

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2012

Introduced by

Appropriations Committee

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

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated from special funds derived from federal funds and other
9 income, to the department of transportation for the purpose of defraying the expenses of the
10 department of transportation, for the biennium beginning July 1, 2017, and ending June 30,
11 2019, as follows:

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

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

	<u>2015-17</u>	<u>2017-19</u>
22 <u>One-Time Funding Description</u>		
23 General fund transfers to highway fund	\$486,982,489	\$0
24 Transfer to public transportation fund	186,900	0

Sixty-fifth
Legislative Assembly

1	Short line railroad	7,000,000	0
2	Transportation distributions - non-oil-producing counties	104,664,000	0
3	Contingent transfer to highway fund	18,690,000	0
4	Truck harmonization study	56,070	0
5	Recreational road access	1,869,000	0
6	Vehicle registration and titling system replacement	2,500,000	0
7	Motor coach reimbursement	<u>934,500</u>	<u>0</u>
8	Total all funds	\$622,882,959	\$0
9	Total special funds	<u>9,500,000</u>	<u>0</u>
10	Total general fund	\$613,382,959	\$0

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

16 **SECTION 4. ADDITIONAL FUNDING FOR FEDERAL HIGHWAY MATCHING FUNDS.**
17 The department of transportation may use up to \$5,700,000 of the funding transferred, pursuant
18 to section 4 of chapter 12 of the 2015 Session Laws, from the general fund to the highway fund
19 to provide state matching funds for federal highway construction funding provided by the federal
20 highway administration during the biennium beginning July 1, 2017, and ending June 30, 2019.

21 **SECTION 5. FUNDING FOR NORTH DAKOTA COMMUNITY ENHANCEMENT**
22 **PROGRAM.** Notwithstanding any other provision of law, the department of transportation may
23 use up to \$5,000,000 of the funding transferred, pursuant to section 4 of chapter 12 of the 2015
24 Session Laws, from the general fund to the highway fund to improve North Dakota's economic
25 activity by reinvesting and enhancing transportation assets of communities, for the biennium
26 beginning July 1, 2017, and ending June 30, 2019.

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

1 continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be
2 expended only for enhanced state highway investments.

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

9 **SECTION 8. HIGHWAY MAINTENANCE SHOP SITE OPERATIONS.** The department of
10 transportation shall continue the operation of all highway maintenance shop sites in operation
11 on January 1, 2017, through June 30, 2019.

12 **SECTION 9. LEGISLATIVE MANAGEMENT STUDY.** During the 2017-18 interim, the
13 legislative management shall consider studying the proposed closure of highway maintenance
14 shop sites and the impact of services in the areas affected. The study must also consider the
15 possibility of operations in cooperation with affected political subdivisions.

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

18 **24-02-37. State highway fund - Priorities for expenditure - Use of investment income.**

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

- 21 1. Except for investment income as provided in subsection 3, the fund must be applied in
22 the following order of priority:
- 23 a. The cost of maintaining the state highway system.
 - 24 b. The cost of construction and reconstruction of highways in the amount necessary
25 to match, in whatever proportion may be required, federal aid granted to this
26 state by the United States government for road purposes in North Dakota.
- 27 Notwithstanding any other provision of law, the department of transportation may
28 repay the United States department of transportation for previous related
29 expenditures from current biennium appropriations to allow the department to
30 reobligate the federal aid to other federal aid projects.

- 1 c. Any portion of the highway fund not allocated as provided in subdivisions a and b
2 may be expended for the construction of state highways without federal aid or
3 may be expended in the construction, improvement, or maintenance of such
4 state highways.
- 5 2. All funds heretofore appropriated or hereafter appropriated or transferred to the
6 department, whether earmarked or designated for special projects or special purposes
7 or not, must be placed or transferred into a single state highway fund in the office of
8 the state treasurer and any claims for money expended by the department upon
9 warrants prepared and issued by the office of management and budget and signed by
10 the state auditor under this title must be paid out of the state highway fund by the state
11 treasurer; provided, however, that the commissioner shall keep and maintain complete
12 and accurate records showing that all expenditures have been made in accordance
13 with legislative appropriations and authorizations.
- 14 3. The state treasurer shall deposit the moneys in the state highway fund in an
15 interest-bearing account at the Bank of North Dakota. The state treasurer shall deposit
16 eighty percent of the income derived from the interest-bearing account in a special
17 interest-bearing account in the state treasury known as the special road fund. The
18 special road fund may be used, within the limits of legislative appropriation, exclusively
19 for the construction and maintenance of access roads to and roads within recreational,
20 tourist, and historical areas as designated by the special road committee. A political
21 subdivision or state agency may request funds from the special road fund by applying
22 to the committee on forms designated by the committee. The committee may require
23 the political subdivision or state agency to contribute to the cost of the project as a
24 condition of any expenditure authorized from the special road fund. Any moneys in the
25 fund not obligated by the special road committee by June thirtieth of each
26 odd-numbered year must be held for an additional two years after which the funds
27 revert to the state highway fund.