

**2013 SENATE APPROPRIATIONS**

**SB 2012**

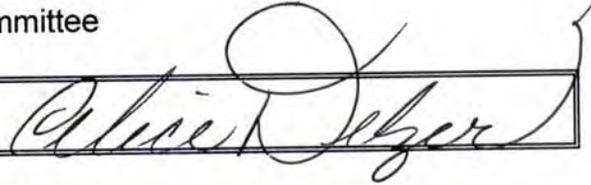
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2012  
01-17-2013  
Job # 17362 and 17364

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Bill for the appropriation for the Department of Transportation

### Minutes:

See attached testimony

**Chairman Holmberg** opened the hearing on SB 2012. All committee members were present

**Sheila Peterson** - OMB

**Bardy Larson** - Legislative Council

**Chairman Holmberg** said they would be hearing the Department of Transportation (DOT) bill but not the whole budget. Part of the bill has been moved to SB 2176 and we will hear that next week. Those are the sections having to do with the \$620M and \$100M that will allow that money to be spent immediately without waiting. Senator Gary Lee will chair the subcommittee that will work on the DOT budget. Senator O'Connell and Senator Wanzek and Senator Holmberg will be serving as members of the subcommittee.

**Grant Levi**, Interim Director for DOT, introduced Linda Butts, Dave Leftwich and Shannon Sauer, and a team from their finance area to answer questions. They presented a power point on what they have done what they are doing and presented their budget for 2013-2015 Biennium. **Testimony attached # 1.**

(6:28) **Grant Levi**: The 2011-2013 biennium is record breaking in many ways; record energy production, record agricultural production, record manufacturing & tourism, record flooding, record traffic, record motor vehicle registrations, and record drivers' license renewals. Details descriptions of programs are available in attachment #1. (Pages 1-75)

**Chairman Holmberg** asked about the Devils Lake area, if they are involved in the discussion and work regarding the train tracks in that area.

**Grant Levi**: Yes we are involved. He said that he would touch on their involvement to continue to provide rail service and Amtrak service in the Devils Lake area in his testimony. I will get into the fiscal side also. Pointed out on page 17 all the emergency work occurred on state highway system this present biennium. With the strong economy and growth that is occurring, comes the challenges. In 2011, ND saw a 10% increase in traffic statewide,

and a 25% increase in traffic in western ND. On US 85 west of Watford City averaged 11,051 vehicles a day in 2012 compared to 2,322 in 2006. I-94 in Fargo averaged 68,000 vehicles a day in 2012. Increased traffic volumes (particularly heavy trucks), accelerated the deterioration of county, township, tribal roads and state highways in the oil impact areas.

**Vice Chairman Grindberg** asked if they had a plan to address the traffic on southbound traffic on 29.

**Levi Grant** replied that they had made some signage changes and pavement markings changes that helped us a little bit in that area. They have been working with the Fargo Moorhead Council of Governments and studying the interstate corridor. There is a need for some addition capacity. He pointed out on page 21 the slide showing how North Dakota oil is transported either by truck or pipeline. On page 22 he showed a slide of how fast roads deteriorate.

**Chairman Holmberg** commented on Levi's involvement in the SE part of the state where the road north of Casselton deteriorated.

**Levi Grant** replied that in 1997 he served as the district engineer in the Fargo. They went through some real challenging circumstances and had to close down, I29, for an extended period of time.

**Levi Grant** said that the cost of business is impacting all of us in the transportation area. He explained the graph on page 24 concerning North Dakota's Overall Construction Cost index. He explained the cost of Upper Great Plains Transportation Institute needs study. Federal aid is not very reliable and referred to pages 28-29.

**Vice Chairman Bowman:** Have you spent the money that you have been receiving from the federal government or do you have carry over.

**Levi Grant** replied that they have spent every bit of the money. Next slide he explained what was happening on the national level and the uncertainty of federal funding. (Page 29) Explained what was in SB 2012 (page 30).

- \$1.16 billion one time for enhance state highway investments.
- \$691.5 million in federal funding.
- \$142 million one time for county & township road reconstruction program for oil producing counties.
- 9 new FTEs.
- \$10 million to match a federal TIGER III grant to rebuild a 20 mile segment of railroad track and 2 bridges near Churchs Ferry.
- \$100 million for non-oil producing counties, cities and townships. (Appropriated to State Treasurer's Office)

**Chairman Holmberg** asked if it would allow them to move their Amtrak trains to go faster.

**Levi Grant:** What we know about the project is the new welded steel rail will allow higher speeds to be traveled.

There was discussion on the budget and tax formulas for county, cities and township and the distribution.

**Levi Grant** explained the need for 5 engineering positions. He said they needed additional resources to manage the magnitude and size of the program. Also addressed the equipment operator needs. Referred to page 32-33 showing the breakdown of how the \$1.16 billion in one-time funding from the general fund for enhanced state highway investments will be spent.

**Chairman Holmberg:** Of the 620 million that is in SB 2176, could any of that funding be utilized in any of these 4 areas?

**Levi Grant** replied that the 620 million in SB 2176 will be used to do the projects that we have ready at this point in time. They have projects ready to be bid in February.

**Chairman Holmberg** asked about the permanent bypass in Williston.

**Levi Grant** said they have been able to resolve those issues. He explained how they worked together to find an alternate route.

**Senator Robinson** asked him to share the timeline to do a normal project.

**Levi Grant:** It takes us time to develop a project. The first thing that needs to be done is go through the planning and gather the engineering survey information on that particular project. Then we need to go through the environmental process, depending on the complexity of the project that can take anywhere from 1 to 5 years. Then we move into the design phase and that can take anywhere from 3 months to 2 year. Then finally the construction phase. Our team had done a great job of streamlining. We are working with a consultant at a record pace.

**Senator Robinson** asked who heads the projects.

**Levi Grant** replied that with each project they assign a team. The large projects, they select an individual from their organization and put him in charge of the project from the very beginning to the very end

Discussion followed on the immediate needs of fixing roads and the length of time it takes to get things done. Concern was expressed by Senator Bowman that we need to get started out west so we are ready. "Why do we have to wait so long, when we know there is an issue?" There was discussion on resources and timetables.

(56:58) **Senator Wanzek** asked if the studies about environmental impacts and wet lands were borne out of the federal requirements.

**Levi Grant** responded that when we use federal funds there are additional requirements. Even without federal funds when state money is used they are still required to deal with many of the issues like wetlands, etc. He continued to refer to his slides and the booklet.

On page 36 it shows the Highway investments. He commented on the investment in infrastructure on page 37. The last slide is a map of the STIP Projects 2013-2016.

(1:02:45)**Senator Warner:** Had concern about Highway 23 that runs through his districts. He asked if there are ways we can better manage federal money.

**Levi Grant:** Gave some history of working with federal government. Gave examples.

Discussion followed on aggregate and its use. There was questions on the future and if we are just building to meet the needs. Should we be looking at long range plans and future infrastructure? At this point and time they are not building roadways beyond a 20 or 30 year life. It all gets back to resources.

**Chairman Holmberg** asked if anyone wanted to comment on the transportation section.

**Max Laird**, United Transportation Union, shared some information relative to the Amtrak rail project in Devils Lake. He referenced page 2 & 3 in Amtrak Support Levels North Dakota Voter. Information found under Survey Analysis-Key Findings. **Testimony attached #2.** North Dakotans overwhelmingly support Amtrak passenger rail service. He rises in strong support of the continuation and expansion of Amtrak.

**Donn Diederich**, Executive Vice President of Industrial Builders, a contracting firm from Fargo, testified in support of SB 2012. "By passing SB 2012 with the emergency clause, and carryover authority you'll make it possible to harvest a crop of great infrastructure projects for our state." **Testimony attached # 3.**

**Harley Neshem**, President of Gratech Company, Ltd of Berthold, testified in support of SB 2012. **Testimony attached # 4.**

**John Olson**, BNSF Railway and AMTRAK, testified in favor of SB 2012. **Written testimony # 5**

#### **Committee break**

**Chairman Holmberg** called the committee back to order to continue public comment on the transportation section and then move onto the budget.

**Terry Fleck**, Friends of Lake Sakakawea, testified in support of SB 2012. **Testimony attached # 6 and # 7.** They request language be developed that specifically states that roadways to recreational, tourist and historical sites are eligible recipients for funding.

**Chairman Holmberg** said that Senator Erbele was working on language specific to that area.

**David Hynek**, County Commissioner from Mountrail County, testified in favor of SB 2012. **Written testimony #8**

**Vice Chairman Bowman:** When you made the decision to go to the better roads, how much was it discussed that it would save the rest of the roads in your county. That might be the best investment we could make in the long haul.

**David Hynek:** We had a considerable amount of conversation in that regard.

**Pat Hanson**, Executive Director of South Central Adult Services in Valley City and a member of the North Dakota Senior Service providers and Dakota Transit Association, testified in favor of SB 2012. If passed, there will be about \$8.9 million dollars available in State Aid for the Public Transit fund. While that is an increase over the \$8.3 being distributed this current biennium, transit providers feel that a figure of \$10 million is closer to what the needs are for State Aid for Public Transit funding for 2013-2015. They strongly encourage an increase of funding to the \$10 million level to support public transit in North Dakota. She commented on all the detail and paperwork that they have to prepare.  
**Written testimony #9**

**Vice Chairman Bowman** asked if they had an audit at the end of the year.

**Pat Hanson:** Yes, they are required to have an A-133 audit.

**Chairman Holmberg** said that the subcommittee should take a look at that issue.

Discussion followed on the benefits of the work they do and the rides they give.

**Scott Rising**, North Dakota Soybean Growers Association, testified in support for SB 2012.

**Lance Meyer**, City Engineer for the city of Minot, testified in favor of SB 2012 and also to ask for a one time funding increase. **Written testimony #10**

**John Sauber**, Mountrail County Engineer: testified in favor of SB 2012.  
**Written testimony #11**

Discussion followed on the importance of the emergency clause and the clause in the bill that allows county and township road reconstruction funds to be continued into the next biennium. They also discussed life expectancy of roads.

**Michael Greer**, County Engineer for McKenzie County, testified in support of SB 2012. He does believe that it does not reach far enough in providing relief in this time of unprecedented development. **Written testimony #12**

**Al Heiser**, Stark County Road Superintendent, testified in favor of SB 2012.  
**Written testimony #13**

(2:30:23) **Linda Butts**, Deputy Director for Driver and Vehicle Services, said that her portfolio contained driver's license, motor vehicle services and safety. She said that safety is number one at DOT. Her presentation began on page 39 of Testimony #1.

**Senator O'Connell** asked if there were any records that tell us how many license are pulled a year?

**Linda Butts** replied that she didn't have those statistics before her but she does get calls asking if they can take their mothers license away. She said she could get that number for him. She thanked the legislators for the FTE's for Drivers License and said they had placed them in Williston, Dickinson, Minot and Bismarck. The wait time for a CDL has improved from an average of 32 days in 2010 to a current statewide average of 19 days. They are partnering with Williston State College, private oil companies and Bismarck State College for 3<sup>rd</sup> party CDL testing.

**Senator O'Connell** asked if there are a number of logged hours that they have to have before they take their CDL test.

**Linda Butts** said that under current law there are no specific log hours.

**Senator Warner** asked if there is a special assessments beyond CDLs required for bus drivers?

**Linda Butts** said yes, there is basic CDL and then there are endorsements like hazardous materials and other categories.

**Senator Warner** asked about bus driver's special endorsement.

**Linda Butts:** All the states have come into compliance and this allows them to recognize and not retest someone from out of state with a bus endorsement. (2.38)

**Linda Butts** continued her testimony on page 45 on accomplishments with motor vehicle. She went on to talk about the challenges for safety. Also challenge to keep employees.

**Senator Robinson** asked if they were still struggling with increasing costs in IT.

**Linda Butts** she said that primarily the branches are self-sustaining and they have to absorb all of their overhead.

**Chairman Holmberg** commented that the subcommittee will be looking at the challenges they face like fees, the ability to timely deliver the plates, and then maybe the unintended consequences of having it free at the state office.

**Senator Warner** asked if they had to test in different languages.

**Linda Butts** replied that they were required to give the written tests in the person's native language.

**Senator O'Connell** asked if there were still so many out of state plates.

**Linda Butts** said that was the temporary registration program and we did develop an online program. She said that they have sold over 3 Million but according to some of the Senators

in the oil region, they haven't seen any. (2:55) She continued with her testimony. Due to increased demand for more drivers license and motor vehicle services, SB 2012 will give them two drivers license supervisors to meet the demands of the growth for licensing and testing in western ND and four motor vehicle licensing specialists in Bismarck office to meet the demand for growth of motor vehicle.

**Senator Gary Lee** asked if those two drivers' license supervisors would be placed out west.

**Linda Butts** replied that they will be placed out west.

(3:01:33)**Dave Leftwich**, Deputy Director for Business Support gave his portion of the testimony starting on page 55 in testimony #1.

**Chairman Holmberg** do you get grousing when you have a geographic boost for someone working here and someone over there doesn't get that boost?

**Dave Leftwich** said they get a lot of that. Even within there districts. The fact is they couldn't fill those positions until they started to pay more for some.

**Senator Warner** what's the funding source to remove asbestos.

**Dave Leftwich** said that they have some remaining money from the asbestos law suits and special funds.

**Senator Warner** what is the source of the special funds. How much money of the lawsuit is left?

**Dave Leftwich** answered that special funds are normal highway funds. He said they had \$1.2 million left in the lawsuit fund. He continued on page 63 with a breakout of the appropriations for Business Program Area.

Discussed options on keeping employees and what will keep them.

**Chairman Holmberg** recessed until 1:30 pm.

**Began with new job at 1:30 pm on DOT budget.**

**Chairman Holmberg** asked the committee to come back to order.

**Shannon Sauer**, Chief Financial Officer NDDOT, testified in favor of SB 2012. His testimony starts on page 67 of Testimony #1. He gave an overview of some of their funding and then explained how the budget and revenue scenario is pulled together.

**Senator O'Connell** asked if the townships budget is based on per mile of roads.

**Shannon Sauer:** Yes, and cities and counties are first based on population and the motor vehicle registrations. He went on to highlight additional revenue sources. He continued to explain the expenditures for 2013-2015. He referred to second blue page in testimony #1.

**Senator Gary Lee:** In the highway program, when the DOT does planning for a project, does that come out of the administrative program or highway program. Is it project specific?

**Shannon Sauer** replied that when they are working on a project doing the preliminary engineering and planning it comes out of the highway program. He pointed out the green sheets for their information. The green charts are from the last biennium. He explained page 71, a comparison of revenue highlights and page 72, a comparison of appropriations highlights.

**Grant Levi** thanked the committee for allowing them to present this information. He recognized Patty Schock, and Donna Aukland who do all the number crunching in the DOT. He presented additional information on traffic increases. Traffic continues to grow. He said that MAP 21 includes a provision that will require them to enforce that buy American provision on all projects regardless of funding source that occur on any federal aid route. The investment contained in SB 2012 is essential, helps them create jobs and strengthens the economy. It improves mobility for ND citizens and businesses. He also highlighted the chart on page 74 of testimony #1.

**Senator Kilzer** asked if the stimulus fund money had been used up and if they were suffering any effect from that "stimulus".

**Grant Levi** replied that he thought everything was completed with respect to the stimulus projects that were available.

**Vice Chairman Bowman** asked if they also have to hire all American workers.

**Levi Grant** replied that it is not a requirement to work on projects as long as they are legally in the country.

(23:40) **Senator Dave Oehlke**, District 15, proposed amendment 13.8162.01001. This amendment is a request to extend the deadline for spending this money until ending June 30, 2015.

**Chairman Holmberg** said their subcommittee will take this into consideration.

**Senator Carlisle** asked if this was part of the 9 county consortiums.

**Chairman Holmberg** said that Brady can answer that.

(26:51) **Brady Larson** stated that SB 2371 specified that an eligible county is one that contains any portion of a natural body of water, comprises more than 150,000 acres at current water levels, and has risen more than 25 feet since 1993.

**Chairman Holmberg** adjourned.

Connie Spryncynatyk submitted **Written testimony # 15**

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2012 - Subcommittee -DOT  
01-23-2013  
Job # 17638

Conference Committee

Committee Clerk Signature

*Alice Delzer*

### Explanation or reason for introduction of bill/resolution:

Subcommittee hearing for Department of Transportation.

### Minutes:

See attached testimony

A subcommittee hearing was held in reference to SB 2012 at 3:30 pm on Wednesday, January 23, 2013. Chairman Senator Gary Lee, Senators Holmberg, Wanzek and O'Connell were present. Sheila Peterson and Laney Herauf, OMB and Brady Larson Legislative Council were also present.

Chairman Lee: I asked Mr. Levi to summarize our green sheet; there are a lot of things in it and it is fairly complex. Some parts of it were moved into a different bill. Mr Levi did provide us with a summary.

Mr. Grant Levi, Interim Director of DOT. Testimony attached # 1. He talked about the growth of the DOT.

Senator Holmberg: Is that general fund spending?

Mr. Levi: That is total funding. Back in 2007-09 I don't believe there was any general funding. The general funding came in in later biennia. His explanation ends at 07:00.

Chairman Gary Lee asked why the final numbers on the green sheet and on the bottom of page two of attachment #1 are different.

Brady Larson, OMB, explained there was a difference between the DOT numbers and the numbers on the green sheet. (07:13 to 08:00)

Chairman Gary Lee: What is the number we are using for budget dollars?

Mr. Larson: It would be the 2.7 billion dollars; that would be the actual dollars that would be expended.

Mr. Levi explained the difference in the numbers. (08:38 to 09:59)

Mr. Levi explained the need for 16 new FTE's.

Chairman Gary Lee: Would 7 of those positions be located out west?

Mr. Levi: The way this is presented, 6 of them for sure would be located in the western part of the state. The 5 engineers would be in the pool of engineers and could be moved to where they are needed. One of the challenges we are having now is hiring for western ND. (Ends at 12:39) If we can, we will try to place some of them out in the western part of the state.

Chairman Gary Lee: How do you manage Geographic Pay Differential? Mr. Levi's answer ends at 16:50.

Senator Holmberg: Am I correct in stating that the federal money requires a state match? Could it be that AMTRAK or BNSF could come up with that, or do we need to come up with that?

Mr. Levi explained the application and negotiation process. (19:25 to 20:20)

Senator Holmberg: We are essentially getting a \$90M project for \$10M of state tax dollars. (Ends at 20:39)

Mr. Levi said that is correct.

Chairman Gary Lee questioned the increase in emergency relief on the bottom of page 3 of attachment #1.

Mr. Levi explained the increase. (21:24 to 22:30) During the present biennium we obviously encountered a much greater need. We have attached an amendment Attachment A (on page 5 of attachment #1) for your consideration.

Senator O'Connell: Can you give me an update on aircraft? How many do you have at your disposal? Are they getting old?

Mr. Dave Leftwich, Deputy Director for Business Support for the DOT: Basically we have 3 airplanes; one (*inaudible*) plane is getting quite old. We have two other twin engine planes for hauling passengers around the state. He reported on the condition of the planes. (26:00 to 26:41)

Senator Wanzek: Of that 640,000 in the amendment you asked for in the Highway Rail Grade Cross and Safety Fund, what source of revenues are there going into that fund and what is the balance in that fund? Did we set that up when we established the quiet zone or was that there before?

Mr. Levi and Senator Wanzek discussed the details of how it works. (27:25 to 29:00)

Chairman Gary Lee: Any other questions. We will meet again next week

Mr. Levi: The quiet zone and the motor vehicle activities still need to be discussed.

Senator Holmberg: The bill will go in Friday or Monday for a license plate issue.

Chairman Gary Lee: We are adjourned.

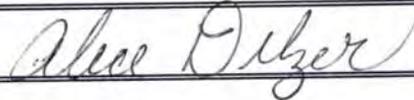
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2012 Subcommittee  
01-29-2013  
Job # 17877

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A subcommittee hearing in regard to SB 2012 - DOT

### Minutes:

*See attached testimony*

Chairman Gary Lee called the subcommittee hearing together on Tuesday, January 29, 2013 at 10:00 am in regard to SB 2012, the Department of Transportation. Other members present are Senators Holmberg, Wanzek, and O'Connell. Brady Larson, Legislative Council, and Sheila Peterson, OMB, were also present.

Chairman Gary Lee: We did get an overview again last week in terms of the budget and the DOT department. I asked them to be prepared to talk about the 16 additional FTE's they requested.

Chairman Gary Lee said it seems that they are hiring people to watch people.

Grant Levi, Interim Director for the DOT, commented that it is best not to outsource the work. The state still has the responsibility to provide oversight and guidance to the consulting firms. He spoke of the growth of the department, a 371% increase in funds since 2007 and about a 2.6% increase in employees since 2007. We are outsourcing about 70% of the work to consultants. He spoke of how important it is to have a presence in the field. Not everything in our business is black and white. There are judgments that need to be made in the field and also in the design process as the work progresses. (02:50 to 04:44)

Chairman Gary Lee asked what would happen to those people if the demand drops back.

Mr. Levi: A lot of our senior leadership can retire. We will monitor that, and if we don't see the need in a future biennium we will make the appropriate adjustments. Even with the amount we received in the present biennium we are having challenges. We are making changes in our internal process as well as needing these additional FTE's. (Ends at 06:32)

Chairman Gary Lee: What's been the turnover rate in these positions?

Mr. Levi: We can get that information to you. Last week we lost 2 engineers to local consulting firms. We have a total of 146 engineers.

Senator Holmberg: Do those people turn around and sit on the other side of the table?

Mr. Levi: Yes, and in the big picture that helps because they know our processes and procedures, but the immediate impact is great. One had over 25 years of experience with us.

There was discussion about how much can be offered as a salary for these positions.  
(07:30 to 08:10)

Senator O'Connell: the \$720M, that's all designed and ready to go?

Mr. Levi: We are still in the process with much of that. We are purchasing right of way, filing the environmental process, doing the design. We want to be ready if the legislature makes the money available to us.

Chairman Gary Lee: Are you comfortable with engineering? It was affirmative.

Chairman Gary Lee: For equipment operators grant.

Mr. Levi: We now call them transportation technicians. We are asking for 4 additional equipment operators in the Williston district. He described how many lane miles they will be adding and how many lane miles an operator can handle. (11:00 to 13:00) Mr. Levi described what a tow plow is. (13:00 to 13:25)

Chairman Gary Lee: Is this equipment included in your budget?

Mr. Levi: Yes. The fleet compensation part of the budget includes it.

Senator O'Connell: What are the operators assigned to in the summer time?

Mr. Levi: I have focused on the snow and ice, that is predominantly how we staff, but during other seasons they are fixing cracks, patching, and doing preventative maintenance work. Our philosophy is we are responsible for fence line to fence line. That is within our right of way. That's what that group of people does.

Senator Wanzek: How did you arrive at needing five engineers?

Mr. Levi explained how they decided they needed five engineers. (15:50 to 18:05)

Chairman Gary Lee: The techs are all for Williston? He was told yes. The next ones are the account budget specialists.

Mr. Levi: One of the things that has occurred in the accounting world is, with the auditing requirements and the regulations that are coming from federal highway, it just takes more time for our people to process transactions. In addition to that is the tremendous growth that has occurred.

Shannon Sauer, Financial Management Director for DOT: What has happened to us is the extensive growth of our program. Every penny of that will flow through our accounting staff. One of the things that complicates that is that everything is tied to a project, some projects are dual funded. Another thing, we've come under a lot of additional requirements that we never used to have. One is do a fraud risk assessment. We have a very comprehensive assessment design for our agency. But we are a very large agency so to do the testing is a very comprehensive job. The regulations coming from federal highway and from federal transit are increasing. They are continually adding compliance requirements. If we don't comply with them, we jeopardize our federal funding. He spoke of other additional regulations that need to be met to keep our fleet charges federally eligible. (21:35 to 23:00)

Chairman Gary Lee: Any more questions on that position? Next we will look at 2 driver license examiners.

Mr. Levi: As the state's population grows there is a direct correlation with the transactions in this area. You saw we made process with CDL. We did the same thing with Driver's License and with Motor Vehicle. We sat down and looked at those two areas. He described how they arrived at the need for 6 more FTE's. (24:34 to 26:16)

Senator Holmberg: There has been some discussion about the auto dealers perhaps helping in the registration services. Would that be one way that we could speed up the process of registering motor vehicles?

Mr. Levi explained that RFP means "requested additional services". He described four different areas they are requesting additional services for. (26:30 to 28:46)

Linda Butts, Deputy Director for Driver and Vehicle Services with ND DOT, said they turned down the Dealer Association this fall after extensive discussions. She said they left it at "let's talk about it in the spring when the legislative session is over". (28:50 to 30:33)

Chairman Gary Lee: You are asking for 6 people in Bismarck, and 2 in Western ND. You have ways to find places for them to live?

Ms. Butts responded that housing is definitely a challenge.

Senator O'Connell: What are the qualifications for testing for CDL?

Ms. Butts described the needed skill sets. There was also discussion about the CDL training in Williston and the possibility of a graduate of that program becoming an instructor for the branch offices rather than having DOT train them. (31:55 to 35:00)

Chairman Gary Lee spoke about the problems of wages not being commensurate in the branch offices creating a need for retraining on a regular basis. The registration fee they charge has not kept pace. Would it be better to solve that problem than to add additional people?

Mr. Levi: It is a combination of a number of things. The branch issue is one of those things; the population growth causing more transactions is another. We do have some challenges in the branch offices that we need to correct. We are willing to work with this committee to find solutions.

Senator Holmberg: The statewide fee is \$7.00 at the branch officers. Could you provide a schedule how much each branch office is raising? How much would a \$1, \$2 or \$3 fee increase generate?

Mr. Levi: We can gather that information for you.

(38:39 to 39:44) There was discussion about the increased workload with federal regulations for medical checks having to be done by a doctor every two years.

Ms. Butts: (She wanted to make some overall comments about the Motor Vehicle area having several needs.) The biggest thing from my 5 ½ years, we are in a changing environment. If indeed we have 850,000 people by 2020, we should be taking a longer planning horizon than just 2 years. We're always behind the 8 ball. The long term planning would give us more flexibility. The IT system is something they really need.

Chairman Gary Lee asked if the IT system is the 9.6 million that is in there for computer upgrade.

Ms. Butts said that is correct.

Chairman Gary Lee asked how that affects the branch offices. Do they need to upgrade also? And is that their expense?

Ms. Butts said they would need to upgrade. She explained how the cost would be covered. (41:50 to 42:20)

Mr. Levi: There was reference made about our ability to hire and find a place for people to live. One of the things we have in our budget is 1.1 million dollars for rental assistance.

Chairman Gary Lee: There are a bunch of related bills and at least one amendment that has been offered.

Brady Larson from Legislative Council submitted attachment #2, A Listing of Proposed Changes to Senate Bill No. 2012. As they go through the subcommittee work, he said he will keep track of any requests for amendments for SB 2012. Currently there have been two items. See page 1 of attachment #2. He explained the Quiet Rail Program and how it is funded. (44:53 to 45:22)

Senator O'Connell: When there's carry over, how does that show up in our bookkeeping system?

Brady Larson explained that to the committee. (46:00 to 46:30)

Brady Larson made the committee aware of a number of related bills that may have an effect on the DOT budget. The related bills are SB 2153, SB 2221, SB 2326, and SB 2328. See pages 2-10 of attachment #2. (46:50 to 52:00)

Chairman Gary Lee asked when monies are allocated for roads and if there are bridges on that road, the bridge work could be part of the project, right?

Mr. Levi: Yes. When monies are allocated for roads we use them for roadway and bridge work. There is occasion when there is federal money that is dedicated only to bridge work.

Chairman Gary Lee: We have another hearing on Thursday. We are adjourned.

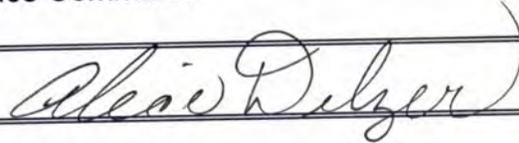
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2012  
01-30-2013  
Job # 17950

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Bill concerning the Department of Transportation regarding an amendment

## Minutes:

Amendment # 13.8162.01003

**Brady Larson** from Legislative Council presented Amendment #13.8162.01003.

**Chairman Holmberg:** There is an amendment for 2012. Last week we passed a bill out of the Senate that spent \$720M which is quite a bit of money for roads and the House yesterday, Appropriations Committee passed that bill out unanimously so it's on the floor. Our problem is, from a bookkeeping standpoint, that bill that is going to become law by next week has \$720M in it. The original bill has \$720M in it and this amendment is doing no more than removing duplicative appropriations so that the report that comes out about where we are in the legislative session as far as how much we've spent will be correct. This is not the last time we will be moving on 2012 but the full committee has to make this motion.

**Senator Robinson moved, Senator Gary Lee seconded** to amend the bill to remove the \$720M.

A voice vote was taken. All in favor say aye. Opposed- no. Motion passed.

The discussion was closed on SB 2012.

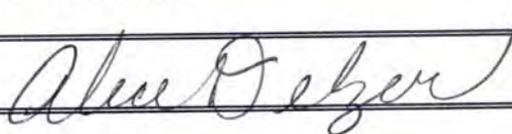
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2012 Subcommittee  
01-31-2013  
Job # 18097

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

Subcommittee hearing for DOT

### Minutes:

See attached testimony

Chairman Gary Lee called the subcommittee to order on SB 2012 at 2:00 pm. Senator Wanzek, Senator Holmberg, Senator O'Connell were also present. Brady Larson from Legislative Council and Sheila Peterson from OMB were also present.

Senator Wanzek explained the amendment. See attachment #1. (01:10 to 03:55)

Senator Holmberg: You did not change the definition of how we define oil producing and non-oil-producing. He was told they did not.

Senator O'Connell: asked for clarification of what would be considered a non-oil-producing county. (04:15 to 04:35)

There was more discussion about who would receive the monies under this \$15,000 grant. (05:10 to 06:45)

There was discussion about more potential amendments for the bill. (06:50 to 8:02)

Chairman Gary Lee: There was a presentation that we had during the hearing that had to do with the Public Transportation Fund. See attachment # 2. (08:45 to 10:05)

Senator Holmberg: One of the provisions in here has to do with the railroad upgrade at Devils Lake. Is the money coming from the federal government contingent or is the state matching it dollar for dollar? Or is it kind of a moral obligation?

Mr. Levi, the Interim Director of the DOT: The way you phrased it is correct. It is sort of an obligation on the part of the state. He elaborated on the arrangement. (10:56 to 11:40)

Chairman Gary Lee: Any other comment on what is included thus far in what we heard?

Senator O'Connell: Are we all in agreement for the positions then?

Chairman Gary Lee: Yes, we are all in agreement.

Senator Holmberg: We need further discussion on Motor Vehicle licensing. The present system needs some change. Because some of the FTE's were involved in that area, we certainly should look at that as part of the entire picture of Motor Vehicle.

Chairman Gary Lee: We had discussion about the challenges the branch offices are facing: the fee structure, the volume, the technology. The technology being proposed in here would offer some opportunities and efficiencies for the office here and for those branch offices as well.

There was discussion about raising some of the fees, possibly changing the 60 mile radius, and somehow addressing the need for training in the branch offices. (13:55 to 15:45)

Senator O'Connell: What have we heard from the county people?

Linda Butts, Deputy Director for Driver and Vehicle Services with ND DOT: I believe that we have 7 Chambers of Commerce, 5 in the hands of citizens, 1 in a rural telephone cooperative, 1 a college foundation. The rest are in treasurers' offices. The ability to put offices in the treasury area occurred with enabling legislation in 2003. Since that time we had one county notify us they no longer wanted to do that and the rural telephone cooperative took that over.

Chairman Gary Lee: Some of the discussion has been is it possible to build a more flexible model that DOT can use to work with these locations that may be struggling. Rather than just raising the fee, is there some business model that could be used that might work for both.

Senator Holmberg: Perhaps you could ask the DOT to come up with some ideas for more flexible language. They have people working directly in the field.

Chairman Gary Lee: Any information from the department that you'd want to share?

Mr. Levi: We still have to gather more information from the Motor Vehicle branches; we have nothing else to add at this point.

Chairman Gary Lee: Is there anything else from this committee?

Senator Holmberg: The formula we keep using regarding oil producing and non-oil-producing counties; that is not a DOT definition. That is a policy distribution that we don't get into. There are some who complain and they can make some valid points; it doesn't follow county lines. Those that have that concern need to go to another committee.

Chairman Gary Lee: We will stand adjourned.

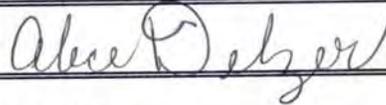
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2012- Subcommittee  
02-05-13  
Job # 18312

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Department of Transportation

### Minutes:

Attached testimony

**Chairman Lee** called the subcommittee to order on Tuesday, February 05, 2013 at 3:00 pm in regards to SB 2012 in the Harvest Room. All committee members were present. They include Sen. G. Lee, Holmberg, Wanzek and O'Connell. Brady Larson from Legislative Council and Sheila Peterson from OMB were also present.

The subcommittee's first item on the agenda was to review the information that the DOT provided about the branch offices and flexibility.

**Grant Levi**, Interim Director of the NDDOT, presented a suggested modification to Century Code to ensure long term stability and function for the motor vehicle branch offices, as well as discussed a couple of proposed amendments. See attached testimony #1.

**(0:07:17) Senator O'Connell** asked if, in regards to attachment 3 in his testimony, the branch keeps the fees that are collected.

**Mr. Levi** stated that this is correct and wouldn't consider that to be their net income because they have a lot of costs associated with doing business.

**(0:07:50) Chairman Lee** asked about the collection of excise tax on attachment 4.

**Mr. Levi** stated that this should include all the fees that they are collecting which would include excise tax, title and registration, etc.

**Chairman Lee** followed by asking about the overstrike on Line 17 in attachment 1.

**Mr. Levi** explained that they took out the word overheard so as not to limit themselves with things like utility costs. They were hoping to reflect greater flexibility to assist with additional employees.

**Chairman Lee** inquired about the fees in attachment 2 and wondered if they are in administrative code.

**Mr. Levi** stated that they are part of their policies. The intent would be to go through an administrative rules process. It would not be their intent to go to maximum fee, but they are asking for some flexibility to work within that.

**Chairman Lee** clarified that they are asking for the flexibility to have a maximum fee not to exceed \$10 for each of those services provided on attachment 2 and that they would also have the flexibility to not only provide the lease/office space that's included in the statute but other overhead costs.

**Mr. Levi** stated that this is correct but wanted to clarify that it wouldn't be limited to what is traditionally overhead. It would be giving them the ability to supplement their needed revenue in order to maintain services. Mr. Levi then referenced lines 20-23 of the bill.

**(0:11:39) Senator Holmberg** asked if there are other examples in state law where we have that kind of language which allows a state entity to negotiate and do the contracts.

**Sheila Peterson** stated that there are other agencies that have the flexibility to set fees based on cost.

**Chairman Lee** asked Mr. Levi if the attorney general's opinion of agencies setting fees coincides with what Sheila said.

**Mr. Levi** explained that the DOT as part of its business practices following state statute presently as it works with consulting engineers selects the engineer based on qualifications and then they negotiate the compensation package, which includes a reasonable profit for those firms. This would only be in instances where a branch office could not sustain and provide services that are needed within the fee structure.

**(0:14:09) Chairman Lee** asked if the agreements that they put together would more than likely include additional state dollars in these branch offices.

**Mr. Levi** stated that this is correct. For example, the Williston branch is challenged within the present fee structure. If they had to go out and provide additional revenue it would come from state resources. The motor vehicle charges come right off the top of the highway tax distribution fund. There is a philosophical conversation that needs to occur about raising fees and having a large fee discrepancy between one part of the state and another part of the state. He then explains the way the system works today.

**(0:15:55) Senator Wanzek** asked if this proposal would include an additional four FTE's.

**Mr. Levi** explained that their initial part of the testimony was just to summarize what's already included in the bill. This is not anything in addition.

**(0:16:46) Chairman Lee** inquired about their computer software system and its high priority in terms of advancing any of their objectives in improving service and efficiency.

**Mr. Levi** stated that it is an essential component and is necessary to address some audit findings, as related to the distribution of the revenues that they collect. Mr. Levi then explained their proposed amendments from his testimony - attachments 5 & 6.

**(0:20:04)** In regards to page 4, line 2, **Brady Larson** explains that it would appear as a different line item on the marked up bill.

**(0:20:32) Senator O'Connell** asked Mr. Levi when they need to have the money available.

**Mr. Levi** states that there is a provision that's contained in section 4 of the original bill that allows the department to reimburse the counties for engineering and design costs. This would allow construction to that as well.

**Senator Holmberg** asks if this provision is applied to an emergency clause and Mr. Levi answers that it is.

**(0:22:26) Senator Wanzek**, in regards to the last amendment, clarifies with Mr. Levi that the money carried over from the previous \$142 million would give them the authority to utilize that money for construction costs as wells as design.

**Mr. Levi** states that it would give them authority to use the \$142 million contained in this bill.

**(0:23:20) Chairman Lee** states that he wants to take a look at amendments that they have left that others want considered. He distributes amendment 13.8162.01009 from Senator Bowman to the committee.

Senator ? moved to adopt this amendment.

**Chairman Lee** asked Brady Larson from LC if it is best to wait and vote on all the amendments at once and Mr. Larson states that this would be preferable.

**Chairman Lee** then briefly explains Senator Bowman's amendment to the committee and states that they will add that one to the list.

**(0:25:30) Senator Wanzek** stated that he would like to ignore the previous amendment that he handed out and replace it with 13.8162.01013 (see attachment #3) which he distributes and explains it to the committee.

**Chairman Lee** confirmed with Senator Wanzek that he is withdrawing his first amendment. Senator Wanzek states that this correct and explains that it put additional money in there but did not include the townships and the oil counties.

**(0:27:48) Senator Wanzek** stated that he visited with Representative Brandenburg who asked about a couple of issues - one dealing with the short line rails where there is a revolving loan fund and asks the Chairman if Rep. Brandenburg can help explain these amendments.

**Rep. Brandenburg** explained to the committee his amendments. See attachment #4 (two pages).

**(0:32:00) Senator Holmberg** stated that in SB 2176 duplicative appropriations were eliminated and asked Brady Larson from LC if there are any examples in the DOT budget now that have appropriations that are listed twice.

**Mr. Larson** stated that there is one example of a double appropriation. Section 7 provides for a general fund transfer to the highway fund so that is appropriated out of the general fund then transfer to the highway fund where that appropriation is then transferred out to the highway fund to the DOT.

**Senator Holmberg** stated that they need to take a closer look at that and Chairman Lee asked Mr. Larson if he can provide something that clarifies this.

The subcommittee hearing is closed for the day.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2012 Subcommittee  
02--12-2013  
Job # 18847

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A subcommittee hearing for the Department of Transportation.

### Minutes:

You may make reference to "attached testimony."

Chairman Gary Lee called the subcommittee meeting to order on Tuesday, February 12, 2013 at 2:20 pm in the Harvest Room. All subcommittee members were present - Senators Holmberg, Wanzek, O'Connell.

Brady Larson - Legislative Council  
Sheila Peterson - OMB

**Chairman Gary Lee** Get the amendments that we have to make sure they are all out on the table so Brady can complete his list. Tomorrow is the last day we will accept any additional amendments for this bill. I have a couple more from Senator Krebsbach asked me to bring this forward Amendment 13.8162.01015 concerning Right of Way purchase grants. Testimony attached # 1. To provide a \$5M to the Department of Transportation for providing grants to eligible cities, for the purchase of Right of Way during the next biennium 2013-2015, for purposes of this amendment an eligible city is one that is affected by the oil and gas development and its purchase of land for future interchange projects along an existing highway bypass route. So that is the amendment that she asked to bring forward. Is there any discussion about that?

**Senator Holmberg** If we adopt it, I certainly have a few more words to add about a project in the Red River Valley that is for future development. But we have to discuss it.

**Chairman Lee:** The other one on behalf of the public transit group telling them I would have it recognized on the list as one for discussion once we make our list here. Amendment #13.8162.01016. As you may recall, the proposed 13-15 biennium shows the highway tax distribution fund other than the amount that public transit is expected to get is \$8.9 M, and through testimony the number was thought to be a better number for them would be \$10 M. So this bill includes the sum of \$1.1 M and there is sort of a trigger mechanism here as I understand it, that we would take a look at if there was at least \$5M coming through that appropriation or through the highway tax distribution fund, at the end of July 1, 2013? Testimony attached # 2.

**Brady Larson** The first transfer would be based upon the revenue deposited in the public transportation fund for the current fiscal year which ends June 30, 2013 if it is less than \$5M and then an additional \$550,000 would be transferred from the General Fund to the Public Transportation Fund on July 1, 2013, and then a 2<sup>nd</sup> transfer just before the subsequent fiscal year.

**Chairman Lee**, The second one would be dependent on whether or not another \$5 M had come through the tax distribution formula for public transit?

**Brady Larson** Yes, that is correct (6.04) for the period beginning July 1, 2013 and ending June 30, 2014. The transfer would be made on July 1, 2014. **Chairman Lee**: So that's the public transit one brought forward on their behalf. **Senator O'Connell** Brady is there any danger that the fund could be that low that it couldn't happen? Is there any way to tell? **Brady Larson** replied the transfers would be contingent upon the revenues being deposited into the fund, so the balance of the fund would have no effect on these transfers.

**Senator Wanzek** If I am to understand then, that if the balance was the balance \$4.990. **Brady Larson** replied if the revenues deposited in the fund were \$4.999 and so forth, they would be no transfer made from the General Fund to the Public Transportation Fund. There would not be. **Senator Wanzek** replied that is kind of dangerous. **Brady Larson** let me correct that, there would be if the formula. **Senator Wanzek** replied if the formula would be the full \$550,000. **Brady** replied right, but if the revenues were \$5 M and One dollar, then they would not be. **Brady** replied there would not be. **Senator Wanzek** this is the way I am understanding it.

**Chairman Lee** any other inclusions from the subcommittee. **Brady**, are you going to develop a list for us in terms of what we had thus far? **Brady Larsen** replied I do have a list that I could distribute if you would like me to. **Brady Larson** Listing of Proposed changes to SB 2012. Testimony attached # 3, starting at the top, proposed funding changes. He explained his handout. We are recommending that section 4 be declared an emergency. (7:27-10:16)

**Chairman Lee** We do have to flush out the request for the motor vehicle branch offices one yet. We don't have an official amendment for that yet do you other than what they provided? **Brady Larson** that is correct, we just have the DOT prepared amendment, **Chairman Gary Lee** we did talk about # 4, that transfer, we could probably handle that with an asterisk, demonstrating what was happening with that money so knowing that its' sort of counted twice but just recognizing why and how its counted.

**Brady Larson** Our office can provide some guidance on that in our reporting to kind of describe that it is being counted twice.

**Chairman Lee** that would help the department in terms of just there mechanisms of dealing with the accounting. Is that correct, okay?

**Senator Wanzek** The \$683.6 M, did we just talk about making it General Fund instead of the General Fund or Special Fund?

**Brady Larson** Just to go back, there were two instances of double appropriation. The first one as \$620M and that issue was taken care of in SB 2176. However, there has been no official action by the committee or subcommittee regarding the \$683.6 M. That was a suggestion. It was just a suggestion.

**Senator Holmberg** There have been attempts to try to arm around that and the \$620 went directly through the General fund was all state money and we did not have to worry about the interface with federal rules. The \$686 is going to be used in part to match some federal money so there were some administrative problems that arise I think if we just put the money exactly in the General Fund. The council in visitation with them they believe I think that, they can asterisk or somehow indicate so that when you indicate so when you look at the spread sheet you know that the \$680 M is being spent but it is also and its going from the General Fund to the Highway Fund and then its' being spent again so it is double counted. But they can indicate that so that a person looking at that will look at the asterisk and know that it is a double appropriation. I think that what stands so I am not as warm on making that change number 4 as I was earlier.

**Senator Wanzek** I understand that it's being counted twice. I was just asking and I remember our discussion and I wasn't sure whether we were going to make it a General Fund or we were to continue. It sounds like we're going to continue with the way it is, and have an asterisk to define. I am comfortable with that. **Senator Holmberg** If you're comfortable with that that seemed to make some sense. **Senator Wanzek** I am comfortable with it and I understand it but it took me a while.

**Senator O'Connell:** When it comes to bidding, are you still doing it? For the bid comes in and the price of each appeal escalates, is there any clause coming in on the bids you have to make up the difference in charges on some of them? How are the biddings working out now?

**Grant Levi, Interim Director DOT** We still include in certain projects where there is an awful lot of fuel used, a provision which basically establishes the fuel price at the time of bid. If, as you shared, Senator O'Connell, if the price of fuel does go up we do reimbursement to the contractor for that. If the price of fuel does go down, we also have a mechanism for that as well. **Senator O'Connell** It works two ways. I didn't realize that it worked both ways.

**Chairman Lee:** Brady there was some language that DOT had asked about. It had to do with the word construction I think.

**Brady Larson** That amendment was covered under #3. Under any proposed changes and that was regarding the county and township road reconstruction in oil areas.

**Chairman Lee** Does that cover that grant? **Brady** replied Yes.

**Chairman Lee** Anything else for today? We need to discuss on those branch offices more. I don't know if we've got that down to a point of comfort in terms of the committee as a whole. There were some suggestions in Mr. Levi's information on February 5<sup>th</sup> that included

a draft amendment where the Director may provide a maximum fee up to \$10 which is currently \$7, and to strike the overhead costs, and at the bottom of that would not with standing any provision of law, in establishing branch offices; the director may go into negotiations with, will provide a contract.

**Senator O'Connell** What is all included in overhead now? Is like office spaces or what is in overhead?

**Mr. Shannon Sauer**, Financial Director for DOT What are the components of overhead? Look at it from two aspects most anything that is not directly charged into a project, heat, lights, janitorial those kinds of general support things. The other overhead category that we have is payroll additive costs. **Chairman Lee** You mean like staff training or those kinds of things? Shannon Sauer replied staff training would fall into the first category I was referring to. The payroll additive costs would be things like the FICA, retirement contributions, health insurance.

**Chairman Lee** It seems like that word overhead is almost redundant in the sense of the way it is written. The Department may lease or provide space or other overhead costs as necessary. When you strike that out you still have the other costs, were trying to figure out what the other costs are that aren't overhead I guess?

**Mr. Levi:** If you take a look at the changes we made in the entire piece of legislation what our intent was by removing the term overhead was to take away the limitations. This sort of goes in conjunction with the bottom portion that we added that says not withstanding any other provision of law. In establishing branch offices the director may enter into direct negotiations and contract with any entity. So as we look at the bill as a whole, we felt that it would be somewhat conflicting if you had a limitation of overhead in the legislation. Then you added an additional part which said we could provide additional compensation. I hope that I didn't confuse the matter, but that was our intent.

**Chairman Lee:** And then going on to bottom sentence when it says not with- standing any other provision of law to move that sentence, says the other stuff doesn't matter and you can do what you want. I mean whether its \$10 or \$15 you would be able to have that authority then to use the fee that you thought to be important to you in that particular locations.

**Mr. Levi** You are correct. As we testified before you on February 5<sup>th</sup>, what our intent would be is that we would work within the established fee schedule that we established through administrative rules and I am not stating here today it would \$10, it would be something we establish after working though the branches through Administrative Rules with a maximum being \$10; but then in addition to that if we had a branch office that could not operate within that fee schedule, what that provision gives us the ability to enter into negotiations with them to then start looking at their costs, looking at their business and we would enter into negotiations with them and would provide additional revenue to them and also a reasonable profit. As we shared with you on February 5<sup>th</sup> that is not unlike the business models we are presently using for example in the engineering community where we negotiate contracts after we've gone through a selection process that selects the most qualified engineer we then go into a process where we negotiate fees. As part of that

negotiation we determine what their costs are and then we do the overhead calculations as Mr. Shannon shared. There is an overhead process for that. We pay their overhead and then we negotiate a reasonable profit. The intent was basically to ensure that we can as things change in the environment we're in things become more electronic, that we can still maintain service in areas of the state that we have them. So that people for example in Williston can still walk up to a counter and have someone to talk to. That was the intent of what we're proposing here.

**Chairman Lee** And then by that initial phrase, that would allow you to get around, say if there was bidding requirements or notification requirements or fee schedule of some kind that was mentioned, you would be at liberty to get around those particular pieces that are in code now.

**Mr. Levi:** That's correct. There are other portions of the Century Code that require selection procurement process, when we're soliciting services what that phrase does is gives us the ability to not have to go through that process. We feel this is very appropriate in this instance, because the branch offices really do not have any other business competition. There were established some time ago, that group of people are trained to deal with it and it is a service that we worked with them to provide in their communities. Unlike the example I used in engineering, they have many different engineering firms located throughout the state. So that's why we feel that is appropriate.

**Chairman Lee** End of time also.

**Senator Holmberg** we have tomorrow and bring in another amendment or two. They will bring it in to the Appropriations Committee or to you, and I would suggest that if someone brings one in, that's credible, even if we don't have an opportunity maybe if nothing else, you announce at full committee that you've gotten these two others and you've turned them into Brady so he can put them on our list for our consideration. So that the next time when we meet, everything that we have discussed or has been introduced will be right there and we don't to keep changing our list.

**Chairman Lee** will close the subcommittee. Thank you all for being here.

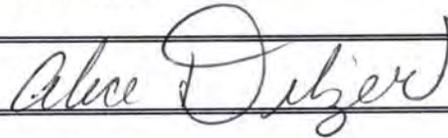
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2012 Subcommittee  
02-19-2013  
Job #19168

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A subcommittee hearing regarding the DOT

### Minutes:

attachments

Chairman Gary Lee called the subcommittee hearing to order on Tuesday, February 19, 2013 at 10:00 am. Members present are Senator Holmberg, Senator Wanzek, and Senator O'Connell. Brady Larson from Legislative Council and Laney Herauf from OMB were also present.

Brady Larson went through the listing of proposed changes dated 2-13-13. Most were discussed in a previous meeting. He went through items 1 through 6. See attachment #1. (02:34 to 04:10) He also went through the Other Proposed Changes on attachment #1. (04:13 to 06:30)

Senator Holmberg had a question on # 9. (6:50)

Mr. Larson said they were handed out at a previous meeting. He explained what was behind #9. (Ends at 08:18)

Chairman Gary Lee: Let's start off with #1. What are your thoughts on continuing the quiet rail? Number one under the Other Proposed Changes also concerns a continuation of appropriation. That one is for the Devils Lake road grade.

Senator Holmberg moved that they accept both number 1's.

Senator O'Connell: Second

All in favor: Accepted by voice vote.

Chairman Gary Lee asked Mr. Larson if he had the changed amendment.

Mr. Larson: That amendment has not been discussed in subcommittee, so it does not appear on the list.

Chairman Gary Lee: Let's look at the second one on the top concerning adding railroad assistance.

Senator Wanzek explained the funding change. (10:50 to 13:50) It would be a revolving loan fund for the rail and it would be interest free.

There was a question if this interest-free was on the \$350,000 or on the whole fund. (13:50 to 14:47)

Senator Holmberg: I am reluctant when someone from our sister committee comes over and asks us to put changes in a bill. Then we get criticized for putting money into bills. I would rather they would make the changes over there. (Let them skin their skunk over there.)

Senator Wanzek: I do believe that these short line rails do a tremendous service to us. This would allow them to transport in heavier cars and it would facilitate the transportation of commodities and goods, but I do understand your point.

Chairman Gary Lee: Let's move on to the 3<sup>rd</sup> one concerning public transit money, about \$1.1M. He explained the intent of the amendment. (16:30 to 17:46)

Senator Wanzek moved #3.

It was seconded by Senator O'Connell and carried by voice vote.

Chairman Gary Lee: Let's move on to #4 concerning highway bypasses from Senator Krebsbach.

Senator Holmberg: I would suggest we do not go down this road; we would have so many others that would pile on.

Chairman Gary Lee: So #4 is off. Let's look at # 6 concerning the \$10M to oil producing counties, the \$15,000 per township.

Senator O'Connell moved to accept #6.

It was seconded by Senator Holmberg.

It carried by voice vote.

Chairman Gary Lee: #5 is similar. This one is at Senator Wanzek's request. It would award \$15,000 to non-oil-producing counties as well.

Senator Wanzek: The additional money would go to all counties and townships in the state, not just the non-oil-producing counties. I think at the very least we have to pass Vice Chairman Bowman's amendment out of fairness. I know we are doing a lot for counties and townships and I am hopeful we can do more. I know we are trying to hold the line, but I might vote for it.

Senator Holmberg: I move we do not accept #5.

Senator Erbele: Second.

It carried with one nay vote. Motion carries.

Chairman Gary Lee: Let's move down to #2 on the others, the one regarding department branch offices.

Mr. Larson: It would allow for a fee not to exceed \$10.00 for each service provided to be charged by the Motor Vehicle branch offices, and it also gives the director of the DOT the ability to negotiate with certain branch office providers.

Chairman Gary Lee referenced a testimony submitted previously by Mr. Levi. (21:50 to 22:10) He wanted to adopt the \$10 part and drop the rest of it.

Senator Holmberg moved to allow the flexibility to increase to \$10.00.

Senator O'Connell: Second

Carried

Chairman Gary Lee: Let's consider #3 under Other Proposed Changes.

Mr. Larson: This relates to the \$142M township and county road reconstruction program for areas affected by energy development. He explained what is currently covered by the bill and what the amendment would cover. (23:00 to 23:54)

There was discussion about whether it would change the dollar amount. (23:55 to 24:34)

Senator Holmberg moved.

Senator Wanzek: Second.

Motion carried.

Chairman Gary Lee: Let's consider #4 under Other Proposed Changes. He reminded the committee that #4 can be referenced with a footnote rather than making it more difficult for the DOT to work with that funding source.

Chairman Gary Lee: Let's consider #5 under Other Proposed Changes. It declares Section 4 an emergency.

Senator Holmberg moved to accept that.

Senator Wanzek: Second.

Motion carried.

Chairman Gary Lee: Let's consider #6 under Other Proposed Changes concerning a legislative management study of Motor Vehicle branch offices.

Senator Holmberg moved to accept #6.

Senator O'Connell: Second

Motion carried.

Chairman Gary Lee: Let's consider #7 under Other Proposed Changes concerning the license plate bill 2326 being rolled back into 2012.

Senator Holmberg: I move we accept it.

Senator Wanzek: Second.

Motion carried.

Chairman Gary Lee: Let's consider #8 under Other Proposed Changes concerning declaring federal TIGER III matching grant at Devils Lake.

Senator Wanzek moved.

Senator Holmberg: Second

30M from BNSF, 30M from Amtrak, 10M from the state. The total project is...

Motion carried.

Chairman Gary Lee: Let's consider #9 under Other Proposed Changes concerning creating a new section.

Senator Wanzek suggested that they not address this one.

Senator Holmberg: Second

Motion carried.

Senator Holmberg: When we passed SB 2176, there were some sections of 2012 that would not be necessary. Have they been disposed of?

Mr. Larson: The full Senate Appropriations Committee voted on a separate amendment to remove the applicable sections. These would be in addition to the amendments adopted by the full committee.

