and methods to improve access roadways to recreational, tourist, and historical sites in North Dakota. Presently, access roads are funded through the special road fund. The resolution recognizes that funding through the special road fund is inadequate to meet the needs of access roadways, and many of these roadways are in a significant state of disrepair or are in need of improvement. The resolution states that county and township funding is inadequate to meet the needs of access roadways. The resolution stresses that access roadways represent a value and provide an opportunity to increase income to local and state economies by increasing demand to visit the sites to which access roadways connect. The resolution recognizes that each access roadway varies in the condition, use, need, and value, and the appropriate manner in which to address the need of the access roadway depends on the facts surrounding each roadway. The resolution requires the study to focus on designated or named public or privately developed recreation areas, potential funding requirements through the special road fund or other appropriate funding method for the identified access roadway improvements, and the ability of the local governmental entities to operate and maintain these improvements when completed. In short, the study is of the funding of roads and road maintenance for roads that access tourist destinations, especially recreational areas.

LEGISLATIVE HISTORY

The minutes and testimony for House Concurrent Resolution No. 3032 reveal:

- Many of the proponents for the study have interests in and around Lake Sakakawea or Lake Oahe.
- The goal of proponents of the study is to expand the special road fund, perhaps by identifying new sources of revenues.
- Funding is inadequate to meet current and future needs.
- Roads through the Army Corps of Engineers' property create special needs for funding.
- The study should identify needs, prioritize the needs, and fund the prioritized needs. The first step of the study should be to identify and prioritize access roadways based on needs and values of the site connected with the roadway. Next, determine the reasonable level of access before the existing and projected use and needs of each site. Finally, determine if the improvement significantly increases the use of the site and justifies the investment.

In short, the study is of money and priorities based on a cost and benefit analysis.

There has not been any recent study or legislation, besides the 2009 legislation mentioned later in the **STATUTORY HISTORY** section of this memorandum, directly affecting the special road fund. Tangentially related, there are bills from time to time that ask for an appropriation for a particular road, and sometimes these roads would qualify for special road funding. As a general rule, these bills do not pass. For example, 2011 Senate Bill No. 2200 requested a \$2.1 million appropriation for the Cattail Bay road improvement project. This bill failed to pass the Senate. Also, tangentially related is a report from the Parks and Recreation Department to the Legislative Management's interim Natural Resources Committee during the 2009-10 interim on the mandated study of linking and improving public sites along the Sibley and Sully Historic Trails. Although the study had more to do with the purchase of battle site property, access to these battle sites through roads would be necessary.

STATUTORY HISTORY

The special road fund and related committee were originally created by the Legislative Assembly in 1989. Under the original legislation, the fund was created with 100 percent of the interest earned on the highway fund. The related committee was the Special Road Advisory Committee. As such, the highway commissioner, now named the director of the Department of Transportation, had sole discretion regarding funding projects.

In 1997 the Legislative Assembly provided that beginning July 1, 1997, the interest income earned on the highway fund would be retained in the highway fund and that after June 30, 1999, the statutory provisions relating to the special road fund and Special Road Advisory Committee would be repealed. However, in 1999 the Legislative Assembly reestablished the committee and the fund. The committee was no longer advisory and was named the Special Road Committee. The percentage of interest from the state highway fund to be placed in the special road fund was set at 40 percent. The Legislative Assembly amended the provisions relating to the special road fund in 2009 House Bill No. 1514. This bill made two major changes. The bill increased the percentage of income derived from the interest on the state highway fund from 40 percent to 80 percent. The bill allowed for holdover authority for unobligated funds for two bienniums. Previously, any money not obligated by the end of the biennium was required to revert to the state highway fund.

Pursuant to North Dakota Century Code Section 24-02-37.2, the Special Road Committee consists of a member of the Senate (currently Senator Gary A. Lee) and a member of the House (currently Representative

Dan Ruby)--appointed by the chairman of the Legislative Management, the director of the Game and Fish Department, the director of the Parks and Recreation Department, and the director of the Department of Transportation who is chairman. The Special Road Committee may use the money in the fund, within the limits of legislative appropriations, for constructing and maintaining access roads to, and roads within, recreational, tourist, and historical areas. The committee may require a political subdivision or state agency receiving funds for a project to contribute to the cost of the project. Any obligated money in the fund at the end of each biennium must be held for an additional two years after which the funds revert to the highway fund.

DEPARTMENT OF TRANSPORTATION GUIDELINES

In addition to the statutory provisions, the Department of Transportation has promulgated special road fund project guidelines. These guidelines provide that the participation by the department is limited to 60 percent of the construction cost, except within state-owned recreational, tourist, and historical areas, up to 100 percent of the construction costs may be available at the discretion of the Special Road Committee. The maximum financial participation is limited to \$250,000. The participant is responsible for all engineering costs, acquisition of right of way, and 40 percent of the construction costs, except for up to 100 percent if state-owned. The routine maintenance of the improvement is the responsibility of the participant. The participant is a city or county government or state agency. Projects are selected on a competitive basis. The application requires the following information:

1. Description of the project and why the improvement is needed.

2. Estimate of the traffic volume.
3. Type of improvement that is planned.
4. Estimate of cost.
5. Who is providing the local match.
6. Map showing the location of the project.

One additional requirement in the past was, depending upon the proposed project's location, the application must be sponsored by either a county, a city with a population of more than 5,000, or a state agency.

FUND ADMINISTRATION

The special road fund program is a yearly program. The following is a general timeline of the program:

- September - Solicitation of applications begin.
- Mid-December - Applications are due.
- March or April - The Special Road Committee meets and selects projects.
- April - Applicants are notified of the results.

The amount funded for the year is determined by projections as to interest for that year. The amount is based on a projection of the income derived from the special road fund, of which 80 percent is used by the fund. For example, 80 percent of the highway fund's interest income is projected to be \$15,000 per month for 2011. This is based on an interest rate of 2 percent. The amount available in the fund before 2011 interest income is \$154,956.69. The total amount that is available for award in 2011 is \$334,956.69.

Because of the low interest rate, projects were not awarded from 2004 to 2006. The funds earned in those years were used to fund previously awarded projects and to build a balance of funds for future awards. In 2007 awarding of funds from the special road fund recommenced. The following is information on awards to entities for projects. The first table is of all projects funded since the re-inception of the special road fund in 1999:

Entity	Project	Year Awarded	Amount Awarded	Amount Reimbursed	Amount To Be Reimbursed	Projects Withdrawn	Project Status
Barnes County and Barnes County Park District	Clausen Springs - Access road 2.5 miles asphalt patching seven chip seal	2000	\$14,400	\$14,400.00			Complete
Dunn County	Mel's Marina - Access road	2000	76,200	58,029.43			Complete
Emmons County	Lawrence Welk birthplace - Access road 2.5 miles grading and gravel	2000	77,000	67,771.50			Complete
Grafton	Heritage Village - Access road	2000	6,900	6,900.00			Complete
LaMoure County	Lake LaMoure recreation area - Asphalt surfacing	2000	45,500	45,500.00			Complete
Mcintosh County	Doyle Memorial State Park and Lake Hoskins - 6.8 miles seal coat	2000	33,900	33,542.53			Complete
McLean County/ Lewis and Clark Fort Mandan Foundation	Fort Mandan - Access road reconstruction	2000	7,500	7,500.00			Complete
Mountrail County	White Earth Bay - Access road grading	2000	43,700			\$43,700.00	

Entity	Project	Year Awarded	Amount Awarded	Amount Reimbursed	Amount To Be Reimbursed	Projects Withdrawn	Project Status
Stutsman County	Jamestown Reservoir and Pipestem Lake - Access roads	2000	32,300	27,609.46			Complete
Barnes County - Valley City	Public golf course - Access road from the Kathryn Road interchange	2001	78,900	77,090.76			Complete
Dunn County	Mel's Marina - Access road	2001	100,000	90,614.92			Complete
Foster County	Tri-county recreation project in Carrington - Access road	2001	30,000	28,008.26			Complete
McIntosh County	Dry Lake and Coldwater Lake - Access roads	2001	28,000	8,405.40			Complete
Parks and Recreation Department	Turtle River State Park - Bridge on access road	2001	200,000	200,000.00			Complete
Ward County	County Road 22 - Access road to Nelson Lake and Carlson Lake	2001	60,000			60,000.00	
Williams County	Trenton Indian Service Area - Access road to Trenton Lake	2001	60,000	60,000.00			Complete
Williams County	Little Beaver Bay - Access road to new boat ramp	2001	82,000	82,000.00			Complete
Williams County	Williston frontage road to museum, park, campground, and golf course	2001	45,000	36,264.86			Complete
Emmons County	Langeliers Bay Road - Asphalt surfacing	2002	95,700	95,700.00			Complete
LaMoure County	LaMoure County Memorial Park	2002	17,300	7,105.79			Complete
McKenzie County	Tobacco Garden Bay recreation area	2002	39,900	39,900.00			Complete
McLean County/ Game and Fish Department	Lake Audubon Wildlife Management Area	2002	60,000	60,000.00			Complete
Mercer County/State Historical Society	Fort Clark Historic Site - Access road	2002	75,000	66,197.39			Complete
Ward County	Old Settlers Park	2002	21,000	15,049.31			Complete
Williams County	Spring Lake Park - Park road repair	2002	20,400	9,871.00			Complete
Bottineau County	Butte St. Paul - Access road reshaping and gravel	2003	16,800	15,053.56			Complete
Burleigh County	Double Ditch recreation area - Access road paving	2003	15,000	15,000.00			Complete
Foster County	Lake Juanita Park - Access road paving	2003	21,000	21,000.00			Complete
Hettinger County/ Game and Fish Department	Indian Creek Wildlife Management Area - Access road	2003	30,000	30,000.00			Complete
LaMoure County	Lake LaMoure recreation area - Seal coat	2003	7,800	7,800.00			Complete
Ransom County	Sheyenne River National Scenic Byway - Asphalt pullouts	2003	13,500	12,510.06			Complete
Ransom County	Fort Ransom - Community park access road	2003	24,000			24,000.00	
Stark County	Enchanted Highway - Geese in flight access road	2003	6,000	6,000.00			Complete
Bottineau County	Mystical Horizons - Access road paving	2007	47,000	30,061.77			Complete
Bowman County	Bowman-Haley Dam - Access road gravel and chip seal	2007	22,000	22,000.00			Complete
Grafton	Leistikow Park - Asphalt overlay of park road	2007	28,000	28,000.00			Complete
International Peace Garden	Parking lots seal coat	2007	30,000	72,343.40			Complete

