

April 4, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 2, after the semicolon insert "to create and enact a new subsection to section 57-40.3-04 of the North Dakota Century Code, relating to exemptions from motor vehicle excise tax;"

Page 1, line 4, after the first semicolon insert "to provide for a contingent loan authorization; provide a contingent appropriation;"

Page 1, line 4, remove "to provide for the operation of maintenance"

Page 1, line 5, remove "section sites;"

Page 1, line 5, after the fourth semicolon insert "to provide an effective date;"

Page 1, replace lines 15 through 20 with:

"Salaries and wages	\$201,478,341	(\$3,317,303)	\$198,161,038
Operating expenses	229,381,646	28,156,139	257,537,785
Capital assets	771,101,851	89,924,093	861,025,944
Grants	<u>67,528,030</u>	<u>28,326,607</u>	<u>95,854,637</u>
Total special funds	\$1,269,489,868	\$143,089,536	\$1,412,579,404
Full-time equivalent positions	1,047.00	(63.00)	984.00"

Page 2, line 20, replace "2017-19" with "2019-21"

Page 2, line 20, replace "2019" with "2021"

Page 2, line 21, replace "2019" with "2021"

Page 2, line 21, replace "2021" with "2023"

Page 2, line 29, after "**APPROPRIATION**" insert "- **2017-19 BIENNIUM**"

Page 2, line 29, replace "**ENHANCED STATE HIGHWAY**" with "**ROAD MAINTENANCE**"

Page 3, line 1, remove "enhanced state"

Page 3, line 2, replace "highway improvements" with "road maintenance"

Page 3, line 6, replace "enhanced state highway improvements" with "road maintenance"

Page 3, after line 6, insert:

"SECTION 7. CONTINGENT LOAN AUTHORIZATION - CONTINGENT APPROPRIATION - HIGHWAY IMPROVEMENT PROJECTS. The department of transportation may borrow from the Bank of North Dakota, \$50,000,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation for matching federal funds that may become available, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funds authorized in this section may be borrowed and spent only upon certification by the director of the department of transportation to the director of the office of management and budget that the department has been awarded additional federal grants, which were applied for after March 1, 2019, during the biennium beginning July 1, 2019, and ending June 30, 2021.

The department of transportation shall request from the sixty-seventh legislative assembly an appropriation to repay any outstanding loans authorized in this section."

Page 3, remove lines 21 through 30

Page 4, replace lines 8 through 11 with:

"SECTION 10. A new subsection to section 57-40.3-04 of the North Dakota Century Code is created and enacted as follows:

Any motor vehicle in the possession of and used exclusively by a public transportation provider that receives a distribution of funds under section 39-04.2-04 to provide public transportation services.

SECTION 11. EFFECTIVE DATE. Section 10 of this Act is effective for taxable events occurring after June 30, 2019."

Page 4, line 12, replace "7" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$201,478,341	\$201,938,923	(\$3,777,885)	\$198,161,038
Operating expenses	229,381,646	249,253,334	8,284,451	257,537,785
Capital assets	771,101,851	861,025,944		861,025,944
Grants	67,528,030	95,854,637		95,854,637
Short line railroad program		2,500,000		2,500,000
Total all funds	\$1,269,489,868	\$1,410,572,838	\$4,506,566	\$1,415,079,404
Less estimated income	1,269,489,868	1,408,072,838	4,506,566	1,412,579,404
General fund	\$0	\$2,500,000	\$0	\$2,500,000
FTE	1,047.00	1,005.00	(21.00)	984.00

Department 801 - Department of Transportation - Detail of Senate Changes

	Adjusts Funding for Salary Increases ¹	Restores and Adds FTE Positions ²	Transfers 41 FTE for IT Unification ³	Total Senate Changes
Salaries and wages	\$778,127	\$3,668,000	(\$8,224,012)	(\$3,777,885)
Operating expenses			8,284,451	8,284,451
Capital assets				
Grants				
Short line railroad program				
Total all funds	\$778,127	\$3,668,000	\$60,439	\$4,506,566
Less estimated income	778,127	3,668,000	60,439	4,506,566
General fund	\$0	\$0	\$0	\$0
FTE	0.00	20.00	(41.00)	(21.00)

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020. The House provided funding for salary increases of 2 percent per year.

² The Senate restored 16 FTE positions (\$3,000,000) of the 42 FTE positions removed by the House and added 4 FTE positions (\$668,000) of which 2 relate to Fargo driver's license operations.

³ Forty-one FTE positions are transferred to the Information Technology Department for the IT unification project,

resulting in reduced salaries and wages of \$8,224,012 and increased operating expenses of \$8,284,451. The House version did not include the IT unification project.

This amendment also:

- Provides that \$503,115,558 appropriated in the capital assets line item in House Bill No. 1012 (2015) relating to enhanced state highway investments is exempt from provisions of North Dakota Century Code Section 54-44.1-11 and may be continued into the 2021-23 biennium. The House authorized these funds to be continued into the 2019-21 biennium only.
- Changes the purpose of the \$13 million from the general fund by the House for the 2017-19 biennium from enhanced state highway funding to road maintenance funding.
- Authorizes the Department of Transportation to obtain a contingent loan from the Bank of North Dakota and provides a contingent appropriation of those funds to the Department of Transportation for the purpose of matching federal grants that the department applies for after March 1, 2019. The House did not include this section.
- Removes a section added by the House directing the department to establish the Mayville section site as a satellite site of the Hillsboro section and set requirements for seasonal winter services in the Courtenay, Gackle, New England, and Finley sections.
- Creates a new subsection to Section 57-40.3-04 to provide an exemption from the motor vehicle excise tax for vehicles purchased by public transportation providers that receive state funding through the highway tax distribution formula and provide public transportation services and Section 11 provides for an effective date. The House version did not include these sections.
- Removes a section requiring the Department of Transportation to report to the 2021 Legislative Assembly regarding the department's state fleet expenditures compared to its 2019-21 biennium budgeted amounts.