Chairman Gray Lee: This was a request from the state treasurer regarding an error she discovered in the distribution of those grants. Mr. Larson, would you go through that for us?

Mr. Larson explained what the error was and how it would be corrected. (29:53 to 30:40) There is also some language that required the state treasurer to correct any overpayments or underpayments of funds. It states that the State Treasurer does not have to go out to the counties and townships that received too much and get it back in order to provide it to Morton County. (30:40 to 31:00) Section 7 relates to SB 2176. He explained the intent of Section 7. (31:01 to 31:30)

There was discussion about how much that section would add to the bill.

Chairman Gary Lee: There would be another option: to ask townships to bring it back.

Senator Holmberg: That would not be good form.

Senator Wanzek: When we pass a measure that says \$15,000 per township, aren't we guaranteeing them that much?

Mr. Larson explained how the distribution to the townships would work. (32:40 to 34:20)

Senator Wanzek moved to pass the amendment 1017.

Senator O'Connell: Second.

Motion carried.

Chairman Gary Lee: That takes care of that list. We will ask Brady to make the necessary changes

Senator Wanzek: Is the only remaining item the rail issue?

Mr. Larson: There is also another amendment coming regarding funding a county and township bridge reconstruction.

Chairman Gary Lee: That is SB 2328. I think the amendment is just to roll it into this and if that passes then we can make that motion too.

Mr. Larson: The only remaining item would be the short line railroad loan program.

Chairman Gary Lee: The subcommittee on SB 2012 is adjourned.

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

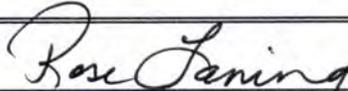
**SB 2012**

February 21, 2013

Job # 19338

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

This is a vote on the Dept. of Transportation budget.

## Minutes:

Testimony attached # 1

Legislative Council - Brady Larson  
OMB -

**Chairman Holmberg** opened the hearing on SB 2012 and said we'll look at a budget well over a billion dollars for roads bridges and license plates.

**Senator Gary Lee** have several amendments to offer.  
How does \$750M fast track a while back?

**Chairman Holmberg** There were two parts to that. The money originally came out of the what originally was in this bill. The \$620M was sent to road construction out in western ND and that went directly out there. There was \$100M that went to the rest of the state. The money that went out west was all state money that isn't being matched with federal money meaning there is a little more flexibility on the part of the DOT on utilization of that money. The money that goes to the eastern part of the state, and a number of us here on this committee are from the eastern part of the state, some of that money is matched with Federal money and there doing roads in the eastern part. But it came out of this.

**Senator Gary Lee** Described the amendments. (3:19-10:14)

**Senator Gary Lee moved Amendment 13.8162.01021 (attached # 1)**

**Senator O'Connell seconded**

Section 14 - License plates

Section 15 Disaster relief around Devils Lake area

Section 16 - Duties of department director

Section 11,12 & 17- Relate to the issuing of a new general license plate

Page 6 corrections that are necessary as the numbers in the pages are aligned with the new bill and the amendments.

Senator Robinson thanked the committee for the work.

**Senator Warner** - In reference to Section 8 appropriations to townships in oil producing counties, is there anywhere in here for an allocation to oil impacted counties? In my district we have some oil producing impact and then is there an allocation to townships otherwise within the state?

**Chairman Holmberg** This was to take care of the counties that didn't get the money that went out in the earlier bill. I meant townships. This is for those townships that did not receive money.

Senator Warner still in oil impact country. **Chairman Holmberg** the money that went out for townships earlier went to the eastern part of the state. Not the oil producing, this amendment that Senator Bowman presented provides the same level of support for the non-oil producing townships because we found that the townships. If the money didn't trickle down from the counties to the townships and they were kind of orphans out in oil. Townships organized and unorganized will get this \$15,000.

**V.Chairman Bowman** - In the special session, where we allocated money to all the townships we excluded the oil producing counties from that, the townships in those counties. That was a big mistake and I can take part of the blame for not recognizing that at the time. Those particular townships and unorganized townships were the most impacted in the state of North Dakota. They were left out of the formula. That is exactly why I had them put this in and hopefully this will make them whole from what they lost on in the last two years.

**V.Chairman Grindberg** The amendments proposed, what is the total general fund increase over the Governor's general fund recommendation?

**Brady** - Page 6 (purpose of amendment) All agencies \$17.715M for General funds only and that does not include any funding included in SB 2176. That is separate from these numbers. (13:31-13:57)

**Chairman Holmberg** Which was not counted in any way in the General Fund as I recall. **Brady** that is correct. In the Governor's Executive budget there was a transfer of \$620M from the General Fund to the Highway Fund in the 2011-2013 bienniums. So that amount wasn't reflected as a 2013-15 biennium appropriation.

**V.Chairman Grinberg** With this bill and 2176 how much more are we spending in the 13-15 biennium than we spent in the General Fund in 11-13? What we currently have appropriated in 11-13 and what we're proposing in this bill with this bill and 2176 that is above and beyond current biennium? Would that be the \$600+ million+ \$17M? **Chairman Holmberg**, it depends on how you count it because the money was going to be spent anyway because the Governor did not count it. **V. Chairman Grindberg** We count it. **Chairman Holmberg**, so we have to add the \$620 M **V. Chairman Grindberg** the \$17M so roughly \$640 Million dollars above of were spending this biennium.

**Brady** : Technically correct.

**Chairman Holmberg** the dollar is a dollar except with the original, but the way the original bill came over it wasn't really counted as a dollar, it was counted as unanticipated money that we're going to have because it was the ending fund balance.

**Senator Robinson** If in the course of deliberations on 1012 in discussion and in SB 2153 we didn't approve it. That is the railroad/ highway rail crate grade crossing bill. There was an appropriation in there but on page 2 section 6, should make reference to highway rail grade crossing safety projects. Can you talk to me about the two and if 2153 was visited in you subcommittee. I am just trying to make certain I'm following what is happening here with section 6 and 2153. Are they related or not?

**Senator Gary Lee** Section 6 that \$640,000 is for the quiet rail projects that have already been authorized or approved and this just authorizes the spending of the money that remains in that fund. It isn't related to the 2153 bill that you're referencing.

**Senator Robinson** SB 2153 that goes down there and there is no money here for other, than the quiet rail?

**Senator Gary Lee** My understanding, and I recall in that bill that there is about \$2.5 million in a railroad fund that's used for safety projects and crossing and cross arms that is Federal dollars that are used for crossings and arms and so to improve those.

**Voice vote on amendment. Carried**

**Senator Gary Lee Moved Do Pass as Amended 13.8162.01021**  
**Senator Wanzek seconded the motion.**

**A roll call vote was taken. Yea: 12 Nay: 0 Absent: 1**  
**Senator Lee will carry the bill**

**Senator Gary Lee** This bill really makes a significant impact on the improvement of our highways and highway system. It's a tremendous reflection of the Legislature and the Executive Branch too, that put this information together and the spending package that is available for the investment of our state. It also includes 16 FTEs across the DOT that will also be included with this particular bill.

**Senator Warner** Was there any attempt for an equity package to advance some salaries relative to the wages being paid in the oil patch for heavy equipment operators?

**Senator Gary Lee** I thought that was part of the salary and benefit package that was originally here.

**Chairman Holmberg** read from the yellow book "2.99 for one- time adjustments" \$254.999 Million for special one-time adjustments for employees serving areas affected by oil and gas development. Yes the money is in there but it will be ensconced within the salary and wages I would assume.

2/21/13  
 TD

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 1, line 3, after "distributions" insert "; to amend and reenact sections 39-02-03 and 39-04-09 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices and the issuance of license plates"

Page 1, line 3, after "transfers" insert "and contingent transfers"

Page 1, line 3, after "exemptions" insert "; to provide for budget section reports; to provide for a legislative management study"

Page 1, replace lines 13 through 20 with:

"Salaries and wages	\$165,966,396	\$32,880,464	\$198,846,860
Operating expenses	204,090,250	173,731,465	377,821,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road reconstruction program	0	142,000,000	142,000,000
County and township bridge reconstruction program	0	27,000,000	27,000,000
Grants	<u>67,767,407</u>	<u>30,420,623</u>	<u>98,188,030</u>
Total all funds	\$1,146,903,884	\$966,463,928	\$2,113,367,812
Less estimated income	<u>1,146,903,884</u>	<u>956,463,928</u>	<u>2,103,367,812</u>

Page 2, after line 7, insert:

"County and township bridge reconstruction	0	27,000,000"
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Page 2, replace line 11 with:

"Enhanced state highway investments	0	541,600,000"
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Page 2, replace lines 13 and 14 with:

"Total all funds	\$608,000,575	\$720,600,000
Total special funds	<u>602,150,575</u>	<u>710,600,000"</u>

Page 4, line 2, replace "and" with a comma

Page 4, line 2, after "design" insert ", and construction"

Page 4, remove lines 9 through 31

Page 5, replace lines 1 through 12 with:

**"SECTION 5. COUNTY AND TOWNSHIP BRIDGE RECONSTRUCTION PROGRAM - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION.** The county and township bridge reconstruction program line item in section 1 of this Act contains the sum of \$27,000,000 from the strategic investment and improvements fund which must be used by the department of transportation for a county and township road bridge rehabilitation and reconstruction program, for the period beginning with the effective date of this Act and ending June 30, 2015, as follows:

1. The funding must be used to rehabilitate or reconstruct county and township road bridges needed for the safe conveyance of persons and commerce in this state. The director of the department of transportation shall distribute the funding based on data available from studies conducted by the upper great plains transportation institute.
2. Each county requesting funding for a county or township road bridge project or for multiple projects shall submit the request in accordance with criteria developed by the department of transportation. The department of transportation, in consultation with the county, may approve a project or approve a project with amendments.
  - a. Funding must be distributed for projects based on data available from upper great plains transportation institute studies, actual road conditions, and the level of integration with state highway and other county road projects.
  - b. Funding may not be distributed for the routine maintenance of bridges.
3. The funding may be used to provide up to ninety percent of the cost of an approved bridge project, including engineering and plan development costs.
4. Upon approval of a project, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs. The funding provided for construction, engineering, and project development costs may be applied to costs incurred as of January 1, 2013.
5. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the funding to be used for the approved bridge project.
6. Each recipient county shall report to the department of transportation upon awarding each contract and upon completion of each project in a manner prescribed by the department.
7. Section 54-44.1-11 does not apply to funding included in the county and township bridge reconstruction program line item in section 1 of this Act. Any funds not spent by June 30, 2015, may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for county and township road bridge rehabilitation and reconstruction projects.
8. For purposes of this section, a "bridge" is a structure that extends over a river, stream, depression, or other obstacle and has an end area of fifty square feet [4.65 square meters] or greater.
9. To be eligible to receive a grant under this section, the county or township road bridge 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 6. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS**

**FUND.** The grants line item in section 1 of this Act includes the sum of \$640,000 from the highway-rail grade crossing safety projects fund which may be used by the

department of transportation to continue highway-rail grade crossing safety projects approved by the department and for which funding was obligated prior to January 1, 2013. On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade crossing safety projects fund to the highway tax distribution fund.

**SECTION 7. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014.

**SECTION 8. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing township transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2015.

1. The state treasurer shall distribute the funds provided under this section to counties and townships in oil-producing counties through a distribution of \$15,000 to each organized township and a distribution of \$15,000 for each unorganized township to the county in which the unorganized township is located.
2. If any funds remain after the distributions provided under subsection 1, the state treasurer shall distribute the remaining funds to counties and townships in oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive a distribution under this subsection.

For purposes of this section, an "oil-producing county" means a county that received total allocations under section 57-51-15 of \$500,000 or more during state fiscal year 2012. All funds distributed under this section must be used for roadway maintenance purposes. The funding provided in this section is considered a one-time funding item.

**SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of

chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section.

**SECTION 10. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$415,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distribution to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2015. The state treasurer shall use the funding provided under this section to ensure that all eligible counties and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the distributions to eligible counties and townships must be distributed by the state treasurer pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly.

**SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL LICENSE PLATE ISSUE - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,200,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses for a general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The appropriation provided under this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 12. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - GENERAL LICENSE PLATE ISSUE.** There is appropriated from special funds and other income received, the sum of \$4,280,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for expenses incurred by roughrider industries related to the general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 5, line 17, after the period insert "The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation."

Page 5, line 20, replace "\$1,161,600,000" with "\$541,600,000"

Page 5, after line 24, insert:

**"SECTION 15. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING GRANTS.** The amount appropriated to the department of transportation from the state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department to provide road grade raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 16. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

### **39-02-03. Powers and duties of director and department.**

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. ~~In addition, the~~ The director shall ~~may~~ provide for a ~~uniform~~ maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other ~~overhead~~ costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

**SECTION 17. AMENDMENT.** Section 39-04-09 of the North Dakota Century Code is amended and reenacted as follows:

### **39-04-09. Director may design and issue number plates.**

The director may design and issue plates of distinctly different color for each classification of motor vehicle, and there must at all times be a marked contrast between the background color of the plates and that of the numerals and letters ~~thereon~~ on the plate. License plates must be acquired from the North Dakota state penitentiary if the penitentiary has the facilities to manufacture license plates. The director shall make a general issue during the biennium beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 18. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH OFFICES.** During the 2013-14 interim, the legislative management shall consider studying the use of branch offices by the department of transportation. The study must include a review of the structure of agreements with operators of branch offices, the number of motor vehicles registered at each office, the current locations of offices, the quality of data provided by the offices, the staffing needs of the offices, and the fees received by offices for services provided. The study must also include a review of the future use of branch offices, including office locations, alternative uses for facilities, and other changes that may promote efficiencies. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 5, line 25, replace "5 and 6" with "4, 5, 8, 9, and 10"

Page 5, line 25, remove "\$1,161,600,000 in"

Page 5, line 26, remove "the capital assets line item relating to enhanced state highway investments and"

Page 5, line 27, after "item" insert "in section 1 of this Act, funding of \$27,000,000 in the county and township bridge reconstruction program line item in section 1 of this Act, and funding of \$10,000,000 in the grants line item"

Page 5, line 27, after "Act" insert "to match a federal TIGER III grant for railroad improvements"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Senate Action**

	Executive Budget	Senate Changes	Senate Version
State Treasurer			
Total all funds	\$0	\$10,415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$0	\$10,415,000	\$10,415,000
DOCR			
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
Department of Transportation			
Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812
Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
General fund	\$693,600,000	\$7,300,000	\$700,900,000
Bill total			
Total all funds	\$3,389,303,578	(\$570,340,766)	\$2,818,962,812
Less estimated income	2,695,703,578	(588,055,766)	2,107,647,812
General fund	\$693,600,000	\$17,715,000	\$711,315,000

**Senate Bill No. 2012 - State Treasurer - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Grants to townships		\$10,000,000	\$10,000,000
Township distribution corrections		415,000	415,000
Total all funds	\$0	\$10,415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$0	\$10,415,000	\$10,415,000
FTE	0.00	0.00	0.00

**Department No. 120 - State Treasurer - Detail of Senate Changes**

	Adds Funding for Grants to Townships in Oil-Producing Counties <sup>1</sup>	Adds Funding to Correct Distributions to Townships <sup>2</sup>	Total Senate Changes
Grants to townships	\$10,000,000		\$10,000,000
Township distribution corrections		415,000	415,000
Total all funds	\$10,000,000	\$415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$10,000,000	\$415,000	\$10,415,000
FTE	0.00	0.00	0.00

<sup>1</sup>Funding of \$10 million from the general fund is appropriated to the State Treasurer to provide a \$15,000 transportation funding grant to each organized and unorganized township in oil-producing counties. An

"oil-producing county" is one that received total allocations under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or more during state fiscal year 2012.

<sup>2</sup>A \$415,000 general fund appropriation is provided to the State Treasurer to ensure that all eligible counties and townships receive a \$15,000 transportation grant pursuant to subsection 3 of Section 2 of 2013 Senate Bill No. 2176.

A section is also added to provide a 2011-13 biennium appropriation of \$590,000 from the general fund to the State Treasurer to correct a distribution error in providing grants to counties and townships under subsection 3 of Section 27 of 2011 Senate Bill No. 2371. An exemption is provided to prohibit the State Treasurer from requiring political subdivisions to return any overpayment of funds received as a result of the distribution error.

Section 5 is removed which provides a \$100 million general fund appropriation to the State Treasurer during the 2011-13 biennium for transportation funding distributions to non-oil-producing counties, cities, and townships. Senate Bill No. 2176, as passed by the Legislative Assembly in 2013, contained \$100 million from the general fund for transportation funding distributions to non-oil-producing counties.

**Senate Bill No. 2012 - DOCR - Senate Action**

	Executive Budget	Senate Changes	Senate Version
License plate issue		\$4,280,000	\$4,280,000
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of Senate Changes**

	Adds Special Fund Authority for License Plate Issue <sup>1</sup>	Total Senate Changes
License plate issue	\$4,280,000	\$4,280,000
Total all funds	\$4,280,000	\$4,280,000
Less estimated income	4,280,000	4,280,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup>Special fund authority of \$4.28 million is provided for Roughrider Industries for costs associated with the general license plate issue.

**Senate Bill No. 2012 - Department of Transportation - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$198,822,626	\$24,234	\$198,846,860
Operating expenses	456,821,715	(79,000,000)	377,821,715
Capital assets	1,810,511,207	(541,000,000)	1,269,511,207
County and township road program	142,000,000		142,000,000
Grants	97,548,030	640,000	98,188,030
General fund transfer to highway fund	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000	1,100,000
License plate issue		6,200,000	6,200,000
County and township bridge program		27,000,000	27,000,000

Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812
Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
General fund	\$693,600,000	\$7,300,000	\$700,900,000
FTE	1079.50	0.00	1079.50

**Department No. 801 - Department of Transportation - Detail of Senate Changes**

	Corrects Executive Compensation Package <sup>1</sup>	Removes Previously Appropriated Road Funding <sup>2</sup>	Continues Highway-Rail Grade Crossing Safety Projects <sup>3</sup>	Provides Contingent Transfers to Public Transportation Fund <sup>4</sup>	Adds Funding for General License Plate Issue <sup>5</sup>	Adds Funding for County and Township Bridge Program <sup>6</sup>
Salaries and wages	\$24,234					
Operating expenses		(79,000,000)				
Capital assets		(541,000,000)				
County and township road program						
Grants			640,000			
General fund transfer to highway fund						
Transfer to public transportation fund				1,100,000		
License plate issue					6,200,000	
County and township bridge program						27,000,000
<b>Total all funds</b>	<b>\$24,234</b>	<b>(\$620,000,000)</b>	<b>\$640,000</b>	<b>\$1,100,000</b>	<b>\$6,200,000</b>	<b>\$27,000,000</b>
Less estimated income	24,234	(620,000,000)	640,000	0	0	27,000,000
General fund	\$0	\$0	\$0	\$1,100,000	\$6,200,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$24,234
Operating expenses	(79,000,000)
Capital assets	(541,000,000)
County and township road program	
Grants	640,000
General fund transfer to highway fund	
Transfer to public transportation fund	1,100,000
License plate issue	6,200,000
County and township bridge program	27,000,000
<b>Total all funds</b>	<b>(\$585,035,766)</b>
Less estimated income	(592,335,766)
General fund	\$7,300,000
FTE	0.00

<sup>1</sup>Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup>Funding of \$620 million for road construction and maintenance funding is removed. Senate Bill No. 2176, as previously passed by the Legislative Assembly in 2013, contains \$620 million of road construction and maintenance funding. Section 6 of the bill, which transfers \$620 million from the general fund to the highway fund during the 2011-13 biennium, is also removed.

<sup>3</sup>Funding from the highway-rail grade crossing safety fund is appropriated to continue projects for which funding was obligated prior to January 1, 2013. A section is also added to provide guidelines for the use of the funds.

<sup>4</sup>Funding is provided for contingent transfers from the general fund to the public transportation fund. The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being \$5 million or less during state fiscal years 2013 and 2014.

<sup>5</sup>Funding of \$6.2 million from the general fund is added to defray the expenses of a general license plate issue. An exemption is provided for the funding to allow the department to use any unexpended 2013-15 biennium appropriations related to the license plate issue in the 2015-17 biennium. A section is also added to amend Section 39-04-09 to require the Director of the Department of Transportation to make a general license plate issue during the 2013-15 and 2015-17 bienniums.

<sup>6</sup>Funding of \$27 million from the strategic investment and improvements fund is appropriated to the department for a county and township bridge reconstruction program. A section is also added to provide guidelines for the program.

---

This amendment also:

- Adjusts subsection 8 of Section 4 regarding the county and township road reconstruction program in areas affected by energy development to allow funds to be used on construction costs incurred as of January 1, 2013.
- Adds a section to amend Section 39-02-03 regarding fees charged by Department of Transportation motor vehicle branch offices.
- Adds a section to continue unexpended 2011-13 biennium appropriations from the state disaster relief fund into the 2013-15 biennium for Devils Lake road grade raising projects.

Date: 1-30-13

Roll Call Vote# 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8162.01003

Action Taken Do Pass Voice Vote

Motion Made By Robinson Seconded By Lee

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) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Passed

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

Date: 2-20-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8162.01021 FN#5

Action Taken Adopt Amendment

Motion Made By G. Lee 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) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*Voice  
vote  
Carried*

Date: 2-21-13

Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2012

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DPA

Motion Made By G. Lee Seconded By Wanzek

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) 12 No 0

Absent 1

Floor Assignment Lee

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

**REPORT OF STANDING COMMITTEE**

**SB 2012: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2012 was placed on the Sixth order on the calendar.

Page 1, line 3, after "distributions" insert "; to amend and reenact sections 39-02-03 and 39-04-09 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices and the issuance of license plates"

Page 1, line 3, after "transfers" insert "and contingent transfers"

Page 1, line 3, after "exemptions" insert "; to provide for budget section reports; to provide for a legislative management study"

Page 1, replace lines 13 through 20 with:

"Salaries and wages	\$165,966,396	\$32,880,464	\$198,846,860
Operating expenses	204,090,250	173,731,465	377,821,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road reconstruction program	0	142,000,000	142,000,000
County and township bridge reconstruction program	0	27,000,000	27,000,000
Grants	<u>67,767,407</u>	<u>30,420,623</u>	<u>98,188,030</u>
Total all funds	\$1,146,903,884	\$966,463,928	\$2,113,367,812
Less estimated income	<u>1,146,903,884</u>	<u>956,463,928</u>	<u>2,103,367,812</u>

Page 2, after line 7, insert:

"County and township bridge reconstruction 0 27,000,000"

Page 2, replace line 11 with:

"Enhanced state highway investments 0 541,600,000"

Page 2, replace lines 13 and 14 with:

"Total all funds	\$608,000,575	\$720,600,000
Total special funds	<u>602,150,575</u>	<u>710,600,000</u>

Page 4, line 2, replace "and" with a comma

Page 4, line 2, after "design" insert ", and construction"

Page 4, remove lines 9 through 31

Page 5, replace lines 1 through 12 with:

**"SECTION 5. COUNTY AND TOWNSHIP BRIDGE RECONSTRUCTION PROGRAM - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION.** The county and township bridge reconstruction program line item in section 1 of this Act contains the sum of \$27,000,000 from the strategic investment and improvements fund which must be used by the department of transportation for a county and township road bridge rehabilitation and reconstruction program, for the period beginning with the effective date of this Act and ending June 30, 2015, as follows:

1. The funding must be used to rehabilitate or reconstruct county and township road bridges needed for the safe conveyance of persons and commerce in this state. The director of the department of transportation

shall distribute the funding based on data available from studies conducted by the upper great plains transportation institute.

2. Each county requesting funding for a county or township road bridge project or for multiple projects shall submit the request in accordance with criteria developed by the department of transportation. The department of transportation, in consultation with the county, may approve a project or approve a project with amendments.
  - a. Funding must be distributed for projects based on data available from upper great plains transportation institute studies, actual road conditions, and the level of integration with state highway and other county road projects.
  - b. Funding may not be distributed for the routine maintenance of bridges.
3. The funding may be used to provide up to ninety percent of the cost of an approved bridge project, including engineering and plan development costs.
4. Upon approval of a project, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs. The funding provided for construction, engineering, and project development costs may be applied to costs incurred as of January 1, 2013.
5. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the funding to be used for the approved bridge project.
6. Each recipient county shall report to the department of transportation upon awarding each contract and upon completion of each project in a manner prescribed by the department.
7. Section 54-44.1-11 does not apply to funding included in the county and township bridge reconstruction program line item in section 1 of this Act. Any funds not spent by June 30, 2015, may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for county and township road bridge rehabilitation and reconstruction projects.
8. For purposes of this section, a "bridge" is a structure that extends over a river, stream, depression, or other obstacle and has an end area of fifty square feet [4.65 square meters] or greater.
9. To be eligible to receive a grant under this section, the county or township road bridge 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 6. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS**

**FUND.** The grants line item in section 1 of this Act includes the sum of \$640,000 from the highway-rail grade crossing safety projects fund which may be used by the department of transportation to continue highway-rail grade crossing safety projects approved by the department and for which funding was obligated prior to January 1, 2013. On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade crossing safety projects fund to the highway tax distribution fund.

**SECTION 7. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014.

**SECTION 8. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing township transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2015.

1. The state treasurer shall distribute the funds provided under this section to counties and townships in oil-producing counties through a distribution of \$15,000 to each organized township and a distribution of \$15,000 for each unorganized township to the county in which the unorganized township is located.
2. If any funds remain after the distributions provided under subsection 1, the state treasurer shall distribute the remaining funds to counties and townships in oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive a distribution under this subsection.

For purposes of this section, an "oil-producing county" means a county that received total allocations under section 57-51-15 of \$500,000 or more during state fiscal year 2012. All funds distributed under this section must be used for roadway maintenance purposes. The funding provided in this section is considered a one-time funding item.

**SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section.

**SECTION 10. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$415,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distribution to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2015. The state

treasurer shall use the funding provided under this section to ensure that all eligible counties and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the distributions to eligible counties and townships must be distributed by the state treasurer pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly.

**SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL LICENSE PLATE ISSUE - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,200,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses for a general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The appropriation provided under this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 12. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - GENERAL LICENSE PLATE ISSUE.** There is appropriated from special funds and other income received, the sum of \$4,280,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for expenses incurred by roughrider industries related to the general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 5, line 17, after the period insert "The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation."

Page 5, line 20, replace "\$1,161,600,000" with "\$541,600,000"

Page 5, after line 24, insert:

**"SECTION 15. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING GRANTS.** The amount appropriated to the department of transportation from the state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department to provide road grade raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 16. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

**39-02-03. Powers and duties of director and department.**

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. ~~In addition, the~~ The director shall provide for a uniform maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other overhead costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state

highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

**SECTION 17. AMENDMENT.** Section 39-04-09 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-09. Director may design and issue number plates.**

The director may design and issue plates of distinctly different color for each classification of motor vehicle, and there must at all times be a marked contrast between the background color of the plates and that of the numerals and letters ~~thereon on the plate~~. License plates must be acquired from the North Dakota state penitentiary if the penitentiary has the facilities to manufacture license plates. The director shall make a general issue during the biennium beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 18. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH OFFICES.** During the 2013-14 interim, the legislative management shall consider studying the use of branch offices by the department of transportation. The study must include a review of the structure of agreements with operators of branch offices, the number of motor vehicles registered at each office, the current locations of offices, the quality of data provided by the offices, the staffing needs of the offices, and the fees received by offices for services provided. The study must also include a review of the future use of branch offices, including office locations, alternative uses for facilities, and other changes that may promote efficiencies. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 5, line 25, replace "5 and 6" with "4, 5, 8, 9, and 10"

Page 5, line 25, remove "\$1,161,600,000 in"

Page 5, line 26, remove "the capital assets line item relating to enhanced state highway investments and"

Page 5, line 27, after "item" insert "in section 1 of this Act, funding of \$27,000,000 in the county and township bridge reconstruction program line item in section 1 of this Act, and funding of \$10,000,000 in the grants line item"

Page 5, line 27, after "Act" insert "to match a federal TIGER III grant for railroad improvements"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Senate Action**

	Executive Budget	Senate Changes	Senate Version
State Treasurer			
Total all funds	\$0	\$10,415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$0	\$10,415,000	\$10,415,000
DOCR			
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
Department of Transportation			
Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812

Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
General fund	\$693,600,000	\$7,300,000	\$700,900,000
Bill total			
Total all funds	\$3,389,303,578	(\$570,340,766)	\$2,818,962,812
Less estimated income	2,695,703,578	(588,055,766)	2,107,647,812
General fund	\$693,600,000	\$17,715,000	\$711,315,000

**Senate Bill No. 2012 - State Treasurer - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Grants to townships		\$10,000,000	\$10,000,000
Township distribution corrections		415,000	415,000
Total all funds	\$0	\$10,415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$0	\$10,415,000	\$10,415,000
FTE	0.00	0.00	0.00

**Department No. 120 - State Treasurer - Detail of Senate Changes**

	Adds Funding for Grants to Townships in Oil-Producing Counties <sup>1</sup>	Adds Funding to Correct Distributions to Townships <sup>2</sup>	Total Senate Changes
Grants to townships	\$10,000,000		\$10,000,000
Township distribution corrections		415,000	415,000
Total all funds	\$10,000,000	\$415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$10,000,000	\$415,000	\$10,415,000
FTE	0.00	0.00	0.00

<sup>1</sup>Funding of \$10 million from the general fund is appropriated to the State Treasurer to provide a \$15,000 transportation funding grant to each organized and unorganized township in oil-producing counties. An "oil-producing county" is one that received total allocations under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or more during state fiscal year 2012.

<sup>2</sup>A \$415,000 general fund appropriation is provided to the State Treasurer to ensure that all eligible counties and townships receive a \$15,000 transportation grant pursuant to subsection 3 of Section 2 of 2013 Senate Bill No. 2176.

A section is also added to provide a 2011-13 biennium appropriation of \$590,000 from the general fund to the State Treasurer to correct a distribution error in providing grants to counties and townships under subsection 3 of Section 27 of 2011 Senate Bill No. 2371. An exemption is provided to prohibit the State Treasurer from requiring political subdivisions to return any overpayment of funds received as a result of the distribution error.

Section 5 is removed which provides a \$100 million general fund appropriation to the State Treasurer during the 2011-13 biennium for transportation funding distributions to non-oil-producing counties, cities, and townships. Senate Bill No. 2176, as passed by the

Legislative Assembly in 2013, contained \$100 million from the general fund for transportation funding distributions to non-oil-producing counties.

**Senate Bill No. 2012 - DOCR - Senate Action**

	Executive Budget	Senate Changes	Senate Version
License plate issue		\$4,280,000	\$4,280,000
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of Senate Changes**

	Adds Special Fund Authority for License Plate Issue <sup>1</sup>	Total Senate Changes
License plate issue	\$4,280,000	\$4,280,000
Total all funds	\$4,280,000	\$4,280,000
Less estimated income	4,280,000	4,280,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup>Special fund authority of \$4.28 million is provided for Roughrider Industries for costs associated with the general license plate issue.

**Senate Bill No. 2012 - Department of Transportation - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$198,822,626	\$24,234	\$198,846,860
Operating expenses	456,821,715	(79,000,000)	377,821,715
Capital assets	1,810,511,207	(541,000,000)	1,269,511,207
County and township road program	142,000,000		142,000,000
Grants	97,548,030	640,000	98,188,030
General fund transfer to highway fund	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000	1,100,000
License plate issue		6,200,000	6,200,000
County and township bridge program		27,000,000	27,000,000
Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812
Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
General fund	\$693,600,000	\$7,300,000	\$700,900,000
FTE	1079.50	0.00	1079.50

**Department No. 801 - Department of Transportation - Detail of Senate Changes**

	Corrects Executive Compensation Package <sup>1</sup>	Removes Previously Appropriated Road Funding <sup>2</sup>	Continues Highway-Rail Grade Crossing Safety Projects <sup>3</sup>	Provides Contingent Transfers to Public Transportation Fund <sup>4</sup>	Adds Funding for General License Plate Issue <sup>5</sup>	Adds Funding for County and Township Bridge Program <sup>6</sup>
Salaries and wages	\$24,234					
Operating expenses		(79,000,000)				
Capital assets		(541,000,000)				
County and township road						

program						
Grants			640,000			
General fund transfer to highway fund						
Transfer to public transportation fund				1,100,000		
License plate issue					6,200,000	
County and township bridge program						27,000,000
Total all funds	\$24,234	(\$620,000,000)	\$640,000	\$1,100,000	\$6,200,000	\$27,000,000
Less estimated income	24,234	(620,000,000)	640,000	0	0	27,000,000
General fund	\$0	\$0	\$0	\$1,100,000	\$6,200,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Total Senate Changes</b>
Salaries and wages	\$24,234
Operating expenses	(79,000,000)
Capital assets	(541,000,000)
County and township road program	
Grants	640,000
General fund transfer to highway fund	
Transfer to public transportation fund	1,100,000
License plate issue	6,200,000
County and township bridge program	27,000,000
Total all funds	(\$585,035,766)
Less estimated income	(592,335,766)
General fund	\$7,300,000
FTE	0.00

<sup>1</sup>Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup>Funding of \$620 million for road construction and maintenance funding is removed. Senate Bill No. 2176, as previously passed by the Legislative Assembly in 2013, contains \$620 million of road construction and maintenance funding. Section 6 of the bill, which transfers \$620 million from the general fund to the highway fund during the 2011-13 biennium, is also removed.

<sup>3</sup>Funding from the highway-rail grade crossing safety fund is appropriated to continue projects for which funding was obligated prior to January 1, 2013. A section is also added to provide guidelines for the use of the funds.

<sup>4</sup>Funding is provided for contingent transfers from the general fund to the public transportation fund. The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being \$5 million or less during state fiscal years 2013 and 2014.

<sup>5</sup>Funding of \$6.2 million from the general fund is added to defray the expenses of a general license plate issue. An exemption is provided for the funding to allow the department to use any unexpended 2013-15 biennium appropriations related to the license plate issue in the 2015-17 biennium. A section is also added to amend Section 39-04-09 to require the Director of the Department of Transportation to make a general license plate issue during the 2013-15 and 2015-17 bienniums.

<sup>6</sup>Funding of \$27 million from the strategic investment and improvements fund is appropriated to the department for a county and township bridge reconstruction program. A section is also added to provide guidelines for the program.

---

This amendment also:

- Adjusts subsection 8 of Section 4 regarding the county and township road reconstruction program in areas affected by energy development to allow funds to be used on construction costs incurred as of January 1, 2013.
- Adds a section to amend Section 39-02-03 regarding fees charged by Department of Transportation motor vehicle branch offices.
- Adds a section to continue unexpended 2011-13 biennium appropriations from the state disaster relief fund into the 2013-15 biennium for Devils Lake road grade raising projects.

**2013 HOUSE APPROPRIATIONS**

**SB 2012**

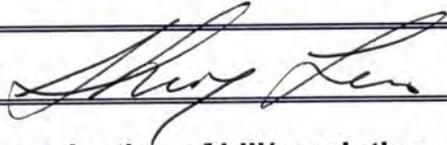
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2012  
March 11, 2013  
Recording Job# 19665

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide for transfers; to provide exemptions; and to declare an emergency.

## Minutes:

**Chairman Thoreson:** Opened the hearing on SB2012. All members were present.

**Grant Levi, Interim Director, ND Department of Transportation:** See testimony attachment 1.

4:51

**Chairman Thoreson:** Were they ever designed to carry this much? Did the people designing those 60 years say we're going to be 4-5 times more than we are today?

**Grant Levi:** I've been with the DOT for 30+ years; and 30 years ago we had no idea what we'd be dealing with today. While we tried to project it, I don't think we had the wisdom or insight to see what's happening in the agricultural area. Nor did we have the foresight to see what the energy industry would do.

**Chairman Thoreson:** What are you doing now when you plan roads 30 to 40 years in advance? Is that something that we now look at since we've had history as a teacher?

**Grant Levi:** We're trying to do a better job as we look to the future. We contracted with Upper Great Plains Transportation Institute to assist us with traffic projections. The Institute has a good hand on the agricultural community; so we're working very closely with them. We've established a very good working relationship with Lynn Helms and his team.

**Vice Chairman Brandenburg:** Looking back in the 60's and 70's everybody had a single axle truck; now every farmer has a semi. There should be a leveling point.

**Grant Levi:** You're correct. The trucks have changed; that all plays into how we design our pavements. There's a bill that passed the house recently that does concern us; which allows heavier movement of agricultural products.

Grant Levi continued with his testimony.

12:49

**Chairman Thoreson:** Whereabouts on 2 were you looking at raising again?

**Grant Levi:** There are areas that start all the way by where we connected with US Hwy 281. We can do US Hwy 281 all the way into Devils Lake; it's various segments along the way that we'd have to bring up.

**Representative Guggisberg:** That \$550 million, how much is federal and how is state? Is it all state dollars? Is there a local match?

**Grant Levi:** In general terms, much of the money is federal dollars. I would venture a guess that over 80% of that \$550 million would be federal. Some of the work up there is 100% federally funded. When you get into the reservation areas we use 100% federal funds; and we had quite a bit of work occurring there.

Grant Levi continued with his testimony.

**Representative Hawken:** I've tried for 5 sessions to get us to change the cost of our driver's license; because I know it's not covering the cost. How far down are we now on subsidizing the driver's licenses?

**Grant Levi:** The driver's license division is subsidized. I don't have that figure.

**Linda Butts, Deputy Director, Driver and Vehicle Services, ND Department of Transportation:** We did an analysis last fall and it's \$4.95 per license.

**Representative Hawken:** That we're subsidizing?

**Linda Butts:** Yes.

**Representative Hawken:** So we should be raising the price of the driver's license so at least it's just break even.

**Representative Guggisberg:** I was wondering if we could get a copy of that report.

**Grant Levi:** Yes we can do that.

Grant Levi continued with his testimony.

26:17

**Vice Chairman Brandenburg:** If there was a way to tell people when they're taking the CDL test to tell them to verbalize it would take less time.

**Grant Levi:** Your comments are noted and we'll share that with the team.

30:07

**Representative Kempenich:** It's been brought to my attention that we're registering vehicles in the state without a state residence. I don't know how we can address this but it is happening more frequently.

**Grant Levi:** It is a challenge. It's exciting to bring new people into the state and have them work here. The temporary motor vehicle registration program that was put into place has helped some.

Grant Levi continued with his testimony.

39:17

**Vice Chairman Brandenburg:** Is that new system working out well?

**Grant Levi:** Yes. It works well; there are periods of time where some people get frustrated because they do sit there for a period of time at certain times of the day.

41:02

**Representative Kempenich:** Do you keep track of the experience you're having with in-state and out of state drivers?

**Grant Levi:** I've never looked at the statistics from that perspective and I don't know that we gather it from that perspective.

43:15

**Representative Guggisberg:** Is this a big increase and is the increase only in the western part of the state? Are we seeing issues throughout the state?

**Grant Levi:** There is a considerable increase that's occurring in the western part of the state; but, it's also increasing in the eastern of the state. There's a 22% increase in traffic since 2010 on a statewide basis.

**Representative Guggisberg:** Do we have statistics involving seatbelt use? Is that unique to our state?

**Grant Levi:** No. We have some challenges involving seatbelt usage in this state.

Grant Levi continued with his testimony.

47:45

**Representative Kempenich:** Most of them are just a turnaround; but, could you make it simpler? If they don't have any convictions, couldn't you streamline this?

**Grant Levi:** Some states have put into place allowing one renewal of a license to occur without coming into an office. We're looking at that right now. There are times when people's health change that it's good to see them.

Grant Levi continued with his testimony.

54:19

**Representative Guggisberg:** Do you have a way to measure weight on the roads?

**Grant Levi:** Yes we do. We classify the traffic that's traveling. We have a means of determining how many of them are trucks and what type of trucks. That helps us in designing our pavements and projecting it into the future.

**Representative Guggisberg:** If you could provide that information.

**Grant Levi:** We will do that.

59:02

**Representative Guggisberg:** If you could provide that information. Are you going to talk about different construction types and if you're working on new things? Is there such a thing as a 100 year road?

**Grant Levi:** Referenced testimony attachment 1. A 100 year pavement design would have to occur from starting on the bottom and build a tremendous base. Our challenge is fiscally that it would take so many resources we'd only be working on very few roadways. We've gone to a process where we're working on a 20-30 year road depending on what design.

**Representative Sanford:** What's the limit of all this? How can you still move traffic? How can you still have contractors available?

**Grant Levi:** There are so many different parts that come into delivering a project. In addition to that, we have an environmental process that we need to work through. The limitation starts to become how much can you deliver as a state. What you saw in SB2012 was in essence what we shared with the governor that we could deliver during this period of time.

1:05:50

**Representative Kempenich:** Are we driving our inflation or is demand driving it? How do we compare to other states?

**Grant Levi:** We're higher than other states. The competition for labor and materials here is a challenge that doesn't exist in many other parts of the country and some of them are in better shape that way. Speaking to my peers some of them were averaging closer to that 3%-4% per year.

**Representative Kempenich:** Are you seeing the competition part of this starting to moderate?

**Grant Levi:** That's correct.

**Vice Chairman Brandenburg:** Are we getting access to bigger companies?

**Grant Levi:** Yes. We're bidding projects.

Grant Levi continued with his testimony.

1:09:07

**Vice Chairman Brandenburg:** Is that getting worked out where they don't have to come from a quarry?

**Grant Levi:** Some of that was FEMA related projects. FEMA stepped in with some rules that they put into place. We work very closely with the federal highway administration to overcome some of that. The environmental challenges of delivering a product are greater than they ever have been.

**Representative Kempenich:** In a roadway, why couldn't we use that?

**Grant Levi:** You're correct. There are sites and you can find that on our website also; a link to the state health department where the aggregate supply contains erionite. The health department has indicated to us that there are certain standards that need to be met as it relates to erionite use. The contracted industry hasn't found it to be economical to do that; so instead in the southwestern part of the state, much of the aggregate supply is coming from Glendive, MT.

**Representative Sanford:** You mentioned right of way costs and the challenges associated with that. What is driving that cost?

**Grant Levi:** To deal with right of way we need to comply with federal and state rules. The first part of our process is to do an appraisal to determine the value, look at equivalent sales that are occurring in the area. After we've gathered that information we make an offer to the land owner.

**Chairman Thoreson:** Recessed the hearing.

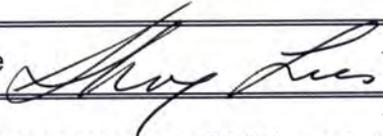
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2012  
March 11, 2013  
Recording Job# 19695

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide for transfers; to provide exemptions; and to declare an emergency.

## Minutes:

**Chairman Thoreson:** Reopened the hearing on SB2012.

**Senator Wesley Holmberg, District 17, ND Legislative Assembly:** SB2326 was introduced as a bill to provide a new issue of license plates. It's been 25 years since we've had a new issue. We've had the license plate issue before us in 2009, 2011 and there were always reasons why it wasn't done. If you've had your vehicle and license plate for a number of years, you will see it doesn't have the reflectivity it did 25 years ago. It's also becoming very full of the stickers. We are authorizing a new issue; we are not designing a new license plate. We've stayed away from all of those things and determined an appropriation of \$6.2 million was appropriate. We did not want to raise fees on the taxpayers of North Dakota. Roughly \$3 million could be recaptured from a general issue. I think there a number of reasons why we should reissue a new plate.

08:23

**Representative Kempenich:** There's \$6.2 million and then \$4.3 million that's going to corrections; do you get into that?

**Senator Holmberg:** That's to buy the equipment and I believe it's about \$680,000.00 for a new embossing machine; and then the raw materials. They would be reimbursed when they get the money from the loan.

**Representative Kempenich:** Does the DOT do all that and Rough Rider carries it out? Is it Roughrider that makes the decisions?

**Senator Holmberg:** That's by statute.

**Representative Glassheim:** Is the total cost for the license plate \$6.2 million plus \$4.3 million?

**Senator Holmberg:** The \$4.3 million is part of the \$6.2 million. It's the authorization. A good point to make is with the number of license plates out there, if it's 1%-3% that aren't following the statute currently; we can recoup some of that money.

**Representative Guggisberg:** We heard earlier that getting your driver's license is subsidized by the state. Is it the same with license plates? How long would it take for us to make this cost up based on the \$3 million we would hopefully recover?

**Senator Holmberg:** You'd have to ask the department exactly; because there would be a schedule for reissuance of plates. This bill does not set out a schedule for a reissue. Some states have a pretty set schedule as to "x" number of years. We've had this license plate and design since 1991 or 1992.

**Representative Hawken:** When you're talking about the embossed plate as opposed to the flat plate; is the flat plate with a more expensive machine?

**Senator Holmberg:** There are some advantages and disadvantages with a flat plate; the aluminum is a little thinner than the embossed plate.

**Chairman Thoreson:** I don't recall was there language in the original bill discussing design? Was that in the first piece of legislation put forward or was it just the same as this amendment did to SB2012?

**Senator Holmberg:** There was some language.

**Chairman Thoreson:** I think we'll get a copy of the bill to distribute to the committee for reference.

**Representative Wesley Belter, District 22, ND Legislative Assembly:** See testimony attachment 2.

17:29

**Chairman Thoreson:** Do you know if other states that have the single plate allow for the option of adding a second plate?

**Wesley Belter:** That I don't know. See attachment 3.

**Representative Glassheim:** Is the main purpose to save money for people buying them?

**Wesley Belter:** To me the front license plate has always been a nuisance from the standpoint of keeping it clean or unbent. There are a lot of people now who have sporty cars that really don't have an appropriate place for a license plate on the front.

Grant Levi continued with his testimony from attachment 1.

**Representative Kempenich:** Do you know what's in the account for diesel and gas tax?

**Grant Levi:** Referenced testimony attachment 1.

26:00

**Representative Kempenich:** So the \$.21 they collect nationally is only going to generate \$6.3 billion? What is in that trust fund? What is the federal gas tax collecting and where's it going if it isn't going to the road systems?

**Grant Levi:** The total national revenue collected with the fees that are collected at the federal level is about \$32-\$33 billion; depending on the projections that come forward. Some of that money is used for used for transportation; some of that money is also used for transit. The federal government for the last few years has been supplementing it with additions from general funds. Right now there isn't any general fund money available to continue that trend for transportation.

**Vice Chairman Brandenburg:** If it's \$36 billion than how do we go to \$6.3 billion in 2015?

**Grant Levi:** They have to pay back past obligations. At some point in time it catches up. They can't make any new obligations because there isn't sufficient revenue coming back in.

**Representative Glassheim:** Are you saying they're paying back the general fund that they put in before? What are they paying back?

**Grant Levi:** There are all kinds of projects that they're committed to. Obligations have occurred to the federal government; we do that to ourselves, we're obligating projects; and not all of them get completed in 1 to 2 years. They're paying back all the obligations that have occurred.

**Representative Guggisberg:** When was the last time that gas tax was raised? Was there a time that that paid for all the roads? How long ago was that?

**Grant Levi:** I don't know the last time it was raised; but it's been quite some time. It used to always fund transportation; transportation never was supplemented with general fund money. I would say probably the last 4 years that there has had to been some type of supplement come in.

**Representative Kempenich:** What kind of talk is going on in Washington about mileage tax?

**Grant Levi:** About 4 years back the congress put together a commission to look at transportation funding; that includes highway and transit funding. That commission looked at a number of different means for funding it into the future. One of them was vehicle miles traveled; and some states have done pilot projects for that. They concluded that the best short term solution was a gas tax. At that time they needed an additional \$.50 per gallon on top of what we're doing now. There is no one in congress that is talking about that now.

33:23

**Chairman Thoreson:** Is that study available on your website?

**Grant Levi:** It should be available out on the website.

Grant Levi continued with his testimony.

38:05

**Chairman Thoreson:** Some of those bids have gone out? Is there anything back from that? What's the timetable for that now that the bids have been out there?

**Grant Levi:** We have started awarding some of those projects last week. They'll start construction as soon as we can take load restrictions off.

**Vice Chairman Brandenburg:** What was the reception by the contractors as far as this process? Did you notice a difference from last year to this year?

**Grant Levi:** We can bid them earlier and they can plan. When they can plan their work, bid prices are better. We're seeing a good deal of competition come forward.

**Russ Hanson, ND Associated General Contractors:** I wanted to answer Representative Guggisberg's question; 1993 was the last time the federal gas tax was addressed, and it's \$.18.4.

**Harley E. Neshem, President, Gratech Company Ltd:** See testimony attachment 4.

45:25

**Vice Chairman Brandenburg:** On these borrow pits; are you making connections with the land owner or is state doing it? Where's the real problem to get that speeded along? How can that be done better?

**Harley Neshem:** Sometimes the DOT provides borrow areas and sometimes they provide clues to gravel pits. On a borrow area, that's dirt for use on the road when there isn't enough dirt within the ditch. They will generally have obtained those clearances. We're seeing the DOT do less of that than in the past. We're doing a lot more of that ourselves. We can't take a rock pit out of your field unless we've received clearances.

**Vice Chairman Brandenburg:** Is the real problem the fish and wildlife people? Who works through that process? Is that DOT or does that have to go through a different agency?

**Harry Neshem:** Generally the DOT is involved but it's up to us to get the clearances from fish and wildlife and others.

**Vice Chairman Brandenburg:** How can we fix that?

**Harry Neshem:** It is a challenge to work within the limitations that are required of us.

**Jessie Bateman, Administrator, ND Ag Coalition:** See testimony attachment 5.

**Jason Benson, Cass County:** See testimony attachment 6 and 7.

57:26

**Chairman Thoreson:** So they don't allow you to improve even though that would be an opportune time to do so?

**Jason Benson:** That's correct. There is a process where we can move forward; but it is a lengthy process. We did improvements on 4 bridges over that time; and on average it took about 2-2 ½ years to have paperwork go through to authorize and approve projects.

**Representative Glassheim:** Do you have a sense of the total requirements for the next 5-10 years in dollars for all your bridges?

**Jason Benson:** I don't have a number with me right now. The difficult part is if we can turn around and get all these bridges up to where we'd like. With the funding that's available the answer is no. We really have to look at the critical bridges. I know it's a significant cost.

**Representative Glassheim:** Is it mainly paid for by the county townships or is there state money into these bridges?

**Jason Benson:** Right now the townships have just a very minimal amount. We maintain those structures; so the county picks up the bulk of the cost of those bridges. The DOT does have a federal aid bridge program; and so we do have funds available for that. Typically, we're going to use those funds on a road that has a greater need; then the lower volume township roads we'll utilize our county funds.

**Representative Glassheim:** Do you have any income stream for this? Are users contributing in any way to the upkeep of the bridges or are you just general county funds?

**Jason Benson:** The funds we have available come from our highway distribution funding from the state as well as our 10 mil levy that we receive for highway and bridge transportation.

**Vice Chairman Brandenburg:** Statewide to take care of all the bridges they were talking somewhere around \$140 million to take care of the needs for all bridges; and somewhere around \$70 million to take care of bridges that in the moderate repairs. This \$27 million is the bridges that are critical.

**Representative Kempenich:** Are a lot of these basically shut down? Are they just that you have load restrictions on them?

**Jason Benson:** The sufficiency rating for the most part once it gets below a certain we look at the load rating and in a lot of cases these bridges are still open but they have a load restriction on them. If there is some additional damage that causes it to be closed; then we'll close those bridges as well.

Jason Benson continued with his testimony.

**Representative Glassheim:** Are the red ones with a code 3 the worst ones conditions or are the green ones also the worst conditions?

**Jason Benson:** The red ones with a code 3 that means they have a specific deficiency that brings down their rating and makes them a critical bridge. The ones in green have been identified in the Upper Great Plains study as also being a critical bridge.

**Representative Glassheim:** Is code 3 the worst?

**Jason Benson:** They have a specific critical deficiency.

**Vice Chairman Brandenburg:** What kind of restriction do they put on a code 3?

**Jason Benson:** It's based on the individual bridge. In some cases the bridge has to be closed; in other cases it will have a change in the load rating.

**Pat Hansen, Executive Director, South Central Adult Services in Valley City:** See testimony attachment 8.

1:12:19

**Representative Hawken:** That's state reimbursement?

**Pat Hansen:** That's state and federal. It's 50% federal and 50% state.

**Grant Levi:** One of the things that occurred was that we were audited by our state auditors and it was pointed out that our documentation was not sufficient for the funds that we were expending. As a result, requirements came forward to gather additional information on payments that they were making. We're looking for ways to streamline it.

**Representative Kempenich:** Is the transit strictly coming out of the highway fund? It used to be a fee on registration wasn't it?

**Pat Hansen:** That was eliminated 2 sessions ago.

**Vice Chairman Brandenburg:** So we don't run into the same problem next session; do you think you're going to run into some problems to be fully funded to make it to the end?

**Pat Hansen:** We will have to reduce some services if we don't get up to the \$10 million. We received the \$8.3 million and we left things the way they are; but we're going to have another shortfall in my agency alone of about \$100,000.00 again this year. I think there are 33 projects.

**Representative Hawken:** In Cass County we have a community of care, is there a tie in at all with any of that?

**Pat Hansen:** Our agency has had some contact with them. We pass through to Fargo every day. We are doing Tower City; which is out of our district.

**Chairman Thoreson:** Recessed the hearing.

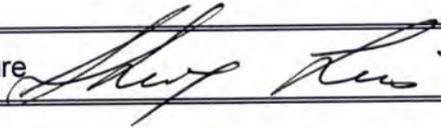
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2012  
March 11, 2013  
Recording Job# 19721

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

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## Minutes:

**Chairman Thoreson:** Reopened the hearing on SB2012.

**Grant Levi:** Continued with testimony from attachment 2.

6:05

**Chairman Thoreson:** The word additions are the changes the Senate the made?

**Grant Levi:** That's correct.

**Grant Levi:** Started with the engrossed bill.

8:05

**Chairman Thoreson:** That's a continuation of money which was already in there?

**Grant Levi:** Yes.

**Chairman Thoreson:** Was that put in your budget request to the governor? How is it that the senate added it in there if it's just continuing and it's already there?

**Grant Levi:** At the time when we prepared our budget, we were hopeful that some of that work would be completed. It was not completed; so we requested the Senate to add that to allow us to spend it and finish it off this upcoming biennium. One of the challenges the locals are having is working through the process with the railroad for quiet zone approval. That's taking a little more time than they thought.

**Representative Sanford:** Was \$6 million in the budget and now there zero?

**Grant Levi:** If you're looking on page 2 of the first engrossment, line 16 is a road grade grazing grant of \$6 million. That wasn't what I was referencing.

Grant Levi continued going through the engrossed bill.

**Representative Glassheim:** On the rail crossing, are there applications for that \$600,000.00 or more? Where does that stand?

**Grant Levi:** All of the funds have been committed for the railroad quiet zone projects. This is just a continuation to allow us to complete the projects.

**Representative Glassheim:** Are there applications for more than money was available?

**Grant Levi:** I think up to this point we've fulfilled most of the requests. I'd have to check.

12:22

**Vice Chairman Brandenburg:** They have \$8.9 million in public transit; this \$1.1 would fill that gap if we hit these targets. Is that correct?

**Grant Levi:** That's correct.

13:07

**Vice Chairman Brandenburg:** It may be less; so this would be a back stop. If it's higher then it will be more to go to public transit. Correct?

