

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1569-1571 of the House Journal and pages 1322-1324 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

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, replace "section sites" with "to provide legislative intent"

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	(\$3,651,303)	\$197,827,038
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	\$142,755,536	\$1,412,245,404
Full-time equivalent positions	1,047.00	(65.00)	982.00"

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 February 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. The appropriation in this section is a one-time funding item."

Page 3, replace lines 21 through 30 with:

"SECTION 9. LEGISLATIVE INTENT - MAINTENANCE SECTION SITES - SEASONAL WINTER SERVICES. It is the intent of the sixty-sixth legislative assembly that the department of transportation provide seasonal winter services at the Mayville, Courtenay, Gackle, New England, Litchville, and Finley maintenance section sites for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 4, replace lines 8 through 11 with:

"SECTION 11. 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 12. EFFECTIVE DATE. Section 11 of this Act is effective for taxable events occurring after June 30, 2019."

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

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Department of Transportation - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$201,478,341	\$201,938,923	(\$4,111,885)	\$197,827,038	\$198,161,038	(\$334,000)
Operating expenses	229,381,646	249,253,334	8,284,451	257,537,785	257,537,785	
Capital assets	771,101,851	861,025,944		861,025,944	861,025,944	
Grants	67,528,030	95,854,637		95,854,637	95,854,637	
Short line railroad program		2,500,000		2,500,000	2,500,000	
Contingent Bank of North Dakota Loan			50,000,000	50,000,000		50,000,000
Total all funds	\$1,269,489,868	\$1,410,572,838	\$54,172,566	\$1,464,745,404	\$1,415,079,404	\$49,666,000
Less estimated income	<u>1,269,489,868</u>	<u>1,408,072,838</u>	<u>54,172,566</u>	<u>1,462,245,404</u>	<u>1,412,579,404</u>	<u>49,666,000</u>
General fund	\$0	\$2,500,000	\$0	\$2,500,000	\$2,500,000	\$0
FTE	1,047.00	1,005.00	(23.00)	982.00	984.00	(2.00)

Department 801 - Department of Transportation - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Restores and Adds FTE Positions ²	Transfers 41 FTE for IT Unification ³	Adds Contingent Bank of North Dakota Loan ⁴	Total Conference Committee Changes
Salaries and wages	\$778,127	\$3,334,000	(\$8,224,012)		(\$4,111,885)
Operating expenses			8,284,451		8,284,451
Capital assets					
Grants					
Short line railroad program					
Contingent Bank of North Dakota Loan				\$50,000,000	50,000,000
Total all funds	\$778,127	\$3,334,000	\$60,439	\$50,000,000	\$54,172,566
Less estimated income	778,127	3,334,000	60,439	50,000,000	54,172,566
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	18.00	(41.00)	0.00	(23.00)

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 same as the Senate version. The House provided funding for salary increases of 2 percent per year.

² The Conference Committee restored 16 FTE positions (\$3,000,000) of the 42 FTE positions removed by the House and added 2 FTE positions which relate to Fargo driver's license operations (\$334,000). The Senate restored the 16 FTE positions (\$3,000,000) 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 same as the Senate version. The House version did not include the IT unification project.

⁴ A \$50 million contingent appropriation from proceeds received from a contingent loan from the Bank of North Dakota is added for providing one-time funding for matching federal grants the department applied for after February 1, 2019, the same as the Senate version. The House did not include this section.

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 same as the Senate version. 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 provided by the House for the 2017-19 biennium from enhanced state highway funding to road maintenance funding, the same as the Senate version.
- Adds a section authorizing the Department of Transportation to obtain a contingent loan from the Bank of North Dakota and appropriates those funds to the Department of Transportation for the purpose of matching federal grants that the department applies for after February 1, 2019, the same as the Senate version. 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, the same as the Senate version.
- Adds a section of legislative intent that the Department of Transportation provide seasonal winter services at the Mayville, Courtenay, Gackle, New England, Litchville, and Finley sections, neither the Senate nor the House included this section.
- 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 provides an effective date, same as the Senate version. The House version did not include these sections.
- Removes a section added by the House 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, same as the Senate version.