Entity	Project	Year Awarded	Amount Awarded	Amount Reimbursed	Amount To Be Reimbursed	Projects Withdrawn	Project Status
LaMoure County	Lake LaMoure - Access roads	2007	111,513	52,255.68			Complete
Mercer County	Hazen Bay - Walleye Road reconstruction	2007	138,000	138,000.00			Complete
Mountrail County	Van Hook - Access road paving	2007	195,000	195,000.00			Complete
Parks and Recreation Department	Beaver Lake State Park - Access road seal coat	2007	67,221	57,653.23			Complete
Parks and Recreation Department	Lake Sakakawea State Park - Access road seal coat	2007	200,000	179,370.50			Complete
Ransom County	Dead Colt Creek recreation area - Paving roads	2007	107,580	107,580.00			Complete
Rolette County	Lake Upsilon - Access road reconstruction	2007	250,000	250,000.00			Complete
Williams County	Little Beaver Bay - Access road from ND 1804 Phase 1 reconstruction	2007	136,000	136,000.00			
Bottineau County	Mystical Horizons - Seal coat of access road	2008	13,616	8,915.84			Complete
Bowman County	Gascoyne Lake - Reshape and gravel access road	2008	7,200	5,043.45			Complete
Dunn County	McKenzie Bay - Regrade access road	2008	182,141	182,141.00			Complete
Fargo	Red River Zoo - Access road reconstruction	2008	70,000			70,000.00	
Harvey	Schroeder Park - Resurfacing of park road	2008	134,700			134,700.00	
Parks and Recreation Department	Grahams Island State Park - Seal coat of park roads	2008	117,000	117,000.00			Complete
Renville County	Mouse River Park - Pave access road from ND 5	2008	250,000	197,291.90	10,000.00		
Stutsman County	Jamestown Reservoir and Pipestem Lake - Access roads overlay and seal coat	2008	250,000	192,690.53			
Williams County	Little Beaver Bay - Access road from ND 1804 Phase 2 reconstruction	2008	93,000		93,000.00		
Grand Forks County	Larimore Dam - Asphalt overlay of park road	2009	120,000	120,000.00			Complete
Langdon	15 th Avenue - Reconstruction of road to recreation area	2009	250,000		250,000.00		
Williams County	Williston Railroad Park - Road construction	2009	185,000	177,801.02	8,634.86		
Emmons County	Cattail Bay - Access road reconstruction	2010 and 2011	200,000		200,000.00		
Kidder County	Lake Isabel Park - Access road gravel	2010	11,850	7,229.96			
McIntosh County	Doyle Memorial State Park - Overlay access road	2010	170,550		170,550.00		
Dunn County	McKenzie Bay - Seal coat of access road	2011	50,000		50,000.00		
LaMoure County	Lake LaMoure - Seal coat of access road	2011	8,610		8,610.00		
Mercer County	Beulah Bay - Asphalt overlay of bay area roads	2011	200,000		200,000.00		
Total			\$5,130,681	\$3,521,202.51	\$990,794.86	\$332,400.00	
Special road fund balance as of June 30, 2011			\$921,196.04				
Less amount to be reimbursed			(990,794.86)				
Projected earnings through December 31, 2011 (estimated at \$15,000 per month)			90,000				
Amount available for award			\$20,401.18				

In addition, the following is the scoring of the projects for 2010-11 and the amount requested and awarded. The projects that were not awarded funds and scores are also included.

Special Road Fund - Year 2011-12 Projects								
Project	Game and Fish Department	Parks and Recreation Department	Senate	House	Department of Transportation	Total	Requested ¹	Awarded
Beulah Bay - Asphalt overlay of bay area roads	8	6	9	9	10	42	\$250,000	\$200,000
Lake LaMoure - Seal coat of access road	6	10	7	10	7	40	8,610	8,610
Cattail Bay - Grading, graveling, and paving access road from ND 1804	9	6	8	4	8	35	150,000	100,000
McKenzie Bay Marina - Seal coat of access road	10	8	0	8	9	35	77,245	50,000
Harmon Lake - Paving access road	6	1	10	3	5	25	250,000	
Missouri-Yellowstone Confluence - Access roads hot bituminous overlay	6	7	1	5	6	25	150,000	
Lake Metigoshe - Seal coat of some lake area roads	3	3	5	7	3	21	68,400	
Dunn Center to Little Missouri Bay - Access road asphalt overlay	4	4	3	6	2	19	250,000	
Roosevelt Park - Repair of park roadways	2	2	6	1	4	15	83,593	
Minnewaukan - Access road to school and athletic fields	1	8	2	0	1	12	219,000	
Lavergne Avenue - Access road to school and athletic fields	0	0	4	2	0	6	73,410	
Total	55	55	55	55	55	275	\$1,580,258	\$358,610

¹The maximum award per project is \$250,000.

The following is a list by year of projects not funded:

2007-08	
Entity	Project
Grand Forks	Lincoln Park - Lincoln Drive Loop road - Asphalt overlay
Valley City	Rosebud Interpretive Center - Parking lot asphalt overlay
Williams County	Lund's Landing - Access road and parking lots asphalt overlay
Minot	Park district - Baseball complex/regional park - New construction - Seventh Avenue SW - Five parking lots and one turnaround

2008-09	
Entity	Project
Grand Forks County	Larimore Dam - Asphalt overlay of park roads
Washburn	Riverside Park - Paving of park roads
Mercer County	Mercer County - Hazen Bay
Williston	Railroad Park

2009-10	
Entity	Project
Williams County	Paradise Point - Paving of access road to golf course
Grafton	Lavergne Avenue - Construction of access road to recreational facilities and high school

2010-11	
Entity	Project
Kidder County	Lake Isabel access road - Reshape and gravel
Emmons County	Cattail Bay - Reconstruction and paving of access road
McIntosh County	Doyle Memorial State Park - Asphalt overlay
Parks and Recreation Department	Turtle River State Park - Asphalt overlay on entrance road and seal coat
Barnes County	Sibley - Repair asphalt roadway and seal coat
Bottineau County	Lake Metigoshe - Seal coat of access roads to cabin sites
Mountrail County	Parshall Bay road - Microsurfacing (repair of roadway surface)
Morton County	Harmon Lake - Asphalt paving of access road
McLean County	Brush Lake Pavilion road - Microsurfacing (repair of roadway surface)
State Historical Society	Standing Rock Historic Site - Repair access road from ND 46
Williams County	Fort Buford - Asphalt overlay of access road
Grafton	Lavergne Avenue - Construction of curb and gutter street

SUGGESTED STUDY APPROACH

The suggested study approach is to follow the expectations of the proponents of the study. The committee may desire to receive testimony from these proponents to focus the study. Proponents included members from the Friends of Lake Sakakawea, resort and club owners on Lake Sakakawea, members of Voices of Lake Oahe, the publisher of *Dakota Country* magazine, and the Parks and Recreation Department with letters of support from the city of Walhalla, Valley City Visitors Bureau, and the Sheyenne River Valley National Scenic Byway Association.

The legislative history does not reveal any opponents. However, if funding is being used for access roads through unique funding, other roads are not receiving that funding or are not being considered in the prioritization. The state, cities, and townships may fund access roads if there were not a special road fund, but those access roads would compete with other roads in the prioritization process. Certain political subdivisions without access roads may not want the money spent on access roads, and certain political subdivisions with access roads may desire the funding for all roads with the local discretion to spend on access roads.