**Grant Levi:** The state treasurer will take a look at the distributions. If on July 1, 2013 they have not distributed over \$5 million to the transit fund, then they would add \$550,000.00 to it. If they had distributed \$5 million or more, then that distribution would not be made.

Grant Levi continued with his testimony.

15:06

**Chairman Thoreson:** This is something we dealt with in the first half; when we had the treasurer's budget before our committee. It was the county which had not reported correctly to the treasurer. Correct.

**Representative Kempenich:** There's already been a correction on \$560,000.00; so we're down to \$415,000.00 which is what this number should be.

**Grant Levi:** I'm not privy to those conversations. It was my understanding that the total amount was still needed.

**Representative Sanford:** You're doing projects along with counties and townships; so it relates to coordination and capacity of each of the agencies to be able to this well. Would you comment on that?

**Grant Levi:** You're correct. There's funding going out to all the agencies and local governments in western North Dakota. One of the things we do is we work very closely with the 17 oil producing counties to ensure that the projects we put into place provide a connected transportation system so we're all working towards the same goal. We have a

very close working relationship with the counties; and they also share with us the other funding that they receive and how it's being spent.

**Representative Sanford:** Would you comment on the planning costs that go into this? How does that work?

**Grant Levi:** We have for years been working very closely with county governments to ensure that our systems function together. We as an agency do a state transportation plan process called transaction. The counties, cities and townships work very closely with us as we go through that process. When we proceed with projects we make them available for comment to all the jurisdictions; and our district engineers work very closely with them as well to ensure that coordination happens.

**Representative Sanford:** Relating to the engineering costs then.

**Grant Levi:** There are 2 parts to the engineering costs. The first part is the planning; we have a planning division. There are federal planning dollars available which we supplement with state dollars. Then there are project direct related engineering costs. On average, when we're doing a project, you can figure about 20% of the total projects costs will be engineering.

**Vice Chairman Brandenburg:** Is the language in place?

**Grant Levi:** We have for years been working with the counties to complete bridge work. Approximately \$6 million is available to them to do bridge work. We're working very closely with them to make sure that the investment in structures is an appropriate investment. A bridge is defined differently in this piece of legislation than what it is in our other programs.

Grant Levi continued with his testimony.

26:12

**Representative Kempenich:** The \$45 million; is that the \$10 million, the \$6.2 million and the \$27 million?

**Grant Levi:** That's correct.

32:22

**Representative Glassheim:** So the total in projects is \$3.3 million?

**Grant Levi:** What this chart shows is the grant total is for 2011-2015; it's combined.

**Representative Glassheim:** The federal is what? Approximately, what is federal?

**Grant Levi:** Further explained chart on page 45 of attachment 2.

34:55

**Representative Glassheim:** Can you explain which are general funds and other use of funds?

**Grant Levi:** Continued with explanation of page 45 of attachment 2.

36:34

**Representative Kempenich:** We have a variance of \$100 million of gas tax and excise tax matching this?

**Grant Levi:** The federal funds the match ratio depends on which system you're on. If you're on the interstate system, it's typically 90% federal 10% state; off of the interstate system it's usually about a 80/20 relationship. If you're in the reservation boundaries then it can be 100%. We usually use an average of about 80%-85% in that calculation.

38:32

**Chairman Thoreson:** This is the registration system?

**Grant Levi:** Yes.

**Chairman Thoreson:** This is for replacement of that?

**Grant Levi:** That's correct. We've been cited in 6 audits relating to deficiencies in the system. The present software system doesn't have the accounting capability to correct those state audit findings. We do need to update this system.

**Chairman Thoreson:** The \$9.7 million is that to develop a whole new system or is this to purchase off the shelf modules for a current system; or is it a combination of both?

**Grant Levi:** Our intent would be to pick an off the shelf system.

44:05

**Chairman Thoreson:** So we basically built a new building within the building?

**Grant Levi:** That's correct.

Grant Levi continued with his testimony.

47:27

**Representative Glassheim:** What do we charge now for the driver's license?

**Grant Levi:** It's \$15.00 for six years.

**Representative Glassheim:** That's what we're losing \$3-\$4 on each one?

**Grant Levi:** Yes.

**Representative Glassheim:** As I look at all this; are we overbuilding?

**Grant Levi:** From my perspective no. We don't have the infrastructure to deal with the traffic that's there much less what we're projecting to come.

**Representative Glassheim:** Even if we were to level off investments to handle better what's going on?

**Grant Levi:** Yes. The Upper Great Plains Institute indicated that just on the state system we should be spending \$2.4 billion. While you saw a \$2 billion total; not all of that goes to the state system. We're closer to around \$1.4 billion getting to the state system out of that total package.

**Representative Glassheim:** Has there been any thought to raising our state gasoline tax?

**Grant Levi:** The governor recognized the impacts of the oil industry; he took some of the general fund money and made it available for transportation.

**Mike Reiten, Assistant Chief, West Fargo Police Department:** Testified in opposition to amendment introduced by Representative Belter in reference to eliminating one license plate on vehicles. He also feels that the option to purchase one or two plates when they register vehicles should be removed.

**Mike Ruud, President, ND Petroleum Marketers:** Testified in opposition to the license plate amendment.

**Thomas D. Kelsch, Kelsch, Kelsch, Ruff & Kranda for 3M:** See testimony attachment 12.

1:02:21

**Chairman Thoreson:** The DLP is the flat plate?

**Tom Kelsch:** That's correct. The initial cost of the machinery would be \$1 million instead of \$680,000.00 for the embossing equipment. There would be savings in the gauge of the aluminum; you can knock off about 1/3 of the weight; because you don't have to stamp it. The sheeting lasts better on the flat plate technology because you're not embossing it.

1:05:07

**Chairman Thoreson:** Do you know how many states or jurisdictions are using the DLP?

**Tom Kelsch:** It's about 20 in the last ten years that are doing it.

1:06:26

**Representative Glassheim:** Does 3M make the embossing?

**Tom Kelsch:** 3M makes the sheeting that goes over the embossed plate or the sheeting that would go on the non-embossed plate. We also sell the machinery for the digital.

**Representative Kempenich:** How hard is it to get your plate number back if you wear your plate on the digital?

**Tom Kelsch:** It's easier to print it because the sheeting is regular sheeting on the digital. You would just program it to print a certain number or combination letters.

**Representative Kempenich:** I think it's \$5.00 for a replacement plate?

**Grant Levi:** Nodded his head.

1:08:39-1:16:30

**Scott Rising, ND Soybean Growers Association:** Testified in support of SB2012.

**John Olson, BNSF Railway:** See testimony attachment 13.

1:19:39-1:22:35

**Larry Severson, President, ND Township Officers Association:** Testified in support of SB2012.

Attachments 14 and 15 were dropped off.

**Chairman Thoreson:** Closed the hearing on SB2012.

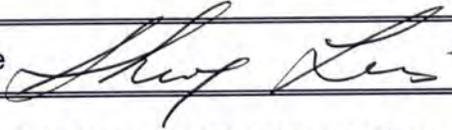
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2012  
March 12, 2013  
Recording Job# 19793

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide for transfers; to provide exemptions; and to declare an emergency.

## Minutes:

**Chairman Thoreson:** Opened the discussion on SB2012

**Vice Chairman Brandenburg:** How much is in the DOT budget?

**Brady Larson, Fiscal Analyst, ND Legislative Council:** I was visiting with Representative Brandenburg last week regarding HB1358; that's Representative Skarphol's bill that reallocates some funding for oil producing counties as well as non-oil producing counties. In that bill there's \$150 million designated for counties that are generally as non-oil producing counties. In the bill it defines those counties as any county that received less than \$5 million of oil and gas production tax allocations in the preceding state fiscal year. In the discussions with Representative Brandenburg there was a mention about the possibility of reallocating a portion of that \$150 million to townships that have an ending fund balance of less than \$25,000.00 as of December 31, 2012.

**Representative Hawken:** How many are there?

**Vice Chairman Brandenburg:** In Dickey and LaMoure counties we're talking about a half dozen townships. I'll say about 20% of them are in that category. It took \$15 million in the special session of 10,000.00. It's now new money, it's money out of that \$150 million oil money. We're not sure if it will happen here in or in HB1358. Some of these townships had a lot of culverts washed out and fixed them; were expecting FEMA money. They thought they did right and FEMA didn't cover it.

**Representative Guggisberg:** How typically are township roads funded? How do you decide in a township which roads get done.

**Vice Chairman Brandenburg:** This is how it does work, you have your township of 6x6 (six miles by six miles to the township). Any township could have anywhere from 20-45 miles of road. You get your mileage based through the state aid and distribution formula.

In our case we have 41 miles and we get about \$15,000.00 a year through the formula. There are three supervisors and you have a clerk and treasurer. It's been tough to try to fix these roads because some of these townships around the big cities and they're the ones that are impacted. I know in LaMoure county there's 6 townships and in Dickey county there's 6 also and they're basically broke to \$100,000.00 in the hole. It's not new money, it's language that the counties that must give to the townships that extra \$15,000.00.

**Representative Guggisberg:** So this would basically be a budget neutral thing?

**Vice Chairman Brandenburg:** It first goes to the county and the language would say that that county must give \$15,000.00 to those townships that have \$25,000.00 or less in their ending fund balance as of December 31, 2012.

**Representative Guggisberg:** Scott Rising gave a speech about putting strategic plans together and the DOT seems to be doing that. If we go around what they're doing, we need to have a plan.

**Vice Chairman Brandenburg:** I've heard that before from other people; that's why I'm asking. I know if you give it just to the county, they won't give it to the township.

**Representative Hawken:** How can they not? If that money is earmarked for the counties and townships, isn't that money divided up so that we're in the strategic plan from the DOT? If it's \$150 million and the non-oil counties are getting x amount; those that don't have the organized townships; I would think that would all be structured so that you would always get your share.

**Vice Chairman Brandenburg:** In the counties that have the unorganized townships, the counties will pretty much do what they want in addressing the needs of the whole county. In Representative Skarphol's bill, that's directly to the county; the townships are left out of that. A portion of the DOT budget will go to the townships; but, that's through the formula.

**Representative Glassheim:** I'm a little concerned about giving it to people that have certain dollars left. What about effort. I don't know how much the townships tax themselves; but if one doesn't tax them and they have under \$25,000.00, I'm not overjoyed with giving them money. If somebody has high taxes and they're under \$25,000.00, I'm happier.

**Vice Chairman Brandenburg:** That could be a caveat in there also. The maximum mils you can tax up to is 18 mils for townships. That could be put in there also that you have to be at the maximum of 18 mils.

**Representative Glassheim:** Are there other pots of money going to townships; new money going to townships in that bill or beyond the regular highway distribution.

**Vice Chairman Brandenburg:** Other than what's going through the regular formula; as far as my knowledge, that money is out in SB2176.

**Representative Kempenich:** In SB2176 we sent it out to all non-oil townships. We appropriated \$20 million but the bill's going to be roughly \$22 million. There's \$10 million in SB2012 that's going to oil counties and non-oil townships of \$15,000.00. There's also \$8 million in HB1358.

**Representative Glassheim:** For non-oil townships?

**Representative Kempenich:** Oil townships.

**Representative Sanford:** I've come to the conclusion that we have an equity and inadequacy issue here. Yesterday when we were hearing the bill and we were talking about the cost per mile; it would be interesting to have the information that told us what the funding capacity of each township was across the state. If you had a chance to look at this on a statewide basis, maybe it's just not giving more money everybody. When you're in the process of doing road project; are engineers involved, are you involved with the county in co-ordination that goes into it?

**Vice Chairman Brandenburg:** We work very closely with the county. In our township, when we got in trouble, we were \$30,000.00 in the hole for awhile. Basically, it was because we were behind so far with the FEMA funding coming in.

**Representative Sanford:** What would be your budget in your township? What does your 18 mils raise?

**Vice Chairman Brandenburg:** Right around \$16,000.00.

**Representative Sanford:** So your total revenue would be what?

**Vice Chairman Brandenburg:** Those 18 mils give us back \$16,000.00. We try to stay within that budget.

**Representative Sanford:** So somebody else in another county; depending upon valuations and so on; could probably raise \$40,000.00

**Vice Chairman Brandenburg:** Yes.

**Representative Sanford:** And not have any more.

**Vice Chairman Brandenburg:** That's why I'm basing this on ending fund balance of \$25,000.00. There's some townships out there that are further away from the cities and they have some pretty good money; and they aren't in a problem.

**Representative Sanford:** Do you hire an engineer?

**Vice Chairman Brandenburg:** We work with the county and the county comes out and they do the engineering and the culverts. We get our culverts through the county.

**Representative Sanford:** Yesterday when I asked the question about moving parts and the coordination they do from a state, county, township perspective; and they talked about planning. When I asked again, what I was trying to get at was engineering. We were told 20% of the cost was engineering. I know on a school project that I would think would be somewhat as complicated as a road, that engineering, architecture and the whole thing would be between 5%-8%. That's an issue for me.

**Chairman Thoreson:** We will ask those questions when the detail work begins on that budget.

**Representative Kempenich:** It gets frustrating because the counties forget that there are other roads out there. A lot of the information we've seen this last session; the counties were forgetting the township roads.

**Chairman Thoreson:** Closed the discussion.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2012  
March 27, 2013 AM 1  
Job 20537

Conference Committee

Committee Clerk Signature

*Meredith Traubolt*

## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to amend and reenact sections 39-02-03 and 39-04-09 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices and the issuance of license plates; to provide for transfers and contingent transfers; to provide exemptions; to provide for budget section reports; to provide for a legislative management study; and to declare an emergency.

## Minutes:

You may make reference to "attached testimony."

**Vice Chairman Brandenburg:** Called the committee to order and a quorum was declared. He opened the discussion on SB 2012.

**Grant Levi, Interim Director, ND Department of Transportation (DOT):** Began presentation of Attachment 1 and introduced DOT people in the room, beginning minute 01:15.

02:55

**Shannon Sauer, Chief Financial Officer, DOT:** Presented budget flow charts of Attachment 1 immediately following page 13.

09:10

**Representative Kempenich:** Will sequestration affect this number (681.5 federal aid)?

**Levi:** The federal highway program was put into effect with nap 21. There was just some recent action by Congress that makes available to the DOT this upcoming federal fiscal year 2013 all the funding available to us. It was not affected by the conversations occurring in Washington. Some of the other components may be affected, but the bulk is coming forward as anticipated.

**Sauer:** Resumed presentation minute 10:25.

14:05

**Representative Kempenich:** There's a fairly large increase in estimated costs for the highway patrol, but that's all the prospective cost, isn't it? That's all heavy use. Does state fleet drive the cost or do they drive the cost? I know fuel costs drive rates, too.

**Sauer:** Basically, every quarter we look at the rates. We adjust the rates if there appears to be a problem. Once a year, we take the official look at it. We consider what's happening in the economy, like fuel and repair prices. One of the biggest factors is agencies' usage of the vehicle; the more the agency uses the vehicle, it drives the depreciation rate lower but the operating costs higher. When we prepare the budget guidelines, we look at usage from the prior biennium and anticipated usage, and current costs, to come up with a starting point, and figure in some inflationary factors. We try to keep it conservative. The fleet rates are designed to be revenue neutral. Resumed testimony minute 18:15.

21:20

**Vice Chairman Brandenburg:** You're talking about the \$1.1M?

**Sauer:** No, there is a bill that says the public transportation fund is a continuing appropriation.

**Brady Larson, Legislative Council:** That is HB 1142, which has passed both houses. It provides a continuing appropriation from the public transportation fund, so the department no longer needs the regular appropriation authority in their budget; we will incorporate that change in the final amendments.

**Sauer:** Resumed presentation minute 22:05.

26:05

**Vice Chairman Brandenburg:** On that highway-rail crossing program, is that money committed to different projects, or is that what's left of the fund?

**Sauer:** I believe they are committed.

**Chairman Thoreson:** Those have had requests come in and those are committed to projects; are there other requests out there that there are not dollars for at this time?

**Levi:** Referenced testimony Attachment 1 page 13.

**Chairman Thoreson:** What about any other type of projects, like rural crossings?

**Levi:** There's a portion of our federal funding of \$681.5M that's used for rail grade crossing safety projects; there are requests, and we have a prioritization process to fund them.

**Representative Glassheim:** Are there federal requirements attached to that money, such that some crossings are needed, but wouldn't qualify for additional federal money?

**Levi:** Yes, there are federal requirements for the use of those funds, and we work very closely to comply with those requirements. Any time there is a railroad track project there

are federal requirements that regulate, regardless of the source of funding, and also requirements by the railroad for the work that is done.

**Sauer:** Resumed testimony minute 34:10.

38:25

**Representative Glassheim:** On the expenditure line, what's the difference between capital and grants?

**Sauer:** The capital is money that we will spend; most of it's on the roadways. There's a couple of situations where we give grants. Public transportation funding is treated as a grant, as are safety activities and Tiger monies. Some local governments may handle a project themselves that is eligible for federal funding, and that would be treated as a grant.

**Representative Kempenich:** Is there any safety money we have sitting around?

**Levi:** The safety funds that are made available to us are committed to projects. We have a very aggressive safety program in place. Went back to page 1 of Attachment 1 and the green sheet, beginning minute 41:05.

45:15

**Vice Chairman Brandenburg:** The \$100M already went out to the counties and townships?

**Levi:** That's correct. The way that SB 2176 was set up, whatever gets expended within the existing biennium is counted toward the existing biennium; whatever is leftover will go into the next biennium. We were given flexibility to work with those funds. And yes, we are going forward with them. Resumed testimony on page 2.

48:50

**Representative Kempenich:** Basically what you're carrying forward from this biennium is about \$770M in committed projects?

**Levi:** The \$620M that was made available to the DOT so we could go forward with work, we needed the funding now so we could commit to contracts. Some of those contracts will start yet this biennium.

**Representative Guggisberg:** The money in SB 2176 is reported in the 2013-2015 biennium, even though it's going to be spent before the biennium starts?

**Levi:** A portion of it will probably be spent. We're showing it here, but that will not be the way it gets reported out in our fiscal documents through OMB.

**Representative Guggisberg:** Do we know approximately how much will be spent before the biennium starts?

**Levi:** We believe somewhere in the neighborhood of \$200-\$225M. Much of that depends on the weather and how quickly contractors can get started. This includes engineering, right of way costs, utility relocations, all of that.

**Representative Glassheim:** Compared to last biennium, the eastern districts are either static or in a slight decline in total spending, is that accurate?

**Levi:** That's an accurate statement, but I should point out to the committee if you look at the chart on page 2 and the 11-13 Bid Openings, and compare it to 13-15, the work being done to enhance the system will be more in the eastern part. Discussed chart. Continued on to page 3 beginning minute 57:35.

1:03:30

**Representative Sanford:** We had previously discussed engineering costs, and I think you said they were about 20% of the cost. Is that accurate for this \$1.16B?

**Levi:** What I gave you was a broad based estimate for engineering. When a project dollar amount gets higher, like a \$300M job, it is not necessarily 20%, it's a little bit less than that to get through the environmental and design. It takes a lot of effort just to get through the environmental process even using state funds. On a job like that, the preliminary engineering to get through the planned development is probably closer to 5-8%. The challenge for us has been when we get to construction; there are housing issues there. We're probably close to 11-12% for construction engineering. We're having challenges retaining our engineering force. It is a good time to be an engineer. The costs of doing business are changing. Resumed presentation on page 3, minute 1:07:45.

1:09:25

**Representative Kempenich:** Are your engineers classified or unclassified?

**Levi:** Other than the director and two deputies, all the DOT employees are classified. Went over engineer FTE information on page 4. We pull from whatever resources we can to make people available out in the field; we have a construction pool of engineers we use. You had touched on the salary; we do lose engineers to offers from local firms.

**Vice Chairman Brandenburg:** Would you be able to put together something showing the new projects you're working on so you can look at these engineers and how you are spread compared; we want to see if you have this many projects going on, you need this many more engineers.

**Levi:** With respect to consulting fees that occur, we negotiate with the industry. We have a good consulting industry in the state; there is good competition for the work.

**Representative Sanford:** I'm understanding that the regulatory circumstances have a significant impact on the costs that go into these projects, it isn't just design work.

**Levi:** That's true. To do an environmental document today is much more challenging than it was when I started in the business many years ago. That drives up costs. It requires

additional engineering to look at options, additional impact assessments, etc. Resumed presentation on page 4, minute 1:18:40.

1:22:05

**Vice Chairman Brandenburg:** We'll take a recess.

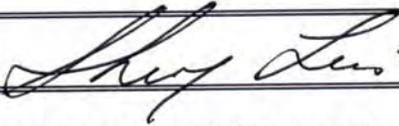
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2012  
March 27, 2013  
Recording Job# 20567

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide for transfers; to provide exemptions; and to declare an emergency.

## Minutes:

**Vice Chairman Brandenburg:** Reopened the discussion.

Grant Levi continued with his testimony.

2:15

**Vice Chairman Brandenburg:** On that accounting budget specialist; maybe put a couple of bullets there as to how the workload has increased and why you need that accountant.

03:23

**Representative Kempenich:** Do you still do CDL's in Dickinson and Williston? You've dropped a lot of your satellite towns though haven't you?

**Grant Levi:** Yes. In the larger towns we still do the CDL testing.

**Vice Chairman Brandenburg:** We just passed a bill the other day dealing with anything over 119 gallons of fuel that you have to have a CDL to be able to transport that. Are we going to have a run on CDL's? So if you had a pickup carrying 120 gallon service tank in the back, that person may need a CDL. I think we need clarification on that.

**Representative Kempenich:** There was a statement of what constituted a tanker vehicle and it was anything over 119 gallons in a chassis vehicle; if it was on a trailer it was over 1,000.

**Grant Levi:** There was quite a bit of legislation that came through the interim committee. I'm not familiar with that particular legislation.

**Vice Chairman Brandenburg:** Representative Ruby explained it but I don't think he caught the 119 gallons.

**Grant Levi:** If it is in there and it's interpreted that way, it's something we never saw.

Grant Levi continued with his testimony.

7:33

**Chairman Thoreson:** The bill is SB2046. It deals with commercial driver's licenses and it's about a 19-page bill.

**Chairman Thoreson:** Referred to page 5 line 26 of SB2046. That language was added and that bill has passed both the Senate and the House.

**Grant Levi:** Most of the time when we make adjustments we're complying with federal rules and regulations. We'll check on this particular one.

**Representative Hawken:** I think we still need to figure out how to make driver's licenses pay for themselves.

**Grant Levi:** Your comments are noted.

Grant Levi continued with his testimony.

16:00

**Chairman Thoreson:** Besides motorcycles and trailers, what other types of vehicles have a single plate?

**Linda Butts, Deputy Director Driver and Vehicle Services, ND Department of Transportation:** Within the standard plate category are the large trailer, prorated truck, dealer trailer, used dealer, new dealer, mobile home, fleet trailer, mobility impaired, special letter and motorcycle.

**Chairman Thoreson:** Special letter was that one of them?

**Linda Butts:** Special letter plate. You would call it a vanity plate.

**Chairman Thoreson:** You only need a single plate for it?

**Linda Butts:** Only if it's a trailer.

Grant Levi continued with his testimony.

19:40

**Linda Butts:** There are 17 states currently that have the digital plate over the embossed plate. We went through the American Association of Motor Vehicle Administrators and asked them if they would survey those states. We asked them about the disadvantages and also their satisfaction. There are many advantages to the digital plate. Some of the advantages are inventory control. We have 63 kinds of plates in the state right now. The digital technology allows that fulfillment to be a much easier process. It allows Roughrider Industries to not have the inventory of all those plates on hand; rather an order is placed via

a computer, it's run through and then delivered. Some of the disadvantages that came back were the original aluminum was quite a bit lighter weight; which is a benefit for mailing costs, but it bent more easily when it was on the vehicle. They corrected that by putting a metal rim around the plate for more support. Originally the font on the digital plate was difficult to read; but, I believe that has been corrected also. Indiana has had the digital plate the longest stated that the embossed equipment had been used in prior years; when moving to the digital printing, the equipment won't last as long and will require agencies to upgrade their equipment over time. I don't know what that means because the plates are so new; so no one has been able to measure and say the equipment lasts this long compared to the embossed.

**Representative Kempenich:** Have you replaced the embossing equipment? When was the last replacement for the equipment that does the stamping of those plates?

**Linda Butts:** I would not be comfortable talking about the equipment replacement with Roughrider.

**Chairman Thoreson:** Do you know if they were available anytime today?

**Linda Butts:** We can get back to you on that.

**Linda Butts:** They said it cost more initially to set the equipment up. If we went with digital, there might need to be some adjustment to the Roughrider Industries' budget to cover the cost of that investment. After that it became less expensive. The plates were lighter to mail out. North Dakota is one of the less expensive states for vanity plates; we charge \$25.00. On a per capita basis, we almost have the most number of vanity plates out there. Conceivably, the number of unique vanity plates could become astronomical. I do think that digital plates might make fulfillment of those orders easier. I think it would be good for a group to sit down and weigh all the pros and cons, the political and policy decisions that have to be made; and then make a decision based on that.

27:30

**Representative Hawken:** Logically, if we were going to buy anything, we should buy the digital.

**Linda Butts:** It really is incumbent on who makes the decision to think about if we don't do this for another 21 years, then it's probably in the best interest of the citizens of North Dakota to embrace the latest technology.

**Representative Kempenich:** I question on the digital part to have a general issuance; it wouldn't be a major upheaval to get a different screen. If you are able to copy the numbers back on it the general issuance wouldn't be that difficult.

**Linda Butts:** I agree that the digital seems to make the process easier. That would be part of the investigatory process of the group and then try to think of all the issues that need to be addressed in North Dakota.

31:00

**Representative Guggisberg:** On page 12 it says it costs \$10.59 to make the vanity plates. You said we charge \$25.00; if it costs \$10.59, why is that low?

**Linda Butts:** Is the question why the organizational plates cost more than the standard single plate? I think it's a function of the volume. When you design a plate and you have your setup costs, you have a certain fixed cost. Of all the organizational plates, NDSU has the most; and I think they have about 1,000.

**Representative Guggisberg:** I'm wondering where the \$10.59 came from. Is that a correct number of what organizational plates cost?

**Grant Levi:** What you're asking is we charge \$25.00 for a vanity plate; but it only costs us \$10.59 to deliver it. Why isn't \$25.00 enough?

**Representative Guggisberg:** The follow up is going to be where does the profit go if there is profit?

**Grant Levi:** What you're seeing here is just the cost of the plate.

**Representative Guggisberg:** For a regular plate it's \$7.68 and we're charging \$5.00 for those. If it's \$10.59 for the cost of the plate and the labor is another \$15.00; I would guess if it's costing \$7.68 for a regular plate; there must be some labor on that. Here's another situation where we're subsidizing by not raising these fees. If we're going to do an ad hoc committee, I hope they look at this as well.

**Grant Levi:** Shannon shared this with the committee earlier. The motor vehicle operating costs come off the top of the highway tax distribution fund. In addition to the plate charge, there's also a charge for other fees for registration; so there are other fees in that transaction.

**Representative Guggisberg:** So if we're using tax distribution funds, there's fees that go to pay for these things; and also fuel taxes that go to pay for them?

**Grant Levi:** Referenced the yellow sheets in attachment 1.

37:24

**Vice Chairman Brandenburg:** You have all these trucks and pickups that are due on December 31<sup>st</sup>/January 1<sup>st</sup>. How hard would it be to accommodate a warmer date; like July 1?

**Linda Butts:** Anything can be done statutorily. As I understand all registrations used to come due at the end of the year; I believe that one of the corrections was that when you purchase a vehicle now your anniversary date of that purchase is the renewal date of your vehicle. I don't know that we would be opposed to try to stagger that out in some manner. Each state does it different; I think it's done legislatively. In South Dakota they do it by the letter of the alphabet.

**Vice Chairman Brandenburg:** My main focus is on these big trucks and semis; because they don't start, it's cold out and you're dealing with a bunch of semis and trucks and it's a job.

**Representative Kempenich:** With semi's, could a person move that around?

**Linda Butts:** I can get that for you.

**Grant Levi:** If you were to adjust the date, at one point in time, the person with the semi would have to pay more than a year motor vehicle registration fee. It would all be communicated and come through.

Grant Levi continued with his testimony.

44:07

**Representative Hawken:** How much money do the railroads pay in?

**Grant Levi:** It was \$4 million and we're estimating this upcoming biennium it will be about \$6 million.

**Representative Hawken:** Was that what the Senate bill was to use some of that money to put it aside just for projects?

**Grant Levi:** The bill that came forward from the Senate had a couple of versions; the last version that failed was to use \$4 million of that revenue.

**Representative Hawken:** You're saying that you've been spending about \$2 million. So perhaps that much should be set aside so what the railroad puts in goes back.

**Grant Levi:** Right now we're using federal funds; we're spending somewhere in the neighborhood of about \$2.5 million for that type of work; in addition to other work we do as part of projects. As those revenues are coming in, one of the other requirements is that as the railroad changes its plans, we're expending a considerable amount of funds to fund the roadway to get in to deal with it.

**Representative Hawken:** I'm hearing that that money should be more directed toward railway issues. You made the comment that you work closely with the railroads. It would seem to me we could come up with something that would be a positive for both sides.

**Grant Levi:** We would be very happy to have that conversation. We would ask that the railroads be included in that conversation; in addition to the representation for the employees.

**Representative Kempenich:** If a person put some intent without specific dollar figures attached to it; we maybe should look at it a little harder.

50:49

**Representative Glassheim:** If you're getting \$6 million from the railroads paying a tax on fuel, and hardly any of that is going into things that have to do with railroads; they're subsidizing some road work. It seems that there should be some kind of formula rather than generalized intent that you might do it. Some of it, \$2 million or \$3 million should be put into a fund where railroad tax money goes back to pay for their own taxes. The TIGER seems to be a little different because the railroads are already paying \$70 million or \$80 million and the feds are paying \$10 million and we're paying \$10 million for one particular crossing. I think the legislature should set up some sort of fund that is for those things.

**Grant Levi:** My point is that at this time the department is not requesting any additional funds to be spent in that area. We have the flexibility within our programs to move additional funds to that area. We're willing to work with the railroad community to take a look to see if that need exists. The revenue that comes into the highway tax distribution fund from the railroad; we've always looked at that as a supplemental funding to assist when a sighting's put in, a new railroad pickup's put in and we need to upgrade the roadway.

**Vice Chairman Brandenburg:** You're saying the money is used not only used for crossings; but it's also used for when they put in a new crossing and they have to upgrade where the track crosses the roads. So some of that income from that fuel tax fixes up those crossings.

**Grant Levi:** North of Stanley a major depot was put into place to pick up oil. The cost to redo Hwy 8 because of the additional truck traffic far exceeds the revenue that's put into it. I'm asking this committee to consider is that is part of this conversation.

**Vice Chairman Brandenburg:** With the \$2.5 million that would be enough to do how many crossings in a biennium?

**Grant Levi:** Depending on the work that's in the crossing, it could be from \$150,000.00 to \$250,000.00 to do a crossing.

**Vice Chairman Brandenburg:** If you figure \$200,000.00 as an average, you'd have enough for about 10 to 12 crossings. How many crossings did we put in last biennium?

**Grant Levi:** We can get that information to you.

**Representative Glassheim:** Are those figures federal or state money?

**Grant Levi:** They are federal dollars and that gets intermixed; plus that has a 10% match on top of it.

Grant Levi continued with his testimony.

1:00:12

**Representative Kempenich:** The system you have now was a customized system wasn't it?

**Grant Levi:** We were probably the first agency that it was being built for. I do know that there were significant challenges.

**Representative Kempenich:** Are you working with ITD on this?

**Grant Levi:** Yes, we work very closely with ITD.

**Vice Chairman Brandenburg:** How's it working with ITD? Is it coming together?

**Grant Levi:** We have a good working relationship with ITD.

1:03:47

**Representative Kempenich:** What offices are in that new section of the highway patrol in the DOT building?

**Grant Levi:** The permitting crew of the highway patrol is there working with us.

**Representative Kempenich:** That \$6 million, does that include building it back up again? That's inclusive of cleaning it up and moving in back in again. Is that correct?

**Grant Levi:** That's correct. That's the total project costs.

**Representative George Kaiser, District 47, ND Legislative Assembly:** See attachment 2.

1:11:22

**Vice Chairman Brandenburg:** Have those credits really been passed on to the consumer? I understand what you're trying to do and I think it makes sense.

**Chairman Thoreson:** Have you talked to the parties who were involved in that bill about the study?

**Representative Kaiser:** Yes. There are really three parties involved in this issue. There are the manufacturers, the marketers and the ethanol plants. The ethanol plants were obvious by their absence during all of our hearings.

1:13:54

**Chairman Thoreson:** This is passive language; it say shall consider studying. But you're advocating for the study in the interim?

**Representative Kaiser:** Leadership will select this study.

Grant Levi continued with his testimony.

1:21:16

**Vice Chairman Brandenburg:** Talk is to work with OMB and develop a program to run that through so everybody is consistent to deal with this oil money.

**Representative Kempenich:** Brady does council numbers put together with the different agencies?

**Brady Larson, Fiscal Analyst, ND Legislative Council :** We have a document that summarizes all funding relating to energy development including any new positions, rental assistance, salary enhancements included in agency budgets.

**Representative Kempenich:** Do you have that broke down specifically?

**Brady Larson:** We have it by agency as a lump sum.

1:23:26

**Grant Levi:** We were probably one of the first agencies impacted in this area. We see a need to continue to modify it to fit conditions that are occurring.

**Sheila Peterson, Fiscal Analyst, ND Office of Management and Budget:** I would agree that I don't believe that there is a one size fits all policy that would work for a DOT, human services and an indigent defense. They have unique needs and it depends on if they have employees who already have lived in those cities for a long time. It depends on what turnover they're seeing.

**Representative Glassheim:** Do you have any rough idea; are 10 employees doing this or 100? What kind of magnitude are we talking about?

**Grant Levi:** We had an experience mature workforce in western North Dakota. Those people are starting to retire. Those people also had homes and places to live. As we're getting that turnover, our numbers are increasing. We're presently renting 8 rooms at a hotel. The occupancy rate in the summer months is high; in the winter months it's a little less. We have 3 or 4 employees who are living in it now because they can't find a place to live.

**Representative Glassheim:** That \$1.1 million subsidy, that's what you were talking about?

**Grant Levi:** That's part of it.

**Representative Glassheim:** How many are getting the \$484,000.00?

**Grant Levi:** We have 219 people.

**Representative Glassheim:** If we were going to put it into one fund we'd need \$2 million to make them whole. You might maybe have another committee composed totally of legislators which would meet with OMB and report quarterly.

**Grant Levi:** It's about \$2.5 million that we're asking for as we go forward.

**Vice Chairman Brandenburg:** You have \$2.5 million for enhancements and \$1.1 million for housing?

**Grant Levi:** That's correct.

**Representative Sanford:** The pay differential isn't about housing that's just about the pay differential. For example, you have for the Williston area, the net pay is \$2,438.00 and they're looking at \$2,000.00. What would be a housing assistance number there?

**Dave Leftwich, Deputy Director Business Support, ND Department of Transportation:** On the statewide average a one bedroom goes for around \$653.00/month. We take the \$2,000.00 that he's paying, subtract \$653.00 and we pay the \$1,347.00/month to supplement the rent and that is taxable.

**Chairman Thoreson:** Recessed the discussion.

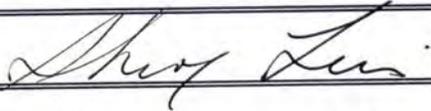
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2012  
March 27, 2013  
Recording Job# 20582

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide for transfers; to provide exemptions; and to declare an emergency.

## Minutes:

**Chairman Thoreson:** Reopened the discussion on SB2012.

Grant Levi continued with his testimony from attachment 1.

**Grant Levi:** See attachments 3 and 4.

5:34

**Vice Chairman Brandenburg:** This would refer to trucks?

**Grant Levi:** Correct.

**Vice Chairman Brandenburg:** This could be changed? What would need to be done to change this?

**Grant Levi:** There would be a staggering that would occur; so, there would be an impact upon the driver to cover that one period.

**Vice Chairman Brandenburg:** So for one time you'd pay a year and six months. The next year you'd pay for a year; and the dates would change to July 1.

**Grant Levi:** Right.

Grant Levi continued with his testimony.

10:28

**Vice Chairman Brandenburg:** Do we need some language changed for this?

**Grant Levi:** If you intend to go forward with this we would need some language changed.

13:00

**Representative Glassheim:** Those are all with the federal dollars?

**Grant Levi:** That's correct.

**Representative Glassheim:** There was no state money?

**Grant Levi:** There was some state money used if there were projects on the state system to match; it's a 90/10 program.

14:50

**Chairman Thoreson:** Do you know what bill that might be?

**Allan Knudson:** HB1142.

**Vice Chairman Brandenburg:** I had talked to you about some language with that \$1.1 million to designate that used for fuel. Do you have that language with you?

**Levi Grant:** I can bring that back to you.

Grant Levi continued with his testimony

15:52

**Vice Chairman Brandenburg:** That bill would make up the difference of those oil townships that didn't get paid in the previous biennium; if I understand that right?

**Grant Levi:** The Senate's intent was in SB2176; there was \$10 million provided for the nonoil producing townships; that has been passed out of this legislative session. The intent with this was to give that equivalent amount to the oil producing townships.

**Representative Kempenich:** That's where this discrepancy to the townships concerning this money happened. Technically with the dollars that were appropriated during the special session, the other townships were paid more than Morton County.

**Grant Levi:** There are three sections in SB2012 that pertain to township funding; section 8 is the \$10 million to the state treasurer to provide a base amount of \$15,000.00 in transportation grants to the oil producing townships. There was an equivalent section in SB2176 of \$10 million for the townships to establish a base of \$15,000.00. In addition to that, the townships also received a portion of some of the other monies that was included. The townships received more than just \$15,000.00. There's also sections 9 and 10 that's in your green sheets that provides \$1.1 million in general fund appropriations to the state treasurer to correct errors in distribution.

25:17

**Representative Glassheim:** Are the \$10 million and \$10 million duplicated? Are those intended to be two different \$15,000.00 amounts to townships?

**Grant Levi:** There is some duplication in other bills.

26:38

**Chairman Thoreson:** The \$4.8 million is part of the \$6.2 million?

**Grant Levi:** That's correct.

28:14

**Vice Chairman Brandenburg:** Are they going to get through all these projects? It could rain or we could have problems.

**Grant Levi:** That's correct. We have a very tight schedule to complete all that work. There is the possibility that some could carry over into the next spring. Hopefully, they will be done before the next biennium starts.

29:28

**Representative Kempenich:** Is that state dollars or federal?

**Grant Levi:** The \$6 million is to match the federal dollars. In 2011 there was major flooding impact to county roadways; the federal match requirement for all the federal work was \$6 million during the special session which was appropriated. This allows us to spend it in the upcoming biennium.

**Representative Kempenich:** So this is the same money?

**Grant Levi:** Yes.

**Vice Chairman Brandenburg:** This is a continuation just to get it done?

**Grant Levi:** That's correct.

Grant Levi continued with his testimony.

35:05

**Representative Kempenich:** That doesn't run through the formula? Is that a direct appropriation?

**Grant Levi:** That's handled through a formula, not that's established by a legislative body; but, the ones that have been established by the department of transportation to administer those funds. There's also a formula for half of the funds for the 12 major cities; then there's a prioritization process for the other half of the funds; which is state highway work through the cities.

**Representative Kempenich:** That's included in this?

**Grant Levi:** That's above and beyond. It's part of the federal funding we received on the charts that we went through this morning.

36:34

**Vice Chairman Brandenburg:** It's projected that the counties are to get 46.5 million; which is their 25% share. Where does that show up on the county's portion on the highway tax distribution? It doesn't show there.

**Grant Levi:** You're correct, it doesn't show there. All that shows up on that sheet is the fact that there's federal funding that comes in and the DOT takes a portion of that \$681.5 million, the federal highway administration portion of that under the federal aid; we use a portion of that to provide this funding that I'm talking about.

**Vice Chairman Brandenburg:** So the \$46.5 million you referenced is part of that?

**Grant Levi:** It's part of that.

**Vice Chairman Brandenburg:** You don't have that broken down?

**Grant Levi:** No. It's a program we administer through the DOT; there's no statutory requirement for that to occur in state statute.

**Representative Kempenich:** So Dickinson and Williston would receive part of that?

**Grant Levi:** That's correct.

**Representative Kempenich:** Do you go by city miles or volume?

**Grant Levi:** We worked with the 12 major cities above 5,000, we established a formula. There's a base dollar amount that they established; and then above and beyond that it was based on population. On the county side there is also a formula for distribution.

**Representative Kempenich:** We see that money don't we?

**Grant Levi:** Not the \$46.5 million. It's a portion of the federal aid fund that we administer; the \$69.7 million to the 12 major cities is also a portion of that federal aid.

**Representative Kempenich:** So there's over \$100 million between the counties and cities?

**Grant Levi:** Right.

**Vice Chairman Brandenburg:** That \$532.2 million, is it possible to get a breakdown of that?

**Representative Kempenich:** Referenced page 11.

Grant Levi continued with his testimony.

46:28

**Vice Chairman Brandenburg:** This \$150 million in HB1358; is the appropriation in HB1358 or is it the language?

**Representative Hawken:** It's the appropriation.

Grant Levi continued with his testimony.

**Representative Hawken:** How much will transit end up with? Is it all federal?

**Grant Levi:** In addition to the \$14.8 million that we anticipate coming in federal money; there's \$8.9 million that they'll receive from the highway tax distribution fund. In SB2012 contains an additional \$1.1 million; depending on the contingency.

**Representative Guggisberg:** On attachment C, how much would you consider duplicated? Let's say HB1358 passes, could we say that the duplication would be the \$142 million and \$10 million for townships?

**Grant Levi:** It depends on how well you want to fund those areas.

Grant Levi continued with his testimony.

56:25

**Representative Kempenich:** What is your average price you're using for fuel?

**Grant Levi:** We started out with a base price of \$3.36/gallon; and then we applied a 15% inflationary factor. The following year was \$3.86/gallon and then we topped out at \$4.44/gallon. We also have diesel and we applied the philosophy. We started out with a base of \$3.61/gallon and at times we've been above that base already. We looked at \$4.15/gallon and \$4.77/gallon.

**Vice Chairman Brandenburg:** You're saying it's \$.36/mile for sedans and rental rates for sedans.

**Grant Levi:** We forgot the heavy pickups.

**Vice Chairman Brandenburg:** What are your heavy pickups? What is the price also for diesel and gas?

**Grant Levi:** The sedans are gasoline and those are the prices I just shared with you. When you get to tandem axle plow truck, it's \$83.00/per hour.

**Vice Chairman Brandenburg:** What does that break down to miles?

**Representative Kempenich:** That varies.

**Grant Levi:** It's \$.73/per mile for the heavy pickups.

**Representative Kempenich:** So you treat the patrol cars kind of the same as the pickups?

**Grant Levi:** The highway patrol's vehicles are at a higher exposure. Sometimes there are repair costs; because people hit them. Each of the groups have different things that influence them as well.

**Representative Kempenich:** That's what the base is; but they're using \$.74/per mile. These are current prices?

**Grant Levi:** These are current.

**Chairman Thoreson:** Closed the discussion.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB 2012  
March 28, 2013  
Job 20600

Conference Committee

Committee Clerk Signature

*Meredith Tracholt*

## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to amend and reenact sections 39-02-03 and 39-04-09 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices and the issuance of license plates; to provide for transfers and contingent transfers; to provide exemptions; to provide for budget section reports; to provide for a legislative management study; and to declare an emergency.

## Minutes:

You may make reference to "attached testimony."

**Chairman Thoreson:** Opened the discussion on SB 2012.

**Grant Levi, Interim Director, ND Department of Transportation (DOT):** Referenced testimony from March 27, 2013 Attachment 1, page 6.

07:10

**Cory Fong, Commissioner, ND Tax Department:** You are familiar with our integrated tax system. It has been very successful. DOT has engaged us to learn more about the product we used, and how there could be some benefits from what we learned during our project. We have five reasons I think we were successful in the tax department: 1) a robust, commercial, off-the-shelf product; 2) a vendor that sets and hits deadlines; 3) a comprehensive business plan; 4) a comprehensive oversight process, including a third-party liaison; and 5) constant communication. If DOT is agreeable and you provide them the funding for this, if they follow this model, I think they will be successful. However, the vendor and the product do matter. Agencies need to be doing this. We realize we will have to get by with fewer resources going forward, but there is more work. These projects are important and tie in with the strategy to provide better customer services, more self-service applications, and help the agencies manage their workload during our economic expansion.

17:08

**Lisa Feldner, Chief Information Officer, Information Technology Department:** The three agencies have been looking at this. He is right on target with his comments. I think DOT is proceeding in the right manner with regard to this. Their current Power Builder (PB) system requires a lot of ITD attention, and it's one of only three systems left using PB.

**Chairman Thoreson:** What are the other systems that still use PB?

**Feldner:** Banking and finance, and another smaller one.

**Chairman Thoreson:** Are those going to have to be replaced sometime soon also?

**Feldner:** That is correct, but they are pretty small, so I don't think it will be a big undertaking. This one is the largest.

**Chairman Thoreson:** You would be involved with the modifications?

**Feldner:** Yes. If ITD is going to maintain it going forward, then they train our people on how to configure it.

22:20

**Linda Butts, Deputy Director, Driver and Vehicle Services, ND DOT:** We do look at how business is going to be conducted in the future. A hand-held ap is one way. When other states are looking at the eLien or eDealer concept, they may say they are not going to print a title until the lien is totally paid off, so the title exists but only in an electronic format. Obviously we want more customer initiation. Online renewals are about 27% right now. Also, we have already started looking at our business practices, and should we get funding from you for this, we are already making arrangements to cover business needs.

26:40

**Levi:** Presented Attachment 1.

31:15

**Representative Kempenich:** How much is maintenance, and how much is asset enhancement?

**Levi:** Historically, what has occurred is the federal dollars we've made available to the counties and cities have been used for major projects. Additionally, they have the highway tax distribution funding, and the majority of those funds are used for routine maintenance and operational costs. We don't quantify those costs. Our budget gets broken out into operating and capital. The dollar amounts we have been talking about exclude local mill levy and special assessments. Resumed presentation of Attachment 1, minute 34:00.

36:55

**Representative Guggisberg:** A lot of the things in Attachment C are allocated based on the Upper Great Plains study, and others are not. Will the same plan be used no matter which bills are passed?

**Levi:** The process will not be the same. The process that's laid out in SB 2012 requires coordination. With the other bills and 1358, that coordination isn't necessarily required, and it isn't administered through DOT. We have a good working relationship with each county, but given the significant and rapid changes occurring in the west, we like what's in 2012.

**Vice Chairman Brandenburg:** Going forward, you think this is the best way to do it.

**Levi:** We've stated our views and we appreciate your taking time to listen to them. Resumed presentation of Attachment 1, minute 40:20. Concluded minute 41:40.

**Representative Kempenich:** How do you schedule replacements of these vehicles?

**Levi:** It depends on the group that you look at; it could be miles, years, hours used, or a combination. Yesterday we presented to you that it was state statute that required certain vehicles to be renewed every year on January 1. That's our busiest time; we are receptive to language changes that would move that date to a different date, such as July.

**Representative Kempenich:** Do you have the breakdown when you go to higher levels of roads?

**Levi:** There is no easy answer to that question. Pavements are designed based on the amount of truck traffic that travels them. What exists in state law today is county roadways are 80,000 lbs unless otherwise posted. Many counties are posting them to 105,500 lbs when they have a chance to upgrade those roadways. The cost to upgrade a particular roadway depends on its condition and its location in the soils. If roadways are opened to 105,500 lbs, more traffic moves through it, and it can be difficult to estimate that change. In HB 1358, there is some language that says the county needs to design to specific standards. We will discuss that with the Senate, because that doesn't necessarily change the posting. As we administer the \$142 million program, one of the goals brought forward by the counties was to ensure their roadways could carry the 105,500 lbs.

49:45

**Jeb Oehlke, Deputy State Treasurer:** Explained sections 9 and 10 of the bill.

53:45

**Representative Kempenich:** SB 2176 had an emergency clause on it so you couldn't hold it to wait for this money. You took care of the \$590,000 from the special session distribution, and the \$415,000 is making up the difference in 2176? It's not that 2176 was an issue, you just weren't working with the right numbers to start, and you couldn't wait for a fix because everything was rolling.

**Oehlke:** That's correct. There are three things you can do with section 9: 1) leave it in there, as is, and we won't be able to do anything with that \$590,000, it'll be turned back to the general fund in two years; 2) amend it out, because the correction has been done; or, since the intent was to make Morton County whole but not require the state treasurer to pull back funds from the other political subdivisions to do it, 3) change the language so 80% of that \$590,000 is distributed to non-oil producing counties and cities, based on the formula in the highway tax distribution, and 20% to counties and townships based on the township road and bridge fund distribution formula.

**Chairman Thoreson:** Any additional questions? We'll have some discussion on this. Thank you. We will adjourn for the morning.

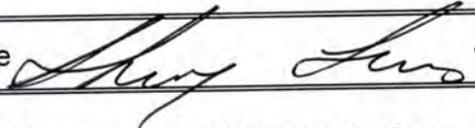
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2012  
April 9, 2013  
Recording Job# 21058

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to amend and reenact sections 39-02-03 and 39-04-09 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices and the issuance of license plates; to provide for transfers and contingent transfers; to provide exemptions; to provide for budget section reports; to provide for a legislative management study; and to declare an emergency.

## Minutes:

**Chairman Thoreson:** Opened the discussion on SB2012.

**Vice Chairman Brandenburg:** Explained amendment 13.8162.02009.

**Vice Chairman Brandenburg:** Made a motion to move amendment 13.8162.02009.

**Representative Hawken:** Seconded the motion.

**Representative Glassheim:** Is this intended to be a substitute for actually doing something with money for state rail assistance or would this go hand in hand with it?

**Vice Chairman Brandenburg:** There is a rail infrastructure maintenance and improvement fund. There's about \$13 million in that fund right now and it's on a revolving loan program where you have the short line railroads using it. They mainly used it for fixing up switches and crossings that weren't real expensive projects. It's been in existence for 10 plus years; but, now we're getting to the part where they have to replace rail. They're going into projects that are \$8 million to \$10 million; so the fund isn't adequate to service that type of project. It's not to replace anything; it's a separate study.

**Representative Glassheim:** That \$13 million is federal funding?

**Vice Chairman Brandenburg:** There was money that came from the federal government to deal with short line railroads. Instead of abandoning them, this money was put in as a loan fund to try to fix them. The mainline didn't want them and these short line companies came in and it was a loan program set up to use to fix them.

Voice vote made and carried.

**Vice Chairman Brandenburg:** Explained amendment 13.8162.02005 by Representative Kaiser.

**Vice Chairman Brandenburg:** Made a motion to move the amendment.

**Representative Guggisberg:** Seconded the motion.

Voice vote made and carried.

**Representative Guggisberg:** Explained amendment 13.8162.02007.

**Representative Guggisberg:** Made a motion to move the amendment.

**Representative Kempenich:** Seconded the motion.

**Representative Kempenich:** I don't think there's a formal interim committee holding this. I think it will tie in with what we're doing there.

Voice vote made and carried.

**Representative Kempenich:** Explained amendment 13.8162.02013.

**Representative Kempenich:** Made a motion to move the amendment.

**Vice Chairman Brandenburg:** Seconded the motion.

**Representative Glassheim:** I have a serious concern with the language of the bill.

**Chairman Thoreson:** I will comment that the wording in here is not the best.

Voice vote made and failed.

**Vice Chairman Brandenburg:** Made a motion to move the digital license plate along with the June 30th plate renewal for trucks. It would be a one-time 18 month fee for the trucks. I also would like to have just one license plate. See attachment 4.

**Chairman Thoreson:** We do have that as a separate amendment.

**Vice Chairman Brandenburg:** Made the motion for a new license plate and that the digital plate would be decided by the budget section for the design.

**Representative Hawken:** Seconded the motion.

**Representative Kempenich:** Do we have to have the amounts in?

**Brady Larson, Fiscal Analyst, ND Legislative Council:** We will get with the appropriate entities to get the amounts that are needed.

**Representative Sanford:** It's the intention that the process of selecting the design to present to the budget committee; that DOT could do that?

**Chairman Thoreson:** There is a process for that. If we do go forward with this, you would work with other entities to come up with a design for a new plate. Is that correct?

**Grant Levi, Interim Director, ND Department of Transportation:** It was our intent to establish a working group to put together a process to replace the license plates. I'm not sure how we would coordinate those efforts with the budget section; unless the intent would be that we would come with a final product and run it by the budget section for concurrence.

**Chairman Thoreson:** That would be the intent that you would do the work. There has been some discussion with other legislators that it has been this long that they would like someone approving it.

**Representative Hawken:** I would assume that if there are specific legislators who want to be part of this, that when they put together the working committee that they would have that opportunity.

**Representative Guggisberg:** What was the total cost on this?

**Vice Chairman Brandenburg:** The cost of the digital plate is number 3. See attachment 4.

**Representative Guggisberg:** I'm trying to remember what the cost is for the whole reissuance.

**Vice Chairman Brandenburg:** \$6.2 million.

**Representative Kempenich:** A lot of this is computer driven in theory. Once you start this you probably wouldn't have a general issuance.

**Representative Glassheim:** I prefer the embossed plate; it's classier and sturdier.

**Chairman Thoreson:** I prefer the embossed plate also.

**Representative Guggisberg:** I'm probably going to support this just because it's been a long time. The reason I'm struggling with this is we've cut a lot of programs that could have been very beneficial to people.

Voice vote made and carried.

**Vice Chairman Brandenburg:** Made a motion to move amendment 13.8162.02002.

**Chairman Thoreson:** There was an issue with this because the department shall provide two plates for a registered vehicle upon request.

**Vice Chairman Brandenburg:** I'll just move for one plate.

**Representative Kempenich:** Seconded the motion.

**Representative Glassheim:** It seems to me that the police prefer two plates.

Voice vote made and failed.

**Representative Glassheim:** Is there a cost for individuals to pay for a new plate?

**Grant Levi:** It's \$5.00 then if you have a specialty plate it's \$25.00.

**Representative Glassheim:** That's what it would be for always for the new issue?

**Chairman Thoreson:** If there is a new general issue is everyone going to be charged that for the new plate?

**Grant Levi:** As we looked at it now it would be a \$5.00 fee for a new plate and everyone would be charged that; unless they had some specialty request.

**Representative Glassheim:** That would cover the \$6 million cost or would the state be eating most of that?

**Grant Levi:** We shared some information; that no it doesn't cover the cost for the plate. There will be some changes in the fiscal note in respect to the cost of the plate. The present bill contains \$6.2 million for additional general revenue for the plate. The digital will cost a little bit more than that.

