

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1012**

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 create and enact a new subsection to section 57-40.3-04 of the North Dakota  
3 Century Code, relating to exemptions from motor vehicle excise tax; to amend and reenact  
4 section 24-02-45.1 of the North Dakota Century Code, relating to cooperative agreements with  
5 private entities for the construction of certain items on the state highway system; to provide for a  
6 contingent loan authorization; provide a contingent appropriation; to provide for transfers; to  
7 provide an exemption; to provide for a study; to provide for a report; to provide an effective date;  
8 and to declare an emergency.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
11 funds as may be necessary, are appropriated from special funds derived from federal funds and  
12 other income, to the department of transportation for the purpose of defraying the expenses of  
13 the department of transportation, for the biennium beginning July 1, 2019, and ending June 30,  
14 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
15				
16				
17	Salaries and wages	\$201,478,341	(\$3,317,303)	\$198,161,038
18	Operating expenses	229,381,646	28,156,139	257,537,785
19	Capital assets	771,101,851	89,924,093	861,025,944
20	Grants	<u>67,528,030</u>	<u>28,326,607</u>	<u>95,854,637</u>
21	Total special funds	\$1,269,489,868	\$143,089,536	\$1,412,579,404
22	Full-time equivalent positions	1,047.00	(63.00)	984.00

1       **SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding  
2 items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21  
3 one-time funding items included in the appropriation in section 1 of this Act:

4 <u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
5 Pipeline protest law enforcement support	\$709,000	\$0
6 Electronic payment processing system	306,000	0
7 Driver's license system project	0	22,500,000
8 Minot and Williston driver's license facility maintenance	<u>0</u>	<u>1,300,000</u>
9 Total special funds	\$1,015,000	\$23,800,000

10       The 2019-21 one-time funding amounts are not a part of the entity's base budget for the  
11 2021-23 biennium. The department of transportation shall report to the appropriations  
12 committees of the sixty-seventh legislative assembly on the use of this one-time funding for the  
13 biennium beginning July 1, 2019, and ending June 30, 2021.

14       **SECTION 3. LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the director of  
15 the office of management and budget shall transfer between appropriation authority the salaries  
16 and wages, operating expenses, capital assets, and grants line items in section 1 of this Act as  
17 requested by the director of the department of transportation when it is cost-effective for  
18 construction and maintenance of highways. The department of transportation shall notify the  
19 legislative council of any transfers made pursuant to this section.

20       **SECTION 4. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENT FUNDING.**  
21 Section 54-44.1-11 does not apply to funding of \$503,115,558 in the capital assets line item  
22 relating to enhanced state highway investments in section 1 of chapter 12 of the 2015 Session  
23 Laws. Any funds continued into the 2019-21 biennium but not spent by June 30, 2021, must be  
24 continued into the biennium beginning July 1, 2021, and ending June 30, 2023, and may be  
25 expended only for enhanced state highway investments.

26       **SECTION 5. APPROPRIATION - GENERAL FUND - SHORT LINE RAILROAD**  
27 **PROGRAM.** There is appropriated out of any moneys in the general fund in the state treasury,  
28 not otherwise appropriated, the sum of \$2,500,000, or so much of the sum as may be  
29 necessary, to the department of transportation for the purpose of enhancing the department's  
30 short line railroad program, for the biennium beginning July 1, 2019, and ending June 30, 2021.  
31 The funding provided in this section is considered a one-time funding item.

1       **SECTION 6. APPROPRIATION - 2017-19 BIENNIUM - GENERAL FUND - ROAD**

2       **MAINTENANCE FUNDING - EXEMPTION.** There is appropriated out of any moneys in the  
3 general fund in the state treasury, not otherwise appropriated, the sum of \$13,000,000, or so  
4 much of the sum as may be necessary, to the department of transportation for the purpose of  
5 road maintenance, for the period beginning with the effective date of this Act and ending June  
6 30, 2019. The funding provided in this section is considered a one-time funding item. Section  
7 54-44.1-11 does not apply to this funding and any funds not spent by June 30, 2019, must be  
8 continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be  
9 expended only for road maintenance.

10       **SECTION 7. CONTINGENT LOAN AUTHORIZATION - CONTINGENT APPROPRIATION -**

11       **HIGHWAY IMPROVEMENT PROJECTS.** The department of transportation may borrow from  
12 the Bank of North Dakota, \$50,000,000, or so much of the sum as may be necessary, which is  
13 appropriated to the department of transportation for matching federal funds that may become  
14 available, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funds  
15 authorized in this section may be borrowed and spent only upon certification by the director of  
16 the department of transportation to the director of the office of management and budget that the  
17 department has been awarded additional federal grants, which were applied for after March 1,  
18 2019, during the biennium beginning July 1, 2019, and ending June 30, 2021. The department  
19 of transportation shall request from the sixty-seventh legislative assembly an appropriation to  
20 repay any outstanding loans authorized in this section.

21       **SECTION 8. AMENDMENT.** Section 24-02-45.1 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23       **24-02-45.1. Cooperative agreements with private entities for the construction of**  
24 **certain items on the state highway system.**

25       Notwithstanding any other provision of law, the director may enter a cooperative agreement  
26 with a private entity for the construction of an item on the state highway system which will  
27 benefit the private entity and the traveling public, as determined by the director. The private  
28 entity's cost-share of the items requested to be added to the state highway system must be paid  
29 for in advance of the construction by the private entity before the department can construct the  
30 project. Funds received by the department pursuant to this section must be deposited in the  
31 state highway fund as prescribed by section 24-02-41 and are appropriated to the department.

1 If the department requires engineering or contracting services for a project under this section, it  
2 may provide the services or procure the services in accordance with section 24-02-07.3 and  
3 24-02-17.

4 **SECTION 9. DEPARTMENT OF TRANSPORTATION STUDY - PUBLIC**

5 **TRANSPORTATION SERVICES - REPORT TO LEGISLATIVE MANAGEMENT.** During the  
6 2019-20 interim, the department of transportation shall study public transportation services  
7 within the state. The study must include the number of users of public transportation services,  
8 demographics of the users, other transportation options available to users of public  
9 transportation services, and the identification of areas of the state which have no public or  
10 private transportation services available.

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

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

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

18 **SECTION 12. EMERGENCY.** Sections 6 and 8 of this Act are declared to be an emergency  
19 measure.