ATTACH:1

WestlawNext

Testimony 3

SB 2221

§ 24-02-37.2. Special road committee
West's North Dakota Century Code Annotated Title 24. Highways, Bridges, and Ferries (Approx. 2 pages)

NDCC, 24-02-37.2

§ 24-02-37.2. Special road committee

Currentness

The special road committee consists of one member of the senate and one member of the house of representatives appointed by the chairman of the legislative management, the director of the game and fish department, the director of the parks and recreation department, and the director of the department of transportation. The director of the department of transportation is chairman of the committee. The committee must meet at the call of the director to review requests for funding from the special road fund. The committee shall decide which project requests will receive funding. The director shall provide staff services to the committee. The members of the committee who are members of the legislative assembly are entitled to compensation from the department of transportation, from moneys appropriated from the special road fund, for attendance at committee meetings at the rate provided for members of the legislative assembly for attendance at interim committee meetings and are entitled to reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers.

Credits

S.L. 1999, ch. 247, § 2.

NDCC 24-02-37.2, ND ST 24-02-37.2

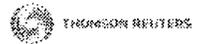
Current through the 2011 Regular and Special Sessions of the 62nd Legislative Assembly

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Testimony 4



P.O. Box 309 | Garrison, North Dakota | 58540 | friends@lakesakakawea.com | www.lakesakakawea.com

Senate Transportation Committee
SB 2221
Jan. 31, 2013

Good morning, I am Bill Butcher representing the Friends of Lake Sakakawea, an organization representing boaters, fishermen, cabin owners, sailors, businesses, communities and everyone who appreciates this resource. I am here to ask for your support of SB 2221.

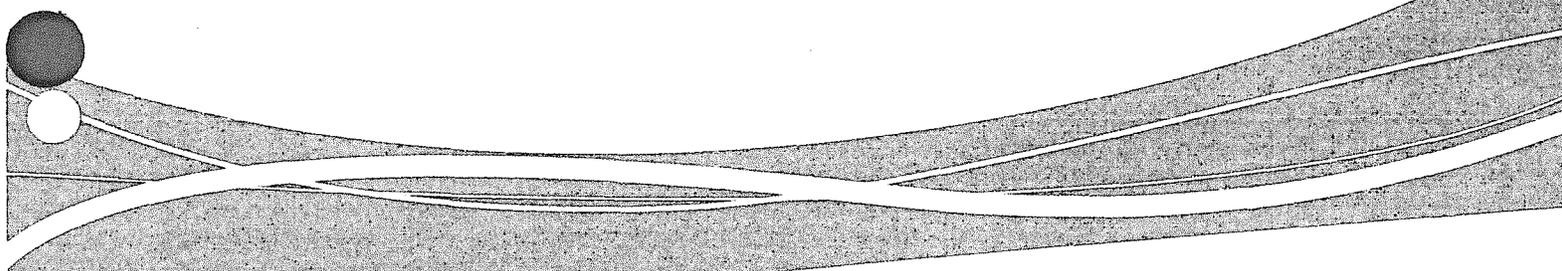
If you remember nothing else about this organization, you'll realize that we are tenacious. We were here in 2009 to ask for changes to the special roads fund formula so more dollars would be available to recreational, tourist and historic road projects. The bill passed but unfortunately in the end it didn't amount to a whole lot of money, and did not even begin to address the need. During the 2009 session we also pursued a direct appropriation to the special roads fund of \$30 Million. This was amended to \$15 million and passed in the House; but did not pass in the Senate. Again the funding needs go unmet.

We were back in the 2011 Legislative Session requesting a study of recreational, tourism and historical roads in the state and to develop priorities and options for improving these roads. A house concurrent resolution passed unanimously in both the House and Senate and was assigned to the Interim Transportation Committee.

But studying it isn't enough. Today we're in much worse condition than we were four years ago, and it is not going to be getting better anytime soon unless action is taken. While we're spending millions to entice visitors to our state, our roads are atrocious. Other speakers today will talk about the conditions that our residents and tourists endure.

Several state agencies and the Interim Transportation Committee members encouraged us to seek statewide funding in the budget. Although the governor's recommended budget called for \$142 million in undesignated road funds for oil producing counties and \$100 million for non-oil producing counties, SB 2221 specifically addresses the needs statewide to make improvements to roadways to recreational areas.

This is a statewide initiative and we appreciate any help you can give to the residents of this great state to make our roadways worthy of the people and places along these roadways. Please give SB 2221 a unanimous "DO PASS."



Senate Transportation Committee

Jan. 31, 2013

Testimony from Mountrail County on SB2221

Mr. Chairman and Members of the Committee,

I'm unable to attend the hearing on SB2221 today, but I would like to offer some insight into the bill. I, as a former county commissioner, could not deliver this in person but I discussed the bill with two of the current Mountrail County Commissioners and they are fully supportive of the effort to grant more funding statewide for recreational roads.

Current ~~county commissioners~~ Greg Boschee and David Hynek deal with a lot of issues that I never had to worry about. When I was on the commissioner we were looking at ways to make Mountrail County more enticing to businesses and residents. Now they're more concerned with keeping up with the services for the influx of new residents and visitors.

When those new residents, current residents and visitors come to the state, they want to enjoy its amenities when they have some time off. They want to purchase a fishing or a hunting license and head to the lake. Or they want to take their families to visit a historic fort or a park.

They need and deserve to have good roads to make those travels. And if we build it they will come and enjoy. Since the road to Parshall Bay and Van Hook Bay were paved, traffic counts surged. The same could be true for our hidden gems statewide.

Please give SB2221 a unanimous "do pass."

Clarence Wertz

PO Box 505 Parshall/ Van Hook Bay

701-898-3377

Testimony

Testimony in support of Senate Bill 2221

January 31, 2013

Randy Hatzenbuhler

President, TRMF

Chairman Oehlke and members of the Senate Transportation Committee:

My name is Randy Hatzenbuhler, President of the Theodore Roosevelt Medora Foundation and I am here to testify for SB 2221. I ask for your support on SB 2221 which would provide needed funds for road improvement on scenic byways and recreation areas in North Dakota.

These funds will be of significant assistance to tourism entities across North Dakota. They will have great impact on people traveling through the state as well as those who choose North Dakota for their vacation destination.

One of the more recognizable roads in North Dakota is the road just outside of Medora which winds past the entry to the Chateau de Mores Historic Site and leads to the Medora Musical Amphitheatre and Pitchfork Fondue. This road is 20 years old and in need of repair. Passage of SB 2221 would provide the opportunity to apply for funds for this road repair.

Thank you for your consideration. I would be happy to answer any questions.

Respectfully,



Randy Hatzenbuhler, President

Theodore Roosevelt Medora Foundation

My name is Tom Jochim and I am the Chairman of Voices for Lake Oahe which is located in southern Emmons County. I am here today to express our support of Senate Bill No. 2221.

The current county and township funding is inadequate and very stressed due to other ~~priority~~ projects and needs in the area which limits the local governments' ability to make the necessary investment to improve existing recreational access roadways.

~~Currently, access~~ roadways to recreational, tourist, and historical sites represent a local and statewide value, as well as a significant opportunity. Improvements will lead to increased use resulting in added value and income to the local and state ~~economies~~ *government*.

With the ~~projected~~ population increases in this state, related to the expanding energy industry and overall economic growth, the result is an increasing demand for recreational opportunities and the need for upgrades, improvements and construction of recreational access roadways.

The benefits related to this bill could be numerous. Safety of travelers, added tourism dollars, expanded economic opportunities to the state and county governments, and less wear and tear on vehicles, boats and RV's, are just a few of those benefits.

Cattail Bay Recreation Area is located on the Oahe Reservoir approximately 70 miles south of Bismarck and 5.25 miles west of Highway 1804. This area claims to have some of the finest hunting, fishing and camping in North Dakota and is a destination for year-round recreational activities.

Currently, the road is in very poor condition, which unfortunately, leaves a negative impression of our area to fellow North Dakotans and out-of-state visitors. A paved access road to Cattail Bay would attract a population that currently will not use the gravel road, specifically motorcycle and snowmobile enthusiasts. Improving access to this popular area will result in increased use and economic growth resulting in a positive return on the ~~infrastructure~~ investment.

1/2 The last 1.25 miles of the road to Cattail Bay was recently widened and built up in preparation for asphalt. Voices for Lake Oahe was a major player in that project by contributing some of the funding along with heading a fund raising campaign to complete the project. That is how important, we as an organization, feel this road is to our community, Lake Oahe ~~Reservoir~~, and recreation as a whole.

Thank you for your time today.

Road Work cost = 265,000

Good Morning... Mr. Chairman and members of the committee.

My name is Bill Mitzel. I publish Dakota Country magazine, a monthly hunting, fishing and conservation magazine out of Bismarck. We have readers in all 50 states and Canada.

In my many decades of promoting the wise use of our natural resources, it's always been a challenge to make people aware of our wonderful resources, but a much more difficult challenge to convince people of the need for conservation and enhancement of these resources. We are an agricultural state, which rightfully garners major attention. But when we realize that tourism spending was more than \$3 billion in 2011, an increase of almost 24 percent since 2008, we can easily understand that the valuable outdoor heritage we have here in North Dakota is of paramount importance.

In dealing with sportsmen and women for several decades, their major concerns not only involve where to hunt and fish, but how to get there. When Dakota Country was beginning in the state's outdoor world 33 years ago, people traveled in a variety of vehicles to get to their destinations. Boats were small by today's standards, and campers were uncommon. Today, the vehicle, boat and RV business is huge. Sales of these expensive toys have increased dramatically, and you can't go anywhere without seeing people attached to these huge investments.