**Representative Glassheim:** The \$6.2 million will be revenue?

**Grant Levi:** It's general fund contribution in order to proceed with the plate.

**Representative Hawken:** Explained her amendment.

**Chairman Thoreson:** Do you have a suggested amount?

**Representative Hawken:** \$2 million or \$3 million.

**Representative Kempenich:** How many crossings is that?

**Grant Levi:** There are two issues that are being discussed. There was an amendment added by the Senate for the \$640,000.00 to allow us to finish the expenditures for the quiet zone. This is an amendment to take a portion of the funds that are in the highway fund and use that for single grade crossing upgrades.

**Representative Hawken:** You're right. This simplifies it and clarifies it.

**Representative Hawken:** Made a motion to move the amendment with \$2 million added.

**Representative Guggisberg:** Seconded the motion.

**Vice Chairman Brandenburg:** Isn't there some money in that fund that comes through federal funding that could go into this fund? Is that a separate fund?

**Grant Levi:** There are federal dollars available for those types of improvements.

**Vice Chairman Brandenburg:** As you look at that language can you make that work?

**Grant Levi:** Yes, we can make it work.

**Representative Kempenich:** There is \$8.4 million out of the federal side. What was collected out of the rail tax?

**Representative Hawken:** \$4 million.

**Grant Levi:** There's between \$4 million and \$6 million that's projected to be collected from the \$.04 that's taxed on the diesel fuel that's used by the railroad. HB1410 is a bill that if a natural gas plant is constructed and built in the state of North Dakota; the bill exempts the railroads from payment of \$.04 if natural gas is used rather than diesel.

**Representative Kempenich:** If we put \$2 million to it, we have about \$11 million going to the rail crossings.

**Representative Guggisberg:** Usually I'm all for letting the department run their department. I'm looking at how we pay for roads and transportation. The railroads are paying this tax and it's being used to repair roads. If we're not going to use it for railroad safety, then maybe we should look at reducing the tax.

**Representative Kempenich:** Made a substitute motion that \$1.4 million would be unencumbered to enhance the rail crossing issue.

**Representative Hawken:** Seconded the motion.

Voice vote made and carried.

**Vice Chairman Brandenburg:** Made a motion to put \$150 million for non-oil counties in SB2012 as it was put in before for non-oil townships. HB1358 is gone and this is one-time funding of \$150 million.

**Representative Kempenich:** Seconded the motion.

**Representative Sanford:** Where did it go?

**Vice Chairman Brandenburg:** We need to be in control of what the House sent over. We sent HB1358 over and we have no control of that bill.

**Representative Glassheim:** What was this for?

**Vice Chairman Brandenburg:** It was for the non-oil counties for roads and infrastructure for one-time funding.

**Representative Glassheim:** It does seem to me that our destiny is to have a conference on HB1358; at which point that will be discussed. Now we'll have two different conference committees on the same thing.

**Vice Chairman Brandenburg:** I wish the world was that way but it's not.

Voice vote made and carried.

**Representative Kempenich:** Made a motion for \$48 million to the \$142 million for the oil counties.

**Vice Chairman Brandenburg:** Seconded the motion.

**Representative Kempenich:** The \$142 million is the county/township road reconstruction that's in this budget now. It's \$48 million additional.

Voice vote made and carried.

**Representative Kempenich:** I think we do need to leave some money in there. I'd like to see the \$27 million for county bridge construction out of the SIIF fund; but I'd like to see that reduced to \$20 million and then it'd be tied in to the connector road type projects. There was also some suggestion about length of bridges. There was some talk about what the DOT's definition of a bridge is versus some other definition of a bridge. I had some language this morning but I can't find it.

**Chairman Thoreson:** Do you have something that what's defined by the DOT as a bridge.

**Grant Levi:** We asked that the you make the bridge funding language consistent with what was used in the Upper Great Plains study. It would be a 20 foot opening. We have some language that we can give to the legislative council.

**Representative Kempenich:** Made a motion to move his amendment.

**Representative Sanford:** Seconded the motion.

**Vice Chairman Brandenburg:** I think it's important that we have the proper language so that these bridges are used where it's needed to be done.

**Grant Levi:** Referenced March 27, 2013 testimony.

Voice vote made and carried.

**Representative Kempenich:** Made a motion to reduce the \$1.1 million from section 7 to \$500,000.00. There's approximately \$13.7 million of federal funds that come through for transit. We can take it out completely also.

**Vice Chairman Brandenburg:** Seconded the motion.

**Representative Guggisberg:** I understand that's another option. This seems trivial to take this out of public transportation.

**Vice Chairman Brandenburg:** Last session we dealt with \$6.2 million and it went to the budget section and added another \$2 million; because public transit ran short. If we add this we'll be at \$9.4 million. It looks with the funding come in it could be more than that. I'm going to support this motion.

**Representative Guggisberg:** I know what's going to happen. A lot of people in the city use public transit. The more people use public transit the more money we're going to save, the less parking spaces we need. The more often they shop, the easier they can get their services. It's important. Where you have your needs, so do we.

**Representative Hawken:** I understand what you're trying to do and we may lose the whole thing. This is an area that's never overfunded.

Voice vote made and failed.

**Vice Chairman Brandenburg:** Made a motion to adjust the pay package as previously done on other budgets.

**Representative Kempenich:** Seconded the motion.

Voice vote made and carried.

**Vice Chairman Brandenburg:** Made a motion for a "Do Pass as Amended."

**Representative Hawken:** Seconded the motion.

Roll call vote 6 Yeas 1 Nay 0 Absent

**Vice Chairman Brandenburg:** Carried the bill.

**Chairman Thoreson:** Closed the discussion.

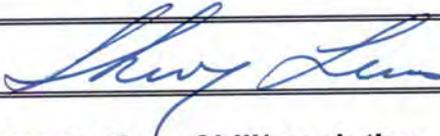
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee  
Roughrider Room, State Capitol

SB 2012  
4/11/13  
Recording Job# 21123

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide for transfers; to provide exemptions; and to declare an emergency.

## Minutes:

You may make reference to "attached testimony."

**Chairman Delzer:** We'll call the committee back to order and take up SB 2012.

**Rep. Brandenburg:** Explained amendment .02011.

Minute 2

**Chairman Delzer:** That's supposed to match what was in HB1358 with a different date?

**Rep. Brandenburg:** This language is the same language as HB1358.

**Chairman Delzer:** But you changed the date.

**Rep. Brandenburg:** I believe the dates have been changed. Is that correct?

**Brady Larson, Fiscal Analyst, ND Legislative Council:** Yes, it been changed to June 1 and also the definition of a roadway. In HB11358 it just talked about county roads; however, there is a question about what is a county road. So the term county major collector is used which is consistent with DOT definitions.

**Chairman Delzer:** You took that out of the highway distribution fund?

**Rep. Brandenburg:** Yes. It came out of committee that way.

**Rep. Glassheim:** The idea was that there's \$4 million that comes in from railroads that pay on diesel which is not on roads; so some of that money was given back to rail crossings, since they're paying into the road fund.

**Chairman Delzer:** That went into the highway fund and was being used out of the highway fund. This is taking money out of the highway distribution fund.

**Rep. Brandenburg:** Yes. Continued reviewing the amendment.

**Chairman Delzer:** Are they going to charge 6 months and then you have to do it again?

**Rep. Brandenburg:** No, it's 18 months for the first time and then it will go to 12 months. It's only going to affect trucks that are over 20,000 lbs.

**Chairman Delzer:** I hope there is some language explaining that it's 18 months and not a tax increase.

**Rep. Brandenburg:** Yes. I think we'll have to have that discussion; but, they had examples.

09:00

Rep. Brandenburg continued explaining amendment

11:25

**Chairman Delzer:** On the increase on what was supposed to go to the major oil producing counties, did you change any language or is that still the same language that existed for \$142 million?

**Rep. Brandenburg:** We talked between everybody trying to get the proper language; so that we it would match up with HB1358.

**Brady Larson:** For the oil producing county program, there are no changes to any of the language guidelines.

**Chairman Delzer:** HB1358 had changes with that \$190 million.

**Brady Larson:** Correct. This would be separate.

**Chairman Delzer:** If this passes the committee, this is just making sure we have the discussion in HB1358 and SB2012 going forward to conference committees. There is not any thought that it will be doubled up. We are supporting HB1358 as it went out of the House.

12:40

**Rep. Brandenburg:** resumed explanation of amendment.

14:30

**Rep. Brandenburg:** Made a motion to amend.

**Rep. Thoreson:** Seconded the motion.

**Chairman Delzer:** Discussion? Go through why it costs \$620,000 more to do digitized license plates.

**Rep. Kempenich:** They've got to replace everything, and the startup costs are a little more money. As we go forward, the cost drops quite a bit after the initial purchases.

**Rep. Thoreson:** Digital license plate or DLP uses a thinner aluminum because it does not have to be stamped, and because of that it saves about \$500,000.00 over the first four years.

**Chairman Delzer:** You had something in here so the budget section does the final approval on the plate? Do we have something that locks it down so that they can't come back with a lot of different designs?

**Rep. Brandenburg:** We talked with DOT about that; they have a plan and process for selecting new plates. We have in the bill that it has to be approved by the budget section.

**Rep. Thoreson:** There has been some concern that people who have personalized plates, or the Lewis & Clark plate, there may be a way to incorporate that. The state of Maryland has more than 700 different designs; but I don't recall if they have a digital plate or not. Right now, ND has 17.

**Chairman Delzer:** Do we or do we not have any restrictions on that in the bill?

**Rep. Kempenich:** We have it set up that we'd have to give the approval on the final design.

**Chairman Delzer:** Do we or do we not have something after the final design is done that keeps it from expanding without legislative approval?

**Rep. Kempenich:** We've had to come in front of the legislature every time we've had medallions or anything to change that. I don't think that process has changed any.

**Chairman Delzer:** So long as that is understood.

**Rep. Skarphol:** Some states have many different plates; I take pride in what our plate looks like, instead of having 100 different ones.

**Rep. Thoreson:** The overall consensus is we don't want that. We like our unique plate.

**Chairman Delzer:** Did you get a cost on going to one plate?

**Rep. Brandenburg:** No, we didn't get a cost, we didn't have the votes to go there.

20:50

**Rep. Nelson:** Does DOCR manufacture the plates for the tribes in the state? If we would go digital, would that necessitate that they would have to go digital with their license plates as well?

**Rep. Brandenburg:** I don't know that answer. We would have to find that out.

**Chairman Delzer:** This is not meant to be a hearing. Mr. Levi did you want to answer that without giving testimony?

**Grant Levi, Interim Director, ND Department of Transportation:** It is our understanding that if you go to the digital plate, the equipment will be changed and the tribal governments do come to Roughrider Industries for plates. So yes that would require a change.

21:55

**Rep. Skarphol:** When we got into railroad abandonment, we had quite a discussion about how the property that was abandoned was going to be sold or transferred to whomever. I've never heard anything about what the net result was. Do we have any kind of report on the net effect of the land that was exposed by the abandonment of rails.

**Rep. Kempenich:** They must sell some of it, because in Elgin there is a stretch that is farmed now. There must be a process.

**Chairman Delzer:** I'm not sure they are all the same.

**Rep. Skarphol:** When we had that discussion the railroad was not easy to deal with. I'm wondering if it's changed since it became more of a private entity and a little more interested in doing business.

**Rep. Nelson:** They may sell the land, but they hold the mineral rights. Does the state have any flexibility with those mineral acres?

**Rep. Skarphol:** They did get certain sections of land, but not under the rails, necessarily.

**Rep. Grande:** Going back to the plates, how will it be decided what it looks like, and what is my increased costs to get my new plates?

**Rep. Thoreson:** Since we've not had a new general issue in over 20 years, the DOT is going to gather input and go through a design process; once there is a final design, they will go before budget section for final approval.

**Chairman Delzer:** I believe the cost for the plate is covered under the cost of the roll out. I don't think you have to pay the \$5.00 extra that you would if you wanted to replace them right now.

**Rep. Grande:** If I don't want my plates redone, when do I have to do this?

**Rep. Thoreson:** I believe a new issue would be replacement of all plates.

**Chairman Delzer:** At the renewal of your license. Generally when the reissuance happens is when you have a new governor. That was in the past. Further questions on motion to amend with .02011?

Motion carries on voice vote

28:15

**Rep. Brandenburg:** Went through the green sheet.

30:20

**Rep. Kempenich:** When you don't have somebody out, it behooves us to make sure we have somebody on these projects. These people are who are watching the state side of the coin. You can't contract that out.

**Chairman Delzer:** Are they using all engineers or are they using construction managers?

**Rep. Brandenburg:** You have all these environmental impacts that have to be done right and if you don't do the project right, you'll have an impact with those environmental issues.

**Rep. Kempenich:** They are outsourcing 70% of the engineering work. The department must have a sufficient number of employees to provide necessary oversight to on all consulting projects. The recent conversation with consultants and contractors requested that DOT provide additional resources and more oversight on state projects.

**Chairman Delzer:** On the four licensing specialists, do we have any language that if the increase goes away, they go away?

**Rep. Brandenburg:** We don't, but we can certainly talk about that. Resumed discussion of green sheet.

35:15

**Chairman Delzer:** Is the money to match the emergency relief in the budget? Do they have bargaining authority and we have to pay it back?

**Rep. Brandenburg:** I did not have that discussion.

**Grant Levi:** The preponderance of the emergency relief work that's remaining is on county roadways and we carry the budget authority for that. What we need from state is included in the budget.

**Rep. Skarphol:** Have all of the dollars that are being utilized here been run through the general fund if they originate in the SIIF fund?

**Chairman Delzer:** I don't believe any of this money coming through the SIIF fund.

**Rep. Skarphol:** There's a reference to it on the county and township bridge reconstruction program.

**Brady Larson:** The \$20M would be the only SIIF money in this budget.

**Chairman Delzer:** Did you do anything with that?

**Rep. Brandenburg:** It was \$27 million and we reduced to \$20 million.

**Chairman Delzer:** But you didn't do anything with the change?

**Rep. Brandenburg:** We did not change the funding source.

**Rep Brandenburg:** Resumed going through green sheet

37:30

**Chairman Delzer:** You added \$1.4 million in rail crossing, that is highway tax distribution money, and that's for rural areas.

**Rep. Brandenburg:** That's for the counties.

**Chairman Delzer:** Is there a match?

**Rep Brandenburg:** There is a 10% match.

**Chairman Delzer:** In the bill we have a number of sections that were put in by the Senate. Were those looked at and considered to be somewhat right?

**Rep. Brandenburg:** We went through the bill.

**Chairman Delzer:** Did you make any change to sections 7 or 8 of the bill as it came over?

**Rep. Brandenburg:** We did have discussion in committee about the transit, about removing the \$1.1 million, and that didn't happen.

**Chairman Delzer:** What does the \$1.1 million do?

**Rep Brandenburg:** It's set up to give \$550,000 to rural transit each year.

**Chairman Delzer:** About three sessions ago, transit used to get \$1 or \$2 of \$3 off the registration, and they were put in the formula at 1.5%. The issue is last time more money came in than was appropriated. This session, we passed a bill to have a continuing appropriation on all the transit money. We also passed a bill that said if there was one transit agency that didn't use their money, they could send it out to other transit areas that were in need of more money. What's the number now \$8.9 million?

**Rep. Brandenburg:** Right now \$8.9 million is 1.5% out of the highway tax distribution fund.

**Chairman Delzer:** If it doesn't hit a certain amount, if it isn't \$5 million then they would get an extra \$150 million. In other words, they have to have more than what is forecast or they get an extra \$550,000.00. Did you talk about changing the date?

**Rep. Brandenburg:** We had a motion in committee to reduce that to \$500,000.00, and it failed.

**Chairman Delzer:** Is there anywhere else we're saying if something doesn't give us a certain amount money than what we have made the allocation for that we get extra money?

**Rep. Brandenburg:** Not to my knowledge. It's \$8.9 million, which isn't to say it couldn't go higher.

**Chairman Delzer:** Do we have any numbers to match this?

**Brady Larson:** The last information I received was 6-7 months ago, and that time, the deposits were roughly 25% higher. The highway tax distribution fund allocations were about 25% higher than originally estimated.

42:25

**Rep. Brandenburg:** Last time it was \$6.2 million; budget section increased that.

**Chairman Delzer:** That came through emergency commission and then to the budget section. There was more money in the fund than we had appropriated so we simply authorized a higher appropriation because of that fund. Personally, I support transit, and I think it's great that they get 1.5%, but I don't know that it's right to put the situation in that they should get more than that 1.5%; especially when we've done the continued appropriation. What about section 8?

**Rep. Brandenburg:** No, we left that.

**Chairman Delzer:** Are there any further amendments?

**Rep. Streyle:** Here's an idea, about a month ago I started working on finding a way to create an ag impact formula to compensate counties and townships for ag related impacts to roads based on production. I came up with paying per million of production.

**Chairman Delzer:** You're saying possibly some of this general fund should be distributed by a formula. I think HB1358 had it by county road-miles; this bill has it by county collector routes.

**Rep. Skarphol:** Are you suggesting we put some language for the transportation committee to study the idea.

**Rep. Streyle:** That might be a good idea.

**Chairman Delzer:** That's one of the concerns many of us have, whether or not we're receiving value for the distributions we've been giving. I know they're needed. I think the idea on this \$150 million and \$190 million was rebuilding so we actually had some rebuilding of the basin.

**Rep. Skarphol:** I think what Rep. Streyle is suggesting might be a means for us to evaluate our options. We have our oil country scenario but we don't have a good way of potentially evaluating the damages happening in a county through any mechanism. He's right in using crop value because you could include both grown crops and livestock.

**Rep. Kempenich:** In section 23 we already have some language about studying if we further amend that section.

**Chairman Delzer:** We need to be cognizant of the fact that we're in a unique situation of having money to do this; the state cannot afford to take over county and township roads. But if we have money to help them, we need to make sure that it gets to right place and right situation.

**Rep. Nelson:** Don't we have that information? We've contracted with Upper Great Plains. I don't know if there is a direct correlation between production and roads.

**Chairman Delzer:** One of the things with Upper Great Plains is they collected how many loads went to elevators and the route. But they didn't do an in depth study of the shape of the roads that they were on; and they just projected the use and the cost to rebuild all those roads to the level they're talking about.

**Rep. Nelson:** That's true, but if I understood what Rep. Streyle was talking about, it was a distribution formula based on productivity of that particular county.

**Chairman Delzer:** I think the study in place would cover that as long as somebody brought it forward during that study.

**Rep. Streyle:** I wasn't suggesting that we change any other formula that is in place now, I was looking at it more as an ag impact grant; not a fund that you apply to, but separate money that doesn't tie the hands of anything currently. It doesn't need to be studied, I was just throwing it out there as an idea for trying to fund some of those areas that aren't getting the money even though there's large impact with the equipment.

**Chairman Delzer:** When you read section 23 (in the amendment) it says infrastructure, maintenance improvement projects and methods of funding these projects. I think that would fit under that already.

**Rep. Streyle:** This specific idea doesn't need to be in any study. I'm just throwing it out as a potential to somehow compensate for the impacts; like we have with the oil.

**Rep. Brandenburg:** Made a motion for section 9 of the bill. There needs to be a fix down with McLean county and I believe that it's going to take about \$700,000.00. I'd like to take that \$590,000.00 and add the amount needed to make the fix in McLean county; which was left out of the township funding.

**Brady Larson:** It would be about \$700,000.00.

**Chairman Delzer:** We should explain why the \$590,000 is residing here and the fact that it doesn't need to be used. It was part of SB2176 and something that happened with that bill.

**Rep. Brandenburg:** The \$590,000 is extra money that was put in there to make the fix, and it has been taken care of with the \$415,000.00. It's extra money that's in the budget.

**Chairman Delzer:** The \$415,000.00 covers what's needed for Morton county. The issue with McLean county we put out a distribution to the counties and cities. At that time, McLean county fit in the description; and when we did the special session, we updated the

year that we looked at. That triggered McLean county falling off of that list. It's a big county, and oil hits the western part of it. It was also greatly impacted by the floods. My thought is, if we keep HB1358 the way the House sent it over, we don't need to do this. But if we have a hard time keeping the \$8 million there for the oil counties below \$5 million; if we have a hard time keeping that then a fix for McLean county would be appreciated. We go and amend the session law from the special session to go back that one year from 2011 to 2010; which triggers it back to McLean. There's also language in that that says they would not have to go and make any adjustments to the counties that received more because of that.

**Rep. Brandenburg:** I think it's appropriate, we made a fix for Morton county and we should make a fix for McLean county.

Voice vote carries

**Chairman Delzer:** I don't know if we have a difference between us and the Senate on section 8.

**Rep. Skarphol:** You would like to increase the \$10 million to \$20 million?

**Chairman Delzer:** That would be one way to do it. I would prefer to take the \$10 million out. This is the same situation with HB1358; it covers some of the same counties.

58:10

**Rep. Skarphol:** It is my experience that people are amenable to lowering numbers in conference committees; not necessarily raising them. If we take the money out, you don't have a lot of negotiating ability. If we made it \$15 million and it should be \$10 million.

**Chairman Delzer:** If you want to do something like that, I would make it match the \$8 million that's in HB1358. As long as there is a difference, you can talk about whatever you want.

**Rep. Kempenich:** Made a motion to change section 8 in the Senate bill from \$10 million to \$9.1 million.

**Rep. Brandenburg:** Seconded the motion.

Voice vote carries

**Chairman Delzer:** What do you want to do about the license plates? I wish this had been kept separate; it was put into the Senate separate, they added it to the budget. I wish this had been kept separate on the House side; so it could have been a vote on the floor instead of part of a budget bill.

**Rep. Thoreson:** I agree, I believe the Senate had a hearing but it was amended to add it into this.

**Rep. Skarphol:** The Senate had a bill for a new issue and it was killed; and it was amended into here?

**Rep. Thoreson:** It was added into the budget, but there was a separate bill introduced.

**Chairman Delzer:** To me, when the second house takes a bill and kills it and puts it in the budget; it's not near as bad as when the first house does.

**Rep. Kempenich:** We do have a process, we could divide it on the floor. I hope that if somebody has issues with it; that that's what happens instead of letting it go through on the 6<sup>th</sup> order then try to kill the whole thing.

**Chairman Delzer:** It is easier to divide on the 14<sup>th</sup>, and that could be done. The issue isn't so much the division and the vote; as it is having it looked at by the policy committee and the appropriations committee.

**Rep. Brandenburg:** Made a motion for a "Do Pass as Amended."

**Rep. Thoreson:** Seconded the motion.

**Chairman Delzer:** I think we've done some good work. I like what the DOT and the ability we've had to do things for the state in transportation and infrastructure. The license plate is hard for me to vote for; I don't know how I'll vote here.

**Rep. Skarphol:** With regard to the license plate, I agree we should have had a chance to vote on it by itself. I'm not entirely sure somebody shouldn't divide that out on the floor; so we do vote on it separately. It would make a difference on how we feel about the bill.

**Chairman Delzer:** Further discussion?

Roll call vote. 17 Yeas 3 Nays 2 Absent

**Rep. Brandenburg:** Carried the bill.

**Chairman Delzer:** Closed the discussion.

*189*  
*1/2/13*

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue; to create and enact a new section to chapter 24-02 and section 39-04-14.4 of the North Dakota Century Code, relating to highway-rail grade crossing safety projects and motor vehicle registration renewals"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 39-04-14"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", motor vehicle registration renewals, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$18,610,837	\$184,577,233
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road reconstruction program	0	190,000,000	190,000,000
County and township bridge reconstruction program	0	20,000,000	20,000,000
Grants	<u>67,767,407</u>	<u>21,520,623</u>	<u>89,288,030</u>
Total all funds	\$1,146,903,884	\$990,475,198	\$2,137,379,082
Less estimated income	<u>1,146,903,884</u>	<u>932,475,198</u>	<u>2,079,379,082</u>
Total general fund	\$0	\$58,000,000	\$58,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program	142,000,000	190,000,000
County and township bridge reconstruction program	0	20,000,000"

Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$761,600,000
Total special funds	<u>602,150,575</u>	<u>703,600,000</u>
Total general fund	\$5,850,000	\$58,000,000"

Page 3, line 3, replace "\$142,000,000" with "\$190,000,000"

Page 4, line 18, replace "\$27,000,000" with "\$20,000,000"

Page 4, line 25, after "institute" insert "with priority given to bridge projects located on roadways defined by the department of transportation as a county major collector roadway"

Page 5, line 22, remove "extends over a river, stream,"

Page 5, replace lines 23 and 24 with "has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe."

Page 5, line 25, after "the" insert "existing roadway width on which the bridge will be constructed must meet current design standards, as on file with the department of transportation, for the county for which it is being constructed. The"

Page 6, line 18, replace "\$10,000,000" with "\$9,100,000"

Page 7, replace lines 3 through 14 with:

**"SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$700,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, after line 26, insert:

**"SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - TRANSPORTATION FUNDING ALLOCATIONS TO NON-OIL-PRODUCING COUNTIES.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing transportation funding allocations to counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the most recently completed state fiscal year, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided under this section must be allocated in the amount of \$45,000,000 on June 1, 2013, and in the amount of \$105,000,000 on June 1, 2014. Allocations among counties under this section must be prorated among eligible counties on the basis of miles of roadways defined by the department of transportation as county major collector roadways in each county. Projects to be funded under this section must comply with American association of state highway and transportation officials pavement design procedures and department of transportation local government requirements. The funds provided under this section are considered a one-time funding item."

Page 7, line 28, after "ISSUE" insert "- BUDGET SECTION APPROVAL"

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

3/8/9

Page 8, line 1, after the period insert "The general license plate issue must be made using digitally printed license plates. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates."

Page 8, line 1, after "The" insert "one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, after line 29, insert:

"**SECTION 17.** A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

**Highway-rail grade crossing safety projects - Funding.**

The director shall establish a highway-rail grade crossing safety program within the department and develop guidelines for the distribution of program funds. Projects eligible to receive funding under the program include railroad quiet zones and any other rail safety project the director deems necessary for public safety. Each year, the director shall allocate one million four hundred thousand dollars of highway tax distribution fund deposits in the state highway fund for highway-rail grade crossing safety projects."

Page 9, after line 25, insert:

"**SECTION 20. AMENDMENT.** Section 39-04-14 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-14. Renewal of registration.**

Every vehicle registration, except those described in ~~section~~sections 39-04-14.1 and 39-04-14.4, under this chapter expires on December thirty-first each year and must be renewed annually upon application by the owner and by payment of the fees required by law, such renewal to take effect on the first day of January each year. An owner who has made proper application for renewal of registration of a vehicle previous to January first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of the new plates. ~~If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in this state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to January first.~~

**SECTION 21.** Section 39-04-14.4 of the North Dakota Century Code is created and enacted as follows:

**39-04-14.4. Renewal of registration of motor vehicles over certain weight.**

Except as otherwise provided in section 39-04-14.2, the registration of a motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84

789

kilograms] expires on June thirtieth of each year and must be renewed annually upon application by the owner and by payment of fees required by law for a renewal to begin on the first day of July of that year. An owner who has made proper application for renewal and registration of a vehicle before July first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of the vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of new plates. If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in the state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to July first. The director shall provide for a one-time collection of eighteen months of registration fees for the registration period of January 1, 2014, to June 30, 2015. Beginning on July 1, 2015, the registration of motor vehicles under this section must be renewed annually.

**SECTION 22. AMENDMENT.** Section 27 of chapter 579 of the 2011 Special Session Session Laws is amended and reenacted as follows:

**SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS.**

If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

589

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year 20112010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

**SECTION 23. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 24. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 25. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, line 5, remove the first "and"

Page 10, line 5, after "10" insert ", 11, and 22"

Page 10, line 6, replace "\$142,000,000" with "\$190,000,000"

Page 10, line 7, replace "\$27,000,000" with "\$20,000,000"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of House Action**

	Executive Budget	Senate Version	House Changes	House Version
State Treasurer				
Total all funds	\$0	\$10,415,000	(\$900,000)	\$9,515,000
Less estimated income	0	0	0	0
General fund	\$0	\$10,415,000	(\$900,000)	\$9,515,000
DOCR				
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0

Department of Transportation				
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
Bill total				
Total all funds	\$3,389,303,578	\$2,818,962,812	\$174,351,270	\$2,993,314,082
Less estimated income	2,695,703,578	2,107,647,812	(23,368,730)	2,084,279,082
General fund	\$693,600,000	\$711,315,000	\$197,720,000	\$909,035,000

**Senate Bill No. 2012 - State Treasurer - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Grants to townships		\$10,000,000	(\$900,000)	\$9,100,000
Township distribution corrections		415,000		415,000
Total all funds	\$0	\$10,415,000	(\$900,000)	\$9,515,000
Less estimated income	0	0	0	0
General fund	\$0	\$10,415,000	(\$900,000)	\$9,515,000
FTE	0.00	0.00	0.00	0.00

**Department No. 120 - State Treasurer - Detail of House Changes**

	Reduces Funding for Grants to Townships <sup>1</sup>	Total House Changes
Grants to townships	(\$900,000)	(\$900,000)
Township distribution corrections		
Total all funds	(\$900,000)	(\$900,000)
Less estimated income	0	0
General fund	(\$900,000)	(\$900,000)
FTE	0.00	0.00

<sup>1</sup> Funding added by the Senate for grants to townships in oil-producing counties is reduced from \$10 million to \$9.1 million.

This amendment also amends Section 27 of Chapter 579 of the 2011 Special Session Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$700,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Special Session Session Laws which has not already received a distribution under that subsection.

**Senate Bill No. 2012 - DOCR - House Action**

	Executive Budget	Senate Version	House Changes	House Version
License plate issue		\$4,280,000	\$620,000	\$4,900,000
	\$0	\$4,280,000	\$620,000	\$4,900,000
Total all funds	0	4,280,000	620,000	4,900,000
Less estimated income	\$0	\$0	\$0	\$0
General fund	0.00	0.00	0.00	0.00
FTE				

**Department No. 530 - DOCR - Detail of House Changes**

	Increases Special Funds Authority for License Plate Issue <sup>1</sup>	Total House Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates.

**Senate Bill No. 2012 - Department of Transportation - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$198,822,626	\$198,846,860	(\$14,269,627)	\$184,577,233
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207
County and township road program	142,000,000	142,000,000	48,000,000	190,000,000
Grants	97,548,030	98,188,030	(8,900,000)	89,288,030
General fund transfer to highway fund	683,600,000	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000		1,100,000
License plate issue		6,200,000	620,000	6,820,000
County and township bridge program		27,000,000	(7,000,000)	20,000,000
Accrued leave payments			7,280,897	7,280,897
Non-oil county distributions			150,000,000	150,000,000
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
FTE	1079.50	1079.50	0.00	1079.50

**Department No. 801 - Department of Transportation - Detail of House Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Employees Affected by Energy Development <sup>3</sup>	Increases Funding for Oil- Impacted Counties Road Program <sup>4</sup>	Removes Public Transportation Fund Appropriation Authority <sup>5</sup>	Adjusts Funding for License Plate Issue <sup>6</sup>
Salaries and wages	(\$4,443,731)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets				48,000,000		
County and township road program					(8,900,000)	
Grants						
General fund transfer to highway fund						
Transfer to public transportation fund						620,000
License plate issue						
County and township bridge program						
Accrued leave payments		7,280,897				

2/19

Non-oil county distributions	(\$4,443,731)	\$0	(\$3,644,999)	\$48,000,000	(\$8,900,000)	\$620,000
Total all funds	(4,443,731)	0	(3,644,999)	0	(8,900,000)	0
Less estimated income	\$0	\$0	\$0	\$48,000,000	\$0	\$620,000
General fund	0.00	0.00	0.00	0.00	0.00	0.00
FTE						

	Reduces Funding for County and Township Bridge Program <sup>7</sup>	Adds Funding for Non-Oil-Impacted County Transportation Distributions <sup>8</sup>	Total House Changes
Salaries and wages			(\$14,269,627)
Operating expenses			(1,100,000)
Capital assets			
County and township road program			48,000,000
Grants			(8,900,000)
General fund transfer to highway fund			
Transfer to public transportation fund			
License plate issue			620,000
County and township bridge program	(7,000,000)		(7,000,000)
Accrued leave payments			7,280,897
Non-oil county distributions		150,000,000	150,000,000
Total all funds	(\$7,000,000)	\$150,000,000	\$174,631,270
Less estimated income	(7,000,000)	0	(23,988,730)
General fund	\$0	\$150,000,000	\$198,620,000
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed.

<sup>4</sup> Funding from the general fund is added to the county and township road reconstruction program in areas impacted by oil and gas development to provide total program funding of \$190 million, an increase of \$48 million from the executive budget and Senate version of \$142 million.

<sup>5</sup> Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63<sup>rd</sup> Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

<sup>6</sup> Funding for the general license plate issue is increased by \$620,000 to provide for digitally printed license plates to be issued rather than embossed plates.

189

<sup>7</sup> Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is reduced from \$27 million to \$20 million. Adjustments are also made to Section 5 regarding the definition of a bridge and the priority of bridges to be reconstructed.

<sup>8</sup> A section is added to appropriate \$150 million from the general fund for transportation funding distributions to counties that received less than \$5 million of oil and gas production tax allocations in the preceding state fiscal year.

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This amendment also:

- Adds sections to provide statutory changes regarding the motor vehicle registration renewal dates of vehicles exceeding 20,000 pounds.
- Adds a section to establish a highway-rail grade crossing safety program in the Department of Transportation and requires the department to allocate \$1.4 million from the state highway fund for the program each year.
- Adds sections to provide for Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.

**2013 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB2012**

House Appropriations - Government Operations Division Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass as Amended

Motion Made By Vice Chairman Brandenburg Seconded By Representative Hawken

Representatives	Yes	No	Representatives	Yes	No
Chairman Thoreson	x		Representative Glassheim		x
Vice Chairman Brandenburg	x		Representative Guggisberg	x	
Representative Kempenich	x				
Representative Hawken	x				
Representative Sanford	x				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Vice Chairman Brandenburg

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

Date: 4/11/13  
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2012

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number .02011

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

Motion Made By Rep. Brandenburg Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*voice vote carries*

Date: 4/11/13  
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2012

House Appropriations 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 Rep. Brandenburg Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Section 9 of bill → add amount needed to \$590,000  
to work in McLean County

voice vote carries

Date: 4/11/13  
Roll Call Vote #: 3

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2012

House Appropriations 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 Rep. Kempenich Seconded By Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

change \$10M in section 8 of Senate bill  
to \$9.1M

voice vote carries

Date: 4/11/13  
 Roll Call Vote #: 4

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2012**

House Appropriations 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 Rep. Brandenburg Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland		X
Rep. Brandenburg	X				
Rep. Dosch	X				
Rep. Grande		X	Rep. Boe	X	
Rep. Hawken			Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg		
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 17 No 3

Absent 2

Floor Assignment Rep. Brandenburg

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

**REPORT OF STANDING COMMITTEE**

**SB 2012, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2012 was placed on the Sixth order on the calendar.

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue; to create and enact a new section to chapter 24-02 and section 39-04-14.4 of the North Dakota Century Code, relating to highway-rail grade crossing safety projects and motor vehicle registration renewals"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 39-04-14"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", motor vehicle registration renewals, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$18,610,837	\$184,577,233
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road reconstruction program	0	190,000,000	190,000,000
County and township bridge reconstruction program	0	20,000,000	20,000,000
Grants	<u>67,767,407</u>	<u>21,520,623</u>	<u>89,288,030</u>
Total all funds	\$1,146,903,884	\$990,475,198	\$2,137,379,082
Less estimated income	<u>1,146,903,884</u>	<u>932,475,198</u>	<u>2,079,379,082</u>
Total general fund	\$0	\$58,000,000	\$58,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program	142,000,000	190,000,000
County and township bridge reconstruction program	0	20,000,000"

Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$761,600,000
Total special funds	<u>602,150,575</u>	<u>703,600,000</u>
Total general fund	\$5,850,000	\$58,000,000"

Page 3, line 3, replace "\$142,000,000" with "\$190,000,000"

Page 4, line 18, replace "\$27,000,000" with "\$20,000,000"

Page 4, line 25, after "institute" insert "with priority given to bridge projects located on roadways defined by the department of transportation as a county major collector roadway"

Page 5, line 22, remove "extends over a river, stream,"

Page 5, replace lines 23 and 24 with "has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe."

Page 5, line 25, after "the" insert "existing roadway width on which the bridge will be constructed must meet current design standards, as on file with the department of transportation, for the county for which it is being constructed. The"

Page 6, line 18, replace "\$10,000,000" with "\$9,100,000"

Page 7, replace lines 3 through 14 with:

**"SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$700,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, after line 26, insert:

**"SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - TRANSPORTATION FUNDING ALLOCATIONS TO NON-OIL-PRODUCING COUNTIES.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing transportation funding allocations to counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the most recently completed state fiscal year, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided under this section must be allocated in the amount of \$45,000,000 on June 1, 2013, and in the amount of \$105,000,000 on June 1, 2014. Allocations among counties under this section must be prorated among eligible counties on the basis of miles of roadways defined by the department of transportation as county major collector roadways in each county. Projects to be funded under this section must comply with American association of state highway and transportation officials pavement design procedures and department of transportation local government requirements. The funds provided under this section are considered a one-time funding item."

Page 7, line 28, after "ISSUE" insert "- BUDGET SECTION APPROVAL"

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after the period insert "The general license plate issue must be made using digitally printed license plates. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and

shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates."

Page 8, line 1, after "The" insert "one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, after line 29, insert:

**"SECTION 17.** A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

**Highway-rail grade crossing safety projects - Funding.**

The director shall establish a highway-rail grade crossing safety program within the department and develop guidelines for the distribution of program funds. Projects eligible to receive funding under the program include railroad quiet zones and any other rail safety project the director deems necessary for public safety. Each year, the director shall allocate one million four hundred thousand dollars of highway tax distribution fund deposits in the state highway fund for highway-rail grade crossing safety projects."

Page 9, after line 25, insert:

**"SECTION 20. AMENDMENT.** Section 39-04-14 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-14. Renewal of registration.**

Every vehicle registration, except those described in sections 39-04-14.1 and 39-04-14.4, under this chapter expires on December thirty-first each year and must be renewed annually upon application by the owner and by payment of the fees required by law, such renewal to take effect on the first day of January each year. An owner who has made proper application for renewal of registration of a vehicle previous to January first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of the new plates. ~~If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in this state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to January first.~~

**SECTION 21.** Section 39-04-14.4 of the North Dakota Century Code is created and enacted as follows:

**39-04-14.4. Renewal of registration of motor vehicles over certain weight.**

Except as otherwise provided in section 39-04-14.2, the registration of a motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] expires on June thirtieth of each year and must be renewed annually upon application by the owner and by payment of fees required by law for a renewal to begin on the first day of July of that year. An owner who has made proper application for renewal and registration of a vehicle before July first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of the vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of new plates. If a

previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in the state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to July first. The director shall provide for a one-time collection of eighteen months of registration fees for the registration period of January 1, 2014, to June 30, 2015. Beginning on July 1, 2015, the registration of motor vehicles under this section must be renewed annually.

**SECTION 22. AMENDMENT.** Section 27 of chapter 579 of the 2011 Special Session Session Laws is amended and reenacted as follows:

**SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS.** If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year ~~2011~~2010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

**SECTION 23. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 24. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 25. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, line 5, remove the first "and"

Page 10, line 5, after "10" insert ", 11, and 22"

Page 10, line 6, replace "\$142,000,000" with "\$190,000,000"

Page 10, line 7, replace "\$27,000,000" with "\$20,000,000"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of House Action**

	Executive Budget	Senate Version	House Changes	House Version
<b>State Treasurer</b>				
Total all funds	\$0	\$10,415,000	(\$900,000)	\$9,515,000
Less estimated income	0	0	0	0
General fund	\$0	\$10,415,000	(\$900,000)	\$9,515,000
<b>DOCR</b>				
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0
<b>Department of Transportation</b>				
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
<b>Bill total</b>				
Total all funds	\$3,389,303,578	\$2,818,962,812	\$174,351,270	\$2,993,314,082
Less estimated income	2,695,703,578	2,107,647,812	(23,368,730)	2,084,279,082
General fund	\$693,600,000	\$711,315,000	\$197,720,000	\$909,035,000

**Senate Bill No. 2012 - State Treasurer - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Grants to townships		\$10,000,000	(\$900,000)	\$9,100,000
Township distribution corrections		415,000		415,000
Total all funds	\$0	\$10,415,000	(\$900,000)	\$9,515,000
Less estimated income	0	0	0	0
	\$0	\$10,415,000	(\$900,000)	\$9,515,000

General fund				
FTE	0.00	0.00	0.00	0.00

**Department No. 120 - State Treasurer - Detail of House Changes**

	Reduces Funding for Grants to Townships <sup>1</sup>	Total House Changes
Grants to townships Township distribution corrections	(\$900,000)	(\$900,000)
Total all funds	(\$900,000)	(\$900,000)
Less estimated income	0	0
General fund	(\$900,000)	(\$900,000)
FTE	0.00	0.00

<sup>1</sup> Funding added by the Senate for grants to townships in oil-producing counties is reduced from \$10 million to \$9.1 million.

This amendment also amends Section 27 of Chapter 579 of the 2011 Special Session Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$700,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Special Session Session Laws which has not already received a distribution under that subsection.

**Senate Bill No. 2012 - DOCR - House Action**

	Executive Budget	Senate Version	House Changes	House Version
License plate issue		\$4,280,000	\$620,000	\$4,900,000
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of House Changes**

	Increases Special Funds Authority for License Plate Issue <sup>1</sup>	Total House Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates.

**Senate Bill No. 2012 - Department of Transportation - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$198,822,626	\$198,846,860	(\$14,269,627)	\$184,577,233
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207
County and township road program	142,000,000	142,000,000	48,000,000	190,000,000
Grants	97,548,030	98,188,030	(8,900,000)	89,288,030
General fund transfer to highway fund	683,600,000	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000		1,100,000
License plate issue		6,200,000	620,000	6,820,000
County and township bridge program		27,000,000	(7,000,000)	20,000,000
Accrued leave payments			7,280,897	7,280,897
Non-oil county distributions			150,000,000	150,000,000
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
FTE	1079.50	1079.50	0.00	1079.50

**Department No. 801 - Department of Transportation - Detail of House Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Employees Affected by Energy Development <sup>3</sup>	Increases Funding for Oil-Impacted Counties Road Program <sup>4</sup>	Removes Public Transportation Fund Appropriation Authority <sup>5</sup>	Adjusts Funding for License Plate Issue <sup>6</sup>
Salaries and wages	(\$4,443,731)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets						
County and township road program				48,000,000		
Grants					(8,900,000)	
General fund transfer to highway fund						
Transfer to public transportation fund						
License plate issue						620,000
County and township bridge program						
Accrued leave payments		7,280,897				
Non-oil county distributions						
Total all funds	(\$4,443,731)	\$0	(\$3,644,999)	\$48,000,000	(\$8,900,000)	\$620,000
Less estimated income	(4,443,731)	0	(3,644,999)	0	(8,900,000)	0
General fund	\$0	\$0	\$0	\$48,000,000	\$0	\$620,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for County and Township Bridge Program <sup>7</sup>	Adds Funding for Non-Oil-Impacted County Transportation Distributions <sup>8</sup>	Total House Changes
Salaries and wages			(\$14,269,627)
Operating expenses			(1,100,000)
Capital assets			

County and township road program			48,000,000
Grants			(8,900,000)
General fund transfer to highway fund			
Transfer to public transportation fund			
License plate issue			620,000
County and township bridge program	(7,000,000)		(7,000,000)
Accrued leave payments			7,280,897
Non-oil county distributions		150,000,000	150,000,000
Total all funds	(\$7,000,000)	\$150,000,000	\$174,631,270
Less estimated income	(7,000,000)	0	(23,988,730)
General fund	\$0	\$150,000,000	\$198,620,000
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed.

<sup>4</sup> Funding from the general fund is added to the county and township road reconstruction program in areas impacted by oil and gas development to provide total program funding of \$190 million, an increase of \$48 million from the executive budget and Senate version of \$142 million.

<sup>5</sup> Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63<sup>rd</sup> Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

<sup>6</sup> Funding for the general license plate issue is increased by \$620,000 to provide for digitally printed license plates to be issued rather than embossed plates.

<sup>7</sup> Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is reduced from \$27 million to \$20 million. Adjustments are also made to Section 5 regarding the definition of a bridge and the priority of bridges to be reconstructed.

<sup>8</sup> A section is added to appropriate \$150 million from the general fund for transportation funding distributions to counties that received less than \$5 million of oil and gas production tax allocations in the preceding state fiscal year.

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This amendment also:

- Adds sections to provide statutory changes regarding the motor vehicle registration renewal dates of vehicles exceeding 20,000 pounds.
- Adds a section to establish a highway-rail grade crossing safety program in the Department of Transportation and requires the department to allocate \$1.4 million from the state highway fund for the program each year.
- Adds sections to provide for Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.

**2013 CONFERENCE COMMITTEE**

**SB 2012**

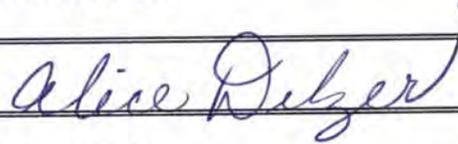
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2012  
04-19-2013 pm  
Job # 21344

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for the Department of Transportation

## Minutes:

Attached testimony:

**Senator Gary Lee** called the Conference Committee to order on Friday, April 19, 2013 at 3:00 pm in the Harvest Room in regards to SB 2012. Roll call was taken. All conferees are present.

**SENATE: Senators: Gary Lee (Chair); Ray Holmberg, David O'Connell**  
**HOUSE: Representatives: Mike Brandenburg, Blair Thoreson, Ron Guggisberg**

**Brady Larson** - Legislative Council  
**Sheila Peterson** - OMB

**Senator Gary Lee** asked Brady Larson to go through the House changes.

**Brady Larson:** 1st the funding changes which are included in the Statement of Purpose of Amendment, attachment # 1, page #7, summary of House changes to the DOT, Department 801, went thru each of the footnotes in that section, except items 1 and 2 (the state employee's compensation packages).

# 3 re: employees affected by energy development (recording segment 2:41-2:50)

# 4 re a county and township road reconstruction program in areas affected by energy development (2:51- 3:13)

# 5 re: public transportation fund, HB1142 provided this fund with a continuing appropriation, so the specific appropriation authority in the DOT budget is no longer needed and this simply removes that authority (3:14-3:37)

# 6 re: license plate, House chose a digital plate instead of an embossed plate, so there are increased costs (3:39-3:59)

Page # 8, item 7 re: county and township bridge reconstruction program (4:00-4:22); item 8 re: additional funding for non-oil impacted counties (4:23-4:36)

In the marked up bill, attachment #2, highlighted some other changes that were made by the House: page # 6, section 5 of the bill providing guidelines for the bridge reconstruction program, the House made changes to the definition of a bridge, new language is used.

Page #7, section 8, the House changed \$10M to \$9.1M. Page #8 section 8, the old section 9 was removed those corrections were taken care of in another more recent distribution; New section 9, relates to 2011 special session distribution. I will address this in another section of the bill that more clearly reflects those changes. Page # 9, new section 11 appropriates \$150M to the non-oil producing counties, defines non-oil producing county. Section 12 relates to the license plate issue: funding was increased, there was some language added regarding digitally printed plates, new design and budget section approval Section 13, general funding appropriation increased, also spending authority. Page #11, section 17, a new statutory program for highway rail grade crossing safety projects. Page # 12, new sections 20 and 21 relate to the license plates, this provides a one-time 18 month registration period for vehicles exceeding 20thousand lbs. thereafter due on July 1<sup>st</sup> of each year. Page # 13, section 22 goes back into the special session laws and amends definition of non-oil producing county. Page #14, line 12 gives the definition of a non-oil producing county. Sections 23, 24, 25, provide for Legislative management studies. There are other minor changes and technical corrections. That is all I have for amendments to this bill. (4:37-10:56)

**Senator Gary Lee:** Are there any orphan bills out there that would affect this budget?

**Brady Larson:** HB1358 would have duplicate funding for distribution to oil and non-oil producing counties, these bills should match up at the end. That's the only one that I am aware of.

**Rep. Brandenburg** provided the House's rationale for these changes, used the marked up bill:

- Section 4, county and township road reconstruction (12:29-13:38)
- Section 5, bridge reconstruction (13:39-14:54)
- Section 8, township transportation funding distributions (14:59-15:32)
- Section 9, township transportation funding distributions correction (15:33- 17:20)
- Section 11, funding allocation to non-oil producing counties (17:21 -18:22)
- Section 12, general license plate issue (18:23-18:39)
- Section 13, appropriation for Rough Rider industries (18:40-19:30)
- Section 17, highway-rail grade crossing safety projects funding-(19:31- 21:47)
- Section 21, renewal of registration of motor vehicles over certain weight (trucks) (21:53-26:00)
- Section 23 railroad assistance programs study. (26:14-27:33)
- Section 24 infrastructure maintenance study (27:34 -27:48)
- Section 25, renewable fuel standards study (27:49-28-11)

**Senator Gary Lee:** tomorrow I hope we can go section by section keep one in, take one out we can agree on, just be ready for that we are recessed.

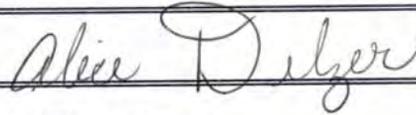
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2012  
04-20-2013  
Job # 21363

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for DOT

## Minutes:

Attached testimony:

**Senator Gary Lee** called the Conference committee to order on Saturday, April 20, 2013 at 9:30 am in the Sakakawea Room in regards to SB 2012. Let the record show that all conferees were present.

**SENATE: Senators: Gary Lee, Chair; Ray Holmberg, David O'Connell**  
**HOUSE: Representatives: Mike Brandenburg, Blair Thoreson, Ron Guggisberg**

**Brady Larson** - Legislative Council  
**Laney Herauf** - OMB

**Senator Gary Lee:** there are about 10 sections that are not related to the compensation package and 1358. Look at section 25, added by the House, related to renewable fuel standards study.

**Representative Brandenburg:** it deals with the ethanol, concern where those credits are, who are they going to, where they are at, where does it fit into the price of the field pretty much, nobody can find them and that is why we put the study forward, to have that discussion for the next legislative session.

**Senator Gary Lee:** For now we will to leave it in.  
Section 24, transportation costs and funding study, no issues on this one, will keep it in.  
Section 23, railroad assistance program study.

**Representative Brandenburg:** it concerns the short lines in the state, (Dakota, Missouri Valley & Western Railroad, Northern Plains Railroad, and Red River Valley & Western). A \$13M fund put in the 80s they have used this money to borrow and have a low interest loan; they need to build longer stretches of rails. Tracks are at 85lb rail need to be taken up to 100lb rail to haul heavier cars; this needs to be beefed up, \$5M-\$10M. It is something that may save money by putting more freight on the rail.

**Senator Gary Lee:** Sections 23, 24 and 25 are studies we will include. Section 22:

**Representative Brandenburg:** Sections 22 and 9 sort of go together, the money is in section 9 and 27 is the policy language. Section 22 amends 27 to change the date when it goes back to include McClean County.

**Senator Gary Lee:** Reasonable to put in 22 and 9 ok.

Section 21 motor vehicle registration renewal. Discussion followed, committee members don't agree, since it ties in with section 9 both left for further discussion (8:35--12:31)

Section 17, highway-rail grade crossing safety projects, as the section reads \$1.4M/yr. coming out of the highway tax distribution fund. Discussion followed regarding interface of this section and the study (12:32--16:20)

Sections 12 and 13, license plate issue. Discussion followed regarding type of plate, digital, embossed, flat, the cost effectiveness of each, and language adjustments to the section. (16:21- 25:49)

**Representative Brandenburg:** we should talk about Section 8. We have from the treasurer's office: \$9,300,000 now it says \$9,100,000. We may have to make an adjustment there.

**Senator Gary Lee:** if the right number is from the treasurer office, we need to make that change. We are in recess until Monday or whenever we are scheduled again.

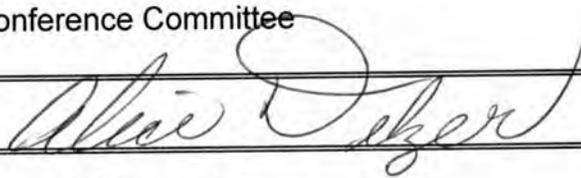
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2012 conference committee  
April 22, 2013  
Job # 21397

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

This is a conference committee hearing on the Department of Transportation budget.

## Minutes:

You may make reference to "attached testimony."

**Senator Gary Lee** called the Conference committee to order on Saturday, April 20, 2013 at 12:00 pm in the Harvest Room in regards to SB 2012. Roll call was taken. Let the record show that all conferees were present.

**SENATE: Senators: Gary Lee, Chair; Ray Holmberg, David O'Connell**  
**HOUSE: Representatives: Mike Brandenburg, Blair Thoreson, Ron Guggisberg**

Brady Larson - Legislative Council  
Laney Herauf and Sheila Peterson - OMB

**Senator Gary Lee** We did on Saturday conclude several sections, but there are some. The comp pieces are taken care of. Sections that 1358, not on the floor yet, we will hold on those. Some of those brought up Saturday and didn't come to any consensus on.

**Sections 12 and 13;** some discussion on that. It seemed there was \$620 was an appropriate number, the digital language maybe a little inflexible for the department, that if that were changed it may offer them the flexibility for the new technology or the old, the budget section approval if that should or should not be a part of this.

**Representative Thoreson** Mr. Levi brought forth a couple of proposals for amendments. There are two copies. #1 - proposed amendment.

**Senator Gary Lee** The other sections, we will take a look at the registration sections, 20 and 21, and then section 17. Yes, after we get the copies of this.

**Representative Thoreson** Really they look to me to be similar except for one additional on one of them. Could someone in your department clarify what the difference would be between both of them? I am just trying to fit them into the bill.

**Senator Gary Lee** Mr. Levi, state your suggestions here.

**Grant Levi, Interim Director** of DOT was basically is that were some discussion about how to handle the digital plate given the fact there may be new technology out there. What we did, is we offered to you just two options to consider. Basically, must be made using digitally printed license plates and page 8, line 30 and modify that and state that may not use embossed printed license plates. If it were your intent to stay, we could not use the embossed. Testimony attached # 1.

The second one is for approval. Again remove the license plate issue, must be made using digital printed license plate, remove that and then put in the statement the department will study options for printing of the plate and present an option to the budget section for approval. Testimony attached # 2. Our thought process the House indicated, the license plate in general. They wanted budget section involvement. It was our thought process to pull together a working committee, look at all of the technology out there, study all options, visit with other states, and then compare that against what is presently being used, the embossed and then come up with a process working with the working committee.

**Representative Thoreson**, The position of the House was to have the budget section give approval to the final design package came forward as for the technology. Because Senator Holmberg thinks that the budget section is being overworked by leaps and bounds, unless we decide to put the 23 cents there. We'll talk about that later. I wouldn't feel comfortable with the language presented I think, the one with less language may not use embossed printed license plates. Embossed printed, does that mean the embossing is the printed, it would again indicate that we're using a newer technology for the flat plate. We wouldn't need to have the budget section approve that part of it, that the department certainly could determine which technology would be best to produce a flat plate.

**Senator O'Connell** I would like to see it open up completely, rather than just say, may not use or whatever. Any technology they may come with, be left in the bill rather than narrow it down to whatever.

**Representative Brandenburg** The House wanted to move forward with the plate with the newest technology possible because we don't want to go backwards we want to go forwards.

**Representative Thoreson** Moving away from the embossed; when the newest technology may still be the current digital license plate process or the new product that may be coming out from a vendor. But to still look at moving away from the embossed plate would be where we are at on this.

**Senator Gary Lee** We had some conversation on our side, that we have a plate for 25 years, if we're going to go down that road again, is the digital plate in just in terms of its structural design going to last that long, or are we going to be turning over every 6-7 years, don't care.

**Representative Brandenburg** We care.

**Senator Gary Lee** And it does cost \$620,000 more apparently.

**Representative Thoreson:** There is an upfront cost. There is a savings with the material, and I think we discussed that at our last meeting. From what I gathered talking to the vendor, I think the technology is there no, the digital flat plate does have a similar life span. Basically we're talking about raising the letters but the actual printing on the material seems to last for the similar time. I know other states under similar conditions around us, I am fairly certain that all of those bordering ND now are using the flat plate. So, if there is a concern with winter conditions and such they've made the determination that it would hold up under those condition. So I think we would probably be in a similar situation. Spring may never come this year.

**Senator Gary Lee** I like the language because it gives them the option. It makes it more flexible. I would agree that the budget section approval piece is being on their next time. I am not crazy about deciding which one it should be either. But I would support, if we take off the budget section approval and just go with the study options and let them figure it out which one has the best and if it's the digital or the new advanced, so be it.

**Representative Thoreson,** Would that be including still remaining with the embossed plate also as an option? Is that what you're indicating?

**Senator Gary Lee** If that would be the best choice, allow them to decide which plate may be the best for us.

**Senator Holmberg** I had the sense that the department preferred the new technology, not the embossed. If that is the case, if we go down the road of telling them you can study the options, for printing of the plate and then go ahead with what you want, it seems like we're putting extra language in here. At the same time if we're going down this road, would I would suggest you do is leave it open for the printing of the plate, and then filing a report to the budget section, so at least the budget section, and filing of a report. I don't know if we want to get into rehashing of what the leg decided.

**Representative Thoreson.** I guess I read that, if the budget section approves, the budget section has the authority to reject that at that point however, I guess having said that it still at least from the discussions on our side, no one wanted to stick with the embossed plate, so I am not certain. Maybe we need to review this obviously were not going to finish this up today and take this just to visit with some folks and see where we want to come back and maybe come up with a combination or language that works here.

**Senator Gary Lee** Do you see the issue being a budget section approval or they make come with something other than just the digital plate?

**Representative Thoreson** More the digital plate versus the embossed plate issue. It was a selling point on our side that I think many people thought it was best to move forward.

**Representative Brandenburg** We want to look at the newest technology and make sure that we're moving forward because if, you know we might as well scratch off the old tags if we want to keep the embossed plate.

**Senator Gary Lee** Any thing else on those; we will have to meet again anyway.

**Senator Gary Lee** The other issue then Sections 20 and 21 that has to do with the scratching off of the tabs. We can eliminate those two sections, is that what you're going to say?

**Representative Brandenburg** It seems that I don't have an awful lot of support or sympathy. Those are my concerns. I thought it was something we should talk about, provide safety to the aging population in agriculture, and provide safety to them.

**Senator Gary Lee** Sections 20 and 21 would shorten up the bill and easier to present on the floor.

**Representative Brandenburg:** Yes, I hate to admit it.

**Senator Gary Lee** We will remove sections 20 and 21, call that ok. The other section we can discuss is Section 17. It relates to the Highway Rail safety Crossing Project. That \$1.4 M as its written here per year, and in discussions on Saturday, the way it is written state highways because it comes from the state highway fund. It is not the whole tax distribution fund. We had a bill like that was defeated there is \$3.1/2 M a year from the fed that can be spent on crossing, the roads going up to them, with that federal money, there is some reading that they get, the railroads get as opposed to if it's just state money which they probably don't get, and the state isn't going to give them. Any other discussion on that?

**Representative Brandenburg:** Actually it's \$1.4 M per biennium; there should be a 10% match in there. It ended up getting passed in the House; that is the reason it's here. We should get that corrected and talk about it some more, I don't know how much it will be used between the counties and the townships, because of the 10% match, that may be issues there. It came from people supporting the union on the railroads. That is where this came from. That is where it's at.

**Senator Gary Lee** I understand the railroads in general doesn't support it in general because of the admidity issue. **Representative Brandenburg** there is some complications there.

**Representative Guttensberg,** The RR are paying \$6M in state taxes. It goes back to Highway Distribution Fund, and it's used for roads. It's nothing more than a subsidy then for the highways. So I think if we are not going to spend it on RR safety, we should look at lowering the taxes, so there not paying all this money for something they are not using. I think that this is an important section of the bill.

**Senator Gary Lee** I think there is a couple of hundred million dollars that go through that special fuels fund that gets distributed to the cities, townships and counties, and the state. They all get advantage of and they can use that money in their political subdivisions together with the DOT to fix those roadways and those railroad crossings. With the \$3.5 M in federal funds that are available, so I think we are making an earmark for a special cause, that it becomes an inflexible funds in terms of only for that specific use.

**Representative Brandenburg (21.53)** Right now with the state highway system there is \$3-3.5 M to be able to work on highway safety crossings within the state right now. When

people start asking for it; the DOT works with them. There is a fund with DOT that deals with crossing and deals with state highway roads. There is a fund for the quiet zone, somewhere around \$640,000. I haven't heard from townships and counties that there is an outcry for fixing township and county roads. The fund came through the House and did pass. That is where it is right now.

**Senator O'Connell** The way this is written does this take any flexibility away from the DOT at all?

**Grant Levi:** The way the bill is presently drafted, yes it takes away flexibility, it basically requires us to take a portion of the highway tax distribution fund, \$1.4M annually and spend that on the way it is written today on state highway rail crossings. That does take away flexibility from us. We can presently already do that, as we deem necessary, and with respect to process, we solicit annually from the cities, counties, townships and work with the railroads for railroad grade crossing safety needs which includes the fixing of the tracks for ride, to smooth them out so they are safe from that perspective as well. It's cross bucks and we do that annually and then we have a very elaborate process that we use for selecting projects. So we already have that in place.

**Representative Brandenburg** May I ask Mark Johnson from the counties, a question?

**Representative Brandenburg** Is there any kind of an outcry for railroad crossing on township and county roads? Is there anybody coming to you saying we want these rail crossings put up out there?

**Mark Johnson** N. D. Association of Counties We have not had a lot of comments. Maybe we're not the one they might call and say we have some concerns about rail crossings. The highway department might actually get some of those phone calls.

**Senator Gary Lee** Anything else on that issue for the day? We will have to come back on that one. That takes care of the ones that we can deal with right now.

**Representative Thoreson** I don't know about anything else. The language issue on the plates we can check on that. 1358 is that on your calendar?

**Senator Gary Lee** It's on the calendar on the 6<sup>th</sup> order.

**Senator Holmberg** Was the question raised about section 10 of the bill? It has to do with the correction of the distribution. My understanding is that \$415,000 is slightly more than they need, and if we can get from the Treasurer office, exactly how much they need, because if we give them more than they need, roughly \$30,000 more, they would have to distribute it throughout the distribution formula and you would have one city where it reaches the level that we should obtain budget section approval for that transaction. But, for our next meeting the Treasurer Office would give us that data so that we can put in the budget the money that is needed for this correction and not any access.

**Senator Gary Lee** Good idea. We did that in the \$10 M, and brought it \$9.3.

Representative Brandenburg If the treasurer's office has any other corrections, we should know about it as soon as possible so we get the proper number in there.

**Senator Gary Lee** I will check with them. I will recess.

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2012  
04-24-2013  
Job # 21468

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for the Department of Transportation

## Minutes:

See attached testimony.

**Senator Gary Lee** called the Conference Committee hearing to order on Wednesday, April 24, 2013 at 9:00 am in the Harvest Room in regards to SB 2012. Let the record show that all conferees are present.

**SENATE: Senators: Gary Lee, Chair; Ray Holmberg, David O'Connell**  
**HOUSE: Representatives: Mike Brandenburg, Blair Thoreson, Ron Guggisberg**

Brady Larson - Legislative Council  
Laney Herauf and Sheila Peterson - OMB

**Senator Gary Lee** We are in pretty good shape, there are some in play, connected with HB 1358, will be in play with that particular bill. Sections 4 and 5 in this bill. Sections 1 and 2, numbers, comp, those sections will come last as well as section 27, emergency clause. But the two we can work on are sections 12 and 13 and Section 17, rail grade crossing.

**Representative Thoreson**, discussed proposed language changes that DOT had brought forward. See attachment #1. **Representative Thoreson makes a motion that would adopt language from attachment #1 remove a portion of line 30 and replace it with may not use embossed printed license plates.**

The committee discusses the amendment.

**Senator O'Connell** asks for clarification if this would leave it wide open for any technology any costs.

**Senator Holmberg:** Convince me again that this language in conjunction with the expenditure of the \$620,000 is a wise investment. Is that the best way we could spend our money?

**Representative Thoreson.** Discusses that current technology is cheaper for new equipment, and it saves the tax payers money in the long run.

**Senator Gary Lee** I am wondering why they can't say they can decide which plate is the better.

**Representative Thoreson:** Explains to the committee the language on Line 30, and the technology for making license plates.

**Senator Holmberg** We are getting to the stage in the session we need to make some tough decisions. I will support this amendment, but plan as soon as we are done this to reopen another issue in the same section.

**Representative Guggisberg:** asks why don't we take that whole sentence out and let the department make that decision.

**Representative Thoreson:** I think that our position is the flat plate is the way to go. In fact, many states are looking at moving away from that product, the states around us have all moved to that technology. If we remove that sentence it does go back to embossed plate.

**Senator Holmberg** I think it behooves us to give direction to the department in this area, because, there are a lot of folks unhappy with the embossed plate, that is why I am willing to throw in the towel on this section.

**Representative Brandenburg,** states time to move on to new technology.

**Senator Gary Lee** asks if this would go to the budget section.

**Representative Thoreson:** No, that would be a final design issue.

**Senator G. Lee** asks for roll call vote.

Lee - Yes  
Holmberg - Yes  
O'Connell - No  
Brandenburg - yes  
Thoreson - Yes  
Guggisberg - Yes.

Motion carried.

**Senator Holmberg** shares his opinion on the budget section in SB 2012

**Representative Brandenburg** motion on Section 17.

**Senator Gary Lee** asks **Brady Larson** for clarification on funding.

**Representative Brandenburg:** I make that motion as stated by Brady, 2nd by Representative Thoreson.

**Brady Larson** makes a recommendation to the committee on section 17.

Lee - Yes  
Holmberg - Yes  
O'Connell - Yes  
Brandenburg - Yes  
Thoreson - Yes  
Guggisberg - Yes

Motion carried.

**Representative Brandenburg:** discusses an email received from the Treasures office.

**Senator Gary Lee:** discussion. Called for a voice vote on this motion. Regarding Sections 8,9 and 10. All in favor say Aye.'

Motion Carries

The conference committee hearing was closed on 2012.

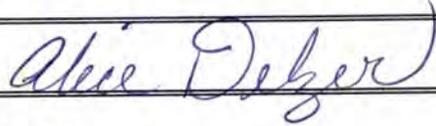
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2012  
04-26-2013  
Job # 21546

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A conference committee hearing for the Department of Transportation

## Minutes:

Attached testimony:

**Senator Gary Lee** called the Conference Committee to order on Friday, April 26, 2013 at 1:30 pm in the Harvest Room in regards to SB 2012. Let the record show that all conferees are present.

**SENATE: Senators: Gary Lee, Chair; Ray Holmberg, David O'Connell**

**HOUSE: Representatives: Mike Brandenburg, Blair Thoreson, Ron Guggisberg**

**Brady Larson** - Legislative Council  
**Laney Herauf** and **Sheila Peterson** - OMB

**Senator Gary Lee:** Part of the reason we have been waiting is because of HB1358 which is closely connected to this one. Summarized what has been accomplished so far: Sections 1 and 2 are the numbers sections that Brady will reconcile. Section 4, will be going to HB1358, \$190M; section 5, the bridge program is expected that \$20M will be added; section 8, stated out as \$10M here, will be going to 1358. Sections 4, 5, 8 and 11 so far will be going to HB 1358; section 27, will be renumbered with the emergency section.

**Brady Larson:** amendment. # 13.8162.02019 Testimony attached # 1. All the changes are being made to the Senate version of the bill. Summary of changes:

Page 5- State Treasurer- conference committee action, bottom of page McLean County appropriation (3:11-4:08)

Page 7- top- lists changes made to DOT appropriations. Those are the numbers changes. (4:10-6:16)

I will go through First Engrossment Engrossed Senate Bill No. 2012 #13.8162.02019 (marked up version) Testimony attached # 2. The first two pages relate to the numbers changes that I just went through (9:04- 12)

Page 3- removed section 4 (9:10-9:22)

Page 4- removed section 5 (9:23-9:37)

Page 6- revised section 4, highway-rail grade crossing safety projects fund added new pilot program; starting on line 19 there is a definition of an eligible project. (9:38-10:37)

Page 7-8 removed sections 6 and 9, replacing them by section 6, page 8; line 19 funding distribution correction. (10:38- 11:36)

Page 8-9 general license plate issue (11:37-12:00)

Page 9- appropriations: section 9 to Roughrider Industries & section 10 highway fund. (12:01- 12:27)

Page 11- section 15 amendment, section 16 relates to the McLean county issue on page 12 line 15, definition of oil producing county.(12:27-13:32)

Page 12- legislative management studies: railroad assistance and transportation costs and funding. (13:33-13:41)

Page 13- section 19 renewable fuel standards study; section 21 expiration date (13:42-14.09) That is my overview of these amendments.

**Senator Gary Lee:** does that capture what was agreed on? Told yes.

**Rep. Brandenburg:** I have one amendment from **Rep. Carlson** (Testimony attached # 3). Amendment: 13.8162.02014 regarding speed limits on state highways.

**Senator Gary Lee:** was this part of another bill that didn't end up where someone wanted them to?

**Rep. Brandenburg:** I don't know, I don't know if we need it.

**Grant Levi,** Interim Director DOT: The existing state statute requires the director and the colonel of the Highway Patrol to establish and adjust the speed limits established by state law. Typically we ask a local entity if they think they need to adjust their speed limit. If they do the DOT goes thru an engineering analysis which includes basically what you have outlined in front of you. We look at safety, travel conditions, etc... From that study the team of engineers makes a recommendation to the director as to what they feel the appropriate speed limit should be. The director form dot discusses this with the HP who has people on ground; based on that analysis we collectively make a decision. There is a very prescriptive process established in law on how that occurs. Just having a brief opportunity to look at this, the way I read it, it tells us to follow the same process with one exception. Exception being that if we are going to make a change in the speed limit a hearing shall be held by the director, if the recommendation is to reduce speed in 65mph zone the director shall issue an administrative order decreasing the speed to at least 55mph, that is not always what we do. I stated it earlier, we work with local entities, and they typically send a resolution with the speed limit they desire, some exceptions exist: projects, fatality or some other crash, we adjust speed limit on our own. (16:15- 19.42)

**Senator Gary Lee:** It seems there is already a process in place that outlines how this issue can be managed.

**Senator Holmberg** I would hope our colleagues in the House would do some research on the rationale behind this.

**Rep. Brandenburg:** we will do research to find out the need for this changes.

**Senator Gary Lee:** we are adjourned until Monday

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2012  
04-29-2013  
Job # 21588

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for DOT

## Minutes:

You may make reference to "attached testimony."

**Senator Gary Lee** called the Conference Committee hearing to order on Monday, April 29, 2013 at 9:30 am in the Sakakawea Room. Let the record show that all conferees are present.

**SENATE: Senators: Gary Lee, Chair; Ray Holmberg, David O'Connell**  
**HOUSE: Representatives: Mike Brandenburg, Blair Thoreson, Ron Guggisberg**

Brady Larson - Legislative Council  
Sheila Peterson - OMB

**Senator Gary Lee:** Last Friday we handed out Amendment # 13. 8162.2019. We had the marked up version of the bill .02019. I also know Representative Brandenburg handed out Amendment # 13.8162.2014. Representative Brandenburg, would you like to address that amendment?

**Representative Brandenburg:** I did some talking with some of the people and all parties concerned and the sponsors, and after visiting with them, I don't know if we need to move that amendment. We can set it aside and let it be. Is that good enough?

**Senator Gary Lee:** Good answer. Alright, the amendments themselves, any discussion on those?

**Representative Brandenburg:** Asked if Brady Larson could go through the changes again.

**Brady Larson** (1.42 - 6.39) (explained the changes in Amendment # 13.8162.02019).

**Senator Gary Lee:** Anything else you want Brady to review?

**Representative Brandenburg:** No. We understand what the amendment does. We agree with the amendment. I think everything is perfect and it's in line. At this time though, the House is not ready to vote on it. It's easy to figure out why, and that's the instructions we have.

**Senator Gary Lee:** What day are we getting out here?

**Representative Brandenburg:** They stop paying on us Friday. We are working for free after that.

**Senator Gary Lee:** And the hold up for moving this on?

**Representative Brandenburg:** I think there is funding in both HB 1358 and SB 2012.

**Senator Gary Lee:** So if we bring it up again this afternoon that's pretty mature?

**Representative Brandenburg:** I think everything we have here is right on target but 1358 has to move out first. He said it's real close to settle on 1358.

**Senator Gary Lee:** Anything else? I guess we'll wait a day. We stand in recess.

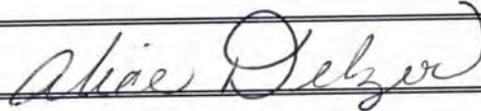
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2012  
05-01-2013  
Job # 21645

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for Department of Transportation (DOT) (Do Pass as Amended)

## Minutes:

See attached testimony.

**Senator Gary Lee** called the Conference Committee to order on Wednesday, May 01, 2013 at 9:30 am in the Harvest Room in regards to SB 2012. Let the record show that all conferees are present.

**SENATE: Senators: Gary Lee, Chair; Ray Holmberg, David O'Connell**  
**HOUSE: Representatives: Mike Brandenburg, Blair Thoreson, Ron Guggisberg**

**Brady Larson** - Legislative Council  
**Laney Herauf** and **Sheila Peterson** - OMB

**Senator O'Connell:** Representative Ruby and Representative Gruchalla asked if I would present some amendments. I don't know if you've seen them at the House before or not.

**Representative Brandenburg:** First of all I apologize for some of the confusion. I am on a couple of other budgets here. **Testimony attached # 1 Amendment # 13.8162.02020**, As I look at this these are the fees dealing with speeding, if I'm not mistaken and I think we killed that over in the House.

**Senator O'Connell made a motion on Amendment # 13.8162.02020. 2<sup>nd</sup> by Representative Thoreson.**

**Senator Gary Lee:** We have a motion and a second on the amendments # 13.8162.02020. Any discussion.

**Representative Guggisberg:** I just wanted to alarm the committee, even if we pass these we'll still have the lowest fines in the country so it's not going overboard here by passing these and I don't think the people of North Dakota are going to scream and shout if we pass these minor adjustments.

**Senator Gary Lee: We will take a voice vote. All in favor of Amendments # 02020 say aye. Motion fails.**

**Senator Gary Lee:** OK, everybody has had a few days to look at the Amendments that have been prepared for 2012. **Amendment # 13.8162.02019, Testimony attached # 2.**

**Representative Brandenburg:** I am ready to make a motion on the nine points that we had talked about with the amendments. It would be Amendment # 02019. **The House recede from it's amendments and further amend as follows. 2<sup>nd</sup> by Senator Holmberg.**

**Senator Gary Lee:** Any other discussion. If not we'll ask the clerk to take the roll on a Do Pass Amendment # 02019.

**A Roll Call vote was taken. Yea: 6; Nay: 0; Absent: 0.**

**Senator Gary Lee:** Motion carries. I'd like to thank everyone for their good work. It took a little time but we appreciate the staff as well, OMB and Brady Larson. Thank you, Alice, for your work as well. Thank you for everything and I adjourn the meeting.

**Senator Gary Lee and Representative Brandenburg will carry the bill on the floor in their respective Houses.**

*FB*  
*5-1-13*  
*1 of 8*

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

That the House recede from its amendments as printed on pages 1491-1499 of the Senate Journal and pages 1558-1566 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 57-43.2-19"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies; to provide an effective date; to provide an expiration date"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
Grants	<u>67,767,407</u>	<u>22,020,623</u>	<u>89,788,030</u>
Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434
Less estimated income	<u>1,146,903,884</u>	<u>773,875,550</u>	<u>1,920,779,434</u>
Total general fund	\$0	\$10,000,000	\$10,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program	142,000,000	0"
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Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$551,600,000
Total special funds	<u>602,150,575</u>	<u>541,600,000</u>
Total general fund	\$5,850,000	\$10,000,000"

Page 3, remove lines 1 through 29

Page 4, remove lines 1 through 29

Page 5, remove lines 1 through 28

Page 5, line 29, after "FUND" insert "- PILOT PROGRAM"

Page 6, line 2, after the period insert:

"The grants line item in section 1 of this Act includes the sum of \$500,000 from the highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall develop guidelines for the distribution of program funds for rail safety projects the director deems necessary for public safety. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system."

Page 6, remove lines 16 through 31

Page 7, replace lines 1 through 14 with:

**"SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, line 18, replace "\$415,000" with "\$385,000"

Page 7, line 28, after "ISSUE" insert "- BUDGET SECTION APPROVAL"

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after "The" insert "department of transportation may not use embossed printed license plates for the general license plate issue. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates. The one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, line 12, replace "\$683,600,000" with "\$541,600,000"

Page 9, line 21, replace "plate" with "plates"

Page 9, after line 25, insert:

**"SECTION 15. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-19. Transfer, deposit, and distribution of funds.**

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

**SECTION 16. AMENDMENT.** Section 27 of chapter 579 of the 2011 Session Laws is amended and reenacted as follows:

**SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS.** If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year ~~2011~~2010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized

townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

**SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, after line 4, insert:

**"SECTION 21. EFFECTIVE DATE - EXPIRATION DATE.** Section 15 of this Act is effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter ineffective."

Page 10, line 5, replace "4, 5, 8, 9, and 10" with "6, 7, and 16"

Page 10, line 5, remove "and funding of"

Page 10, remove lines 6 and 7

Page 10, line 8, remove "item in section 1 of this Act,"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
State Treasurer						
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
DOCR						
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0

General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Transportation						
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
Bill total						
Total all funds	\$3,389,303,578	\$2,818,962,812	(\$333,378,378)	\$2,485,584,434	\$2,993,314,082	(\$507,729,648)
Less estimated income	2,695,703,578	2,107,647,812	(181,968,378)	1,925,679,434	2,084,279,082	(158,599,648)
General fund	\$693,600,000	\$711,315,000	(\$151,410,000)	\$559,905,000	\$909,035,000	(\$349,130,000)

**Senate Bill No. 2012 - State Treasurer - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Grants to townships		\$10,000,000	(\$10,000,000)		\$9,100,000	(\$9,100,000)
Township distribution corrections		415,000	(30,000)	385,000	415,000	(30,000)
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 120 - State Treasurer - Detail of Conference Committee Changes**

	Removes Funding for Grants to Townships <sup>1</sup>	Adjusts Funding for Township Distribution Corrections <sup>2</sup>	Total Conference Committee Changes
Grants to townships	(\$10,000,000)		(\$10,000,000)
Township distribution corrections		(30,000)	(30,000)
Total all funds	(\$10,000,000)	(\$30,000)	(\$10,030,000)
Less estimated income	0	0	0
General fund	(\$10,000,000)	(\$30,000)	(\$10,030,000)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding of \$10 million added by the Senate for grants to townships in oil-producing counties is removed. The House version reduced the grant funding from \$10 million to \$9.1 million.

<sup>2</sup> Funding to correct grant distributions to townships made in Senate Bill No. 2176 is reduced by \$30,000 to reflect revised estimates for amounts needed for corrections.

This amendment also amends Section 27 of Chapter 579 of the 2011 Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$720,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Session Laws which has not already received a distribution under that subsection. The House also added these sections and provided funding of \$700,000.

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**Senate Bill No. 2012 - DOCR - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
License plate issue		\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of Conference Committee Changes**

	Increases Special Funds Authority for License Plate Issue <sup>1</sup>	Total Conference Committee Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates, the same as the House version.

**Senate Bill No. 2012 - Department of Transportation - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$198,822,626	\$198,846,860	(\$11,369,275)	\$187,477,585	\$184,577,233	\$2,900,352
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715	376,721,715	
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207	1,269,511,207	
County and township road program	142,000,000	142,000,000	(142,000,000)		190,000,000	(190,000,000)
Grants	97,548,030	98,188,030	(8,400,000)	89,788,030	89,288,030	500,000
General fund transfer to highway fund	683,600,000	683,600,000	(142,000,000)	541,600,000	683,600,000	(142,000,000)
Transfer to public transportation fund		1,100,000		1,100,000	1,100,000	
License plate issue		6,200,000	620,000	6,820,000	6,820,000	
County and township bridge program		27,000,000	(27,000,000)		20,000,000	(20,000,000)
Non-oil county distributions					150,000,000	(150,000,000)
Accrued leave payments			7,280,897	7,280,897	7,280,897	
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
FTE	1079.50	1079.50	0.00	1079.50	1079.50	0.00

Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

7 of 8

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Employees Affected by Energy Development <sup>3</sup>	Removes Funding for Oil-Impacted Counties Road Program <sup>4</sup>	Removes Public Transportation Fund Appropriation Authority <sup>5</sup>	Adds Funding for Rail Safety Pilot Program <sup>6</sup>
Salaries and wages	(\$1,543,379)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets						
County and township road program				(142,000,000)		
Grants					(8,900,000)	500,000
General fund transfer to highway fund						
Transfer to public transportation fund						
License plate issue						
County and township bridge program						
Non-oil county distributions						
Accrued leave payments		7,280,897				
Total all funds	(\$1,543,379)	\$0	(\$3,644,999)	(\$142,000,000)	(\$8,900,000)	\$500,000
Less estimated income	(1,543,379)	0	(3,644,999)	(142,000,000)	(8,900,000)	500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts General Fund Transfer to Highway Fund <sup>7</sup>	Adjusts Funding for License Plate Issue <sup>8</sup>	Removes Funding for County and Township Bridge Program <sup>9</sup>	Total Conference Committee Changes
Salaries and wages				(\$11,369,275)
Operating expenses				(1,100,000)
Capital assets				
County and township road program				(142,000,000)
Grants				(8,400,000)
General fund transfer to highway fund	(142,000,000)			(142,000,000)
Transfer to public transportation fund				
License plate issue		620,000		620,000
County and township bridge program			(27,000,000)	(27,000,000)
Non-oil county distributions				
Accrued leave payments				7,280,897
Total all funds	(\$142,000,000)	\$620,000	(\$27,000,000)	(\$323,968,378)
Less estimated income	0	0	(27,000,000)	(182,588,378)
General fund	(\$142,000,000)	\$620,000	\$0	(\$141,380,000)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>2</sup> A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees. The House version also included an accrued leave payments line item.

<sup>3</sup> Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed. The House also removed this funding.

<sup>4</sup> Funding from the general fund for the county and township road reconstruction program in areas impacted by oil and gas development is removed. The House version provided total program funding of \$190 million which was an increase of \$48 million from the executive budget and Senate versions of \$142 million.

<sup>5</sup> Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63rd Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

<sup>6</sup> Grant funding of \$500,000 from the highway-rail grade crossing projects safety fund is added for a highway-rail grade safety pilot program during the 2013-15 biennium. Guidelines are also added for the program.

<sup>7</sup> The general fund transfer to the state highway fund is reduced by \$142 million to reflect the removal of the county and township road reconstruction program in areas affected by oil and gas development.

<sup>8</sup> Funding for the general license plate issue is increased by \$620,000 to provide for a general license plate issue to be made on nonembossed license plates. The House also added this funding.

<sup>9</sup> Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is removed. The Senate added funding of \$27 million for the program and the House reduced funding for the program to \$20 million.

This amendment also:

- Adds a section to deposit \$250,000 of special fuels excise tax funding in the highway-rail grade crossing safety program during each year of the 2013-15 biennium.
- Adds sections to provide for the Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.
- Removes sections that provided program guidelines regarding the oil-producing county and township road reconstruction program and the county and township bridge reconstruction program.

Date 4.24.13

Roll Call Vote # 1

2013 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2012 as (re) engrossed

Senate appropriations Committee

- Action Taken
- SENATE accede to House Amendments
  - SENATE accede to House Amendments and further amends
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amends as follows

**Unable to agree**, recommends that the committee be discharged and a new committee be appointed *Thoreson Amendment*

Motion Made by: Thoreson Seconded by: Brandenburg

Senators		4/24	Yes	No	Representatives		4/24	Yes	No
<i>D. Lee</i>	✓		✓		<i>Brandenburg</i>	✓		✓	
<i>Holmberg</i>	✓		✓		<i>Thoreson</i>	✓		✓	
<i>O'Connell</i>	✓			✓	<i>Buggisberg</i>	✓		✓	
Total Senate Vote					Total Rep. Vote				

Vote Count Yes: 5 No: 1 Absent: 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Date 4.24-13

Roll Call Vote # 2

2013 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2012 as (re) engrossed

Senate Appropriations Committee

- Action Taken
- SENATE accede to House Amendments
  - SENATE accede to House Amendments and further amends
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amends as follows

**Unable to agree**, recommends that the committee be discharged and a new committee be appointed

*as stated by Brady Brandenburg Motors section 17-*

Motion Made by: Brandenberg Seconded by: Thoreson

Senators				Yes	No	Representatives				Yes	No
<i>Lee</i>				✓		<i>B</i>				✓	
<i>Helmberg</i>				✓		<i>T</i>				✓	
<i>O'Connell</i>				✓		<i>S</i>					✓
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: 5 No: 1 Absent: 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Date 4-24

Roll Call Vote # 3

2013 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2012 as (re) engrossed

Senate Appropriations Committee

- Action Taken
- SENATE accede to House Amendments
  - SENATE accede to House Amendments and further amends
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amends as follows

**Unable to agree**, recommends that the committee be discharged and a new committee be appointed  
*Fix Section 8 9 + 10 in Bill.*

Motion Made by: Brandenburg Seconded by: Thoreson

Senators				Yes	No	Representatives				Yes	No
<i>Free</i>						<i>Brandenburg</i>					
<i>Holmberg</i>						<i>Thoreson</i>					
<i>@ Connolly</i>						<i>Suggisberg</i>					
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: \_\_\_\_\_ No: \_\_\_\_\_

Absent: *Voice Vote*  
*Motion Carried*

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Date 4.5.13

Roll Call Vote # 1

2013 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2012 as (re) engrossed

Senate Appropriations Committee

- Action Taken
- SENATE accede to House Amendments
  - SENATE accede to House Amendments and further amends
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amends as follows

Unable to agree, recommends that the committee be discharged and a new committee be appointed

amend # 02019

Motion Made by: Brandenburg Seconded by: Holmberg

Senators	<u>4/26/13</u>	<u>4/27/13</u>	<u>4/28/13</u>	Yes	No	Representatives	<u>4/26/13</u>	<u>4/27/13</u>	<u>4/28/13</u>	Yes	No
<u>Lee</u>	✓	✓	✓	✓		<u>Brandenburg</u>	✓	✓		✓	
<u>Holmberg</u>	✓	✓	✓	✓		<u>Thoreson</u>	✓	✓		✓	
<u>O'Connell</u>	✓	✓	✓	✓		<u>Suggsberg</u>	✓	✓		✓	
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Lee House Carrier Brandenburg

LC Number 13.8162 . 02019 of amendment

LC Number 13.8162 . 02000 of engrossment

**REPORT OF CONFERENCE COMMITTEE**

**SB 2012, as engrossed:** Your conference committee (Sens. G. Lee, Holmberg, O'Connell and Reps. Brandenburg, Thoreson, Guggisberg) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1491-1499, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1491-1499 of the Senate Journal and pages 1558-1566 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 57-43.2-19"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies; to provide an effective date; to provide an expiration date"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
Grants	<u>67,767,407</u>	<u>22,020,623</u>	<u>89,788,030</u>
Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434
Less estimated income	<u>1,146,903,884</u>	<u>773,875,550</u>	<u>1,920,779,434</u>
Total general fund	\$0	\$10,000,000	\$10,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program 142,000,000 0"

Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$551,600,000
Total special funds	<u>602,150,575</u>	<u>541,600,000</u>
Total general fund	\$5,850,000	\$10,000,000"

Page 3, remove lines 1 through 29

Page 4, remove lines 1 through 29

Page 5, remove lines 1 through 28

Page 5, line 29, after "**FUND**" insert "**- PILOT PROGRAM**"

Page 6, line 2, after the period insert:

"The grants line item in section 1 of this Act includes the sum of \$500,000 from the highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall develop guidelines for the distribution of program funds for rail safety projects the director deems necessary for public safety. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system."

Page 6, remove lines 16 through 31

Page 7, replace lines 1 through 14 with:

**"SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, line 18, replace "\$415,000" with "\$385,000"

Page 7, line 28, after "ISSUE" insert "- BUDGET SECTION APPROVAL"

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after "The" insert "department of transportation may not use embossed printed license plates for the general license plate issue. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates. The one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, line 12, replace "\$683,600,000" with "\$541,600,000"

Page 9, line 21, replace "plate" with "plates"

Page 9, after line 25, insert:

**"SECTION 15. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-19. Transfer, deposit, and distribution of funds.**

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the

highway-rail grade crossing safety projects fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

**SECTION 16. AMENDMENT.** Section 27 of chapter 579 of the 2011 Session Laws is amended and reenacted as follows:

**SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS.** If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year 2011-2010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

**SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, after line 4, insert:

"**SECTION 21. EFFECTIVE DATE - EXPIRATION DATE.** Section 15 of this Act is effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter ineffective."

Page 10, line 5, replace "4, 5, 8, 9, and 10" with "6, 7, and 16"

Page 10, line 5, remove "and funding of"

Page 10, remove lines 6 and 7

Page 10, line 8, remove "item in section 1 of this Act,"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
State Treasurer						
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
DOCR						
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Transportation						
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
Bill total						
Total all funds	\$3,389,303,578	\$2,818,962,812	(\$333,378,378)	\$2,485,584,434	\$2,993,314,082	(\$507,729,648)
Less estimated income	2,695,703,578	2,107,647,812	(181,968,378)	1,925,679,434	2,084,279,082	(158,599,648)
General fund	\$693,600,000	\$711,315,000	(\$151,410,000)	\$559,905,000	\$909,035,000	(\$349,130,000)

**Senate Bill No. 2012 - State Treasurer - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Grants to townships		\$10,000,000	(\$10,000,000)		\$9,100,000	(\$9,100,000)
Township distribution corrections		415,000	(30,000)	385,000	415,000	(30,000)

Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 120 - State Treasurer - Detail of Conference Committee Changes**

	Removes Funding for Grants to Townships <sup>1</sup>	Adjusts Funding for Township Distribution Corrections <sup>2</sup>	Total Conference Committee Changes
Grants to townships	(\$10,000,000)		(\$10,000,000)
Township distribution corrections		(30,000)	(30,000)
Total all funds	(\$10,000,000)	(\$30,000)	(\$10,030,000)
Less estimated income	0	0	0
General fund	(\$10,000,000)	(\$30,000)	(\$10,030,000)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding of \$10 million added by the Senate for grants to townships in oil-producing counties is removed. The House version reduced the grant funding from \$10 million to \$9.1 million.

<sup>2</sup> Funding to correct grant distributions to townships made in Senate Bill No. 2176 is reduced by \$30,000 to reflect revised estimates for amounts needed for corrections.

This amendment also amends Section 27 of Chapter 579 of the 2011 Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$720,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Session Laws which has not already received a distribution under that subsection. The House also added these sections and provided funding of \$700,000.

**Senate Bill No. 2012 - DOCR - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
License plate issue		\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of Conference Committee Changes**

	Increases Special Funds Authority for License Plate Issue <sup>1</sup>	Total Conference Committee Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates, the same as the House version.

**Senate Bill No. 2012 - Department of Transportation - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$198,822,626	\$198,846,860	(\$11,369,275)	\$187,477,585	\$184,577,233	\$2,900,352
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715	376,721,715	
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207	1,269,511,207	
County and township road program	142,000,000	142,000,000	(142,000,000)		190,000,000	(190,000,000)
Grants	97,548,030	98,188,030	(8,400,000)	89,788,030	89,288,030	500,000
General fund transfer to highway fund	683,600,000	683,600,000	(142,000,000)	541,600,000	683,600,000	(142,000,000)
Transfer to public transportation fund		1,100,000		1,100,000	1,100,000	
License plate issue		6,200,000	620,000	6,820,000	6,820,000	
County and township bridge program		27,000,000	(27,000,000)		20,000,000	(20,000,000)
Non-oil county distributions					150,000,000	(150,000,000)
Accrued leave payments			7,280,897	7,280,897	7,280,897	
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
FTE	1079.50	1079.50	0.00	1079.50	1079.50	0.00

**Department No. 801 - Department of Transportation - Detail of Conference Committee Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Employees Affected by Energy Development <sup>3</sup>	Removes Funding for Oil- Impacted Counties Road Program <sup>4</sup>	Removes Public Transportation Fund Appropriation Authority <sup>5</sup>	Adds Funding for Rail Safety Pilot Program <sup>6</sup>
Salaries and wages	(\$1,543,379)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets						
County and township road program				(142,000,000)		
Grants					(8,900,000)	500,000
General fund transfer to highway fund						
Transfer to public transportation fund						

License plate issue						
County and township bridge program						
Non-oil county distributions						
Accrued leave payments		7,280,897				
Total all funds	(\$1,543,379)	\$0	(\$3,644,999)	(\$142,000,000)	(\$8,900,000)	\$500,000
Less estimated income	(1,543,379)	0	(3,644,999)	(142,000,000)	(8,900,000)	500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts General Fund Transfer to Highway Fund <sup>7</sup>	Adjusts Funding for License Plate Issue <sup>8</sup>	Removes Funding for County and Township Bridge Program <sup>9</sup>	Total Conference Committee Changes
Salaries and wages				(\$11,369,275)
Operating expenses				(1,100,000)
Capital assets				
County and township road program				(142,000,000)
Grants				(8,400,000)
General fund transfer to highway fund	(142,000,000)			(142,000,000)
Transfer to public transportation fund				
License plate issue		620,000		620,000
County and township bridge program			(27,000,000)	(27,000,000)
Non-oil county distributions				
Accrued leave payments				7,280,897
Total all funds	(\$142,000,000)	\$620,000	(\$27,000,000)	(\$323,968,378)
Less estimated income	0	0	(27,000,000)	(182,588,378)
General fund	(\$142,000,000)	\$620,000	\$0	(\$141,380,000)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>2</sup> A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees. The House version also included an accrued leave payments line item.

<sup>3</sup> Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed. The House also removed this funding.

<sup>4</sup> Funding from the general fund for the county and township road reconstruction program in areas impacted by oil and gas development is removed. The House version provided total program funding of \$190 million which was an increase of \$48 million from the executive budget and Senate versions of \$142 million.

<sup>5</sup> Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63rd Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

<sup>6</sup> Grant funding of \$500,000 from the highway-rail grade crossing projects safety fund is added for a highway-rail grade safety pilot program during the 2013-15 biennium. Guidelines are also added for the program.

<sup>7</sup> The general fund transfer to the state highway fund is reduced by \$142 million to reflect the removal of the county and township road reconstruction program in areas affected by oil and gas development.

<sup>8</sup> Funding for the general license plate issue is increased by \$620,000 to provide for a general license plate issue to be made on nonembossed license plates. The House also added this funding.

<sup>9</sup> Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is removed. The Senate added funding of \$27 million for the program and the House reduced funding for the program to \$20 million.

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This amendment also:

- Adds a section to deposit \$250,000 of special fuels excise tax funding in the highway-rail grade crossing safety program during each year of the 2013-15 biennium.
- Adds sections to provide for the Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.
- Removes sections that provided program guidelines regarding the oil-producing county and township road reconstruction program and the county and township bridge reconstruction program.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

**2013 TESTIMONY**

**SB 2012**

# **SB 2012**

## **TESTIMONY BEFORE THE SENATE APPROPRIATIONS COMMITTEE**

**2013-2015 Biennium Budget**

Prepared by  
**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION  
BISMARCK, NORTH DAKOTA**

**INTERIM DIRECTOR  
Grant Levi, P.E.**

**JANUARY 2013**



# **SB 2012 Testimony**

Senate Appropriations Committee

January 17, 2013

# Introduction

## *NDDOT Interim Director Grant Levi*

- Accomplishments
- Challenges
- Overview of Program Areas
- Budget Information
- Questions

# Record breaking biennium

The 2011-2013 biennium is record breaking in many ways.

- Record energy production
- Record agricultural production
- Record manufacturing & tourism
- Record flooding
- Record traffic
- Record motor vehicle registrations
- Record drivers license renewals



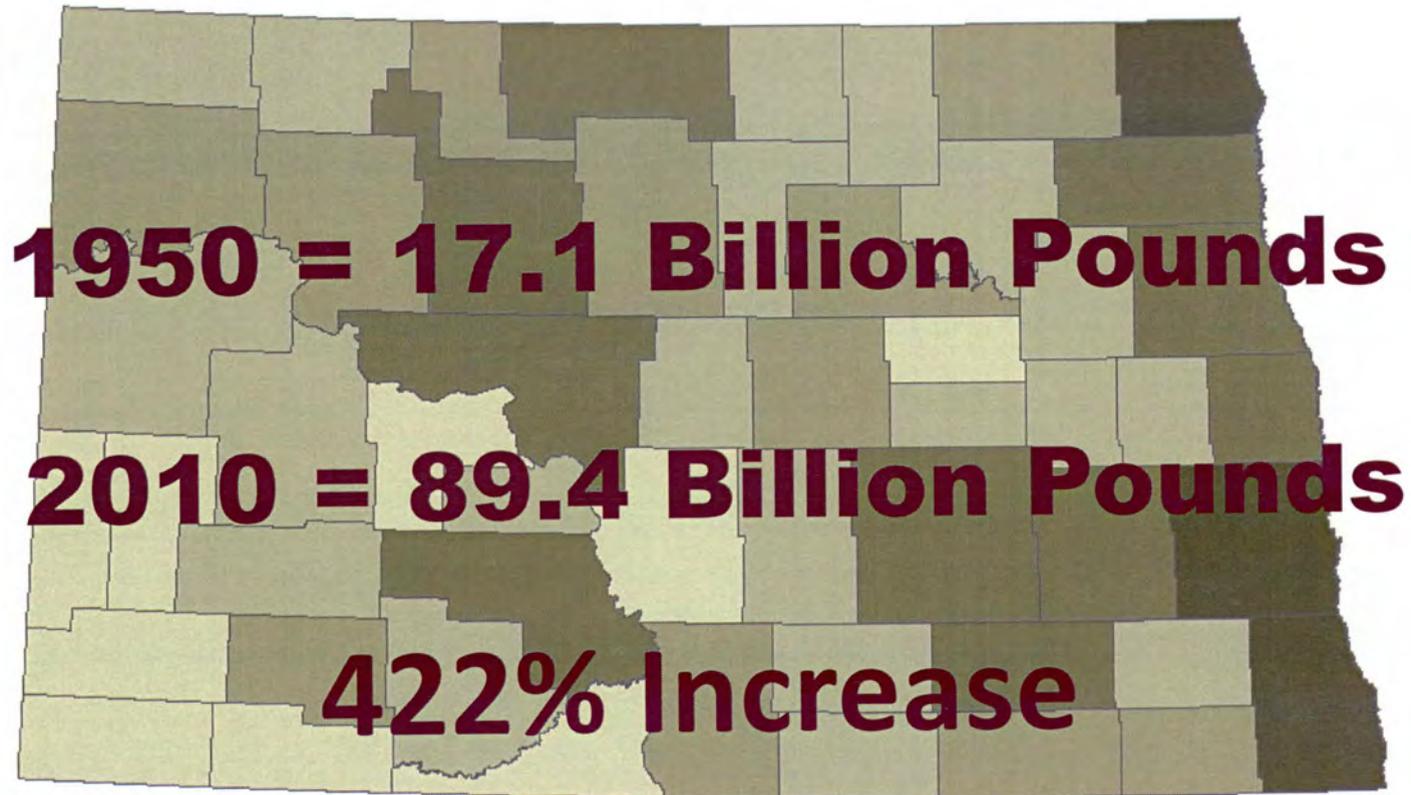
Thanks to you the state has successfully handled a large number of historic records. Your legislation and funding has helped the NDDOT to accomplish a great deal.

# Energy Production

- 749,212 barrels of oil produced daily – Oct. 2012
- Compared to 343,170 barrels a day in Oct. 2010



# Agricultural Growth 1950-2010



## Legend

	74,872,000 - 489,000,000 lbs
	489,000,001 - 1,023,000,000 lbs
	1,023,000,001 - 1,530,000,000 lbs
	1,530,000,001 - 3,103,000,000 lbs
	3,103,000,001 - 3,976,476,000 lbs

# Manufacturing Growth



**North Dakota is one of only a few states to experience a growth in manufacturing between 2000 and 2011.**

# Accomplishments - NDDOT

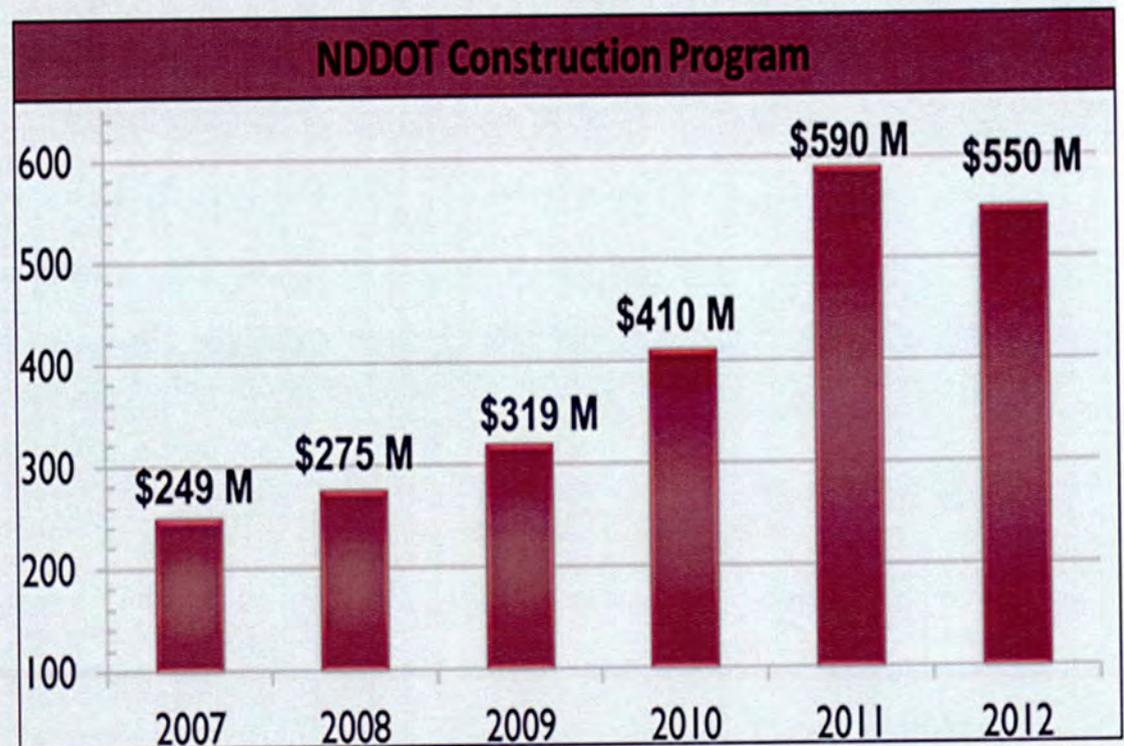
- Working with our partners – county, city, township and tribal agencies - the Department had the two largest road construction programs in state history, delivering over \$1 billion in projects.

- **Road Construction**

- NDDOT bid out 444 contracts for highway construction.

- **Emergency Work**

- \$316.74 million in federal Emergency Relief funding.



# Accomplishments - NDDOT

## Safety Programs

- Developed a new Strategic Highway Safety Plan (SHSP).

## Drivers License

- Over 518,000 drivers license transactions were completed.

## Motor Vehicle

- eDealer program launched to streamline process.

## Transit Services

- 3.4 million rides were provided through rural and urban transit services in 2012.



## Business Support

- Enhanced many areas of technology including Travel Information Map. Completed work on buildings.

# Challenges – Service Expectations

## Increased public expectations for service:



- **Safety** - Maintain safety on all highways.
- **Snow and Ice Control** - 24 Hour demand for service.
- **Motor Vehicle & Drivers License**
  - Demand for driver related testing continues to increase.
  - Title turnaround time approx. two months.
- **Transit** - Increased operating and labor costs.
- **Road Expansion/Improvement**
  - Adding miles to system/paved roadways/wider roads/load carrying capacity.
- **Staffing**
  - Difficulty in hiring and retaining experienced staff due to higher salaries offered by other companies & increased housing costs.
  - We continue to experience a large number of vacancies with 33 open statewide with 8 in the Williston District.

# Challenges - Safety

- In 2012 there were 170 fatalities compared to 148 in 2011.
- Traffic fatalities in 2012:
  - 50% alcohol related.
  - 66% unrestrained. (no seat belts)
  - 29% speed related.



# **NDDOT Program Areas**

We will now cover in more detail information in each of the DOT's Program Areas.

- **Transportation** (Highways, Transit, etc.)
- **Driver & Vehicle Services** (Motor Vehicle, Drivers License and Safety)
- **Business Support** (Technology, Staffing, etc.)

# Accomplishments – Transportation

Thank you for the three equipment operators, they were placed to provide enhanced service in the urban areas of Minot, Bismarck and Fargo.

## Record Road Construction:

- 444 contracts covering 1,780 miles of state highway to enhance movement of traffic and safety by:
  - Reconstructing and widening roadways.
  - Adding passing and turning lanes.
  - Using concrete and asphalt surfaces.



# Accomplishments – Transportation

## Techniques to enhance road strength & traffic flow:

### Concrete improvement projects:

- Concrete intersections – short term projects to stop rutting.
- Concrete overlay on highways – long term projects to prolong the life of the road.

### Roundabout Project on ND 22 near Killdeer – to enhance traffic movement.

- Traffic can be viewed on our website on the Travel Information Map camera at <http://www.dot.nd.gov/travel-info-v2/>



# Accomplishments - Transportation

## Senate Bill 2147 (61<sup>st</sup> Legislative Session)

### Design Build:

- Planning and Programming, Environmental and Right of Way are required prior to using the Design/Build process.
- Box Culvert Project on ND 1804 east of Williston:
  - Design/Bid/Build was \$98,500 less on this \$863,000 project.
  - Project completion time is difficult to compare.

# Accomplishments - Transportation

**Provided quality services during statewide flooding.**

- The NDDOT brought in equipment and employees from throughout the state to assist with flood fighting efforts in Fargo, Minot and Bismarck/Mandan areas.



# Accomplishments – Transportation

## Emergency Work:

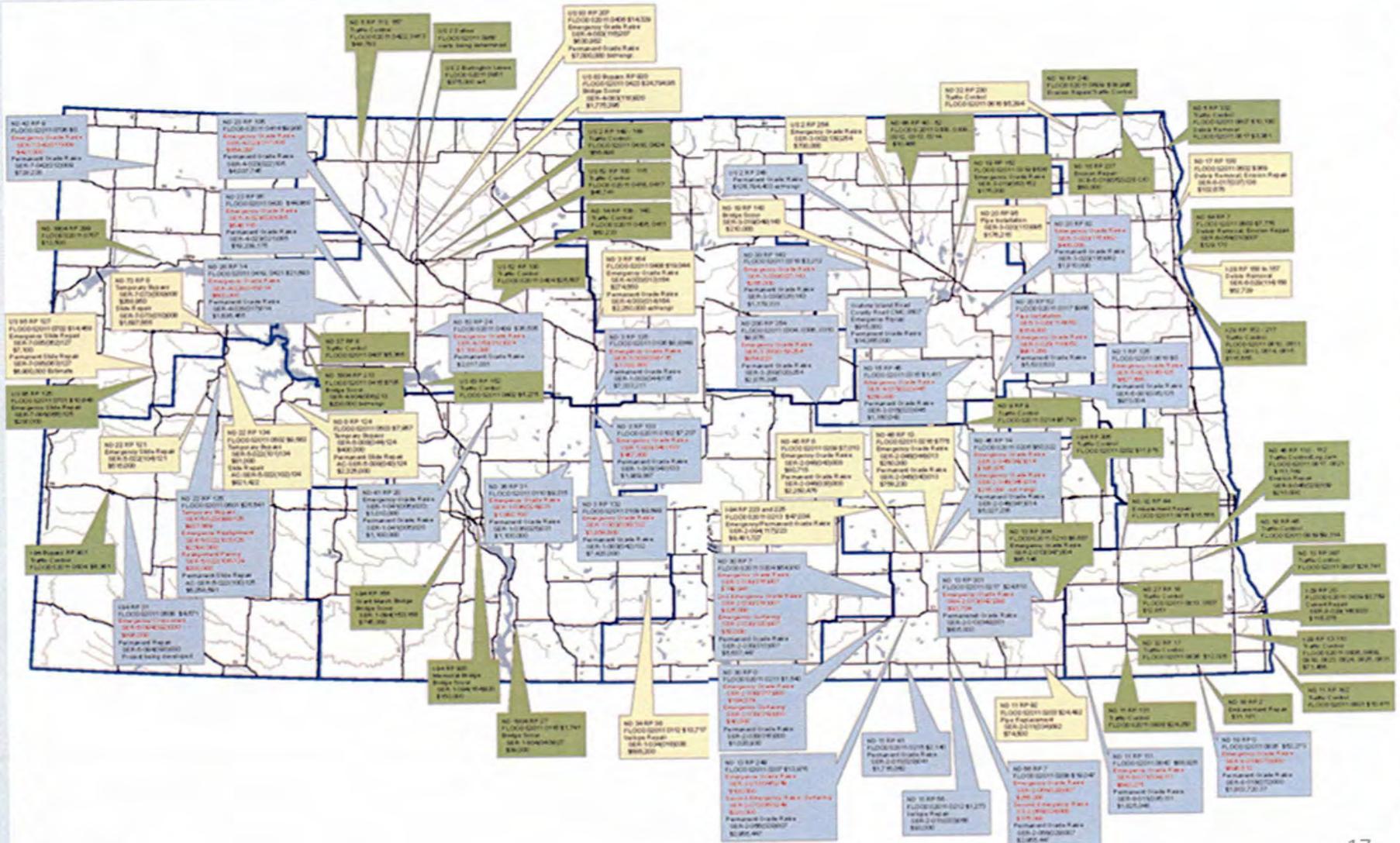
- In 2011-12, North Dakota received \$316.74 million in federal Emergency Relief funding, a historic amount for the state.
- Devils Lake Basin projects:
  - From 1994 to 2012, we have spent approximately \$550 million on roadways in the Devils Lake Basin (includes state highways, county roadways, and BIA roads.)