As a result, sportsmen and women need good travel routes to get to their desired destinations, of which we have many. That said, it's easy to understand that with more and improved travel routes, people would make more use of our resources, which of course, will improve our economy. We would love to leave these people with a good impression and have them return.

I'll tell you why that's important. For many people in this country, in fact, for a huge majority of people in this country, any contact with the outdoor world comes in the form of a backyard bird feeder. That's it. For most Americans to actually go camping or fishing or hiking is a rare commodity. They have no contact with the outdoor world at all. But that isn't the case in North Dakota. We *are* an outdoor people. It's our culture. We talk about it all the time. Tell a friend about a fishing hotspot and he'll disappear faster than a pizza at a Weight Watcher's convention.

There is a frequent national television commercial airing at the present time, in which an adult male, dressed head-to-toe in fly fishing gear, looks at the camera and says, "Before COPD, I used to take my son on a fishing trip every year."

Wow. Once, every year? In North Dakota and the Midwest, it's not uncommon for thousands of people to fish and hunt up to 100 times a year. Thus, the need for good travel routes are vital and important. Such benefits will only increase the amount of outdoor activity in North Dakota, of which there is more than anyone could possibly explore in a lifetime.

People, when describing directions to a fishing or hunting hotspot, often conclude that there's a certain amount of gravel miles involved. It's obvious important when people consider outdoor destinations. Poor roads are a deterrent.

I hope the committee will work with North Dakota's outdoor community to improve roads where we can. Travel is a huge element in people's plans when they decide where to spend weekends and vacations. And those statistics I mentioned earlier about tourism prove how important that component is to our way of life.

Thank you.

Bill Mitzel
Bismarck
(701) 255-3031

Testimony 9

Transportation Committee Meeting
Kelly Sorge, Indian Hills Resort, Garrison ND.
In Support of SB2221

Good morning. I'm Kelly Sorge, owner of Indian Hills Resort. If you haven't been there, it's a beautiful spot nestled in lush hills, offering fantastic fishing and rich experiences.

That being said, first impressions are lasting and irreplaceable. I spend thousands of dollars and countless hours on advertising our beautiful oasis on the lake. We boast fantastic camping, lodging, newly constructed world class mountain bike trails and customer service beyond compare.

Then when I finally have them coming, their first experience after traveling several hours or hundreds of miles is, a primitive country road full of washboards and loose rock. Imagine what is going on the camper or boat. That is the first impression I have to compete with as they battle with dusty new fishing rods, damaged trailers and cupboard goods sent flying.

It seems a bit like false advertising. It can actually be quite embarrassing sometimes.

The goal of any business is to grow and prosper. Another major hurdle for us is the delivery trucks. Some refuse to travel in to the resort and others have threatened to stop delivering. Land O'Lakes and Coca-Cola have never delivered, and if the Ice truck decides to stop traveling our 3 miles of washboards we really have a problem, as we are 30 miles from town.

I realize that our location is not the only one at the end of roads that need improving. I believe the people of ND deserve a better experience and we all want to be proud of our state on the eyes of our out of state guests.

Please give SB2221 a "do pass" so these rich resources can be enjoyed.

Testimony on SB2221
Senate Transportation Committee
Emmanuel Stroh

Mr. Chairman and Members of the Committee,

I am here to testify for improving the roads that lead to many recreational spots statewide.

There are roads that are in dire need of improvements. One area I have used most is the McKenzie Bay area, which lies in Dunn County, and a good portion of the road to the area lies in McKenzie County.

The McKenzie Bay Marine Club spent a lot of their own funds to develop and maintain the road for 50 plus years. This is a public use area that is open to the public for recreation with full public facilities and is the only public use area with full facilities in Dunn County. We have received funding over the years from ND DOT, Dunn County, McKenzie County and the Corps of Engineers but these funds have been very limited.

Much of the roads funds Dunn and McKenzie Counties have now are going to roads impacted by high oil traffic. This bill would allow a portion of the funding to come from the state and a portion from a partner like the county or the McKenzie Bay Marine Club.

As you can imagine, our area has seen an enormous increase in traffic. In 2008 we had approximately 20,000 vehicles use the road to McKenzie Bay. As you can imagine, traffic counts are at least double that today.

Passage of SB2221 will help us improve roads statewide that need improvement. Thank you for your time and consideration.

- 1) Bismarck Regional DUI Task Force
- 2) Devils Lake Regional DUI Task Force
- 3) Dickinson Regional DUI Task Force
- 4) Fargo Regional DUI Task Force
- 5) Grand Forks Regional DUI Task Force
- 6) Jamestown Regional DUI Task Force
- 7) Minot Regional DUI Task Force
- 8) Williston Regional DUI Task Force

13.0662.02001
Title.

Prepared by the Legislative Council staff for
Senator Flakoll

January 31, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2221

Page 1, line 20, after the period insert "To be eligible to receive a grant under this section, the county or township road project must be located within a county that levies a combined total of seven or more mills for county road and bridge, farm-to-market and federal aid road, and county road purposes."

Renumber accordingly

13.0662.02002
Title.

Prepared by the Legislative Council staff for
Senator Flakoll
January 31, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2221

Page 1, line 20, after the period insert "The special road committee may distribute a maximum of \$2,500,000 of grants under this section for projects located within the boundaries of each department of transportation district in the state."

Re-number accordingly

Prepared by Legislative Intern Justin Hagel
Senator Flakoll
February 1, 2013

PROPOSED AMENDMENT TO SENATE BILL NO. 2221

Page 1, line 20, after "section." insert the following:

SECTION 3. Section 24-02-37.2 of the North Dakota Century Code is amended and reenacted as follows:

24-02-37.2 Special road committee.

1. The special road committee consists of one ~~member of the senate and one member of the house of representatives~~ legislator appointed by the chairman of the legislative management, the chairman of the senate and house of representatives transportation committees, the senate and house of representatives minority leaders, the director of the game and fish department, the director of the parks and recreation department, and the director of the department of transportation or their designees. The director of the department of transportation is chairman of the committee. The committee must meet at the call of the director to review requests for funding from the special road fund. The committee shall decide which project requests will receive funding. The director shall provide staff services to the committee. The members of the committee who are members of the legislative assembly are entitled to compensation from the department of transportation, from moneys appropriated from the special road fund, for attendance at committee meetings at the rate provided for members of the legislative assembly for attendance at interim committee meetings and are entitled to reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers.

Renumber accordingly

SB 2221
2-11-13

#1

SPECIAL ROAD FUND STUDY - BACKGROUND MEMORANDUM

House Concurrent Resolution No. 3032 (2011) (attached as an appendix) directs the Legislative Management to study the needs of, economic values of, and methods to improve access roadways to recreational, tourist, and historical sites in North Dakota. Presently, access roads are funded through the special road fund. The resolution recognizes that funding through the special road fund is inadequate to meet the needs of access roadways, and many of these roadways are in a significant state of disrepair or are in need of improvement. The resolution states that county and township funding is inadequate to meet the needs of access roadways. The resolution stresses that access roadways represent a value and provide an opportunity to increase income to local and state economies by increasing demand to visit the sites to which access roadways connect. The resolution recognizes that each access roadway varies in the condition, use, need, and value, and the appropriate manner in which to address the need of the access roadway depends on the facts surrounding each roadway. The resolution requires the study to focus on designated or named public or privately developed recreation areas, potential funding requirements through the special road fund or other appropriate funding method for the identified access roadway improvements, and the ability of the local governmental entities to operate and maintain these improvements when completed. In short, the study is of the funding of roads and road maintenance for roads that access tourist destinations, especially recreational areas.

LEGISLATIVE HISTORY

The minutes and testimony for House Concurrent Resolution No. 3032 reveal:

- Many of the proponents for the study have interests in and around Lake Sakakawea or Lake Oahe.
- The goal of proponents of the study is to expand the special road fund, perhaps by identifying new sources of revenues.
- Funding is inadequate to meet current and future needs.
- Roads through the Army Corps of Engineers' property create special needs for funding.
- The study should identify needs, prioritize the needs, and fund the prioritized needs. The first step of the study should be to identify and prioritize access roadways based on needs and values of the site connected with the roadway. Next, determine the reasonable level of access before the existing and projected use and needs of each site. Finally, determine if the improvement significantly increases the use of the site and justifies the investment.

In short, the study is of money and priorities based on a cost and benefit analysis.

There has not been any recent study or legislation, besides the 2009 legislation mentioned later in the **STATUTORY HISTORY** section of this memorandum, directly affecting the special road fund. Tangentially related, there are bills from time to time that ask for an appropriation for a particular road, and sometimes these roads would qualify for special road funding. As a general rule, these bills do not pass. For example, 2011 Senate Bill No. 2200 requested a \$2.1 million appropriation for the Cattail Bay road improvement project. This bill failed to pass the Senate. Also, tangentially related is a report from the Parks and Recreation Department to the Legislative Management's interim Natural Resources Committee during the 2009-10 interim on the mandated study of linking and improving public sites along the Sibley and Sully Historic Trails. Although the study had more to do with the purchase of battle site property, access to these battle sites through roads would be necessary.