ND Highway 57 grade raise – Devils Lake

# Accomplishments - Transportation

## Emergency Relief (ER) Projects

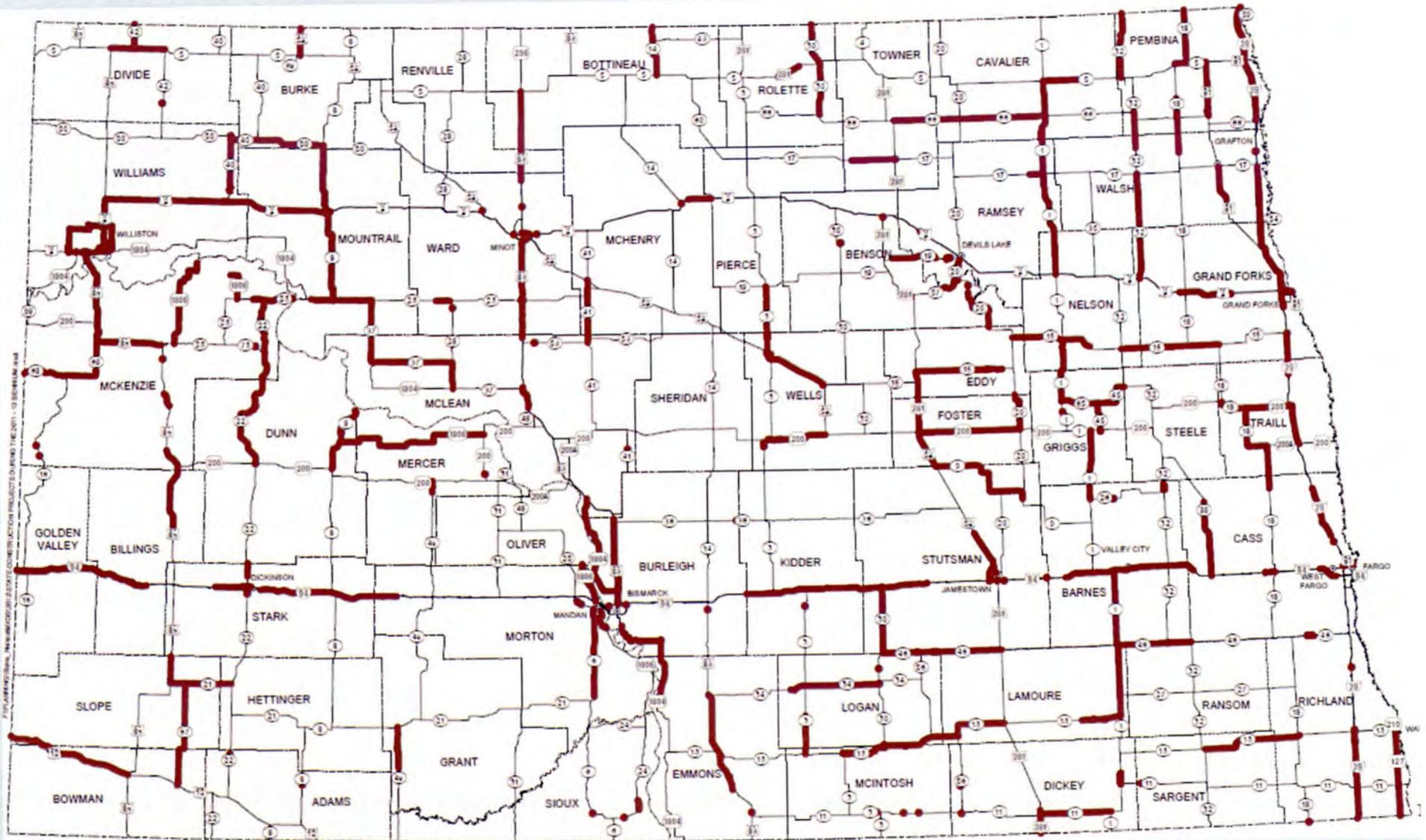


# Accomplishments – Transportation

- Work progressed on several projects including:
  - West Fargo Main Avenue
  - ND 57 east of Fort Totten
  - US 2 north of Williston
  - ND 20 near Devils Lake
  - US 85 west of Watford City
  - US 281 near Carrington
  - US 8 near Bowbells
  - ND 200 east of Mayville
  - I-94 near Dawson
  - ND 18 south of Cavalier
  - ND 23 east of New Town
  - US 83 in Bismarck and south of Minot
  - Williston temporary bypasses.



# Accomplishments - Transportation



2011-13 Biennium Projects

# Challenges - Traffic

- **Increases in traffic:**

- In 2011, North Dakota saw a 10% increase in traffic statewide, and a 25% increase in traffic in western N.D.

- US 85 west of Watford City averaged 11,051 vehicles a day in 2012 compared to 2,322 in 2006.

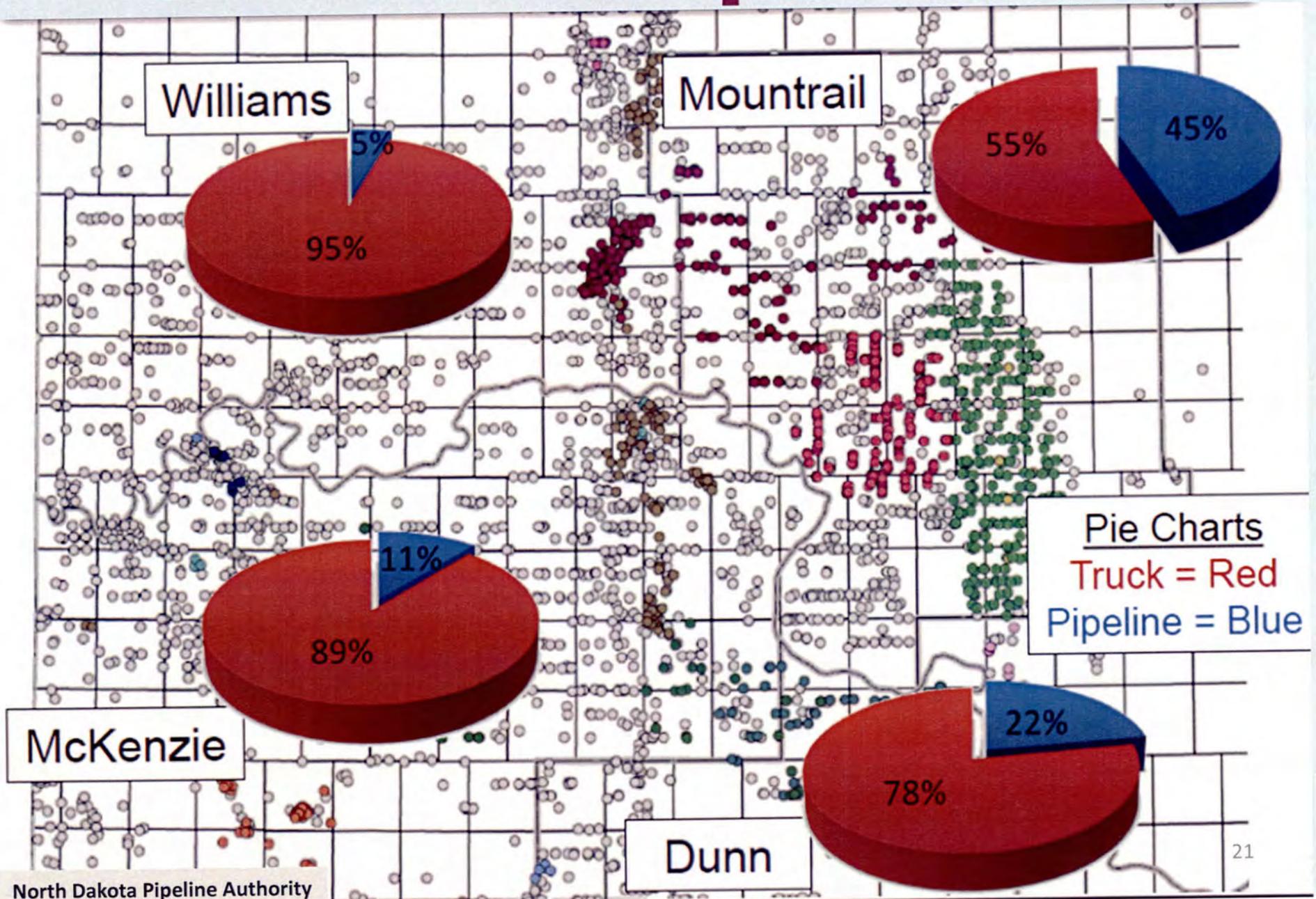
- I-94 in Fargo averaged 68,000 vehicles a day in 2012.

- Increased traffic volumes (particularly heavy trucks), accelerated the deterioration of county, township, tribal roads and state highways in the oil impact areas.



*Watford City Intersection*

# ND Oil Transportation



# Challenges - System Condition



ND Highway 1806 on September 2, 2010



ND Highway 1806 on April 28, 2011

# Challenges - System Condition

## System Condition:

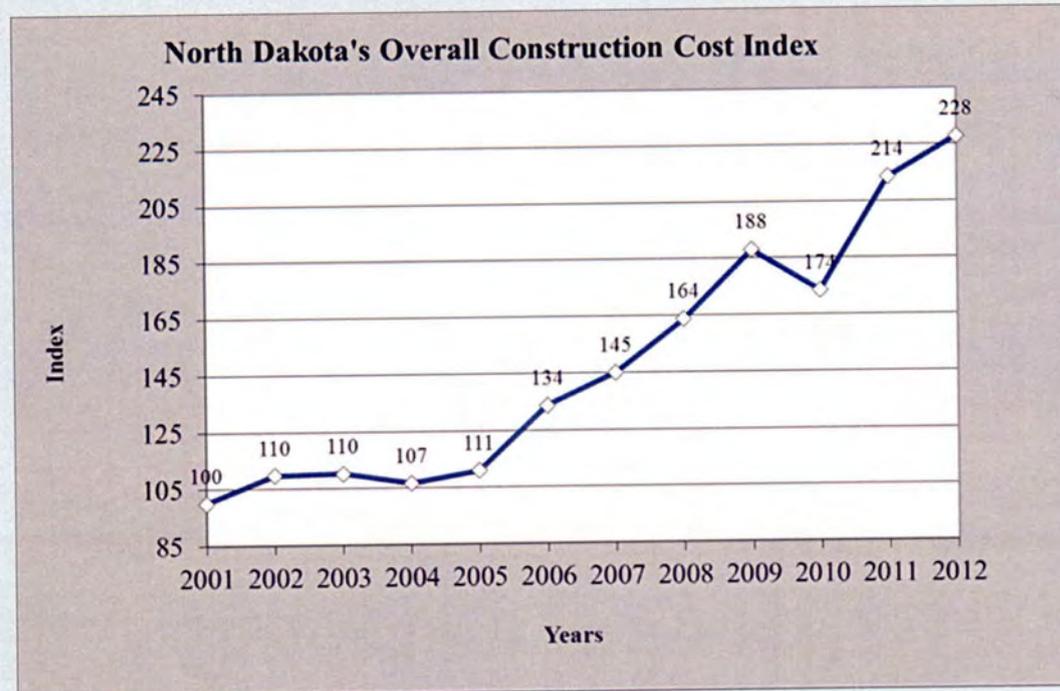
- Increased traffic volumes, (particularly heavy trucks), have accelerated the deterioration of county, township, tribal roads and state highways in the oil impacted areas. Roadways in the western part of the state were originally built to handle agriculture traffic (small grains and ranching) and were not built to carry the heavy loads associated with oil development.
- The picture illustrates damage that has occurred on US 85 due to increased heavy truck traffic.



*US 85*

# Cost Of Doing Business

- One of the major challenges facing city, state, county, tribal and township levels of government as they try to provide transportation infrastructure is the rising cost of doing business.
- The chart illustrates inflation is averaging more than 11% per year since 2001. Construction cost inflation is eating up growth in revenues.



# Cost Of Doing Business

We have also noted an increase cost of doing business in western North Dakota versus working on projects in other areas of the state.

**2012 Road Construction Costs Per Mile**

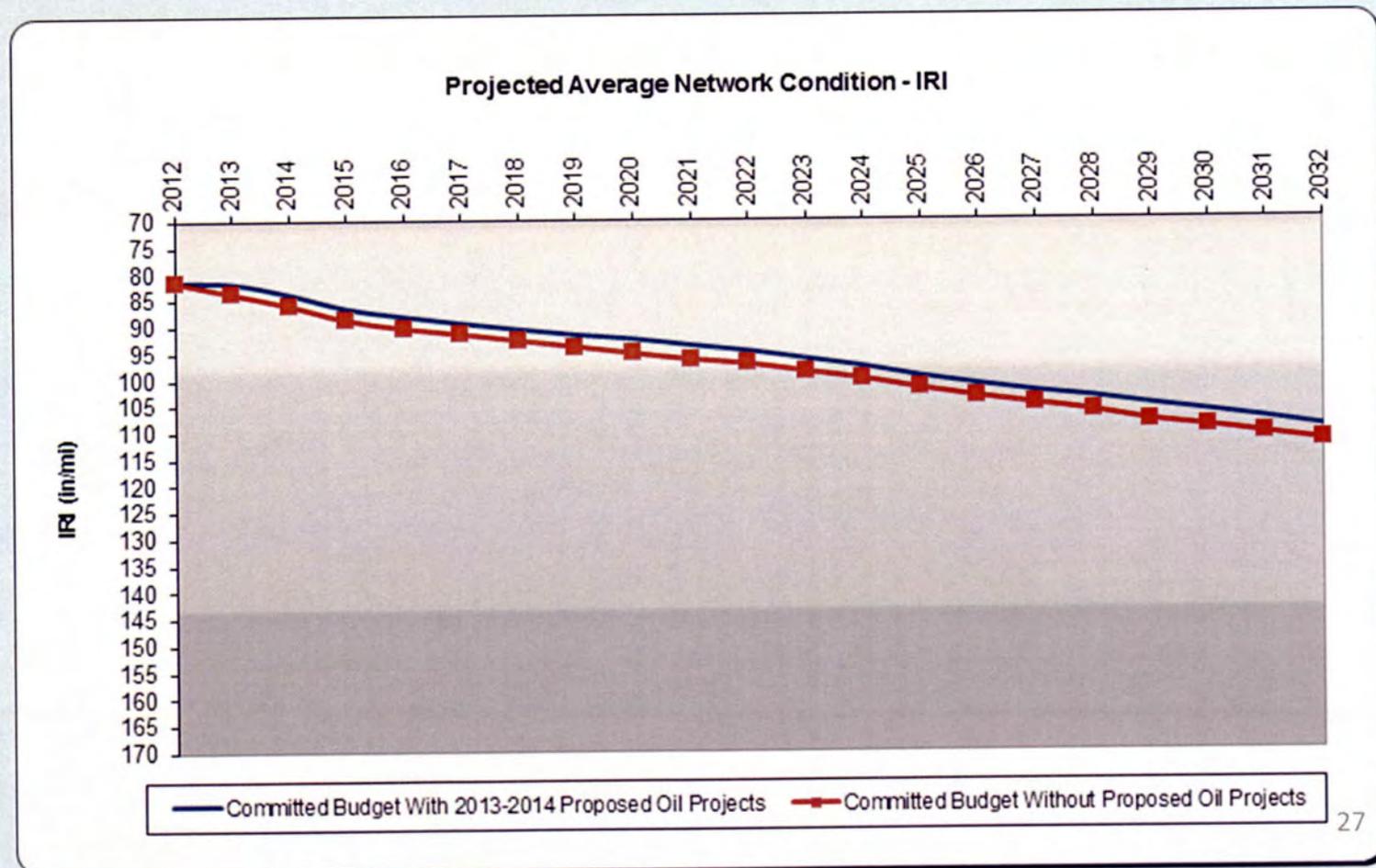
<b>Non interstate rural work</b>	<b>Western ND</b>	<b>Statewide</b>
<b>Mine and blend</b>	<b>\$1,700,000</b>	<b>\$1,050,000</b>
<b>Mine and blend with widening</b>	<b>\$2,500,000</b>	<b>\$2,000,000</b>
<b>Surfacing</b>	<b>\$420,000</b>	<b>\$350,000</b>

# Upper Great Plains Transportation Institute Needs Study

Biennium	Roadways	Statewide Needs Total \$\$\$ In Millions
2013-2015	State Highways	\$2,414.7
2015-2017	State Highways	\$1,352.9
2013-2015	County & Township Roads	\$ 834.0
2015-2017	County & Township Roads	\$ 772.0

# Transportation System Condition

- The overall performance of the highway system will gradually decline over time if investments in the system are not increased.



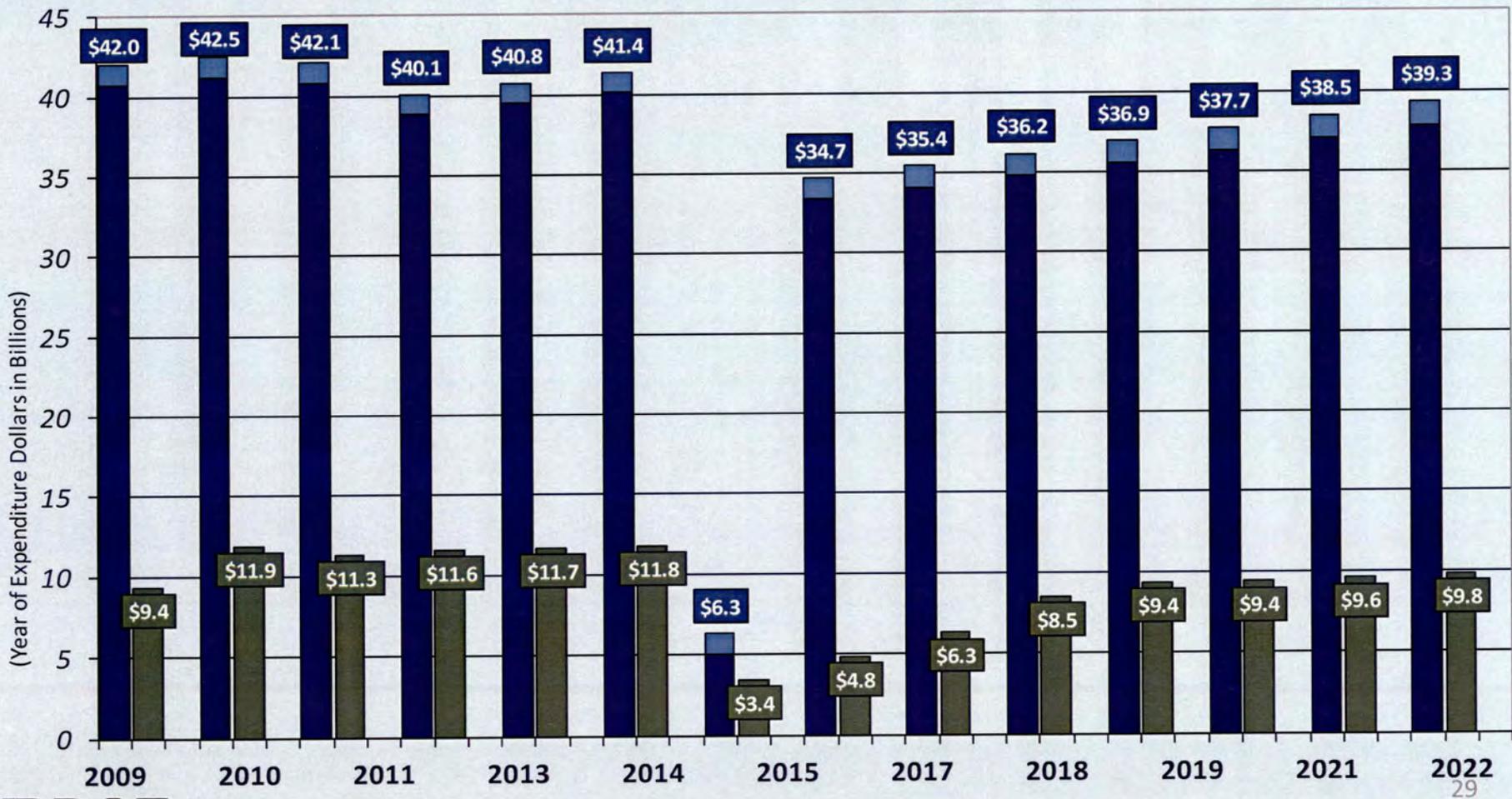
# Federal Funding MAP-21 Bill

- Map 21 is a two-year bill signed into law July 6, 2012.
- The bill states North Dakota has an apportionment of:
  - \$240.5 million in 2012 and 2013.
  - \$242.5 million in 2014.
- Bill provides an obligational authority of \$234.5 million for 2012 and unknown for 2013.
- Currently operating under a Continuing Resolution that runs through March 27, 2013. The DOT anticipates receiving about \$108 Million in federal funds through March.
- Over the past five years, DOT received an average of approximately \$245 million in obligational authority a year.

# Uncertainty of Federal Funding

## Federal Highway and Transit Needs and Obligations Through 2022

Assumes a minimum balance of \$2 billion for the Highway Account and \$.25 billion for the Mass Transit Account



# **SB 2012 – Transportation Program Appropriations**

- \$1.16 billion one time for enhanced state highway investments.
- \$691.5 million in federal funding.
- \$142 million one time for county & township road reconstruction program for oil producing counties.
- 9 new FTEs.
- \$10 million to match a federal TIGER III grant to rebuild a 20-mile segment of railroad track & 2 bridges near Churchs Ferry.
- \$100 million for non-oil producing counties, cities and townships. (Appropriated to State Treasurer's Office)

# Increased Need for Engineering/ Snow & Ice Control Services

In order to provide service needs due to growth in the highway program and the state's economy we are requesting 9 new FTEs in the transportation program area.

- 5 engineer positions to provide management and oversight of preliminary and construction consultant and contractors working on highway projects.
- 4 equipment operators to address increased road maintenance & snow removal demands.
  - Due to increased traffic.
  - Additional highway lane miles in the Williston District :
    - US Hwy 85 passing lanes
    - West Williston Bypass/Truck Reliever Routes
    - New Town Bypass/Truck Reliever Route
    - ND Hwy 22 and ND Hwy 23 passing lanes
    - Watford City Bypass/Truck Reliever Routes
    - Four-laning of US Hwy 85 from Watford City to Williston.



# **SB 2012 – Transportation Program Appropriations**

\$1.16 billion in one-time funding from the general fund for enhanced state highway investments:

- \$146.8 million - Projects moved from 2011-13 biennium.
- \$300 million - upgrading two-lane highways to four-lane highways, and constructing underpasses.
- \$324.7 million - truck reliever routes around cities.
- \$390.1 million - extraordinary state highway maintenance and repair.

# Where funds will be spent

- Various projects we plan on utilizing the \$1.16 billion state funding:



- US 2 west of Williston
- ND 23 Parshall to US Hwy 83
- ND 22 north of Killdeer
- ND 8 south of Bowbells
- US 85 near Belfield
- Truck bypasses/reliever routes
- US 85 – four lane between Watford City and Williston

# History of Highway Investments

- This table provides a breakdown of the dollars spent on state highways from 1995 - 2010 in the oil impact areas compared to the rest of the state. It shows that from 1995 - 2010 just over \$4 billion was invested in state highways.

Years	Oil Impact Area (Minot, Williston, & Dickinson Districts)	Other State District Areas (Bismarck, Valley City, Devils Lake, Grand Forks & Fargo Districts)	Total Investments
1995 – 2010**	\$1.2 B	\$2.9 B*	\$4.1 B

*\*Includes \$273,428,000 in E.R. funding in the Devils Lake District. \*\* Some of the 2010 projects were not completed and were carried over into 2011.*

This shows that about 29 percent of the funds were invested in the three districts in the oil impact areas and 71 percent of the funds were invested in the rest of the state.

# History of System Design

- Many state highways were designed and built in the 1950's and 60's. Roadways in the western part of the state were originally built to handle agriculture traffic (small grains and ranching) and were not built to carry the heavy loads associated with oil development.
- Over the years many of the roads in the eastern part of the state have been built to carry heavier loads associated with more intense agricultural development (sugar beets, potatoes, corn etc.)



# Highway Investments

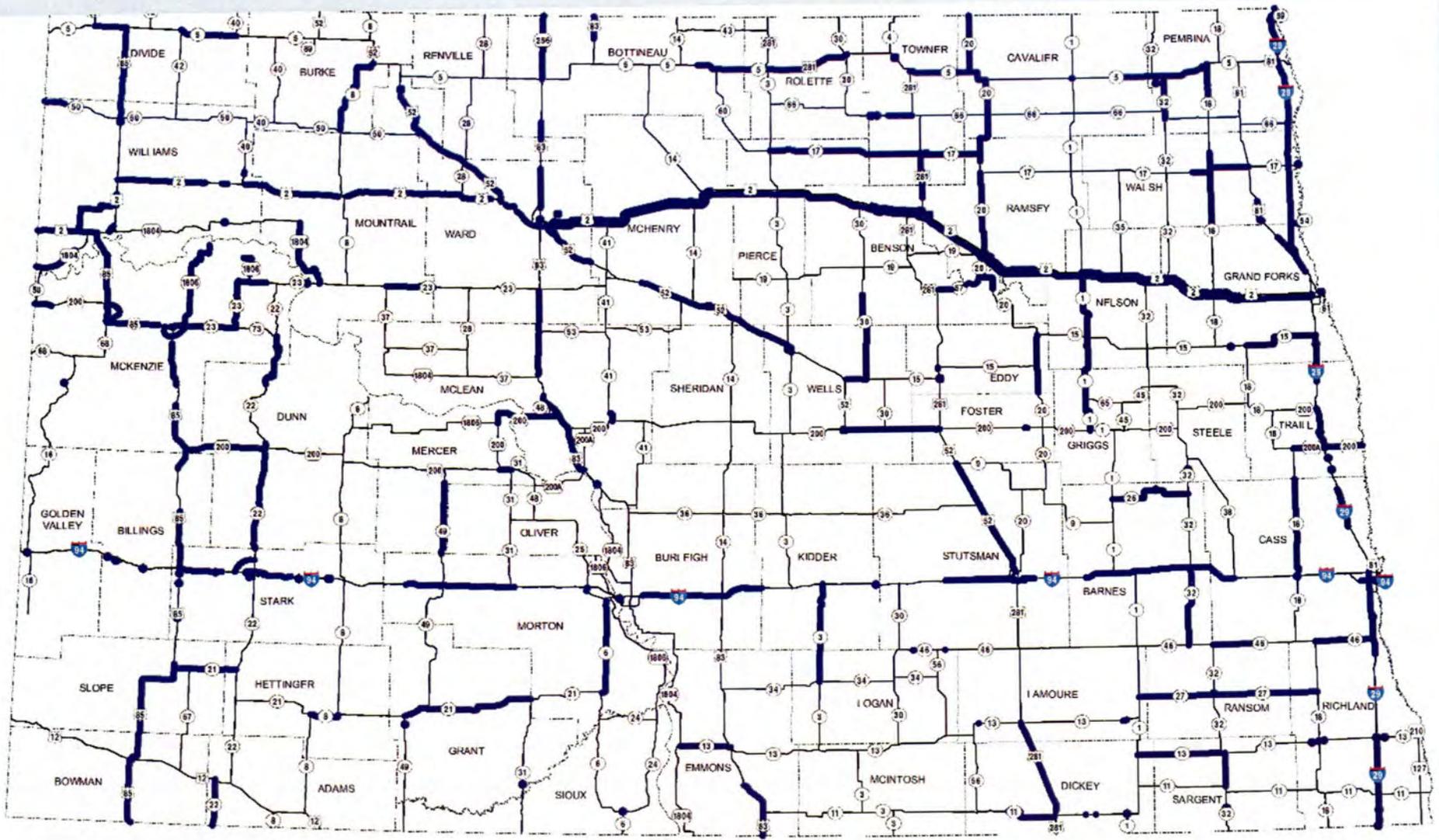
Eastern and western roadway investments utilizing state and federal funding 2011-2015.

Funding	Oil Impact Area (Minot, Williston & Dickinson Districts) (\$ Millions)	Bismarck, Valley City, Devils Lake, Grand Forks, & Fargo Districts (\$ Millions)	Total (\$ Millions)
<b>2011 – 2013 BIENNIUM</b>			
Oil Impact Funds for State Highways (HB 1012)	\$228.6 M	---	\$228.6 M
Oil Impact Funds for County Roads (HB 1012)	\$142.0 M	---	\$142.0 M
Bid Openings (2011 – 2012) (Fed funds, state & local match)	\$316.7 M	\$347.6 M	\$664.3 M
Emergency Relief (ER)	\$86.4 M	\$197.7 M	\$284.1 M
<b>Total 2011- 2013 Biennium</b>	<b>\$773.7 M</b>	<b>\$545.3 M</b>	<b>\$1,319.0 M</b>
<b>2013 – 2015 BIENNIUM</b>			
Projected Oil Impact Funds for State Highways	\$1,161.6 M	---	\$1,161.6 M
Projected Oil Impact Funds for County Roads	\$142.0 M	---	\$142.0 M
STIP (2013 -2014) <sup>(4)</sup> (Fed funds, state & local match)	\$148.8 M	\$450.0 M	\$598.8 M
ER Carryover (from 2011-2013 biennium)	\$31.1 M	\$77.0 M	\$108.1 M
<b>Total 2013- 2015 Biennium</b>	<b>\$1,483.5 M</b>	<b>\$527.0 M</b>	<b>\$2,010.5 M</b>
<b>Grand Total 2011 – 2015</b>	<b>\$2,257.2 M</b>	<b>\$1,072.3 M</b>	<b>\$3,329.5 M</b>

# Investment in Infrastructure is essential

- As a result of system condition, construction inflation and increasing traffic, we need to make the investment in the infrastructure as requested in the Executive Budget.
- The funds requested will be used to fund the Statewide Transportation Improvement Program (STIP) and roadway maintenance and operation activities.

# STIP Projects 2013-16



# **Driver & Vehicle Services and Safety**

***Deputy Director for Driver & Vehicle Services  
Linda Butts***



# Driver & Vehicle Services and Safety

- Safety is DOT's number one priority and we have many programs addressing safety throughout the state.
- The Motor Vehicle and Drivers License Divisions continue to see increased demand for services.
- First, we will look at accomplishments and then cover challenges.



# Accomplishments - Safety

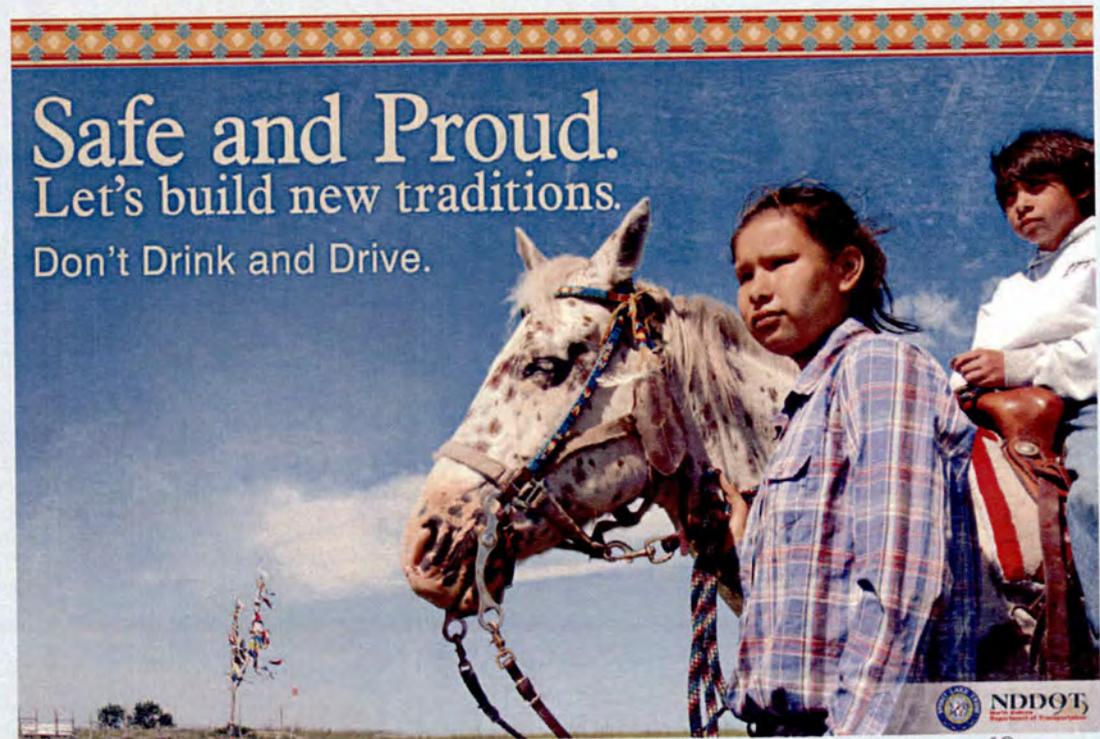
- A new North Dakota Strategic Highway Safety Plan (SHSP) was completed. It includes goals and emphasis areas to promote traffic safety in North Dakota.
- Many of the goals remain the same based on identified behavioral problems including:
  - ✓ Reduce impaired (alcohol & drug) driving.
  - ✓ Increase seat belt use.
  - ✓ Curb aggressive driving.
  - ✓ Enhance intersection safety.
  - ✓ Inform younger driver/older driver about safety.



# Accomplishments - Safety

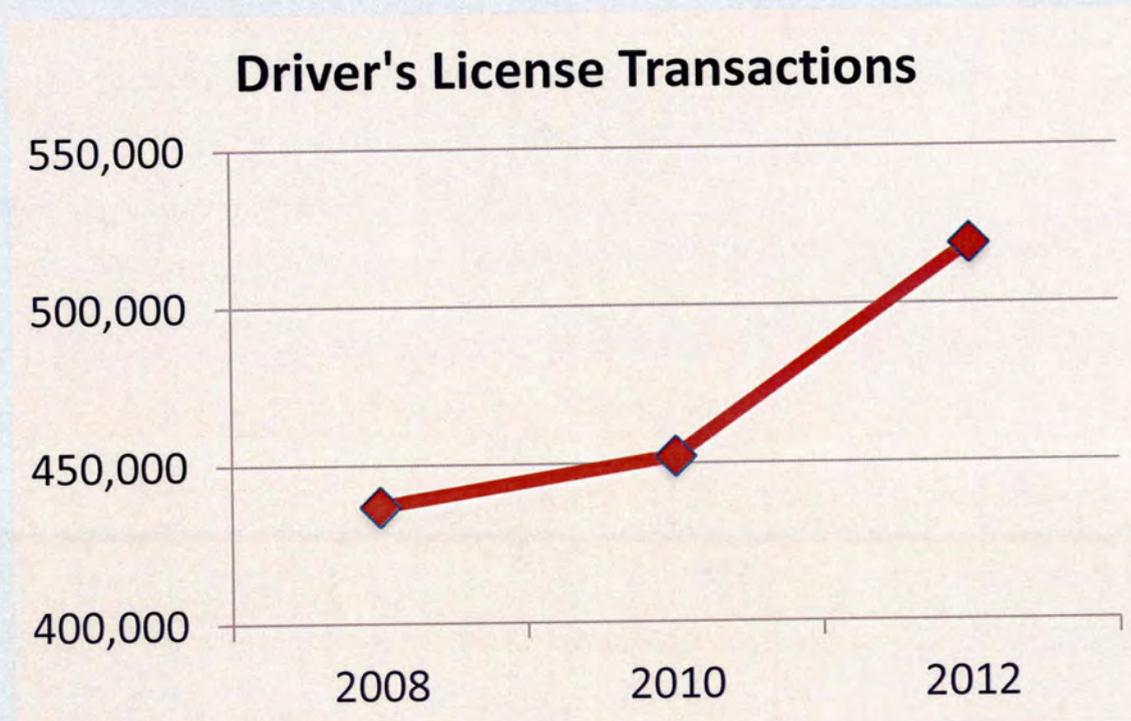
## Tribal Outreach:

- Provided grant funds to support tribal traffic safety outreach through public information.
- Currently working on implementing TraCS (Traffic records and Criminal Software-electronic crash reporting system.)



# Accomplishments – Drivers License

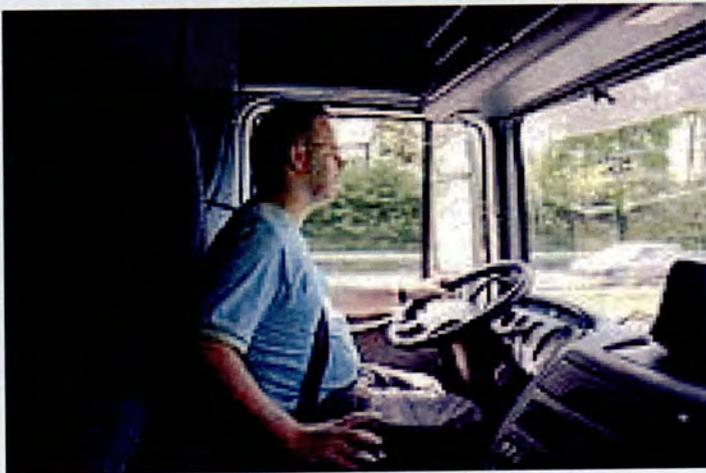
- Over 518,000 transactions were processed in 2012 supporting more than 509,000 drivers.
- This is the first time the state has exceeded half a million licensed drivers.



# Accomplishments – Drivers License

Thank you for the four FTE's for Drivers License.  
We placed them in Williston, Dickinson, Minot and Bismarck.

- The wait time for CDLs has improved from an average of 32 days in 2010, to a current statewide average of 19 days.



- We are partnering with Williston State College, private oil companies and Bismarck State College for 3<sup>rd</sup> party CDL testing.

# Accomplishments – Motor Vehicle

- Thank you for the two Motor Vehicle licensing specialists.
- Developed extranet, computer based training modules and rapid email response to support branches.
- Added another trainer specifically to train vehicle dealers.
- eDealer program implemented.
- Temporary motor vehicle registrations exceeded 11,650 in the first 18 months of the biennium, generating \$3.35 million.



# Challenges - Safety

- North Dakota tolerance for drinking and driving
  - Alcohol has continued to be a factor in approximately 50% of fatalities for the past 10 years.
- North Dakota ranks below the national average in seat belt use with 66% of fatal victims not wearing seat belts in 2012.
  - The largest demographic group not buckling up is the 18-34 year male drivers.
- Speeding and driving too fast for conditions continues to be a factor in fatal crashes.

# Challenges - Drivers License

- Continue delivering effective customer service in a timely manner at all sites.
- Managing the growth of third party CDL testing to ensure high quality program continues to meet federal guidelines.



# Motor Vehicle

- Unlike Drivers License offices, the 20 Motor Vehicle branch offices are operated by independent contractors.
- Bismarck office staffed by state employees.
- Branch fees have remained the same for approximately 7 years.

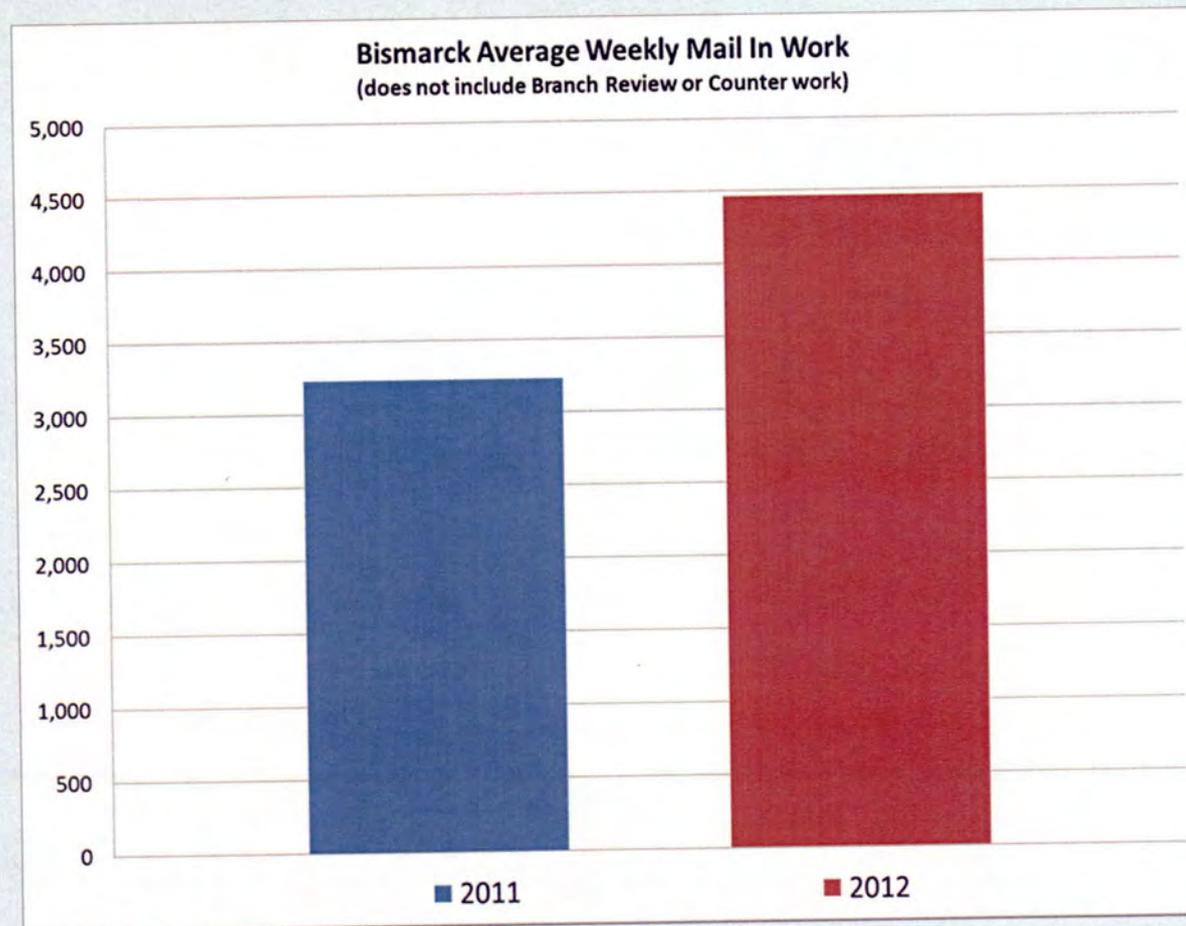


# Challenges - Motor Vehicle

- Strong economy has made it difficult for Motor Vehicle branches and DOT to retain employees.
  - Because of turnover more training is required which takes staff time away from production.
- Increased complexity of transactions statewide:
  - Out of state titling growth.
  - Fraud increase.
  - Translation services needed for non-English speaking customers.

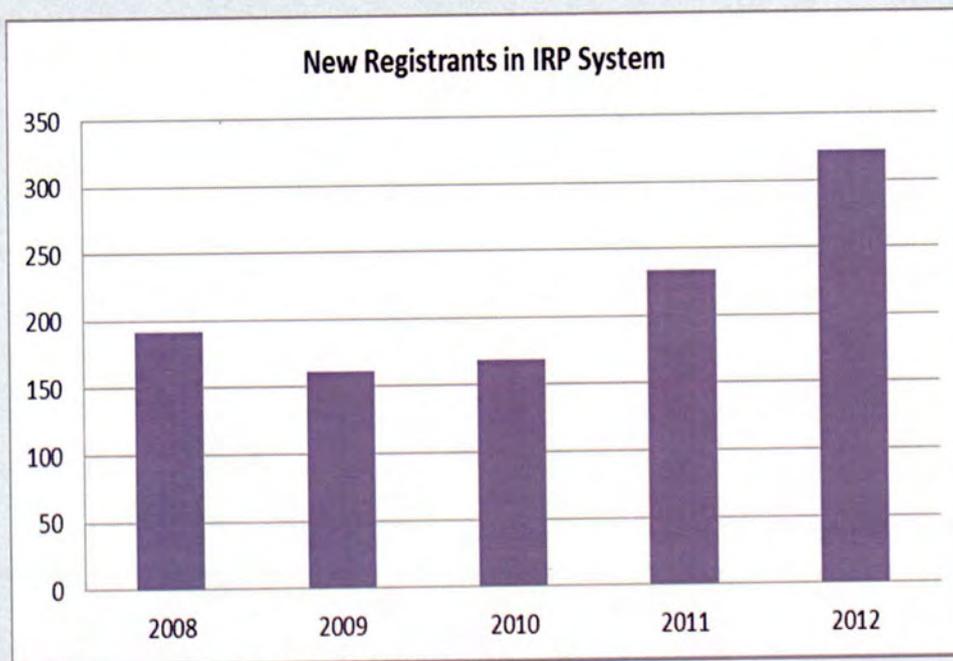
# Challenges - Motor Vehicle

Bismarck mail-in activity has increased 38% during the last 12 months.



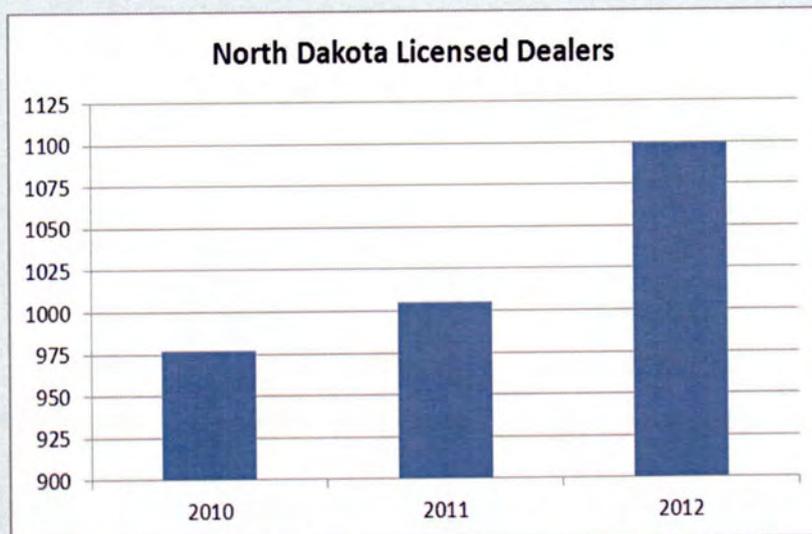
# Challenges - Motor Vehicle

- 91% increase of new trucking companies in the International Registration Plan (IRP) from 2010-2012.



# Challenges - Motor Vehicle

- The number of licensed dealers has increased 12% from 2010 to 2012.
- Nearly 1,100 dealers in the state.
- Each new dealer needs to be inspected and trained by our staff.



# Challenges – Motor Vehicle

- Summary of the challenges DOT and branch offices face:
  - Growing population and growing economy create the demand for more services.
  - Large employee turnover.
  - Transaction complexity.

# SB 2012 - Appropriations

## Motor Vehicle & Drivers License and Safety

- Due to increased demand for more drivers license and motor vehicle services:
  - 2 drivers license supervisors to meet the demands of the growth for licensing and testing in western N.D.
  - 4 motor vehicle licensing specialists in Bismarck office to meet the demand for growth of motor vehicle.



# **Business Support**

***Deputy Director for Business Support  
Dave Leftwich***



# Accomplishments - Staffing

- Thank you for the nine FTEs that you gave us last session.
- The additional staff members helped us to work with the increased demand for services.
- Also helped DOT to achieve many of the accomplishments discussed here today.



# Accomplishments – Technology

- To inform travelers about road conditions, the NDDOT created a new web page with *Snow and Ice Control*.
- Added more cameras to the map so you can see road conditions.
- New “Mobile Travel Map Application” provides access the DOT map from a mobile device such as a smartphone or iPad.



A screenshot of the NDDOT website's "Snow and Ice Control Information" page. The page features a navigation bar with "Travel", "Public", "Business", and "Government" tabs. Below the navigation bar, there is a "Snow and Ice Control Information" header with a background image of a snowplow. The main content area is divided into three columns: "Frequently Asked Questions", "Road Condition Information", and "Equipment and Technology". The "Road Condition Information" column includes links to "Travel Information Map", "Mobile Travel Information Map", "North Dakota 511", "Road Condition Update Schedule", and "Surrounding State Travel Information". The "Equipment and Technology" column includes links to "Snowplow Trucks", "Anti-Icing Fact Sheet", "FAST System Fact Sheet", "RWIS - RD (Road Weather Information System)", and "Cameras".

A screenshot of the NDDOT "Travel Information Map" interface. The page has a blue header with the NDDOT logo and the title "Travel Information Map". Below the header, there are navigation tabs for "Travel Information", "Printable Maps", "Text Versions", "RSS Feeds", "Additional Travel Info", and "Help". The main content area is a map of North Dakota with various road conditions and traffic information. On the left side of the map, there is a "Map Layers" panel with several expandable sections: "Road Closures/Incidents", "Road Conditions", "Work Zones", "Weather Events", "Weather Cameras", "Weather Radar", and "Add Refresh". A small inset window shows a live camera feed of a road. The map itself shows various road types, including highways and local roads, with different colors and symbols indicating road conditions and traffic.

# Accomplishments – Technology

Added website information on construction projects in Fargo, Minot, Devils Lake Dickinson and Williston.

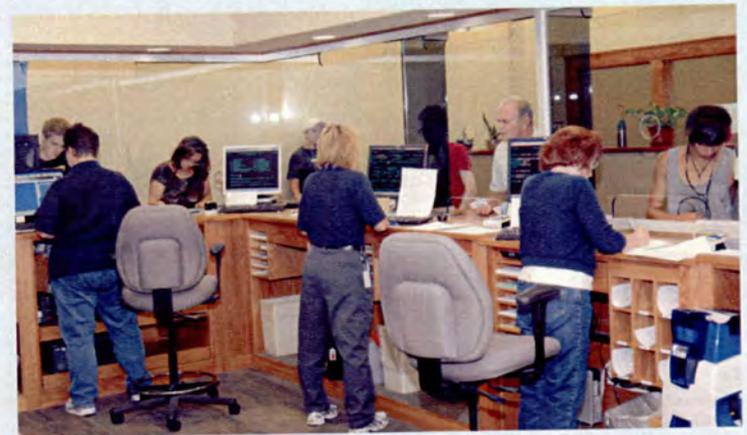


# Accomplishments – Facilities

- Completed second phase of three phase Bismarck office asbestos abatement process.
- Started construction of Fargo District equipment storage building.
- Work has begun on new Steele Section and New Town Section buildings.
- Added two large salt buildings; Devils Lake and Minot Districts and several small salt sheds throughout the state.



*Bismarck office asbestos abatement*



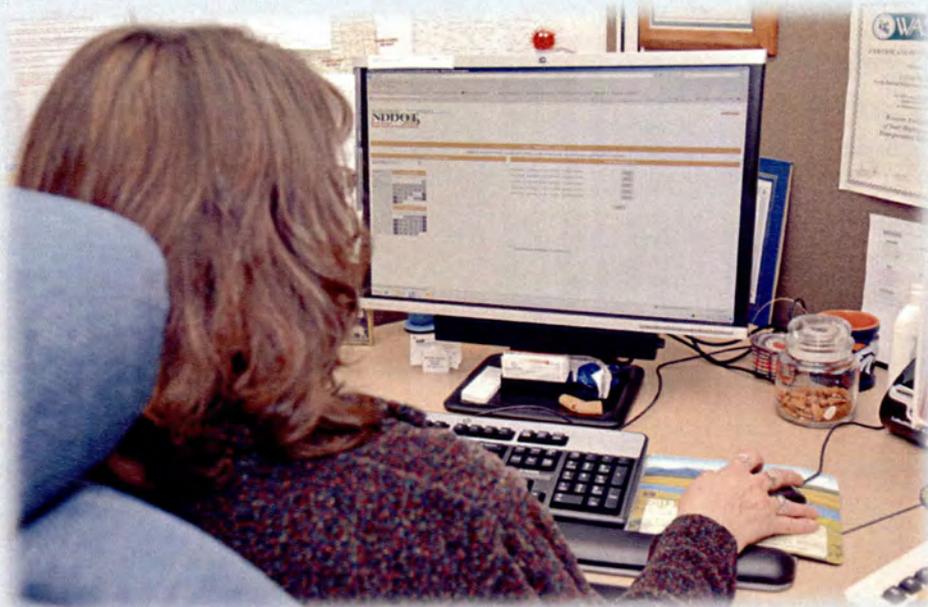
# Challenges - Staffing

NDDOT has been experiencing employee turnover in western North Dakota for nearly four years.

- It is difficult to retain experienced staff due to higher salaries offered by other companies and increased costs of housing. This is not only true with transportation technicians, but it has also affected Driver's License and Motor Vehicle offices.
- The Oil Patch programs worked at first as the Department was able to achieve some market competitiveness.
- But we continue to experience a large number of vacancies - we currently have 33 openings statewide, 8 of the openings are in the Williston District.

# Challenges - Technology

- Motor vehicle IT system is 12+ years old.
- Current motor vehicle IT system does not have an accounting component. ( 3 audit findings)



# Challenges - Asbestos Abatement



The project removes asbestos from the steel beams and decking for each floor, as well as on the heating/electrical ducts and the forms for the floor.

- Costs have increased.
- More square footage of office space in final phase.



# **SB 2012 – Appropriations Business Program Area**

## **Technology:**

- \$9.7 million in special funds for a motor vehicle information technology project.
  - Motor Vehicle generates revenue and distributes funding.
  - New IT program will have accounting component, streamline process with branches and auto dealers, help provide more timely customer service.

# **SB 2012 –Appropriations Business Program Area**

- **Business Support Staff needs:**
  - One accounting/budget specialist to meet the demand of increased accounting volume.
    - Growth in Transportation Program results in increased accounting work.
    - Increased federal requirements.
    - Increased state audit requirements.

# **SB 2012 –Appropriations Business Program Area**

- **Asbestos Abatement Project:**
  - \$6 million in one-time fund dollars.
  - Final phase of asbestos removal in Bismarck headquarters building.