STATUTORY HISTORY

The special road fund and related committee were originally created by the Legislative Assembly in 1989. Under the original legislation, the fund was created with 100 percent of the interest earned on the highway fund. The related committee was the Special Road Advisory Committee. As such, the highway commissioner, now named the director of the Department of Transportation, had sole discretion regarding funding projects.

In 1997 the Legislative Assembly provided that beginning July 1, 1997, the interest income earned on the highway fund would be retained in the highway fund and that after June 30, 1999, the statutory provisions relating to the special road fund and Special Road Advisory Committee would be repealed. However, in 1999 the Legislative Assembly reestablished the committee and the fund. The committee was no longer advisory and was named the Special Road Committee. The percentage of interest from the state highway fund to be placed in the special road fund was set at 40 percent. The Legislative Assembly amended the provisions relating to the special road fund in 2009 House Bill No. 1514. This bill made two major changes. The bill increased the percentage of income derived from the interest on the state highway fund from 40 percent to 80 percent. The bill allowed for holdover authority for unobligated funds for two bienniums. Previously, any money not obligated by the end of the biennium was required to revert to the state highway fund.

Pursuant to North Dakota Century Code Section 24-02-37.2, the Special Road Committee consists of a member of the Senate (currently Senator Gary A. Lee) and a member of the House (currently Representative

Dan Ruby)--appointed by the chairman of the Legislative Management, the director of the Game and Fish Department, the director of the Parks and Recreation Department, and the director of the Department of Transportation who is chairman. The Special Road Committee may use the money in the fund, within the limits of legislative appropriations, for constructing and maintaining access roads to, and roads within, recreational, tourist, and historical areas. The committee may require a political subdivision or state agency receiving funds for a project to contribute to the cost of the project. Any obligated money in the fund at the end of each biennium must be held for an additional two years after which the funds revert to the highway fund.

DEPARTMENT OF TRANSPORTATION GUIDELINES

In addition to the statutory provisions, the Department of Transportation has promulgated special road fund project guidelines. These guidelines provide that the participation by the department is limited to 60 percent of the construction cost, except within state-owned recreational, tourist, and historical areas, up to 100 percent of the construction costs may be available at the discretion of the Special Road Committee. The maximum financial participation is limited to \$250,000. The participant is responsible for all engineering costs, acquisition of right of way, and 40 percent of the construction costs, except for up to 100 percent if state-owned. The routine maintenance of the improvement is the responsibility of the participant. The participant is a city or county government or state agency. Projects are selected on a competitive basis. The application requires the following information:

1. Description of the project and why the improvement is needed.

2. Estimate of the traffic volume.
3. Type of improvement that is planned.
4. Estimate of cost.
5. Who is providing the local match.
6. Map showing the location of the project.

One additional requirement in the past was, depending upon the proposed project's location, the application must be sponsored by either a county, a city with a population of more than 5,000, or a state agency.

FUND ADMINISTRATION

The special road fund program is a yearly program. The following is a general timeline of the program:

- September - Solicitation of applications begin.
- Mid-December - Applications are due.
- March or April - The Special Road Committee meets and selects projects.
- April - Applicants are notified of the results.

The amount funded for the year is determined by projections as to interest for that year. The amount is based on a projection of the income derived from the special road fund, of which 80 percent is used by the fund. For example, 80 percent of the highway fund's interest income is projected to be \$15,000 per month for 2011. This is based on an interest rate of 2 percent. The amount available in the fund before 2011 interest income is \$154,956.69. The total amount that is available for award in 2011 is \$334,956.69.

Because of the low interest rate, projects were not awarded from 2004 to 2006. The funds earned in those years were used to fund previously awarded projects and to build a balance of funds for future awards. In 2007 awarding of funds from the special road fund recommenced. The following is information on awards to entities for projects. The first table is of all projects funded since the re-inception of the special road fund in 1999:

Entity	Project	Year Awarded	Amount Awarded	Amount Reimbursed	Amount To Be Reimbursed	Projects Withdrawn	Project Status
Barnes County and Barnes County Park District	Clausen Springs - Access road 2.5 miles asphalt patching seven chip seal	2000	\$14,400	\$14,400.00			Complete
Dunn County	Mel's Marina - Access road	2000	76,200	58,029.43			Complete
Emmons County	Lawrence Welk birthplace - Access road 2.5 miles grading and gravel	2000	77,000	67,771.50			Complete
Grafton	Heritage Village - Access road	2000	6,900	6,900.00			Complete
LaMoure County	Lake LaMoure recreation area - Asphalt surfacing	2000	45,500	45,500.00			Complete
McIntosh County	Doyle Memorial State Park and Lake Hoskins - 6.8 miles seal coat	2000	33,900	33,542.53			Complete
McLean County/ Lewis and Clark Fort Mandan Foundation	Fort Mandan - Access road reconstruction	2000	7,500	7,500.00			Complete
Mountrail County	White Earth Bay - Access road grading	2000	43,700			\$43,700.00	

Entity	Project	Year Awarded	Amount Awarded	Amount Reimbursed	Amount To Be Reimbursed	Projects Withdrawn	Project Status
Stutsman County	Jamestown Reservoir and Pipestem Lake - Access roads	2000	32,300	27,609.46			Complete
Barnes County - Valley City	Public golf course - Access road from the Kathryn Road interchange	2001	78,900	77,090.76			Complete
Dunn County	Mel's Marina - Access road	2001	100,000	90,614.92			Complete
Foster County	Tri-county recreation project in Carrington - Access road	2001	30,000	28,008.26			Complete
McIntosh County	Dry Lake and Coldwater Lake - Access roads	2001	28,000	8,405.40			Complete
Parks and Recreation Department	Turtle River State Park - Bridge on access road	2001	200,000	200,000.00			Complete
Ward County	County Road 22 - Access road to Nelson Lake and Carlson Lake	2001	60,000			60,000.00	
Williams County	Trenton Indian Service Area - Access road to Trenton Lake	2001	60,000	60,000.00			Complete
Williams County	Little Beaver Bay - Access road to new boat ramp	2001	82,000	82,000.00			Complete
Williams County	Williston frontage road to museum, park, campground, and golf course	2001	45,000	36,264.86			Complete
Emmons County	Langeliers Bay Road - Asphalt surfacing	2002	95,700	95,700.00			Complete
LaMoure County	LaMoure County Memorial Park	2002	17,300	7,105.79			Complete
McKenzie County	Tobacco Garden Bay recreation area	2002	39,900	39,900.00			Complete
McLean County/ Game and Fish Department	Lake Audubon Wildlife Management Area	2002	60,000	60,000.00			Complete
Mercer County/State Historical Society	Fort Clark Historic Site - Access road	2002	75,000	66,197.39			Complete
Ward County	Old Settlers Park	2002	21,000	15,049.31			Complete
Williams County	Spring Lake Park - Park road repair	2002	20,400	9,871.00			Complete
Bottineau County	Butte St. Paul - Access road reshaping and gravel	2003	16,800	15,053.56			Complete
Burleigh County	Double Ditch recreation area - Access road paving	2003	15,000	15,000.00			Complete
Foster County	Lake Juanita Park - Access road paving	2003	21,000	21,000.00			Complete
Hettinger County/ Game and Fish Department	Indian Creek Wildlife Management Area - Access road	2003	30,000	30,000.00			Complete
LaMoure County	Lake LaMoure recreation area - Seal coat	2003	7,800	7,800.00			Complete
Ransom County	Sheyenne River National Scenic Byway - Asphalt pullouts	2003	13,500	12,510.06			Complete
Ransom County	Fort Ransom - Community park access road	2003	24,000			24,000.00	
Stark County	Enchanted Highway - Geese in flight access road	2003	6,000	6,000.00			Complete
Bottineau County	Mystical Horizons - Access road paving	2007	47,000	30,061.77			Complete
Bowman County	Bowman-Haley Dam - Access road gravel and chip seal	2007	22,000	22,000.00			Complete
Grafton	Leistikow Park - Asphalt overlay of park road	2007	28,000	28,000.00			Complete
International Peace Garden	Parking lots seal coat	2007	30,000	72,343.40			Complete

Entity	Project	Year Awarded	Amount Awarded	Amount Reimbursed	Amount To Be Reimbursed	Projects Withdrawn	Project Status
LaMoure County	Lake LaMoure - Access roads	2007	111,513	52,255.68			Complete
Mercer County	Hazen Bay - Walleye Road reconstruction	2007	138,000	138,000.00			Complete
Mountrail County	Van Hook - Access road paving	2007	195,000	195,000.00			Complete
Parks and Recreation Department	Beaver Lake State Park - Access road seal coat	2007	67,221	57,653.23			Complete
Parks and Recreation Department	Lake Sakakawea State Park - Access road seal coat	2007	200,000	179,370.50			Complete
Ransom County	Dead Colt Creek recreation area - Paving roads	2007	107,580	107,580.00			Complete
Rolette County	Lake Upsilon - Access road reconstruction	2007	250,000	250,000.00			Complete
Williams County	Little Beaver Bay - Access road from ND 1804 Phase 1 reconstruction	2007	136,000	136,000.00			Complete
Bottineau County	Mystical Horizons - Seal coat of access road	2008	13,616	8,915.84			Complete
Bowman County	Gascoyne Lake - Reshape and gravel access road	2008	7,200	5,043.45			Complete
Dunn County	McKenzie Bay - Regrade access road	2008	182,141	182,141.00			Complete
Fargo	Red River Zoo - Access road reconstruction	2008	70,000			70,000.00	
Harvey	Schroeder Park - Resurfacing of park road	2008	134,700			134,700.00	
Parks and Recreation Department	Grahams Island State Park - Seal coat of park roads	2008	117,000	117,000.00			Complete
Renville County	Mouse River Park - Pave access road from ND 5	2008	250,000	197,291.90	10,000.00		
Stutsman County	Jamestown Reservoir and Pipestem Lake - Access roads overlay and seal coat	2008	250,000	192,690.53			
Williams County	Little Beaver Bay - Access road from ND 1804 Phase 2 reconstruction	2008	93,000		93,000.00		
Grand Forks County	Larimore Dam - Asphalt overlay of park road	2009	120,000	120,000.00			Complete
Langdon	15 th Avenue - Reconstruction of road to recreation area	2009	250,000		250,000.00		
Williams County	Williston Railroad Park - Road construction	2009	185,000	177,801.02	8,634.86		
Emmons County	Cattail Bay - Access road reconstruction	2010 and 2011	200,000		200,000.00		
Kidder County	Lake Isabel Park - Access road gravel	2010	11,850	7,229.96			
McIntosh County	Doyle Memorial State Park - Overlay access road	2010	170,550		170,550.00		
Dunn County	McKenzie Bay - Seal coat of access road	2011	50,000		50,000.00		
LaMoure County	Lake LaMoure - Seal coat of access road	2011	8,610		8,610.00		
Mercer County	Beulah Bay - Asphalt overlay of bay area roads	2011	200,000		200,000.00		
Total			\$5,130,681	\$3,521,202.51	\$990,794.86	\$332,400.00	
Special road fund balance as of June 30, 2011			\$921,196.04				
Less amount to be reimbursed			(990,794.86)				
Projected earnings through December 31, 2011 (estimated at \$15,000 per month)			90,000				
Amount available for award			\$20,401.18				

In addition, the following is the scoring of the projects for 2010-11 and the amount requested and awarded. The projects that were not awarded funds and scores are also included.

Special Road Fund - Year 2011-12 Projects									
Project	Game and Fish Department	Parks and Recreation Department	Senate	House	Department of Transportation	Total	Requested ¹	Awarded	
Beulah Bay - Asphalt overlay of bay area roads	8	6	9	9	10	42	\$250,000	\$200,000	
Lake LaMoure - Seal coat of access road	6	10	7	10	7	40	8,610	8,610	
Cattail Bay - Grading, graveling, and paving access road from ND 1804	9	6	8	4	8	35	150,000	100,000	
McKenzie Bay Marina - Seal coat of access road	10	8	0	8	9	35	77,245	50,000	
Harmon Lake - Paving access road	6	1	10	3	5	25	250,000		
Missouri-Yellowstone Confluence - Access roads hot bituminous overlay	6	7	1	5	6	25	150,000		
Lake Metigoshe - Seal coat of some lake area roads	3	3	5	7	3	21	68,400		
Dunn Center to Little Missouri Bay - Access road asphalt overlay	4	4	3	6	2	19	250,000		
Roosevelt Park - Repair of park roadways	2	2	6	1	4	15	83,593		
Minnewaukan - Access road to school and athletic fields	1	8	2	0	1	12	219,000		
Lavergne Avenue - Access road to school and athletic fields	0	0	4	2	0	6	73,410		
Total	55	55	55	55	55	275	\$1,580,258	\$358,610	

¹The maximum award per project is \$250,000.

The following is a list by year of projects not funded:

2007-08	
Entity	Project
Grand Forks	Lincoln Park - Lincoln Drive Loop road - Asphalt overlay
Valley City	Rosebud Interpretive Center - Parking lot asphalt overlay
Williams County	Lund's Landing - Access road and parking lots asphalt overlay
Minot	Park district - Baseball complex/regional park - New construction - Seventh Avenue SW - Five parking lots and one turnaround

2008-09	
Entity	Project
Grand Forks County	Larimore Dam - Asphalt overlay of park roads
Washburn	Riverside Park - Paving of park roads
Mercer County	Mercer County - Hazen Bay
Williston	Railroad Park

2009-10	
Entity	Project
Williams County	Paradise Point - Paving of access road to golf course
Grafton	Lavergne Avenue - Construction of access road to recreational facilities and high school

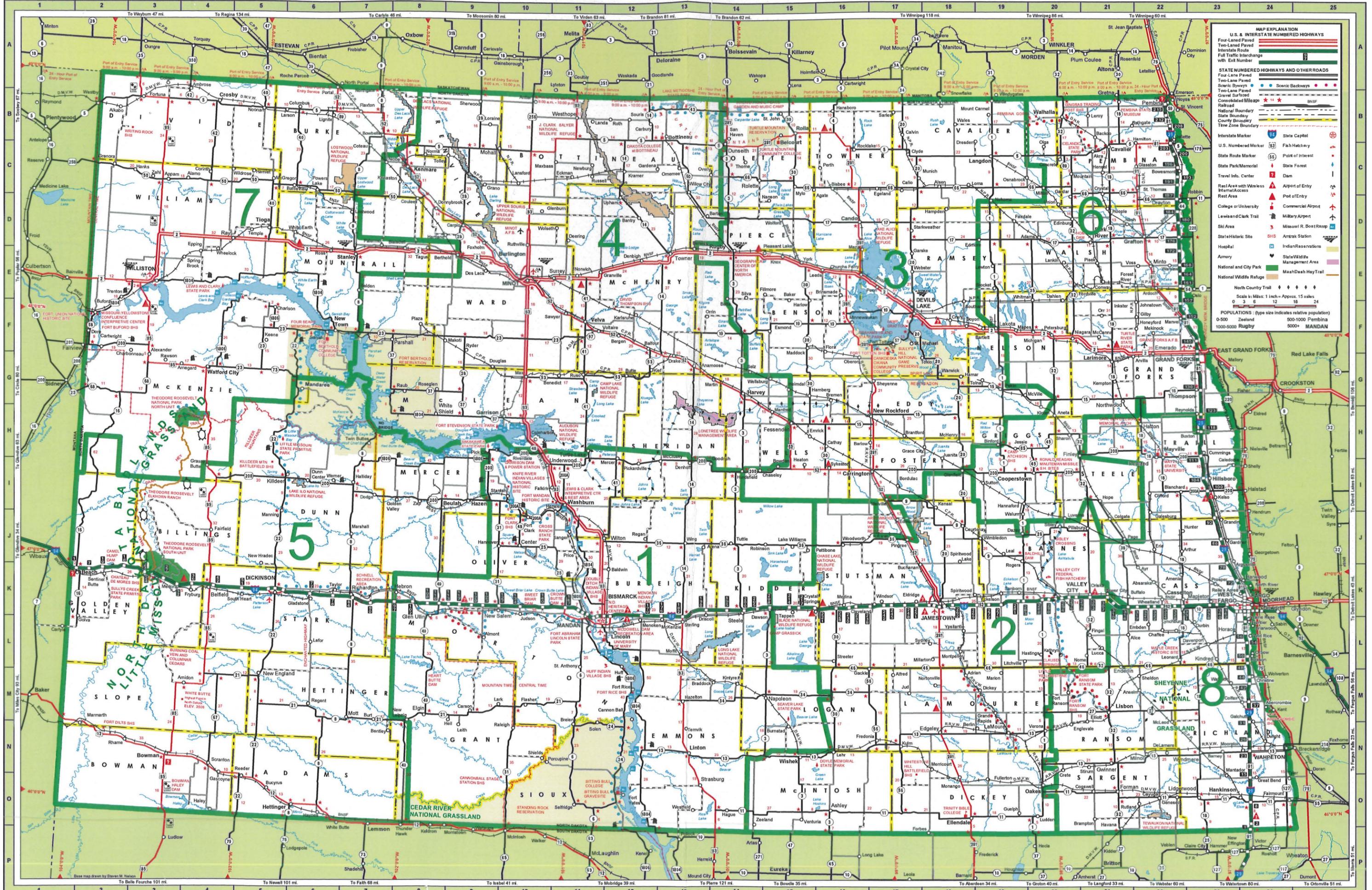
2010-11	
Entity	Project
Kidder County	Lake Isabel access road - Reshape and gravel
Emmons County	Cattail Bay - Reconstruction and paving of access road
McIntosh County	Doyle Memorial State Park - Asphalt overlay
Parks and Recreation Department	Turtle River State Park - Asphalt overlay on entrance road and seal coat
Barnes County	Sibley - Repair asphalt roadway and seal coat
Bottineau County	Lake Metigoshe - Seal coat of access roads to cabin sites
Mountrail County	Parshall Bay road - Microsurfacing (repair of roadway surface)
Morton County	Harmon Lake - Asphalt paving of access road
McLean County	Brush Lake Pavilion road - Microsurfacing (repair of roadway surface)
State Historical Society	Standing Rock Historic Site - Repair access road from ND 46
Williams County	Fort Buford - Asphalt overlay of access road
Grafton	Lavergne Avenue - Construction of curb and gutter street

SUGGESTED STUDY APPROACH

The suggested study approach is to follow the expectations of the proponents of the study. The committee may desire to receive testimony from these proponents to focus the study. Proponents included members from the Friends of Lake Sakakawea, resort and club owners on Lake Sakakawea, members of Voices of Lake Oahe, the publisher of *Dakota Country* magazine, and the Parks and Recreation Department with letters of support from the city of Walhalla, Valley City Visitors Bureau, and the Sheyenne River Valley National Scenic Byway Association.