# Staffing Summary

## ■ Employees:

- Maintain service and programs = need for 16 positions.
  - 5 Engineers to help monitor consultants
  - 4 Equipment Operators -Trans Tech's (Williston)
  - 1 Account/Budget Specialist II
  - 2 Drivers License Supervisors (Williston/Dickinson)
  - 4 Motor Vehicle Licensing Specialists

# **Budget Information**

***NDDOT Chief Financial Officer (CFO)***  
***Shannon Sauer***

# Highway Tax Distribution Fund Revenue

## Highway Tax Distribution Fund Revenue (millions)

	<u>Enrolled 2011-2013</u>	<u>Forecasted 2013-2015</u>	<u>Difference</u>
Gasoline Tax	\$ 65.2	\$ 88.0	\$ 22.8
Gasohol Tax	\$104.5	\$107.9	\$ 3.4
Special Fuels Tax	\$106.0	\$204.5	\$ 98.5
Two Percent SF Excise Tax	\$ 21.0	\$ 40.6	\$ 19.6
Motor Vehicle Registration Fees	<u>\$130.2</u>	<u>\$169.0</u>	<u>\$ 38.8</u>
	\$426.9	\$610.0	\$183.1

# Highway Tax Distribution Fund

## *Distributions*

### Highway Tax Distribution Fund Distributions (millions)

	<u>Enrolled 2011-2013</u>	<u>Forecasted 2013-2015</u>	<u>Difference</u>
Highway Patrol	\$ 5.0	\$ 7.2	\$ 2.2
Ethanol	\$ 3.9	\$ 4.4	\$ 0.5
Assistant to Transferees	\$ 5.5	\$ 5.5	\$ 0.0
Counties	\$ 90.8	\$130.4	\$ 39.6
Cities	\$ 51.5	\$ 74.1	\$ 22.6
Transit	\$ 6.2	\$ 8.9	\$ 2.7
Townships	\$ 11.1	\$ 16.0	\$ 4.9
NDDOT	<u>\$252.9</u>	<u>\$363.5</u>	<u>\$110.6</u>
	\$426.9	\$610.0	\$183.1

# Revenue/Expenditure Charts

## Financial Chart Attachments:

- (Blue Attachment) - SB 2012 Executive Recommendation / 2013-15 Biennium Revenue and Expenditures.
- (Green Attachment) - Enrolled HB 1012 2011-13 Biennium Revenue and Expenditures

# Comparison of Revenue Highlights 2011-2013 Biennium vs. 2013-2015 Proposal

## 2011-2013 Revenue Highlights

- \$681 million in Federal Aid (includes \$24.1 million federal stimulus funding.)
- \$228.6 million in one-time funding from the general fund for extraordinary state highway maintenance needs in oil impact areas.
- \$142.0 million in one-time funding for county and township road reconstruction needs in oil impact areas.
- \$83 million in transportation funding distributions to non-oil producing counties, cities & townships.
- Provided \$200.0 million in borrowing authority for additional emergency relief program.
- Provided a one-time general fund transfer of \$5.85 million to complete the ND 20 roads acting as dams project.
- Provided \$6 million from disaster relief fund for road grade raises.

## 2013-2015 Revenue Highlights

- \$691.5 million in Federal Aid (includes \$10 million TIGER III grant to rebuild a 20-mile segment of railroad track and two bridges near Churchs Ferry).
- Provides \$1.16 billion in one-time funding from the general fund for enhanced state highway investments: including extraordinary state highway maintenance and repair, truck reliever routes around cities, upgrading two-lane highways to four-lane highways, and constructing underpasses.
- Provides \$142.0 million in one-time funding from the general fund to address extraordinary county road reconstruction needs in counties impacted by increased oil and gas production.
- \$100 million in transportation funding distributions to non-oil producing counties, cities & townships.

# Comparison of Appropriation Highlights 2011-2013 Biennium vs. 2013-2015 Proposal

## 2011-2013 Approp. Highlights

- \$1.67 billion total appropriation.
- \$228.6 million one time for extraordinary state highway maintenance.
- \$142.0 million one time for county and township road reconstruction program.
- Nine new FTEs
  - 2 MV licensing specialists
  - 4 drivers license examiners
  - 3 equipment operators (transportation technicians)
- \$15.6 million increase for roadway maintenance safety items such as lighting, snow and ice removal, pothole patching, and pavement marking.
- \$2.5 million in one-time authority for asbestos abatement in the central office building.
- \$530,886 to convert the agency's entire radio network to digital.

## 2013-2015 Approp. Highlights

- \$2.7 billion total appropriation.
- \$1.16 billion one time for enhanced state highway investments.
- \$142.0 million one time for county & township road reconstruction program.
- 16.0 new FTEs.
  - 5 engineer positions to provide management and oversight of preliminary and construction consultant engineering services.
  - 4 equipment operators (trans techs) to enhance road maintenance & snow removal in western N.D.
  - 1 accounting/budget specialist to meet the demand of increased accounting volume as a result of the growth in the transportation program.
  - 2 drivers license supervisors to meet the demands of the growth for licensing and testing in western N.D.
  - 4 motor vehicle licensing specialists to meet the demand in the growth of motor vehicle services.
- \$10.0 million to match a federal TIGER III grant to rebuild a 20-mile segment of railroad track & 2 bridges near Churchs Ferry.
- \$9.7 million for a motor vehicle registration/ titling system information technology project.
- \$6.0 million in one-time fund dollars for the final phase of asbestos abatement in central office building.

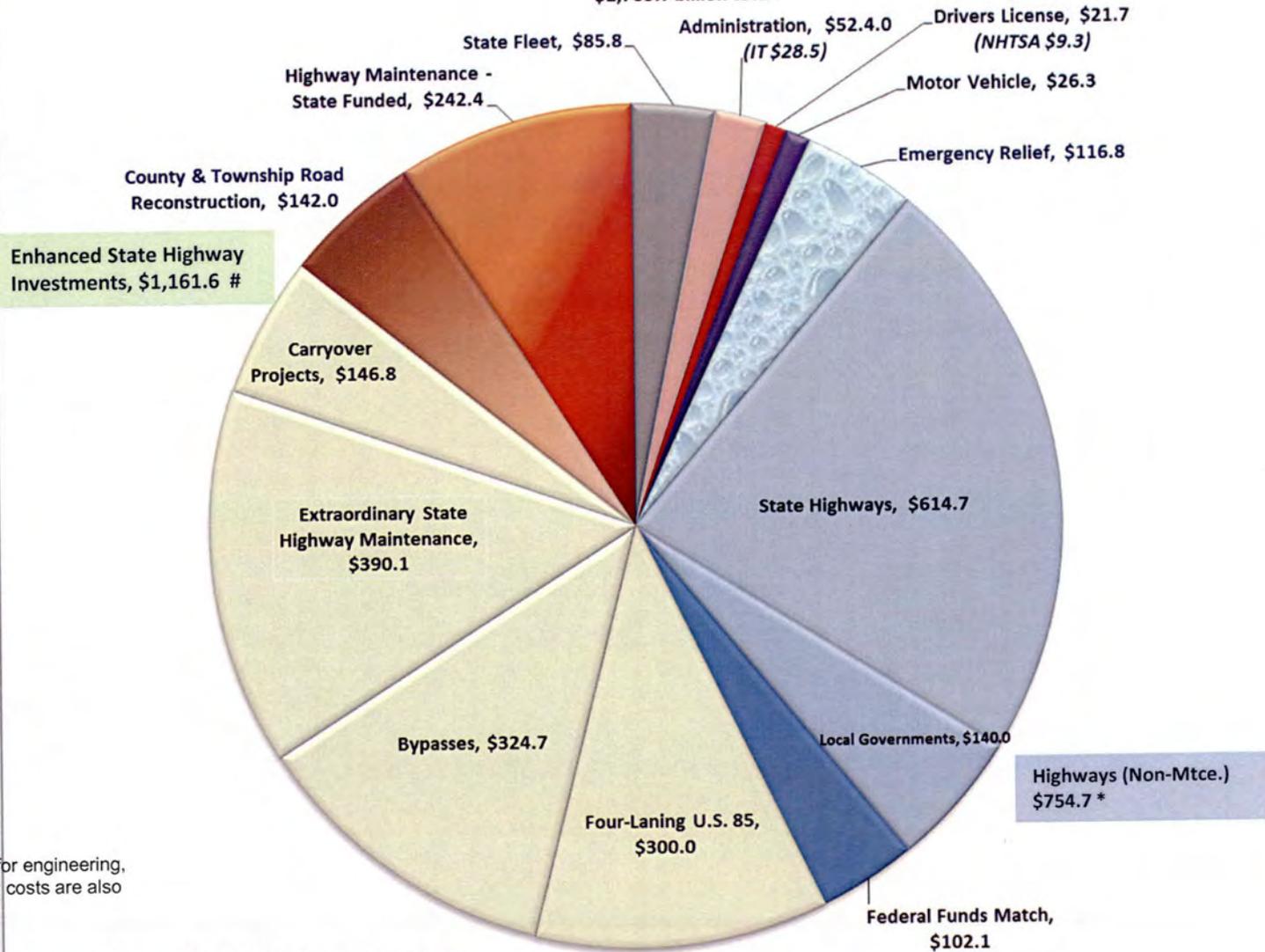
# Summary

- Thank you for allowing us to present this information to you today.
  - Transportation infrastructure investment results in many benefits:
    - Creates jobs and strengthens the economy.
    - Improves mobility for our citizens and businesses.

# NDDOT Budget

## NDDOT 2013-2015 Executive Budget (millions)

\$2,705.7 billion total



\* Approximately \$140.0 million of this funding goes toward local governments

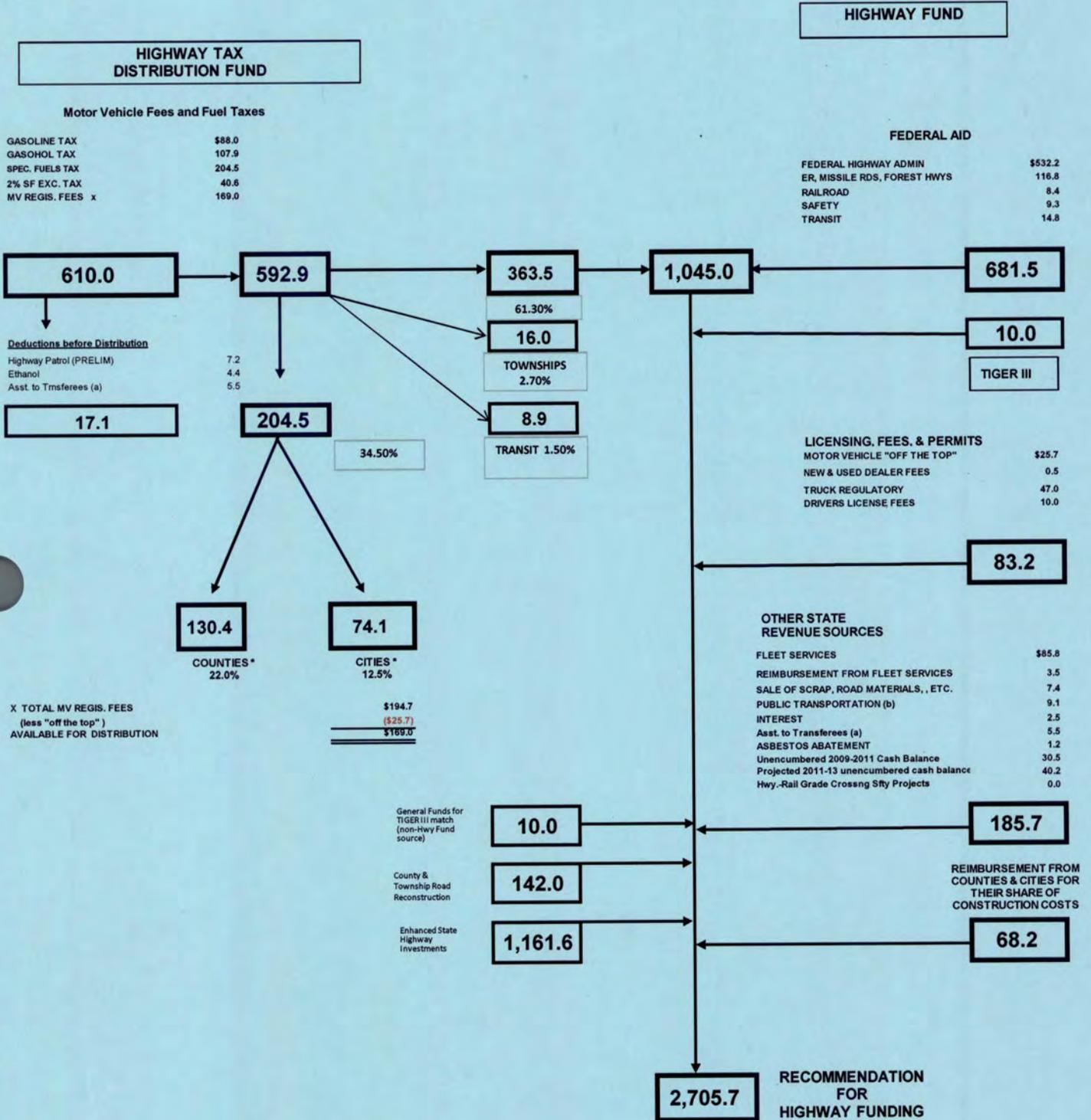
# 20% of this funding will be used for engineering, additionally utilities and right of way costs are also included in this fund.

PREPARED BY NDDOT FINANCIAL MANAGEMENT  
DIVISION JANUARY 9, 2013

# Questions?

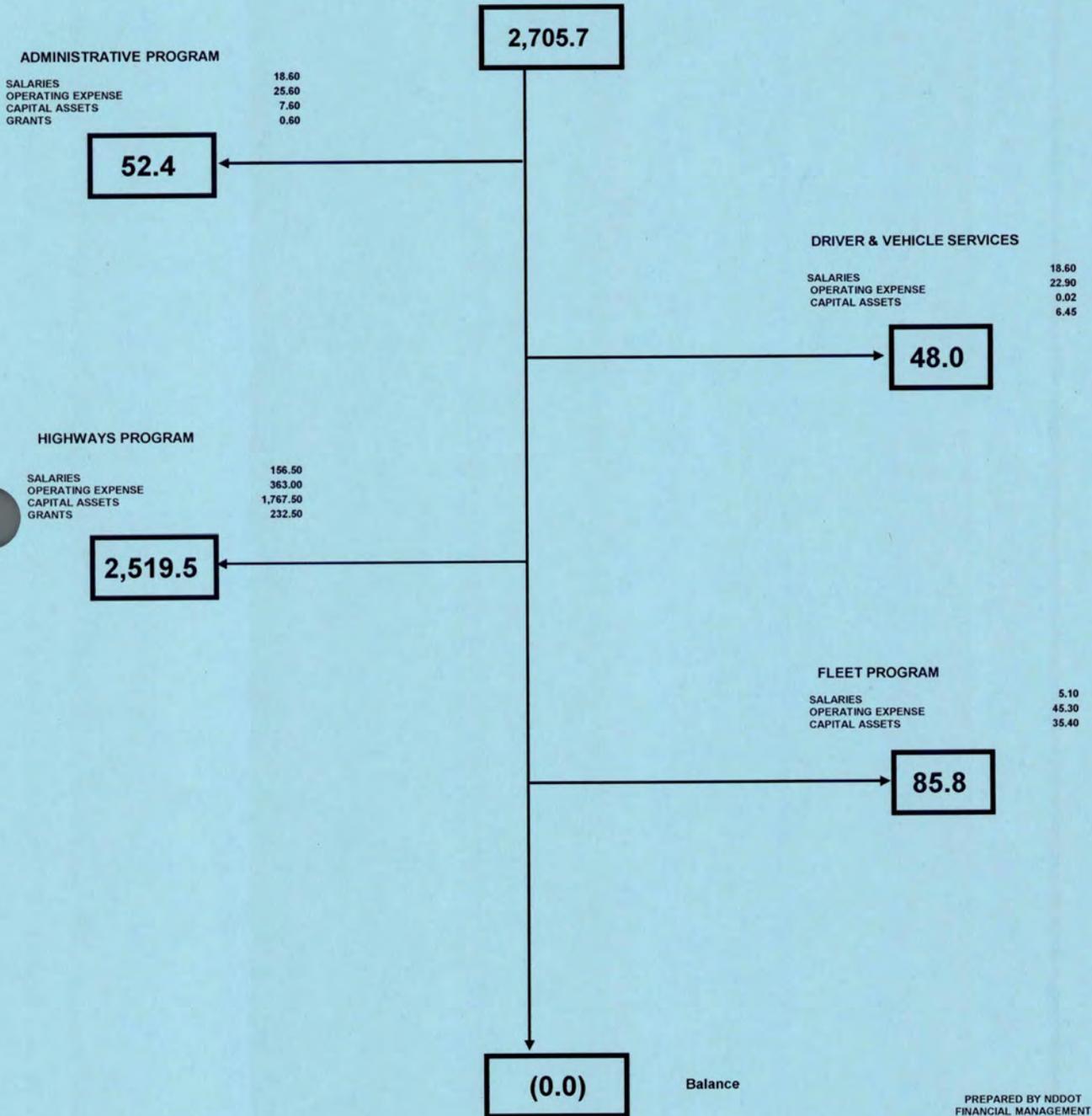
# DEPARTMENT OF TRANSPORTATION SB 2012 EXECUTIVE RECOMMENDATION 2013 - 2015 BIENNIUM REVENUE

(MILLIONS)



# DEPARTMENT OF TRANSPORTATION SB 2012 EXECUTIVE RECOMMENDATION 2013-2015 BIENNIUM EXPENDITURES

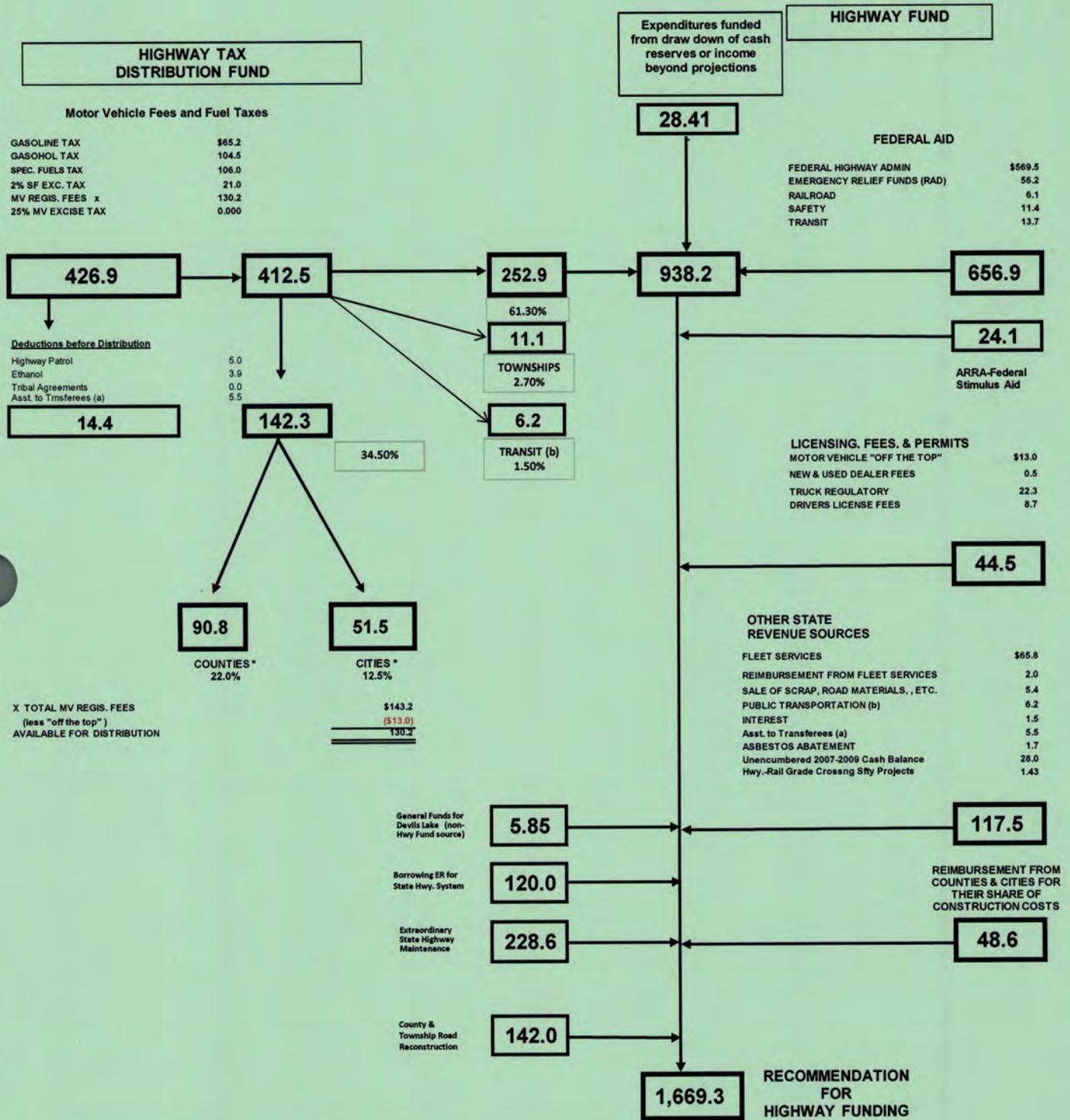
(MILLIONS)



PREPARED BY NDDOT  
FINANCIAL MANAGEMENT  
DIVISION  
NOVEMBER 28, 2012

# DEPARTMENT OF TRANSPORTATION ENROLLED HB 1012 2011 - 2013 BIENNIUM REVENUE

(MILLIONS)

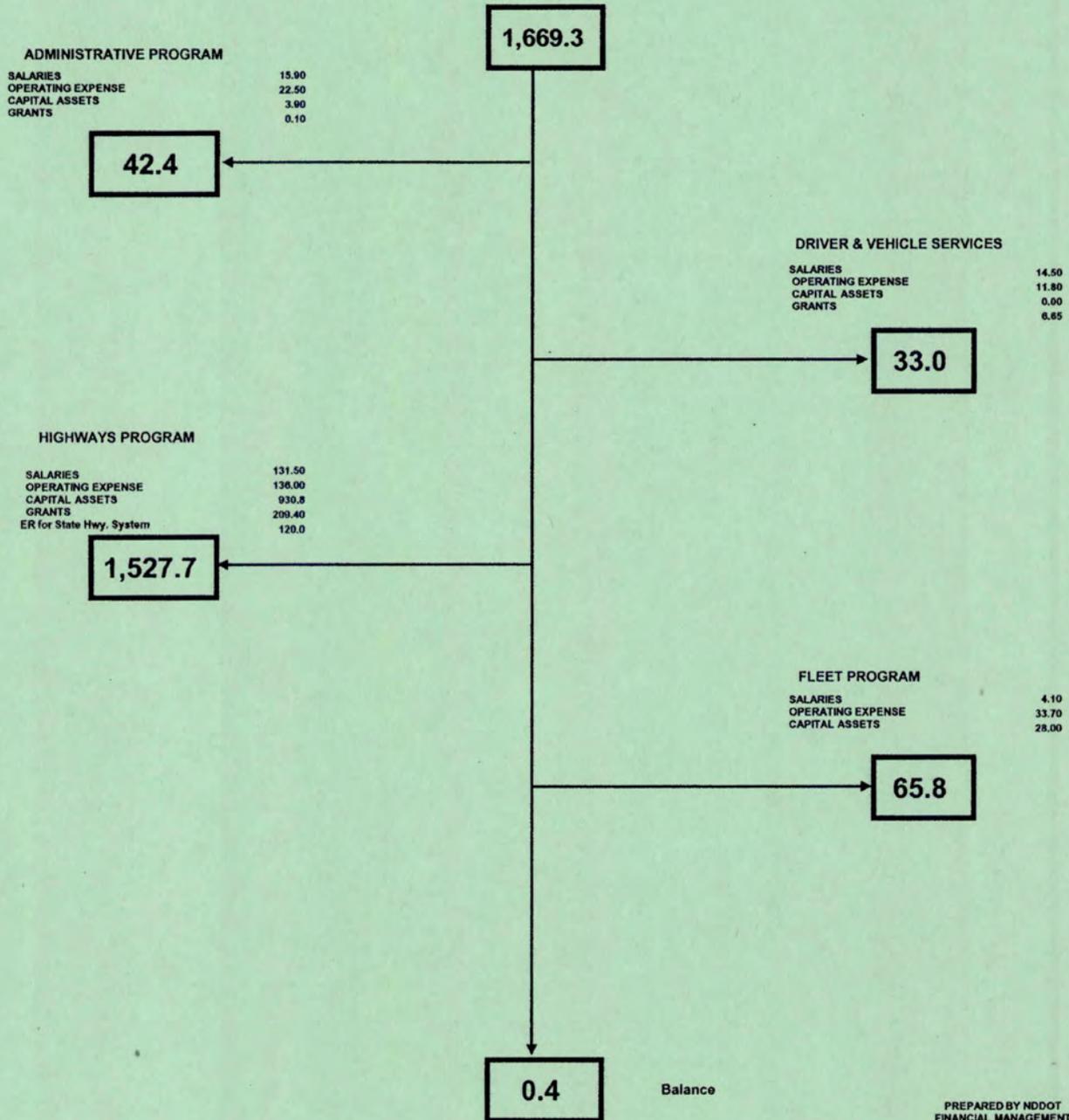


\*Other Revenue for locals, not included in DOT appropriation (in millions):

Biennium	Township	Counties	Cities	Transit
<i>One-time non-oil producing counties distribution</i>				
2009-11	\$7.0	\$17.5	\$10.5	\$0
2011-13	\$5.0	\$12.5	\$7.5	\$0

**DEPARTMENT OF TRANSPORTATION  
ENROLLED HB 1012  
2011 - 2013 BIENNIUM EXPENDITURES**

(MILLIONS)



PREPARED BY NDDOT  
FINANCIAL MANAGEMENT  
DIVISION  
AUGUST 9, 2011

**October  
2012**

# **Amtrak Support Levels North Dakota Voters**



**DFM Research**

Dean Mitchell, Consultant  
Saint Paul, MN 55102  
[www.dfmresearch.com](http://www.dfmresearch.com)

# 2

**Table of Contents:**

Survey Methodology .....	2
Survey Particulars .....	2
Survey Analysis – Key Findings .....	2
Reading the Survey Results .....	3
Survey Results with Crosstabs .....	4
Question One: Level of Passenger Rail Service .....	4
Question Two: Eliminate Partial Government Funding.....	5
Question Three: Government No Longer Subsidize Amtrak.....	6
Additional Methodology .....	7

### **Basic Survey Methodology:**

Interviews:            October 8-11<sup>th</sup>            400 respondents, for Question One  
                                 October 16-18<sup>th</sup>            409 respondents, for Question Two  
                                 October 28-31<sup>st</sup>            800 respondents, for Question Three

Margin of Error:       ± 4.9 percentage points for Question One and Two  
                                 + 3.5 percentage points for Question Three

Sample:                    Stratified Sample. Random numbers provided by the North Dakota Democratic-NPL State Party through their VAN program, which list every North Dakota voter with a landline telephone number. Each number in the system had a non-zero chance of being selected. More details on methodology provided on page 7.

Project Management: Project management and data analysis was completed by Dean Mitchell of DFM Research in Saint Paul, Minnesota. In addition to 20 years of political experience, including working with polling data; Dean is a graduate of the University of Minnesota's Hubert H. Humphrey Institute of Public Affairs, and has completed course work in survey techniques and statistics as part of his Master in Public Policy (MPP) degree. Dean has worked on a variety of UTU projects at the state level since 1997, and the national level since 2010.

### **Survey Particulars:**

The results presented in this report are based on three unique North Dakota surveys conducted in the month of October 2012. The primary purpose of the surveys was to measure support levels for several key statewide political races in North Dakota for a private client.

At the end of each survey's election focus, one question was added to specifically measure Amtrak support levels amongst North Dakota likely voters. The primary purpose of the three questions series was to test potential wording for future Amtrak specific surveys. The results of the three questions, along with crosstabs are provided in this report.

### **Survey Analysis – Key Findings:**

The survey results presented reflect the current 'general thinking' of North Dakota likely voters when it comes to basic support levels for Amtrak service and funding. Key finding include:

- North Dakotans overwhelmingly support Amtrak passenger rail service, with 9 out of 10 indicating service should either increase from one daily train (50%) or remain at current levels (38%). Support was strongest amongst women, over age 65 and residents of the west.
- When asked specifically about government funding of Amtrak (asked two different ways, questions 2 and 3), and the likely end of service if funding is eliminated, it is found that North Dakotans still strongly support Amtrak. Only 24% (21% in question 3) support eliminating government funding/subsidy of Amtrak. About 1 in 5 are unsure.

## **Amtrak Support Levels Test Survey (North Dakota) – October, 2012**

Prepared by DFM Research

- Support levels for Amtrak is broad amongst all self-identified political leanings. Democrats and Independents the strongest supporters of Amtrak, but even self-identified Republicans show a strong support level of Amtrak. Only 1 in 3 North Dakota Republicans support eliminating Amtrak government funding.
- Women show a much stronger support level for Amtrak than men; yet even men show strong support levels for Amtrak, with only about 3 in 10 supporting elimination of funding.
- The data shows a definite age gap with regards to Amtrak support levels. In question two, we see that only 17% of 65 and above support eliminating Amtrak, while the number increases to 31% amongst the 18-44 age grouping. This trend is evident in all three questions.
- Generally speaking, geography does not play a major factor in the support levels for Amtrak, although the slight variation tends to show the west and rural communities have a stronger commitment to Amtrak.

### **Reading the Survey Results:**

When reading the results, it should be noted that the survey have been weighted to reflect the current demographics of North Dakota likely voters. In addition, the reader should take into account the margin of error (MoE) when analyzing the data. To put in practice, if a particular question result shows 50 percent, with the MoE factor, the true response range (95 percent of the time) would be from 45 percent to 55 percent (numbers rounded). The MoE decreases the closer any particular result is to either zero percent or 100 percent; a result of 20 percent has a MoE of  $\pm 4.3$  percentage points. The MoE for crosstabs range from seven to nine percentage points.

This report provides cross tabulation (crosstabs) results based on key demographics in North Dakota. Due to rounding, both topline results and corresponding crosstabs may not equal 100 percent.

**QUESTION ONE**

Now a question on a different topic. Currently North Dakota has one daily Amtrak passenger rail train to Chicago and the West Coast. When it comes to passenger rail service, which best fits your view: **(READ LIST)**

Passenger rail service should increase in North Dakota .....	<b>50%</b>
Passenger rail service should remain about the same .....	<b>38</b>
Passenger rail service should be eliminated in North Dakota .....	<b>2</b>
(VOL) Unsure.....	<b>10</b>

<u>Gender</u>	<u>Incr</u>	<u>Same</u>	<u>Eliminate</u>	<u>Unsure</u>
Men	43%	42	4	11
Women	56	34	0	10

<u>Age</u>	<u>Incr</u>	<u>Same</u>	<u>Eliminate</u>	<u>Unsure</u>
18-44	49	39	4	8
45-64	48	41	2	9
Over 65	55	30	1	14

<u>Region</u>	<u>Incr</u>	<u>Same</u>	<u>Eliminate</u>	<u>Unsure</u>
East City	44	36	3	17
West City	66	25	1	8
East Rural	38	54	1	7
Central Rural	55	35	3	8
West Rural	48	39	3	9

<u>Party Identification</u>	<u>Incr</u>	<u>Same</u>	<u>Eliminate</u>	<u>Unsure</u>
Democrat	58	37	0	4
Independent	57	32	2	9
Republican	40	41	4	14

*The question was asked to 400 likely North Dakota voters between October 8-11 in a political survey conducted for the North Dakota Democratic-NPL State Party. The margin of error is +4.9 percentage points. The question was asked at the end of the survey, prior to demographic questions, so as not to influence the main objective of the survey. The client was not involved with the asking of this question, or privy to the results.*

**QUESTION TWO**

Now one question on a different topic. Some in Congress have suggested partial government funding of Amtrak passenger rail service should be eliminated. Such a step would most likely end current Amtrak service to North Dakota. Considering everything you know about Amtrak, do you: **(READ LIST)**

Support eliminating Amtrak funding .....	<b>24%</b>
Oppose eliminating Amtrak funding .....	<b>59</b>
(VOL) Unsure .....	17

<u>Gender</u>	<u>Eliminate</u>	<u>Don't Eliminate</u>	<u>Unsure</u>
Men	30%	53	17
Women	19	65	16

<u>Age</u>	<u>Eliminate</u>	<u>Don't Eliminate</u>	<u>Unsure</u>
18-44	31	55	13
45-64	21	65	15
Over 65	17	57	25

<u>Region</u>	<u>Eliminate</u>	<u>Don't Eliminate</u>	<u>Unsure</u>
East City	24	59	17
West City	24	58	18
East Rural	25	64	11
Central Rural	27	55	18
West Rural	20	62	18

<u>Party Identification</u>	<u>Eliminate</u>	<u>Don't Eliminate</u>	<u>Unsure</u>
Democrat	14	73	14
Independent	21	64	15
Republican	33	47	20

*The question was asked to 409 likely North Dakota voters between October 16-18 in a political survey conducted for the North Dakota Democratic-NPL State Party. The margin of error is +4.9 percentage points. The question was asked at the end of the survey, prior to demographic questions, so as not to influence the main objective of the survey. The client was not involved with the asking of this question, or privy to the results.*

**QUESTION THREE**

Now one question on a different topic. Some in Congress have suggested the government should no longer subsidize Amtrak passenger rail service; with a loss of government funding, passenger rail service in North Dakota will likely end. Considering everything you know about Amtrak, do you: **(READ LIST)**

Favor keeping government funding of Amtrak ..... **57%**  
 Or, support the elimination of government funding of Amtrak ..... **21**  
 (VOL) Unsure ..... **22**

<u>Gender</u>	<u>Keep \$s</u>	<u>Eliminate \$s</u>	<u>Unsure</u>
Men	54%	30	16
Women	60	12	27

<u>Age</u>	<u>Keep \$s</u>	<u>Eliminate \$s</u>	<u>Unsure</u>
18-44	55	23	22
45-64	55	23	22
Over 65	62	15	23

<u>Region</u>	<u>Keep \$s</u>	<u>Eliminate \$s</u>	<u>Unsure</u>
East City	56	23	21
West City	56	25	19
East Rural	59	15	26
Central Rural	59	18	22
West Rural	55	22	23

<u>Party Identification</u>	<u>Keep \$s</u>	<u>Eliminate \$s</u>	<u>Unsure</u>
Democrat	78	5	16
Independent	58	20	22
Republican	42	32	26

*The question was asked to 800 likely North Dakota voters between October 28-31 in a political survey conducted for the North Dakota Democratic-NPL State Party. The margin of error is +3.5 percentage points. The question was asked at the end of the survey, prior to demographic questions, so as not to influence the main objective of the survey. The client was not involved with the asking of this question, or privy to the results.*

### **Additional Survey Methodology:**

The poll results presented in this report are based on a stratified random sample of 400/800 (depending on survey) North Dakotan voters that were screened to establish their likelihood of voting in 2012 election. The sample was stratified by region to ensure a representative sample of the North Dakota electorate. The stratified sample was composed of five distinct regions, composed of:

- 27% - Eastern Urban Areas (Fargo, West Fargo, Grand Forks)
- 20% - Western Urban Areas (Bismarck, Mandan, Minot)
- 18% - Eastern North Dakota
- 19% - Central North Dakota
- 16% - Western North Dakota

The percentages allocated for each regions was based on voter turnout in the 53 counties from the 2008 general election, coupled with the most recent Census Bureau state population estimates.

After the numbers were stratified into the appropriate region, telephone numbers were then selected by random using a skip pattern to guarantee that the interviews were distributed throughout the region. Each number in the stratified sample had the same non-zero chance of being selected for an interview.

Telephone interviews were conducted by trained staff of Stone Research Services of Indianapolis, Indiana, using a computer assisted telephone interview (CATI) system. To ensure everyone in the household would have an equal chance of being selected, callers would ask to interview the resident over the age-of-18 who had the most recent birthday.

Final results were weighted based on gender, age and self party identification to conform to the expected 2012 North Dakota voting population based on U.S. Census Bureau demographic data and the May 2010 Current Population Reports on the characteristics of 2008 voters. Below are the final demographic percentage used to weight the survey responses for the general election.

<u>Gender</u>		<u>Age</u>		<u>Party Identification</u>	
Male	48%	18-44	40%	Democrat	30%
Female	52%	45-64	38%	Independent	26%
		65+	22%	Republican	44%

The final results presented are subject to sampling error, which is the difference between results obtained from the survey and those if everyone in the target population were interviewed. The sampling error – margin of error – for this poll is  $\pm 4.9$  (3.5) percentage points with a 95 percent confidence level; meaning that in 19 out of 20 times, the results presented would be within the confidence interval. If final results of a question resulted in a tabulated answer of 50 percent, the confidence interval would be between 45.1 to 54.9 percent (400 sample). It should be noted that the margin of error decreases as results move closer to zero and 100 percent. Due to rounding, numbers may not equal 100 percent.

Final analysis of the data, as well as project management, was completed by Dean Mitchell of DFM Research in Saint Paul. In addition to his 21 years of political experience, Dean has completed course work in survey techniques and statistics as part of his Master in Public Policy (MPP) degree from the University of Minnesota's Humphrey School of Public Affairs.

Testimony SB 2012

Senate Appropriations Committee

January 17, 2013

Mr. Chairman and committee members, Thank you for your commitment to the state of North Dakota by serving as a citizen legislator. My name is Donn Diederich I am the Executive Vice President of Industrial Builders a contracting firm from Fargo. Industrial Builders is a highway heavy contractor who builds bridges, dams, water systems, flood control structures and agricultural processing facilities. I appreciate the opportunity to testify today in support of Senate Bill 2012.

The Associated General Contractors of North Dakota has asked me, as a past President of the association, to talk with you about our views regarding transportation funding in SB 2012 and why the inclusion of Sections 8 & 9 are crucial to the success of constructing the projects proposed in this bill.

North Dakota has relied heavily on federal funding during most of the last 50 years for funding transportation projects in our state. The Federal Surface Transportation program called MAP-21 is one of a few funding bills that passed the 112th Congress. Last July, 2012, after more than 3 years of extensions since the last federal transportation law expired, the President signed the highway and transit reauthorization bill. This authorizes the program through September of 2014.

While federal funding for North Dakota is relatively stable thru this reauthorization period, the national highway trust fund is heading for a significant drop off in 2015, the

3

first year of the next federal reauthorization period. If Congress doesn't act to increase Highway Trust Fund revenues, it is estimated the program will drop 57% from 40 billion dollars in 2014 to less than 20 billion dollars in 2015, the last year of this biennium. If that decline occurs, the projects that bill SB 2012 funds, will become the backbone of the upgrades done in 2015 construction season.

Given the condition of our infrastructure, particularly in western North Dakota, the appropriations contained in SB 2012 are quite large, and we ask you to look carefully at the difference between the current legislative cycle and our industry's construction cycle so that the two time periods work together.

Senate Bill 2012 as submitted by the governor proposes the distribution of funds over a three year construction cycle. By passing this bill with the emergency clause section 8 and the carryover clause section 9 included, this legislature will accomplish 3 important goals:

1. Projects that are ready to go now can be bid and begun during the 2013 construction season.
2. The 2014 construction season will have sufficient time to develop carefully.
3. The construction portion of the 2015 season will be secure with the elimination of of section 54-044.1-11, the carryover clause.

As you know, infrastructure projects envisioned by this appropriation bill take years to plan and build. North Dakota needs multi-year spending authority to give the DOT the time needed to plan as well as provide contractors the time to bid and

construct those projects. In return the State of North Dakota will receive the greatest value on the moneys you invest on these projects.

Here in North Dakota, many of us have a relationship to the land, through family or friends or our own experiences. This means you know that in farming, things take as long as they take. A farmer can't decide to plant a crop in July and hope to get a harvest. He has to decide what he's going to plant, acquire the seed, prepare the equipment, prepare the land, and get the seed in the ground.

It's the same with building infrastructure. The DOT needs time to plan, design, and bid projects. Contractors need time to bid those projects, collect crews, allocate equipment, and get into the ground during our short construction season.

By passing SB 2012 with the emergency clause, and carryover authority you'll make it possible to harvest a crop of great infrastructure projects for our state.

I thank you for your willingness to serve the citizens of North Dakota. I appreciate the opportunity to testify in support of SB 2012 and would ask the same of you.

Mr.Chairman that concludes my remarks.

**Testimony SB 2012**  
**Senate Appropriations Committee**  
**January 17, 2013 (Harley E. Neshem)**

Mr. Chairman and members of the committee. Firstly, I would like to personally thank you all for stepping forward to serve as members of the North Dakota State Legislature. Yours is an important part in making North Dakota the great state it is. I admire you for this but must say I do not envy you.

My name is Harley Neshem and I am president of Gratech Company, Ltd. of Berthold. We are a grading and aggregate contractor. Our company was founded in 1949 and I have personally been involved with highway construction in North Dakota since 1970. We presently employ about 200 workers seasonally and have construction volume approaching \$50 million. I have also served as president of the Associated General Contractors of North Dakota.

As you might imagine, our association members support Governor Dalrymple's proposed increase in infrastructure investment. As one living in western North Dakota, I experience the need for this investment every day. The deteriorating road system, in not only oil country but statewide, is well documented.

I know the question has been asked about whether the construction industry will be able to carry out the work that is contemplated under such a major increase in funding. Another question is will the state get good value for its dollar? The answer is yes and the most recent bid letting, November 16<sup>th</sup>, is illustrative. Bids were called for 43 projects. The engineer's estimate of cost for these 43 projects was \$110,000,000. The low bids totaled \$97,000,000, some 12.1% less than the DOT expected. A total of 286 bids were submitted, which is an average of 6.7 bidders for each project. There is much competition for the work.

A little disheartening is the fact that of the 286 bids, only 94 were placed by North Dakota contractors, leaving 192 by out of state firms. For a variety of reasons, highway construction in

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**Testimony SB 2012 - Page 2**  
**Senate Appropriations Committee**  
**January 17, 2013 (Harley E. Neshem)**

North Dakota has been in decline until just recently and many contractors have left the industry.

Along with increased funding, it would be very helpful to get those funds to the DOT as quickly as possible so projects can be let for bids as early in the cycle as possible. Springtime load restrictions on the highways makes the movement of heavy equipment prohibitive between approximately mid-March and mid-May. If we can move our most productive, yet heaviest, equipment before load restrictions are imposed we can reduce our costs and begin and complete projects sooner and more efficiently.

Our industry competes for labor with many others. Putting projects out for bid earlier would allow us to put our crews together while the labor pool is larger than it will be later.

I believe the Legislature has some authority under the emergency clauses for state funds and I encourage you to exercise that authority. It would also be very helpful if the DOT could borrow against federal funding.

I also ask for funding of additional staff positions to speed up the process of issuing "Certificates of Authority" (COA's). A COA is confirmation that our proposed source of borrow dirt, gravel and even rock piles in a cultivated field is free of cultural artifacts and various government easements. We are waiting as long as 30 days for these COA's to be issued because of staff shortages. My company and others have had to idle crews while waiting for issuance and then run short of time to complete a project within the days allowed under the contract.

Thanks very much for the opportunity to present these comments today. I will try to answer any questions you may have.

## DEVILS LAKE FUNDING

To deal with the threat of losing rail service in much of northeastern North Dakota, the State is working with BNSF Railway and AMTRAK to raise and upgrade approximately 15 miles of track and replace two bridges. The project's total cost could reach as much as \$100 million; the State's share of that is \$20 million, with half of that coming from a federal Tiger III grant. The OMB budget request includes \$10 million to match that grant and fulfill the State's share of the project cost.

- Devils Lake flooding caused disruption of rail service in the region. BNSF had to stop using the track for through freight service in 2008 and serve the area by bringing local trains in from the east or west. (Completion of the first phase of work allowed BNSF to resume using the track in late 2012.)
- AMTRAK has had to temporarily shift passenger service to another corridor during times of high water. In 2010 AMTRAK indicated flooding would ultimately cause a permanent shift of service away from the present route, bypassing the cities of Grand Forks, Rugby, Devils Lake and Church's Ferry.
- The cost of upgrading the line to cope with flooding could not be justified without a partnership using state, federal and private funds.
- BNSF completed the first phase of the project in 2012, at a cost of \$20 million (all of it paid by BNSF). This work involved replacing two bridges with ones that are longer and about 10 feet higher in elevation; raising the approaches to the bridges and raising the track elevation in the area roughly five feet.
- In 2013 BNSF is scheduled to do Phase II work, which involves raising the track an additional five feet and replacing about 50 miles of bolted rail with continuously welded rail needed for AMTRAK operations. The 2013 work will cost an estimated \$47-\$50 million. The State's share will go toward this phase, with BNSF and AMTRAK paying the rest. The State would have no further obligation under the arrangement.
- Should lake levels continue rising, further elevation increases would be done with the cost borne evenly by BNSF and AMTRAK, with AMTRAK's total share for all three phases not to exceed \$33 million and BNSF responsible for the rest.

For further info contact: John M. Olson  
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Senate Appropriations Committee  
Transportation Budget (SB 2012)  
Jan. 17, 2012

Good morning, I'm Terry Fleck, chairman of the Friends of Lake Sakakawea.

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. Unfortunately 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. Our guests and residents don't deserve gravel pitted boats, RVs and trailers that take a beating on washboard roads. It cripples plans for return visits and adversely impacts our businesses that depend on these roadways. Our current economic and population growth warrants that we provide reasonable access to recreational, tourist and historic sites as the use of these areas continues to increase. What we have in many cases is far from what is considered reasonable.

Today we're asking that funding be included in the 2013 Department of Transportation budget. Several state agencies and the Interim Transportation Committee encouraged us to seek statewide funding in the budget. Although the governor's recommended budget called for \$142 million for oil producing counties and \$100 million for non-oil producing counties, the language in Senate Bill 2012 does address the need to fund improvements to roadways to recreational, tourist and historic areas.

Therefore, we are requesting language be developed and included that specifically states that roadways to recreational, tourist and historical sites are eligible recipients for funding. We are willing to assist in developing language to amend Senate Bill 2012 to provide for the funding needs that we all know exist and have yet to be addressed.

We appreciate any help you can give to the residents of this great state to make our roadways statewide worthy of the people and places along these roadways. The need is great and the interest in enjoying our state's many gems is also great. Please make roads to recreational, tourist and historical sites statewide a high priority.



*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. Since limited or no local funds are available we request consideration of the following:*

*During the 2011 legislative session **House Concurrent Resolution #3032** was unanimously approved by both the House and Senate. Subsequently, the North Dakota Legislative Management assigned the issue to be heard by the Interim Transportation Committee and testimony was provided by the Friends of Lake Sakakawea. We recommended and encouraged implementing a state-wide programmatic approach to improve access to recreational, tourist and historic sites. The extensive growth in population in western North Dakota alone will place further pressures on the use of such facilities; therefore improvements are needed now to serve the public demand for access into the future.*

### **Special Roads Funding Appropriation**

1. **SECTION X. APPROPRIATION.** There is to be appropriated monies, the sum of **\$30,000,000** into the special road fund, established under NDCC 24-02-37 (3). These funds to be utilized for the purpose of constructing roadway improvements to recreational, tourist and historic sites in North Dakota. These funds are to be held and accounted for separately from other special road fund monies. These funds shall be distributed on a ninety percent, ten percent basis with the local roadway authority and or other private sources paying the ten percent share. These percentages shall apply to and be inclusive of all project costs. Any federal funds made available for such projects shall be first used to off-set the local roadway authority costs and then state expenditures. Any monies not obligated by the special road committee by June thirtieth 2017 must revert to the general fund.
2. **SPECIAL ROADS FUND COMMITTEE MEMBERSHIP.** For the purpose of reviewing applications and approving the expenditure of the these funds the Special Roads Committee, established under NDCC 24-02-37.2 shall be expanded to include a representative from the North Dakota Department of Commerce and the North Dakota State Historical Society.

7

January 17, 2013  
Senate Appropriations Committee  
SB 2012 Testimony

Chairman Holmberg, members of the committee, good morning. I am David Hynek, County Commissioner from Mountrail County. Thank you for the opportunity to testify on SB 2012. The funding included in Sections 4 and 5 of this bill is essential to help counties and townships statewide with construction and re-construction of their road systems. I thank the Governor and the D.O.T. for including the \$142 million for township and county roads in oil country.

I compliment the D.O.T. for taking the lead in assisting the oil counties in developing the financial distribution plan for the current biennium, that process started in March of 2011. The plan that resulted has worked extremely well. Each county of the then 17 oil and gas producing counties were able to establish their own priority list of roads to be constructed or re-constructed. I am confident these priority road projects will be committed to or completed by the end of this biennium, June 30, 2013. I hope this same plan will be used for the funding proposed in SB 2012.

There are two provisions in this bill that I find particularly helpful; (1) the emergency clause and (2) the ability to carry over funds to the next biennium. The emergency clause allows counties and townships to use the upcoming construction season. Mountrail County has projects ready to go for bids, waiting on funding. The ability to carry over funds is critical. I believe every county and township fully intends to use the money this next biennium. However, the construction of roads is subject to many variable and unknowns, especially the weather. The ability to carry funds forward will lead to more efficient use of resources when extenuating circumstances arise on a specific project.

The \$142 million for oil and gas producing counties in SB 2012 is only one source of critical funding. There are two other sources that are as important if not more so. One being the oil and gas 5% gross production tax formula and the other being the State Land Board oil impact grant funds. The current formula needs to be adjusted on the front end, allowing new

#8 

production counties a chance to adjust to the impact. The back-end of the formula needs to be adjusted to a minimum and I stress minimum of 75 State - 25 county share. A 70% - 30% configuration is fully justified, based on needs.

The oil impact grant fund is grossly underfunded at \$150 million. I have the privilege of sitting on the Citizens Advisory Committee to the State Land Board. We have gone through many application/funding rounds this biennium. A total of \$661,940,703 has been requested to meet the critical needs of oil impacted counties. We have been limited to \$124,070,461 to attempt to meet those needs. A substantial increase in funding is warranted based on critical needs.

The goal of the Upper Great Plains Transportation Institute Study is to develop a county road system that is capable of functioning year around with heavy loads, even in Spring frost season. If that goal is achieved sooner rather than later the oil and gas industry will become much more efficient, dramatically increasing revenues to the State of North Dakota.

The continued and increased funding to the above three programs will help achieve that goal. This legislative assembly has the opportunity during the current session to achieve this goal; I respectfully encourage you to do so.

Thank you,

David J. Hynek  
Mountrail County Commissioner  
9148 59<sup>th</sup> St NW  
Ross, ND 58776  
701.755.3372 Phone  
701.629.8916 Cell



Testimony  
Senate Bill 2012 – Department of Transportation  
State Aid for Public Transit Budget  
Senate Appropriations Committee  
January 17, 2012

Chairman Holmberg and members of the committee, my name is Pat Hansen. I am the executive director of South Central Adult Services in Valley City. I am also a member of the North Dakota Senior Service Providers and Dakota Transit Association.

The State Aid for Public Transit funding we receive is used to match federal dollars we use for operating vehicles and as local match for purchasing vehicles for use in public transit. Replacing vehicles statewide is a priority since the average vehicle age in ND is 7.3 years (only 4 states in the country have older transit vehicle fleets) according to the 2012 Rural Transit Fact Book published by SURTC. If we do not receive adequate state funding for match, we may not be able to access all of the federal dollars we are appropriated.

I am going to talk about what is happening in my agency as an example of what is occurring statewide with public transit services in North Dakota.

Our Agency is seeing huge increases in demand for services. This increases miles driven, and creates huge increases in fuel bills and vehicle maintenance costs. We currently have 9 vehicles with over 100,000 miles, 6 over 150,000 miles and 1 over 200,000 miles. Our ridership has increased by 73%, from 62,738 rides in FY 08/09 to 107,932 rides in FY 11/12. South Central Adult Services provides the same service in the very rural areas of North Dakota that are available in the larger cities. The very rural counties of McIntosh and Emmons each provided 17,000 rides this year. Barnes County exceeded 55,000 rides and LaMoure, Foster, Logan and Griggs counties each provided

#/9

nearly 5,000 rides. Local service is provided to communities within the counties, and transit is available from the southwestern counties to Bismarck 5 days per week, to Jamestown 5 days per week and to Fargo 5 days per week. We are transporting dialysis patients from Strasberg, Linton, Wishek, Ashley, Carrington and Valley City on a regular basis. We have made more than 100 trips to Fargo with patients for radiation treatments and chemotherapy in the last few months.

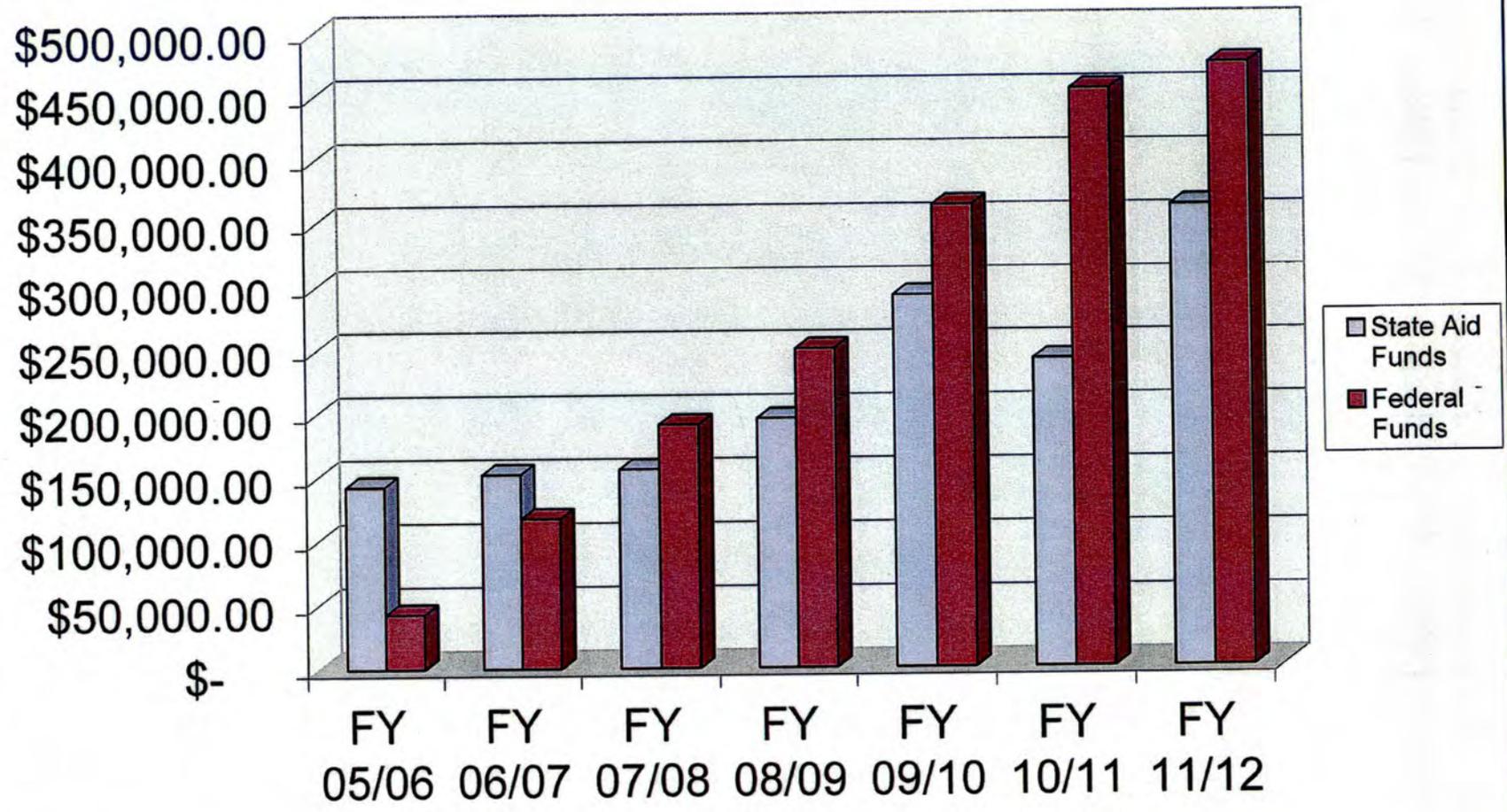
That is only the tip of the iceberg. We provide rides for local medical appointments, rides to work and school and many rides for local grocery shopping, hair appointments, rides to senior centers and rides for nursing homes. We currently have 13 full-time and 27 part-time transit employees. Even taking the impact on the residents of our counties out of the picture, if we do not receive adequate funding, the staff reductions in these rural counties would be devastating to our employees and to the small rural communities where there are very few jobs available.