The legislative history does not reveal any opponents. However, if funding is being used for access roads through unique funding, other roads are not receiving that funding or are not being considered in the prioritization. The state, cities, and townships may fund access roads if there were not a special road fund, but those access roads would compete with other roads in the prioritization process. Certain political subdivisions without access roads may not want the money spent on access roads, and certain political subdivisions with access roads may desire the funding for all roads with the local discretion to spend on access roads.

ATTACH:1



MAP EXPLANATION

U.S. & INTERSTATE NUMBERED HIGHWAYS

- Four-Lane Paved Interstate Route
- Two-Lane Paved Interstate Route
- Full Traffic Interchange with Exit Number

STATE NUMBERED HIGHWAYS AND OTHER ROADS

- Four-Lane Paved State Route
- Two-Lane Paved State Route
- Scenic Byways
- Two-Lane Paved Gravel Surfaced
- Consolidated Mileage
- National Boundary
- State Boundary
- County Boundary
- Three Zone Boundary

Other Symbols:

- State Capitol
- Fish Hatchery
- Point of Interest
- State Forest
- Dam
- Rest Area with Wireless Internet Access
- Point of Entry
- College or University
- Commercial Airport
- Levee and Clark Trail
- Military Airport
- Ski Area
- Missouri R. Boat Ramp
- State Historic Site
- Indian Reservations
- State Wildlife Management Area
- National and City Park
- Mash/Dash Hwy Trail
- North Country Trail

Scale: 1 inch = Approx. 15 miles
 0 3 6 12 18 24 Miles

POPULATIONS (type size indicates relative population)

- 0-500 Zealand
- 500-1000 Pembina
- 1000-5000 Rugby
- 5000+ MANDAN

7

4

3

5

1

2

8

Chairman Ruby and members of the House Transportation Committee, for the record my name is Robert Erbele, Senator from District 28.

SB2221 is a bill to address the need to update our roads leading to recreational access and scenic byway and backway roads. The bill requests that 20 million dollars be appropriated from the Strategic Investment and Improvement Fund.

A little history on the fund . The fund was established last session by HB 1451 that instructed the State Treasurer to close out the lands and minerals trust fund and transfer any remaining unobligated balance to the strategic investment and improvements fund The bill stated it is the intent of the Legislative Assembly that the fund be used for one-time expenditures relating to improving state infrastructure or initiatives to improve the efficiency and effectiveness of state government. HB1451 created a new chapter to the Century Code to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit to the following funds.

- . The first \$200 million is deposited in the general fund
- .The next \$341,790,000 is deposited in the property tax relief sustainability fund
- .The next \$100,000 million is deposited in the general fund
- . The next \$100,000 million is deposited in the strategic investment and improvement fund
- .The next \$22 million is deposited in the state disaster relief fund, and any additional revenue is deposited in the strategic investment and improvements fund.

There is a healthy balance in the fund today, but whether or not we choose that fund or if the Appropriations committee deems there is a fund that may fit these projects better, it is important to move forward while we have the resources to enhance the access to some our states' special sites.

Each session legislators have requests from their constituents for special projects within their districts, and isolated stand alone bills that only serve one district as a general rule do not receive a favorable outcome. SB2221 is designed to put a pool of money together to address road improvements to scenic areas and

recreational access on a statewide basis. There are individuals here today from different locales in North Dakota to speak to the benefits of providing funds for those areas.

I would like to give just a little more background on how projects of this type are currently funded. These type of projects are funded from the special roads fund within the department of transportation's budget. That pool receives its money from the interest on the funds we receive from the Federal Hi way distribution fund. As you know interest rates are very low so the special roads fund has been struggling, plus it is limited to 250,000 dollars per project, it functions as a supplement to local subdivision efforts.

SB2221 directs the money to be put into the special road fund as means to assist the DOT in the disbursements of the funds, however it does remove the dollar limitations and has permissive language that depending on the project they may require that up to 20% be funded from the local subdivision .

There are three charges that the people of North Dakota have given this legislature in regards to our surplus. 1. Improve our infrastructure, this bill does that. 2. Send some money back to the people, this bill will bring money and economic development to those communities receiving the funds. 3. Property tax relief, this bill will provide relief to those communities that have struggled for years to raise the revenues for these special projects.

I ask for your favorable consideration of this SB221.



FRIENDS OF
LAKE SAKAKAWEA

P.O. Box 309 | Garrison, North Dakota | 58540 | friends@lakesakakawea.com | www.lakesakakawea.com

House Transportation Committee – SB 2221
March 21, 2013

I am Bill Butcher representing the Friends of Lake Sakakawea, an organization representing boaters, fishermen, cabin owners, sailors, businesses, communities and everyone who appreciates the recreational resources on our lake and statewide. I am here to ask for your support of SB 2221.

The Friends were here in 2009 to ask for a direct appropriation to the special roads fund of \$30 Million. This was amended to \$15 million and passed in the House; but did not pass in the Senate. Hence the needed funding went unmet.

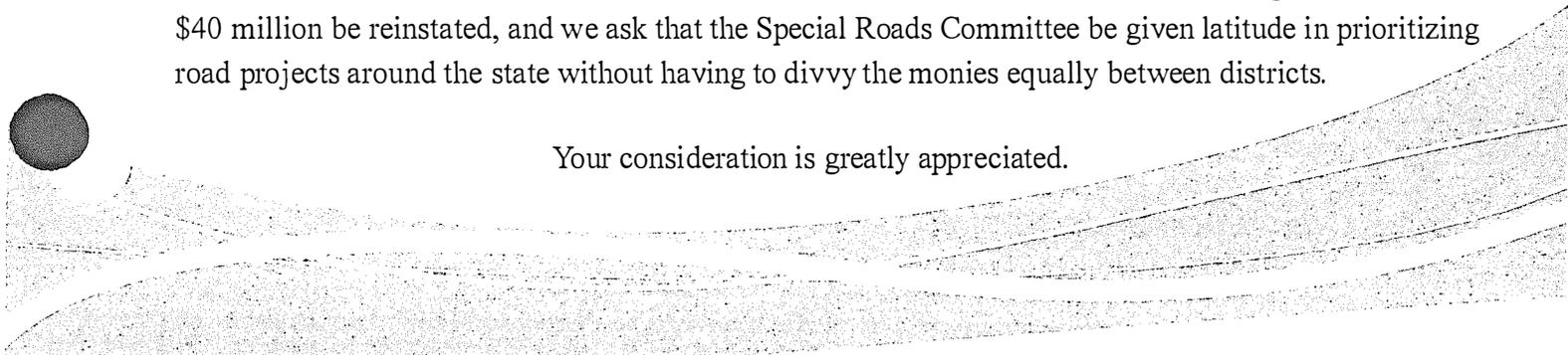
We were back in the 2011 Legislative Session requesting a study of recreational, tourism and historical roads in the state and to develop priorities and options for improving these roads. A house concurrent resolution passed unanimously in both the House and Senate and was assigned to the Interim Transportation Committee and the matter was, indeed, studied.

But studying it isn't enough. Today these roads are in much worse condition than they were four years ago, and it is not going to be getting better anytime soon unless action is taken. While we're spending millions to entice visitors to our state, our roads are atrocious. SB 2221 specifically addresses the needs statewide to make improvements to roadways to recreational areas.

The bill before you originally called for \$40 million but was reduced by the Senate to \$20 million. It also calls for those monies to be distributed equally between the DOT's eight districts in the state. DOT estimates the cost of paving a road at about \$1.4 million per mile. If \$20 million is divided equally between eight districts that provides \$2.5 million for each district, or less than two miles of paved roads per district. Suddenly \$20 million doesn't sound like as much as it did. I'm not aware of any road leading to a recreational site that is less than two miles long.

We ask this committee for a unanimous DO PASS recommendation, we ask that the original amount of \$40 million be reinstated, and we ask that the Special Roads Committee be given latitude in prioritizing road projects around the state without having to divvy the monies equally between districts.

Your consideration is greatly appreciated.



SB 2221
House Transportation Committee
March 21, 2013

Mr. Chairman and Members of the Committee:

I'm unable to attend the Thursday hearing on SB2221, but I would like to offer some insight into the bill. As a former County Commissioner, I cannot deliver this in person but I have discussed the bill with the present Commissioners and they are in full support of the effort to grant more funding for statewide recreational roads.

When new residents, current residents and visitors come to our state, they want to enjoy its amenities. They purchase hunting or fishing licenses and head to the lake. Or they want to take their families to visit a historic site or a park.

They need and deserve to have good roads to make their travels. And if we build them they will come and enjoy. Since the roads to Parshall Bay and Van Hook Bay were paved, traffic counts have surged. The same could be true for our hidden gems statewide.

Recent Corps traffic counts (Oct. 1, 2011-Sept.30, 2012) indicate that improved roads have a direct correlation to greater visitations. Listed below are visitation statistics of areas that I'm familiar with:

PAVED ROADS	* GRAVEL/DIRT ROADS
Van Hook Park-----89,063 visitations	Mckenzie Bay-----23,431
New Town Marina--47,613 visitations	White Earth Bay-----18,737
Parshall Bay Park---41,854 visitations	Indian Hills-----18,132
	Pouch Point-----16,741

* These areas are more scenic than those with paved roads access and the fishing and hunting is just as good.

WHY THE DIFFERENCE? ROADS, ROADS, ROADS.

Please give SB2221 a unanimous "DO PASS"

Clarence Weltz
Box 505, Parshall ND 58701
898-1176 or 898-3377

Good Morning... Mr. Chairman and members of the committee.

My name is Bill Mitzel. I publish Dakota Country magazine, a monthly hunting, fishing and conservation magazine out of Bismarck. We have readers in all 50 states and Canada.

In my many decades of promoting the wise use of our natural resources, it's always been a challenge to make people aware of our wonderful resources, but a much more difficult challenge to convince people of the need for conservation and enhancement of these resources. We are an agricultural state, which rightfully garners major attention. But when we realize that tourism spending was more than \$3 billion in 2011, an increase of almost 24 percent since 2008, we can easily understand that the valuable outdoor heritage we have here in North Dakota is of paramount importance.

In dealing with sportsmen and women for several decades, their major concerns not only involve where to hunt and fish, but how to get there. When Dakota Country was beginning 33 years ago, people traveled in a variety of vehicles to get to their destinations. Boats were small by today's standards, and campers were uncommon. Today, the vehicle, boat and RV business is huge. Sales of these expensive toys have increased dramatically, and you can't go anywhere without seeing people attached to these huge investments.

As a result, sportsmen and women need good travel routes to get to their desired destinations, of which we have many. That said, it's easy to understand that with more and improved travel routes, people would make more use of our resources, which of course, will benefit our economy. We would love to leave these people with a good impression and have them return.

I'll tell you why that's important. For many people in this country, in fact, for a huge majority of people in this country, any contact with the outdoor world comes in the form of a backyard bird feeder. That's it. For most Americans, especially in metro America, to actually go camping or fishing or hiking is rare. They have no contact with the outdoor world at all. But that isn't the case in North Dakota and the Midwest. We *are* an outdoor people. It's our culture.

There was a frequent national television commercial airing recently in which an adult male, dressed head-to-toe in fly fishing gear, looks at the camera and says, "Before COPD, I used to take my son on a fishing trip every year."

Wow. Once, every year? In North Dakota and the Midwest, it's not uncommon for thousands of people to fish and hunt up to 100 times a year. Thus, the need for good travel routes are vital and important. Such benefits will only increase the amount of outdoor activity in North Dakota, of which there is more than anyone could possibly explore in a lifetime.

People, when describing directions to a fishing or hunting hotspot, often conclude that there's a certain amount of gravel miles involved. It's obviously important when people consider outdoor destinations. Poor roads are a deterrent.

I hope the committee will work with North Dakota's outdoor community to improve roads where we can. Travel is a huge element in people's plans when they decide where to spend weekends and vacations. And those statistics I mentioned earlier about tourism prove how important that component is to our way of life.

Thank you.

Bill Mitzel
Bismarck
(701) 255-3031



#5

PO Box 309 Garrison, North Dakota 58540 friends@lakesakakawea.com www.lakesakakawea.com

House Transportation Committee – Testimony on SB-2221

March 21, 2013 – Fort Totten Room – 9 am

Good Morning:

I'm Michael Gunsch, Vice Chairman of the Friends of Lake Sakakawea, and it's my pleasure to share with you some additional thoughts on SB-2221 from the Friends. First, we thank the Senate for their support and recognition of the statewide need for these funds. Second, we strongly encourage you to give SB-2221 a **DO PASS**, and provided the following comments for your consideration.

As professional engineer I understand the logistics and costs involved in constructing or reconstructing a roadway. Using an average cost of \$1.2 to \$1.4 Million per mile the \$20 Million allocation will complete roughly 14.3 to 16.6 miles of roadway, or upwards of 20 miles using the 20% local funding.

SB-2221 was amended to allocate \$2.5 Million to each of the eight NDDOT districts, which equates to roughly 1.75 to 2 miles of roadway per district. Depending upon the local contribution, at most this would complete possibly 2.5 miles of roadway. While the amendment assures statewide distribution, and is well intended, it presents a concern. Reviewing projects around Lake Sakakawea, which is our interest, indicates the average project length for the top seven projects is nearly 6 miles. Reviewing all potential projects around the lake yields an average project length of 3.5 to 4.5 miles. Our concern is this, if funding for an entire project is not available it is very difficult to start let alone complete a project. The net result is that the \$20 Million could be allocated and not fully utilized, projects not started or incomplete due to inadequate funding. There is also the likelihood there will be more than one project in the same district, which gets funding – and the question that arises full, partial or not enough to start?

So what are the options? **One** would be to leave the funding allocation to the Special Roads Fund Committee based on a review and ranking of the project requests. **Second**, you could increase the allocation to \$40 Million, which would increase the ability to complete 3.5 to 4 miles in each NDDOT District. **Third**, would be to allow any unused funds in one district to be reallocated to other districts, if the approved applications do not fully utilize the funds in each district. The timing of the latter is very important if projects are to be completed this biennium. Again we encourage your support and a **DO PASS** recommendation for SB-2221.

We and others recognize a significant need for improved access to recreational, tourist and historic sites across North Dakota. Recent economic growth has increased the use of these sites creating further deterioration of already poor access conditions.

#6

Testimony in support of Senate Bill 2221

March 21, 2013

Randy Hatzenbuhler

President, TRMF

Chairman Ruby and members of the House Transportation Committee:

My name is Randy Hatzenbuhler, President of the Theodore Roosevelt Medora Foundation and I am here to testify for SB 2221. I ask for your support on SB 2221 which would provide needed funds for road improvement on scenic byways and recreation areas in North Dakota.

These funds will be of significant assistance to tourism entities across North Dakota as well as residents who enjoy the great spaces of our state. They will have great impact on people traveling through the state as well as those who choose North Dakota for their vacation destination.

One of the more recognizable roads in North Dakota is the road just outside of Medora which winds past the entry to the Chateau de Mores Historic Site and leads to the Medora Musical Amphitheatre and Pitchfork Fondue and historic Medora Cemetery. This road is over 20 years old and in need of repair. Passage of SB 2221 would provide the opportunity to apply for funds for this road repair.

Thank you for your consideration. I would be happy to answer any questions.

Respectfully,



Randy Hatzenbuhler, President

Theodore Roosevelt Medora Foundation

Proposed amendment to Senate Bill 2221

On line 18, page one, after the word committee. Insert the following:

Any grant funds approved which would include traffic signage associated with such roadway improvement projects shall be in accordance with applicable bidding procedures and the traffic sign procurement for such roadway projects shall be awarded only to private sector vendors.

#1

SB2221 – TRAFFIC COUNTS

As requested from the House Transportation Committee

Representative Ruby and Members of the committee:

This morning during the hearing, you requested the North Dakota Department of Transportation (NDDOT) furnish the most recent traffic counts into the Van Hook Park, New Town Marina, Parshall Bay Park, McKenzie Bay, White Earth Bay, Indian Hills, and Pouch Point recreation areas. Listed below is the most recent traffic count for Van Hook, Indian Hills, and Pouch, along with the year they were counted. Unfortunately the NDDOT only counts the County Major Collector (CMC) System; therefore, we do not have data for the other locations. As you look at these numbers, please note the date these counts were taken. Typically we try to count recreation areas during the summer; however, we had road construction scheduled for Highway 23 near Van Hook so we got out early and took the counts.

	AADT	Date	
Van Hook	1,020	2/23/2012	Count was taken 1.6 miles north of the park
Indian Hills	65	7/24/2012	Count was taken just off Hwy 1804
Pouch Point	985	6/26/2012	Count was taken 12 miles north of boat ramp
New Town Marina	No Count		
Parshall Bay Park	No Count		
McKenzie Bay	No Count		
White Earth Bay	No Count		

I hope this information is helpful. Should you need any additional information you can contact me at:

Steve Salwei, P.E.
Transportation Programs Director
North Dakota Department of Transportation
608 East Boulevard Avenue
Bismarck ND 58505-0700
(701) 328-3689
SSALWEI@ND.GOV

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2221

Page 1, line 3, remove "amend and reenact section 24-02-37.2 of"

Page 1, line 4, replace "the North Dakota Century Code, relating to the special road committee"
with "declare an emergency"

Page 1, line 8, remove "on"

Page 1, line 9, replace "July 1, 2013" with "during the period beginning with the effective date of
this Act and ending June 30, 2015"

Page 1, line 15, remove "biennium beginning July 1,"

Page 1, line 16, replace "2013," with "period beginning with the effective date of this Act"

Page 1, line 21, remove "The special"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 22 with:

"SECTION 3. EMERGENCY. This Act is declared to be an emergency
measure."

Renumber accordingly