I have attached charts indicating our federal and state funds, ride provision, total budgets and fuel costs for the past 7 years to show the huge increases we are experiencing.

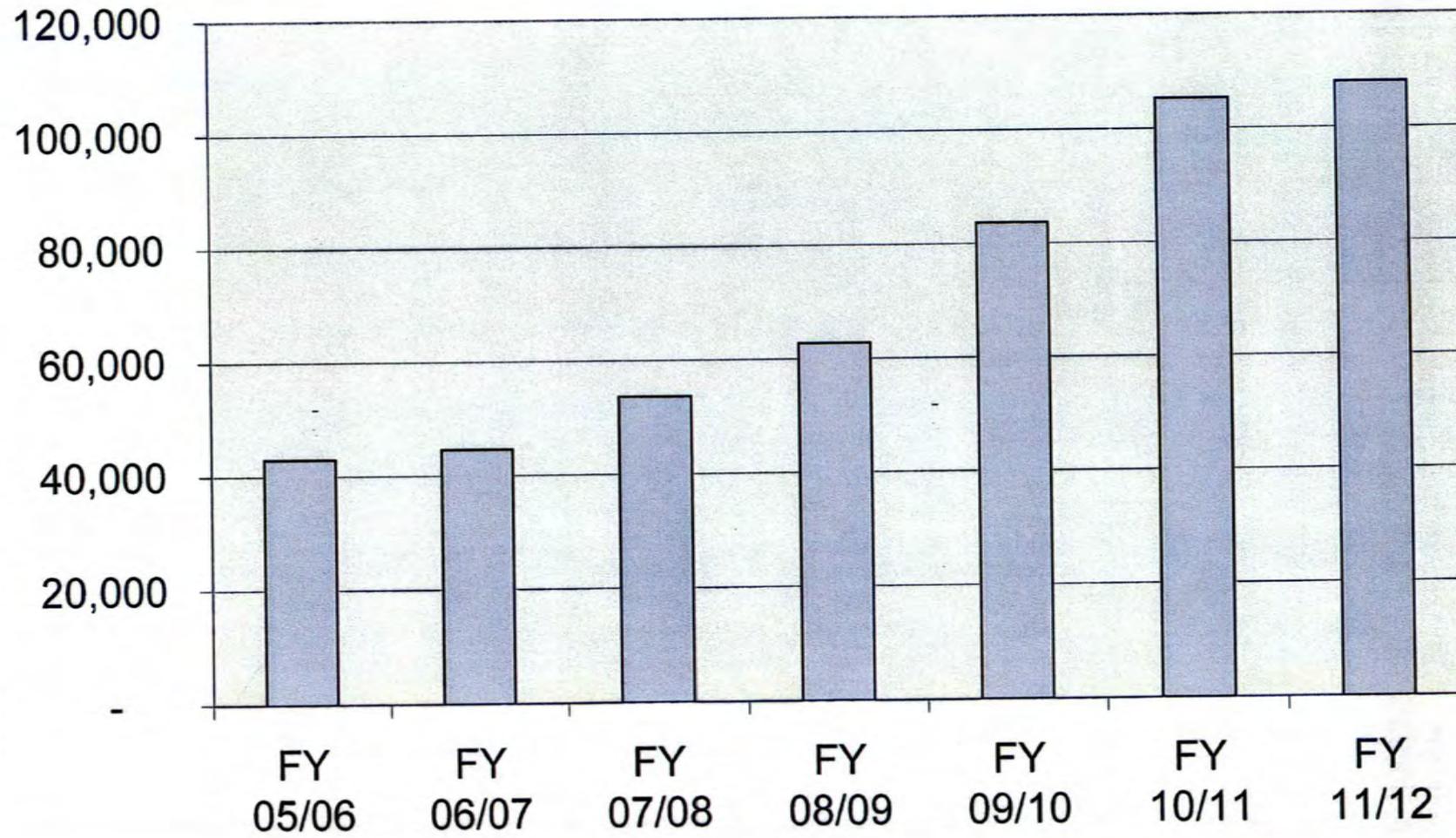
SB 2012 estimates there will be \$8.9 million dollars available in the State Aid for Public Transit fund. While that is an increase over the \$8.3 being distributed this current biennium, transit providers feel that a figure of \$10 million is closer to what the needs are for State Aid for Public Transit funding for 2013-2015. I strongly encourage you to increase funding to this \$10 million level to support public transit in North Dakota!

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

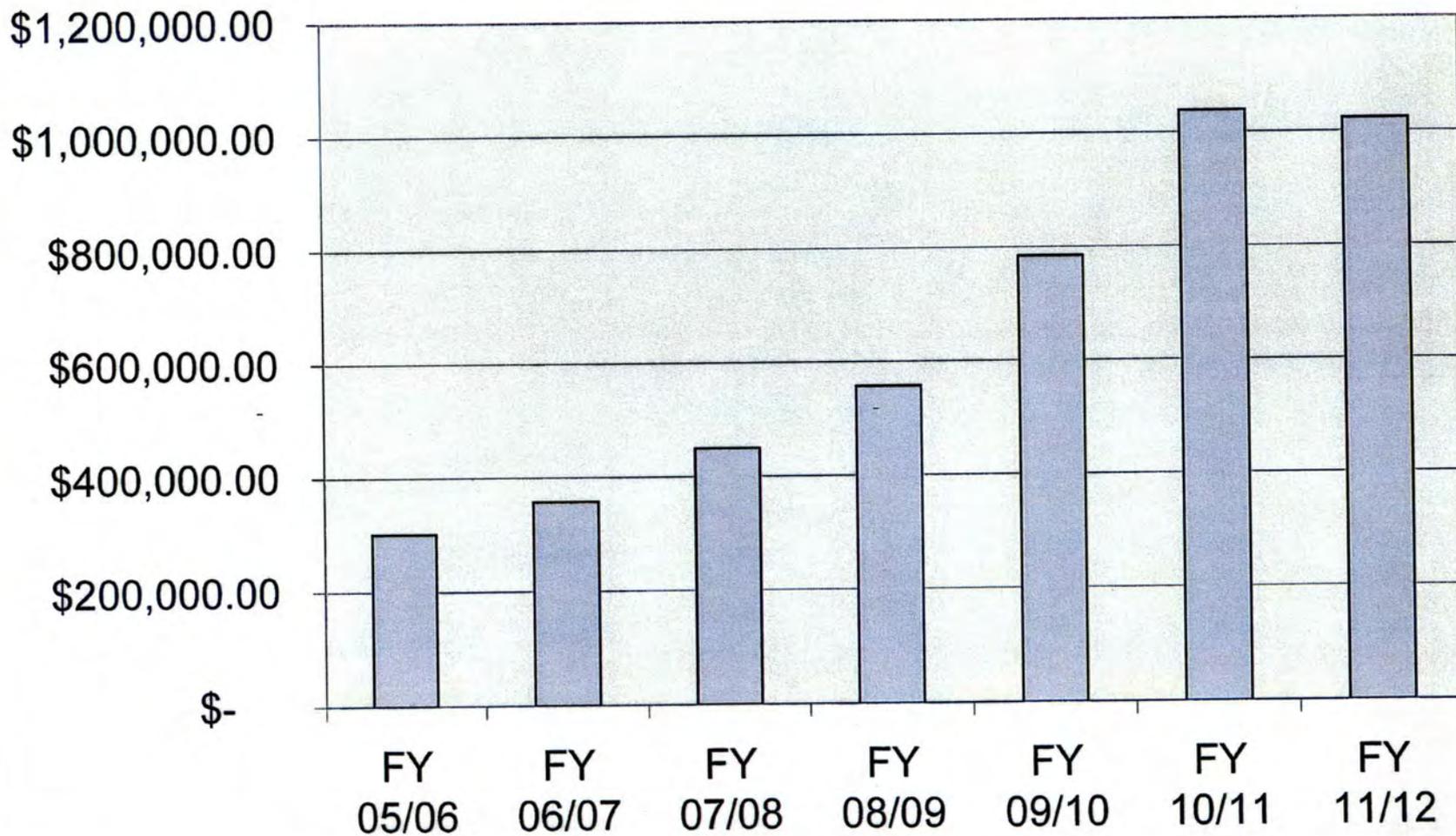
# Federal/State Funds



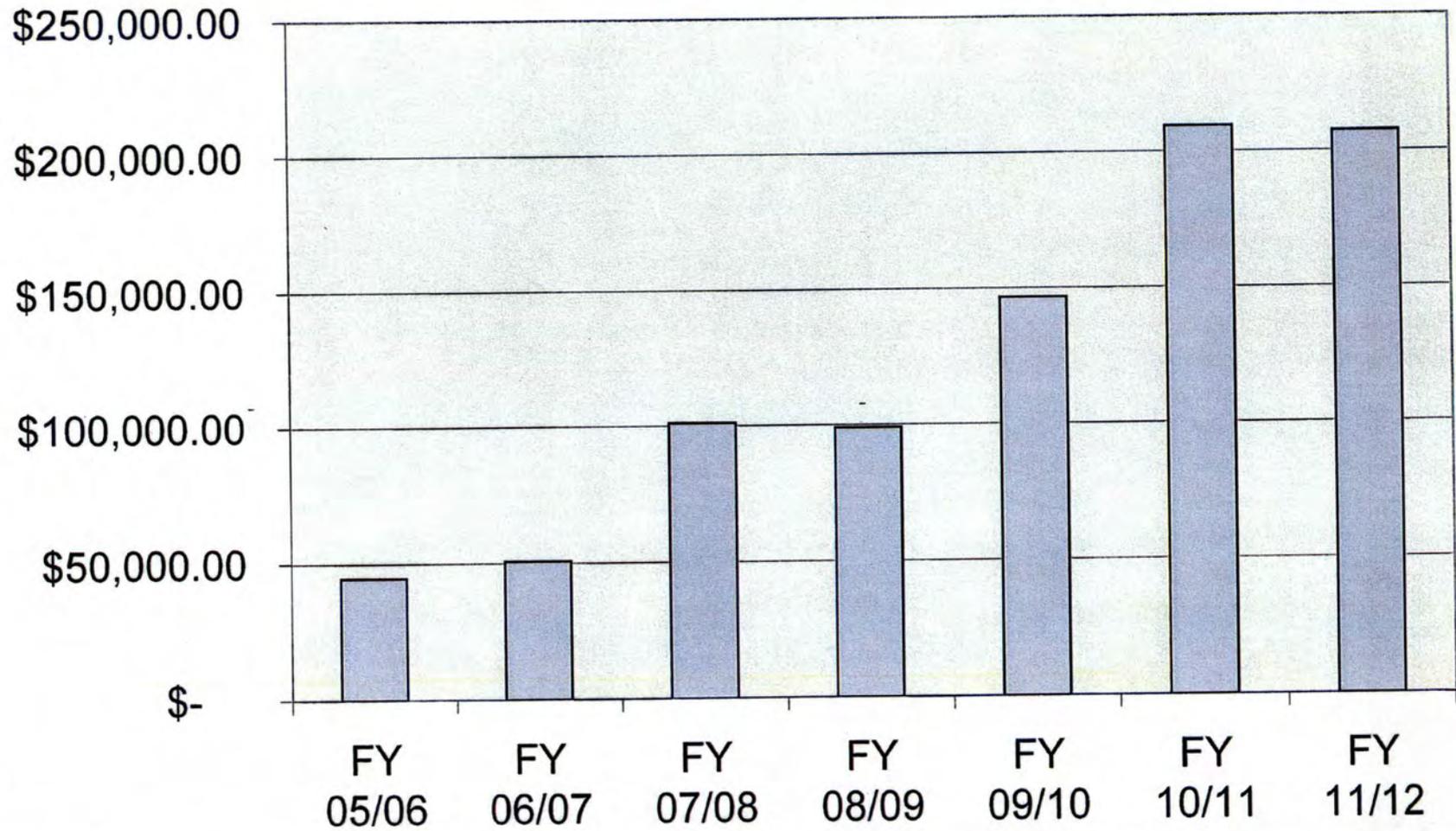
## Ride Provision



# Total Budgets



## Fuel Cost



# US 83 (NW) Bypass Capacity Analysis



## EXECUTIVE SUMMARY

This report has been provided to compile data from the Northern Lights Development Traffic Impact Study, the Bolton Heights Traffic Impact Study, and the Walmart Traffic Impact Study to document the anticipated impact of the developments on the US 83 (NW) Bypass in Minot, North Dakota. In addition, other developments underway or in preliminary stages of development are provided to show additional impacts that will be brought forth from developments in northwest Minot.

Currently, the Average Daily Traffic (ADT) on the NW Bypass to the south of its intersection with 21<sup>st</sup> Avenue is 7,820 vehicles per day. With the addition of the Northern Lights Development, the Bolton Heights Development, and the potential Walmart Development, the ADT is estimated at 23,440 vehicles per day. According to the Traffic Impact Study created by Kadrmaz, Lee & Jackson for the proposed Walmart development "the approximate daily LOS D for this roadway is 12,500." Therefore, the full-build volume to capacity ratio (V/C) of the NW Bypass, to the south of its intersection with 21<sup>st</sup> Avenue is 1.9.

Furthermore, the ADT of the NW Bypass, to the south of its intersection with 21<sup>st</sup> Avenue is expected to reach approximately 32,472 with the inclusion of additional proposed and potential developments. It is expected that this value may be reached in the next 5 to 7 years, should the current economic conditions prevail. At this point in time, it is expected that the V/C will reach approximately 2.6. According to section 10 of the Highway Capacity Manual 2010, when the V/C is greater than 1, a LOS F is identified.

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## EXISTING CONDITIONS

Counts were taken in the fall of 2012 by the North Dakota Department of Transportation (NDDOT). The ADT of the NW Bypass to the north of its intersection with 21<sup>st</sup> Avenue was recorded at 5,690 vehicles per day. The ADT of the NW Bypass to the south of its intersection with 19<sup>th</sup> Avenue was recorded at 7,820 vehicles per day. A count of 930 trucks per day was recorded at the location; therefore, the trucks per day was noted as approximately 11.9% of the ADT.

The NW Bypass is classified as a principal arterial, connecting US Hwy 2&52 with US 83 (north Broadway). The NW Bypass is a two-lane, rural section with a mill and overlay and turn-lane improvements scheduled for 2013.

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## ADDITIONAL DAILY TRIPS ANTICIPATED FROM TRAFFIC IMPACT STUDIES

### Walmart Development

A Traffic Impact Study was conducted for a proposed Walmart site in the southeast corner of the intersection of the NW Bypass with 21<sup>st</sup> Avenue NW. A Walmart of 185,660 gross leasable square feet,

two fast food restaurants and a specialty store with an approximate cumulative gross square feet of 21,600. A general map of the area, the background traffic (from 2011 NDDOT ADT counts), and background plus proposed development traffic, as included in the original traffic study for the proposed development, are shown in the Appendix. The traffic study concluded that an additional 1,160 vehicles per day would be generated on the NW Bypass, to the north of its intersection with 21<sup>st</sup> Avenue. In addition, the report concluded that an additional 6,330 vehicles per day would be generated on the NW Bypass, to the south of its intersection with 19<sup>th</sup> Avenue.

#### Northern Lights Development

A Traffic Impact Study was conducted for the Northern Lights Development. The development consists of two-family, single family, multi family, and commercial developments in NW Minot. The development will consist of 1350 dwelling units and 67 acres of commercial land. A general map of the area, a map showing the proposed site peak hour trips, and a map showing the total peak hour trips (utilizing 2011 traffic counts conducted by the NDDOT), as included in the original traffic study for the development, are shown in the Appendix. Approximately 37,600 daily trips from the development were reflected in the study. Based on the peak hour trips shown in the report, it can be concluded that approximately an additional 6,100 vehicles per day would be generated on the NW Bypass, to the north of its intersection with 21<sup>st</sup> Avenue. In addition, based on the peak hour trips shown in the report, it can be concluded that approximately an additional 400 vehicles per day would be generated on the NW Bypass, to the south of its intersection with 19<sup>th</sup> Avenue. These values assume the peak hour primary trips to be 9% of the ADT.

#### Bolton Heights Development

A Traffic Impact Study was conducted for the Bolton Heights Development. The development will consist of 1230 dwelling units and 11 acres of commercial land. A general map of the area, tables of land uses and acreage, a map showing the proposed ADT (utilizing 2011 traffic counts conducted by the NDDOT), as included in the original traffic study for the development, are shown in the Appendix. Approximately 12,861 daily trips from the development were reflected in the study. Based on the projected ADT values shown in the report (by subtracting the 2011 ADT from the project volumes), it can be concluded that approximately an additional 2,295 vehicles per day would be generated on the NW Bypass, to the north of its intersection with 21<sup>st</sup> Avenue. In addition, based on the projected ADT values shown in the report (subtracting the 2011 ADT from the project volumes), it can be concluded that approximately an additional 5,490 vehicles per day would be generated on the NW Bypass, to the south of its intersection with 19<sup>th</sup> Avenue.

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### **SUMMATION OF 2012 ADT, WALMART, NORTHERN LIGHTS, AND BOLTON HEIGHTS**

Based on the data compiled from the Traffic Impact studies, the ADT on the NW Bypass will increase dramatically, as shown in Table 1. The existing ADT on the NW Bypass, to the north of its intersection with 21<sup>st</sup> Avenue will increase from a 2012 ADT of 5,690 to an ADT of 15,245 with the full-build of the

Walmart, Northern Lights, and Bolton Heights developments if the current economic conditions stay consistent. In addition, the existing ADT on the NW Bypass, to the south of its intersection with 21<sup>st</sup> Avenue will increase from a 2012 ADT of 7,820 to an ADT of 23,440 at full-build of the Walmart, Northern Lights, and Bolton Heights Developments. The existing capacity of the NW Bypass is 12,500 vehicles per day. Therefore, the Bypass will be at a volume to capacity ratio of approximately 1.9. According to section 10 of the Highway Capacity Manual 2010, when the V/C is greater than 1, a LOS F is identified.

**Table 1: 2012 ADT and Proposed Development ADT**

Location	2012 ADT	Walmart ADT	Northern Lights ADT	Bolton Heights	Summation
NW Bypass - North of 21st Avenue	5,690	1,160	6,100	2,295	<b>15,245</b>
NW Bypass - South of 21st Avenue	7,820	6,330	3,800	5,490	<b>23,440</b>

#### **ADDITIONAL IMPACTS EXPECTED FROM PROPOSED DEVELOPMENTS**

In addition to the Walmart, Northern Lights, and Bolton Heights developments, additional subdivisions and plats have been brought to the Planning Department for consideration through the Planning Commission and City Council. The anticipated trips to be generated from these developments are shown in Table 2. A map of the areas can be found in Figure I and associated plats are located in Appendix II.

According to Table 2, approximately 22,338 additional daily trips will be created by potential new developments, known to-date. The daily trips were calculated based on the 8<sup>th</sup> Edition of the *ITE Trip Generation Manual* and full-build of the sites. Assumptions were made, where appropriate. For example, acreage was known for the Prairie Wynd development, but the number of dwelling units has not been noted, to-date. A number of units were assumed for the development for the purpose of obtaining an estimated number of trips that will be generated for the site.

For estimating purposes, it is assumed that approximately 30% of the trips generated by the additional proposed developments will use the NW Bypass. Therefore, an ADT of approximately 7,032 vehicles per day are expected to use the NW Bypass, if the current economic conditions experienced continue in the area.

In addition to the developments proposed in NW Minot, it is anticipated that approximately 2,000 trucks per day will utilize the NW Bypass upon full-build of the Industrial Park in northeast Minot.

Table 2: ADT of Proposed Developments

Development	Description of Uses	Units	Land Use Type (ITE)	Daily Trips
Skyport	Single Family Units	43 Units	Single-Family Detached Housing (210)	412
	Townhouse Units	142 Units	Residential Condominium/Townhomes (230)	825
Northern Meadows	Condos	96 Units	Residential Condominium/Townhomes (230)	558
Prairie Wynd*	18 Acres of Industrial	18 Acres	Industrial Park (130)	1,136
	75 acres of residential	Assume 200 apartment units	Apartment (220)	1,330
Highlands	Single Family Units	114 Units	Single-Family Detached Housing (210)	1,091
Northern States	Condo Units	80 Units	Residential Condominium/Townhomes (230)	465
	Potential Hospital Site**	Assume 50,000 sf	Hospital (610)	825
	Hotel	135 Rooms	Hotel (310)	1,204
	Restaurant**	Assume 2000 sf, assume sit-down restaurant	High-Turnover (Sit-Down) Restaurant (932)	254
	4 Commercial Lots**	Assume Retail at 10,000 sf each - 40,000 sf total	Specialty Retail (814)	1,773
Eagles Landing	Single Family Units	175 Units	Single-Family Detached Housing (210)	1,675
Market Place at North Hill	Townhomes	18 Townhomes	Residential Condominium/Townhomes (230)	105
	Apartment Units	92 Units	Apartment (220)	612
	Apt Office & Common Area	8,442 sf - Assume 3 employees	Single Tenant Office Building (715)	11
	Gas Station	1850 sf	Convenience Market with Gasoline Pumps (853)	1,564
	Grocery Store	52,098 sf	Supermarket (850)	5,326
	Liquor Store	7,309 sf	Specialty Retail (814)	324
	Hardware Store	10,161 sf	Hardware/Paint Store (816)	521
	Retail (three - sf combined)	38,537 sf	Specialty Retail (814)	1,708
	Fast Food	1,250 sf	Fast-Food with Drive Through Window (934)	620
			<b>SUMMATION OF DAILY TRIPS</b>	<b>22,338</b>
* Pending rezoning approval				
**Further information not known at this time				

9

**ANALYSIS AND CONCLUSIONS**

The 2012 ADT on the NW Bypass, to the north of 21<sup>st</sup> Avenue is 5,690. It is anticipated that the ADT of the NW Bypass, to the north of 21<sup>st</sup> Avenue will increase to approximately 24,277 should the proposed and potential developments be constructed and occupied. The cumulative ADT expected on the NW Bypass is shown in Table 3.

The 2012 ADT of the NW Bypass, to the south of 21<sup>st</sup> Avenue is 7,820. It is anticipated that the ADT of the NW Bypass, to the south of 21<sup>st</sup> Avenue will increase to approximately 32,472, should the proposed and potential developments be constructed and occupied. The cumulative ADT expected on the NW Bypass is shown in Table 3.

It is anticipated that full-build of the developments would be reached within the next 5 to 7 years. The full-build of the developments are expected to be reached if the current economic conditions experienced in the area continue over the 5 to 7-year time-span.

**Table 3: Cumulative ADT**

Location	2012 ADT	ADT - Walmart, Bolton Heights, and Northern Lights	ADT of Additional Proposed and Potential Developments	ADT of Industrial Park in NE Minot*	Summation
NW Bypass - North of 21st Avenue	5,690	9,555	7,032	2,000	<b><u>24,277</u></b>
NW Bypass - South of 21st Avenue	7,820	15,620	7,032	2,000	<b><u>32,472</u></b>

\*Truck traffic

Provided that the thriving economic conditions prevail, the volume to capacity ratio (V/C) of the NW Bypass, to the north of 21<sup>st</sup> Avenue is expected to be 1.9. The V/C of the NW Bypass, to the south of 21<sup>st</sup> Avenue is expected to be 2.6. According to section 10 of the Highway Capacity Manual 2010, when the V/C is greater than 1, a LOS F is identified.

List of Figures:

- Figure 1: US 83 Bypass
- Figure 2: 21<sup>st</sup> Ave NW Interchange
- Figure 3: 16<sup>th</sup> St NW Interchange



Figure 1 - US 83 Bypass Corridor

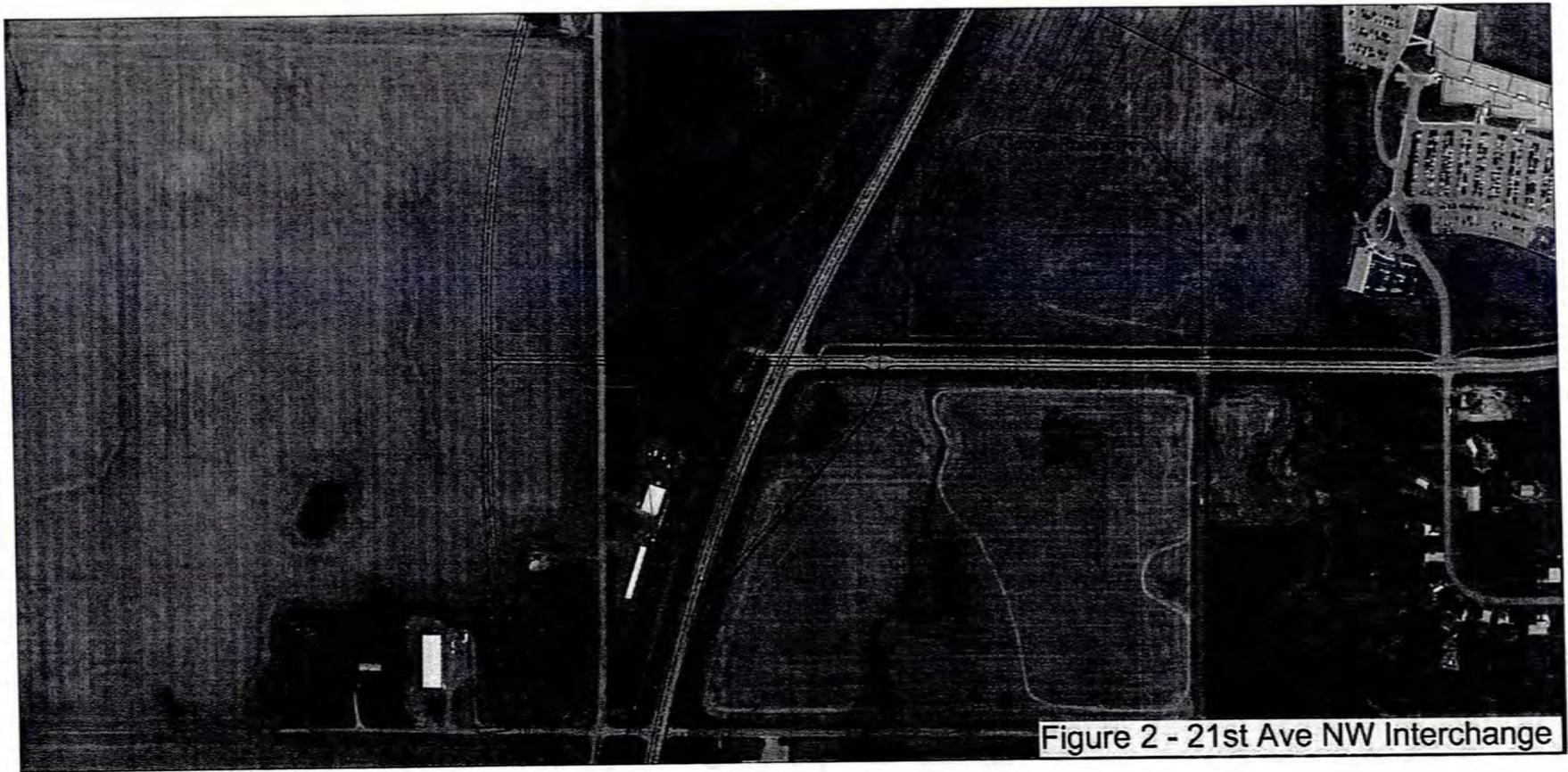


Figure 2 - 21st Ave NW Interchange

9



Figure 3 - 16th St NW Interchange

**Testimony to the Senate Appropriations Committee**  
**Chairman Ray Holmberg**  
**Prepared by Lance Meyer, PE City Engineer**  
**City of Minot**  
**[lance.meyer@minotnd.org](mailto:lance.meyer@minotnd.org)**

### **SENATE BILL 2013**

Chairman Holmberg, Senate Appropriations Committee members, my name is Lance Meyer, and I am the City Engineer for the City of Minot. I am representing the City of Minot to encourage funding of Senate Bill 2012 and also to ask for a one time funding increase.

The City of Minot is seeing a tremendous surge in growth which is placing a heavy burden on the City's transportation system. The City has specifically studied the impacts to the US 83 Bypass in northwest Minot where in the next few years the capacity of the bypass will drop significantly. Our study shows that when the land immediately surrounding the bypass is developed, which is starting now, the bypass as it stands today will be 2.6 times over the rated capacity of 12,500 vehicles per day. The study area is approximately 750 acres and will generate a total of 32,472 vehicles per day. Having a factor that high will lead to a state of gridlock during peak hours. Also, as land development occurs outside the scope of the study (approximately 1600 acres), the negative impacts will only increase.

In light of this fact, the City knows that upgrades are needed and the City Council has passed a motion to maintain the US 83 bypass as a true bypass and not an expressway. In order to do this, right of way needs to be purchased to facilitate the construction of future interchanges at key intersections along the bypass, both of which are shown in the attached figures (Fig 1, 2, 3). The City will ask that new development surrounding these interchanges dedicate the necessary right of way, but there are portions of platted land that do exist and would need to be purchased quickly before they are developed. Development of the property will increase the cost of the right of way if purchased at a later date.

#10  
②

Thus, the City of Minot is asking for a one time funding increase of \$5,000,000 to be added to Senate Bill 2012 for the purchase of right of way necessary for the future interchange project on the US 83 Bypass. Having this funding would allow the City to purchase the platted parcels before they are developed helping to keep the future improvement costs down and the impacts to property owners less significant.

Thank you for allowing me time to detail Minot's support for this bill and our request for a one time funding increase.



**Senate Appropriations Committee - SB 2012 (NDDOT Budget)**

**1/17/2013 Hearing**

**Testimony from Mountrail County Engineer, John Sauber**

- In 2008 Mountrail County had 109 miles of paved roadway.
- In 2011 Mountrail County had 73 miles of paved roadway.
- In 2012 Mountrail County had 87 miles of paved roadway.
- In 2013 Mountrail County will have 114 miles of paved roadway.
- From 2008 thru 2011 36 miles of paved roads in Mountrail County were converted back to gravel roads. The intense heavy traffic generated by the Oil Industry deteriorated the paved surface on 36 miles of county road to a point that the only option was to grind the existing paved road into a gravel road.
- The \$142,000,000 provided by the 2011 Legislative Session enabled Mountrail County to accomplish the reconstruction of the destroyed paved roads in the last 2 years. Without this funding, it would have taken Mountrail County over 10 years to accomplish the same reconstruction program.
- In addition to the reconstruction of the county road system, Mountrail County allocated money to the reconstruction of township roads that have been highly impacted by oil field traffic.
  - The 53<sup>rd</sup> Street Project is a 12 mile township road reconstruction that extends across 3 townships.
  - The 76<sup>th</sup> Ave Project is a 3 mile township road reconstruction project.
- The procedures develop by NDDOT for project identification and fund distribution worked well.
- Mountrail County has developed a 5-year road reconstruction plan and is currently working on a long term 10-year road improvement plan.
- The funding contained in SB 2013 for county and township roads is critical to the implementation of the 5 and 10 year road improvement plans.
- The Emergency Clause contained in SB 2012 is important since it will provide a measure of continuity to the counties for the road reconstruction processes.

- SB 2012 would allow unspent county and township road reconstruction funds to be continued into the next biennium. This clause in the bill is extremely important since it allows the counties to prudently plan projects without the underlying concern of lost funding.

TO: Chairman Holmberg and Committee Members  
FR: Michael J. Greer, PE – McKenzie County Engineer  
RE: Support of SB 2012

Mr. Chairman and members of the committee:

I am Michael Greer, County Engineer for McKenzie County, here in support of SB 2012. My testimony will focus on the county and township road reconstruction program.

First, the McKenzie County Commissioners had a meeting scheduled for today and as such the Chairman, Ron Anderson, could not attend this hearing.

I am certainly in favor of SB 2012; however, I feel it does not reach far enough in providing relief in this time of unprecedented development. It falls far short of the \$521 Million identified as infrastructure needs in the oil producing counties for 2013-2014, as identified by the Upper Great Plains Study.

McKenzie County has had an average of 60 drillings rigs for the last year. That translates into approximately 700 wells for the year. As each well requires 2024 truck trips over county and township roads, there have been over 1.5 million trips of varying lengths generated. That is just to bring the well to completion; then the crude and salt water hauling begins.

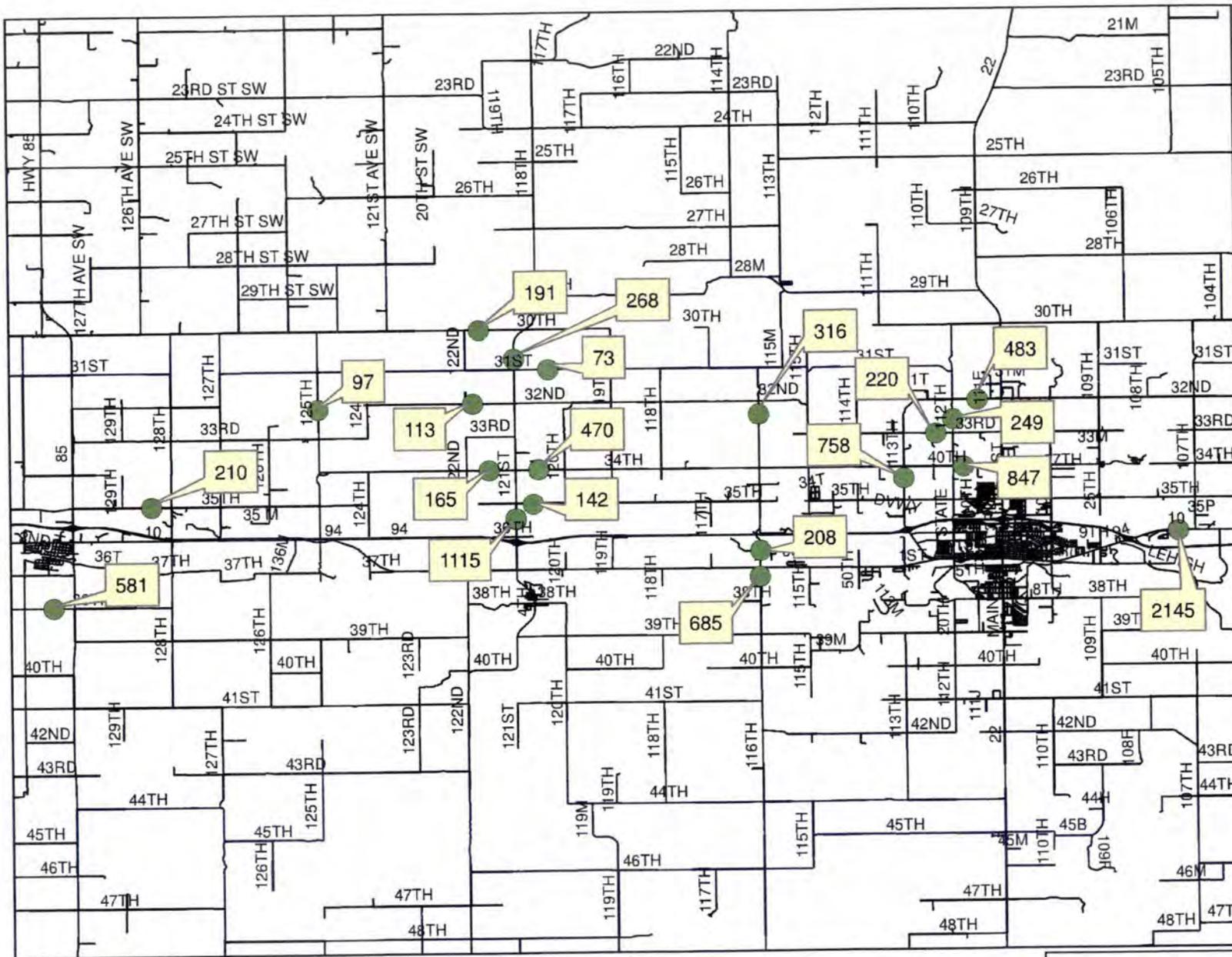
McKenzie County is the largest county in North Dakota, with 130 miles of paved roads and over 1100 miles of gravel. Our entire 130 miles of paved and over 400 miles of gravel have become major haul roads for access to the state highway system. The traffic counts in McKenzie County have seen unheard of growth in the last five years. On County Route 27, the 2007 traffic count had an average daily traffic of 100, with 50 trucks. The 2012 count for the same location was 620 and 235, respectively. That is 520% increase in total traffic and 370% increase in truck traffic, in only a five year span. Another example is County Route 53. The 2006 traffic count had a total ADT of 100. In 2012, it was 1,405. A 1,305% increase!

Our paved roads were not constructed to take the volume of traffic they now have to carry. With funding from the last legislature, the county rehabilitated 15.5 miles of paved road, which brought our total number of miles of non-weight restricted to 26. The rest of our paved roads have a 6-ton limit, year round. To upgrade our remaining 104 miles of pavement to a year round weight restriction free status would cost approximately \$156 Million at today's construction costs.

Gravel roads are a constant work in progress. In the past two construction seasons, McKenzie County has reshaped and resurfaced over 150 miles of county and township roads. Many of those miles have already required additional surfacing material. Shaping and surfacing simply does not last with the amount of traffic the roads now have. For example, when the County Dust Control program started in 2009, two applications of chemical, one in the spring and one in the fall, were enough to control dust for the entire year. Those same roads now require up to four applications per year, at an approximate cost of \$7,500 per mile. We feel that within the next five years, the county will need to reshape and resurface at least 1000 miles of gravel road, at an approximate cost of \$100 Million in today's dollars.

In summary, our road needs alone top \$50 Million to \$60 Million per year for the next five years. I am sure you are very aware that the oil producing counties are also asking for an increase in the amount of dollars coming back to the counties through the distribution formula. We know that a significant amount of that will also go to infrastructure repair; however, general county government such as law enforcement, social services, clerk of court, and wages have also risen dramatically in the last four years. We are counting on the formula increase to keep our county livable.

21



STARK COUNTY ROAD DEPARTMENT  
 TRAFFIC COUNTS 2012  
 24 HOUR

**Legend**

- # of Vehicles
- GPS\_TRAFFIC\_LOCATIONS
- Roads

Stark County Traffic Counts 2012

<u>STREET NAME</u>	<u>Surface</u>	<u>2008</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u># of Trucks</u>
38th St SW--- Belfield Gas Plant	Pavement				581	82
35th St SW--- MBI	Gravel				210	50
125th AVE SW	Scoria				97	15
30th St SW	Scoria				191	63
121st AVE SW ---- S.Heart Road North End	Gravel/Scoria	208			268	52
31st ST SW	Shale				73	3
32nd ST SW --- Romanyshyn	Scoria				113	24
34th ST SW --- Brune Road	Gravel/Shale				165	56
34th ST SW --- Pheasant Farm Road	Gravel				470	79
35th St SW--- Oil Field Road	Scoria				142	73
121st AVE SW ---- S.Heart Road North	Gravel/Scoria	(1995)260		625	1115	281
116th Ave SW ---- Low Maintenance Road Helvelka	Scoria				316	144
116th Ave SW ---- Stransky Road North	Gravel				208	69
116th Ave SW ---- Stransky Road South to B.O.E.	Pavement				685	151
Highway 10 East	Pavement				2145	215
34th St SW ---- Wocks to Tooz Const.	Gravel/Shale		669	735	847	282
Ridl Road North 1/4 mile north of I-94 Exit 59	Pavement	(2006)410	(2009)1000	1290	2090	NDDOT
33rd St SW --- Miller Road	Shale				220	25
112th Ave SW --- New Grade to Stallion	Gravel/Shale				249	45
32nd St SW --- Stallion Oil	Recycle				483	59
Ridl Road North 1 1/4 mile north of I-94	Gravel/Shale				758	298

***STARK COUNTY ROAD DEPARTMENT***  
*AL HEISER, ROAD SUPERINTENDANT*

**🚧 TRAFFIC! TRAFFIC! TRAFFIC!**

1. Traffic Counts Increase a large amount
2. Low Maintenance Roads (316 Vehicles/Day)
3. South Heart Road North (2011 was 625 today 1115 Vehicles/Day)
4. 34<sup>th</sup> St SW off of State Highway 22 (847 Vehicles/Day)
5. Highway 10 East of Dickinson (2145 Vehicles/Day)
6. I-94 Exit 59 North (2090 Vehicles/Day compared to 410 in 2006)
7. BAKKEN OIL EXPRESS
8. Frac-Sand and Raw Cement Loading Station
9. Unloading Facility (Crude Oil Tank Farm)
10. MDU Diesel Refinery

**🚧 ROADS! BRIDGES! FUEL! DUST! MATERIALS!**

1. Increase repairs to roadways
2. Increase Bridge replacements to meet heavy traffic
3. Fuel has increased

<b>2004</b>	<b>2012</b>
\$110,000.00	\$450,000.00

4. Dust control (Pricing from \$5000.00 to \$10,000.00/Mile)
5. Materials (Availability, Increased Costs, Distance to Haul)
6. Seal Oil (.85/gal in 2004 and \$4.00/gal in 2012)
7. Asphalt Oil (\$300.00/Ton in 2004 ----- \$700.00/Ton in 2012 Class 29 was \$30 now \$ 60/ton)
8. 1 million dollars per mile to grade and pave if you have the road section
9. 1.5 million for re-grade and pave
10. 50% of road width is less than 28 feet
11. Graveling in Stark County

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
98000 Yards	68000 Yards	96000 Yards	104000 Yards	195000 Yards

🚧 PROJECTS COMPLETED 2011-2012 with Oil Impact Funds

1. 80 Miles of unpaved roads repaired
2. Paved Highway 10 - 3 miles West of Dickinson to Billings County to meet 105500 GVWR which is 16 miles of paved roads
3. Replacement of two Bridges with concrete box culverts.

🚧 THANK YOU!!!

1. Paved road Funding **\$8,500,000.00**
2. Unpaved road Funding **\$1,605,888.00**

🚧 TODAY'S NEEDS FOR 2013 - 2014

1. 80 Miles of unpaved roads \$2,000,000.00
2. 10 Miles of new pavement on existing gravel roads \$10,000,000.00
3. Replace 2 Bridges \$250,000.00 each

**Pat and Glenda**

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**From:** "Pat and Glenda" <phurley@drtel.net>  
**Date:** Tuesday, January 15, 2013 2:28 PM  
**To:** <phurley@drtel.net>  
**Subject:** Fw: DOT funds

Honorable State Senators and Representatives

My name is Pat Hurley from Litchville , North Dakota, I had been a Barnes County Water Resource District Board member from 2001 until the end of 2012 and have found over the years there has been funds from DOT for raising roads where water has been over top of certain roads but nothing to actually solve the problem. I want to know if there is a hearing I could attend to let legislators know we need funding to remove water from these roads and not to keep spending tax dollars to keep raising them up.

Just an example In Barnes County: in Meadow Lake Township in 2001 it would have taken \$345,000.00 to put a pipe in to take 6 feet of water off of a 1300 acre slough but that didn't go through, so in the last 10 years about \$4 million has been or is going to be spent to raise County road 7 and this is just a start of what's been done in Barnes County . If we could use DOT funds or federal aid dollars to take a few feet of water off these problem water bodies it would make more sense then pouring millions into grade raises. Instead use those funds to drain some of the water off in a controlled fashion as long as there is a route to drain. I'm not talking draining the waterbody dry, just enough to protect roads and it would save the state lots of dollars.

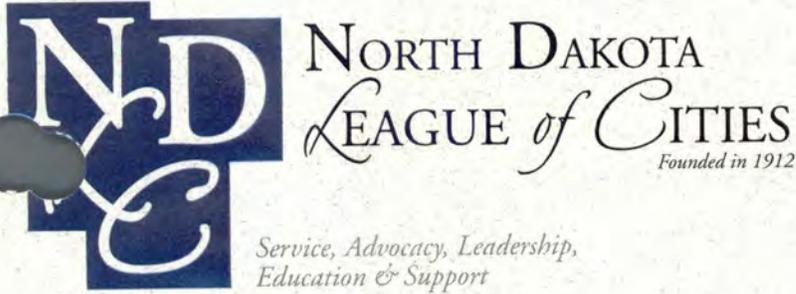
Again, if there are any hearings that I could attend to further discuss this issue I would appreciate you letting me know when they are.

Thank You

Pat Hurley  
5026 102nd Ave SE  
Litchville North Dakota  
58461

701-762-4833

14  
1/15/2013



Senate Appropriations Committee  
Senate Bill 2012  
January 17, 2013

For decades, the cities and counties in North Dakota have worked with the state's Department of Transportation to address transportation needs. North Dakota's 357 incorporated cities use state, federal and local funds to maintain and improve streets, and transportation funds have become the largest per capita payment to cities.

Together, using all available sources of funds, we have made substantial investments in transportation and this state-local partnership has served us well over the decades. City leaders recognize the value of maintaining a high level of transportation services at the local level, as well as the crucial need for a well-maintained network of highways that connect communities and indeed the United States.

The results of surveys, meetings around the state, and transportation studies by the Upper Great Plains Transportation Institute over the 2011-13 interim, all reveal widespread recognition in both the private and public sector that transportation needs have outstripped available funding. However, the executive budget provides essential funding to bridge the gap between needs and an excellent transportation system.

The League supports the North Dakota Department of Transportation's 2013-2015 budget as it includes continuation of our longstanding state-local partnership. We applaud SB 2012's investment in this critical component that maintains our state's economic health and serves our citizenry as we provide the transportation network that moves people and good. We look forward to continuing this strong partnership in funding state and local transportation needs. Thank you for your support of SB 2012.

Connie Sprynczynatyk  
Executive Director

15

January 7, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 5, after line 24, insert:

**"SECTION 9. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING GRANTS.** The amount appropriated to the department of transportation from the state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department to provide road grade raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment allows the Department of Transportation to continue unexpended 2011-13 biennium appropriations for road grade raising grants into the 2013-15 biennium. The Legislative Assembly in 2011 Senate Bill No. 2371 appropriated \$6 million from the state disaster relief fund to the Department of Transportation for grants to eligible counties for road grade raising projects on federal aid-eligible roads.

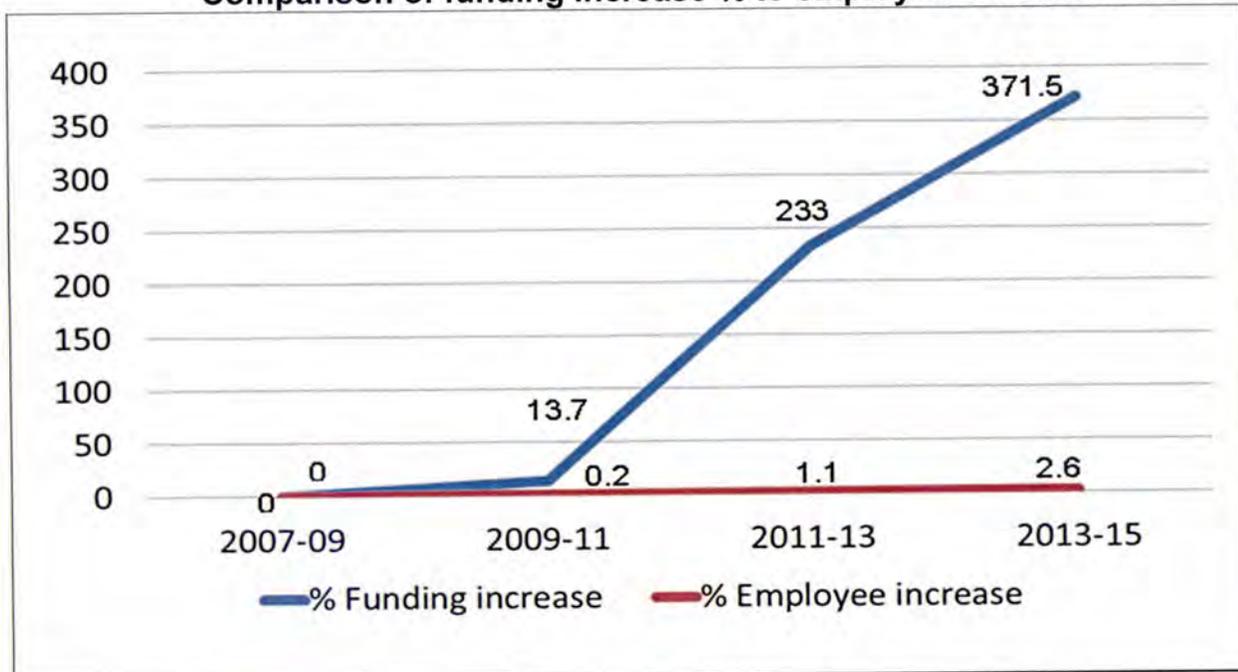
**SENATE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION**  
 January 23, 2013  
 3:30 p.m. - Harvest Room

**North Dakota Department of Transportation**  
**Grant Levi, P.E., Interim Director**

**SB 2012**

Mr. Chairman and members of the committee, I'm Grant Levi, Interim Director of the North Dakota Department of Transportation (DOT.) Thank you for giving me the opportunity to present information to you today. I will present a brief overview of items outlined for you in the January 16 Legislative Council Executive Budget document presented to the Senate Appropriations committee.

**Comparison of funding increase % to employee increase %**



**One Time General Funding**

The one time general funding outlined in bullets 1-3 of the Legislative Council summary provide additional funding in the highway fund for enhanced state highway investments and to continue the county and township road reconstruction program.

- SB 2012 contains an appropriation of \$1.16 billion for enhanced state highway investments in areas affected by oil and gas development, including extraordinary maintenance, truck reliever routes, and upgrading a two-lane roadway to a four-lane roadway (US 85 between Watford City and Williston). It also contains an appropriation of \$142 million to continue the county and township road reconstruction program in areas affected by oil and gas

development. These programs are funded as follows:

- Section 6 of SB 2012 appropriates \$620 million to the highway fund from the general fund upon passage of the bill.
  - If SB 2176 passes Section 6 would no longer be needed. SB 2176 appropriates general fund money to the DOT from the 2013-15 biennium and makes the funds available when the bill is signed.
  - The remaining funds (\$683.6M) needed to fund the remainder of the enhanced state highway program (\$541.6M) and the county and township road reconstruction program (\$142M) is funded by transferring general fund money (\$683.6 million) to the highway fund in the 2013-15 biennium as outlined in Section 7 of SB 2012.
- The table below compares the 2011-13 biennium funding to the 2013-15 proposed funding contained in SB 2012 and also compares the proposed Oil Impact Area expenditures to the expenditures in the rest of the state.

Funding	Oil Impact Area (Minot, Williston & Dickinson Districts) (\$ Millions)	Bismarck, Valley City, Devils Lake, Grand Forks, & Fargo Districts (\$ Millions)	Total (\$ Millions)
<b>2011 – 2013 BIENNIUM</b>			
Oil Impact Funds for State Highways	\$228.6 M	---	\$228.6 M
Oil Impact Funds for County Roads	\$142.0 M	---	\$142.0 M
Bid Openings (2011 – 2012) (Fed funds, state & local match)	\$316.7 M	\$347.6 M	\$664.3 M
Emergency Relief (ER)	\$86.4 M	\$197.7 M	\$284.1 M
<b>Total 2011- 2013 Biennium</b>	<b>\$773.7 M</b>	<b>\$545.3 M</b>	<b>\$1,319.0 M</b>
<b>2013 – 2015 BIENNIUM</b>			
Projected Oil Impact Funds for State Highways	\$1,161.6 M	---	\$1,161.6 M
Projected Oil Impact Funds for County Roads	\$142.0 M	---	\$142.0 M
STIP (2013 -2014) (Fed funds, state & local match)	\$148.8 M	\$450.0 M	\$598.8 M
ER Carryover (from 2011-2013 biennium)	\$31.1 M	\$77.0 M	\$108.1 M
<b>Total 2013- 2015 Biennium</b>	<b>\$1,483.5 M</b>	<b>\$527.0 M</b>	<b>\$2,010.5 M</b>
<b>Grand Total 2011 – 2015</b>	<b>\$2,257.2 M</b>	<b>\$1,072.3 M</b>	<b>\$3,329.5 M</b>

**Full-time employees**

In order to provide service needs due to growth in the state’s economy we are requesting 16 new FTEs.

- 5 engineers to provide management and oversight of preliminary and construction consultant engineering and contractors working on highway projects.
- 4 equipment operators to address increased road maintenance & snow removal demands in western N.D.

- 1 accounting/budget specialist to meet increased accounting and regulatory demands.
- 2 driver's license supervisors to meet the demands of the growth for licensing and testing in western N.D.
- 4 motor vehicle licensing specialists in the Bismarck office to meet the increasing demand for motor vehicle services, which include support of branch offices across the state.

### **Technology**

Approximately \$9.7 million is in the budget for a motor vehicle information technology project to replace the existing 12-year-old system built on obsolete Powerbuilder technology.

- Motor Vehicle collects and distributes revenue. (\$360M in first 18 months of this biennium)
- New IT program will have accounting component, streamline process with branches and auto dealers, to help provide timelier customer service.
- New IT program will also allow us to address audit findings.

### **Asbestos Abatement Project**

- Thank you for resources provided to complete two phases of the three phase asbestos abatement project. Phases 1 and 2 have been completed with funding from the last two bienniums.
- Approximately \$6 million in one-time funding is in this budget to complete the third and final phase of asbestos removal in the Bismarck headquarters building.

### **Salary enhancements for oil and gas producing areas**

- Approximately \$2.5 million is in the budget to provide continued funding to retain mission critical employees in areas of the state impacted by the oil and gas industry growth. A Geographical Pay Differential Program is in place for equipment operators (transportation techs), driver's license examiners, radio technicians and shop mechanics.

### **Rental assistance for oil and gas producing areas**

- Approximately \$1.1 million is budgeted to help provide temporary housing for employees moving into the energy impacted areas. A portion of the funding is to assist with motel rooms until the employee can find permanent housing. In addition we provide employees with rental assistance when apartment rental costs have increased above the state average.

### **One time funding for TIGER III Grant**

- \$10 million to match a \$10 million federal TIGER III grant to rebuild a 20-mile segment of railroad track & two bridges near Churchs Ferry. The total cost of the project is approximately \$90 million with Amtrak and BNSF providing the remaining funds.

### **Federal funding changes (2011-13 Biennium Enrolled compared to 2013-15 Budget Request)**

Provides for the following anticipated changes in federal highway aid:	<u>Other Funds in Millions</u>
Federal Highway Administration funds (from \$569.5M to \$532.2M)	(\$37,300,000)
Emergency relief (from \$56.2M to \$116.8M)	60,600,000
Federal rail funds (from \$6.1M to \$8.4M)	2,300,000
National Highway Traffic Safety Administration (from \$11.4M to \$9.3M)	(2,100,000)
Federal transit funds (from \$13.7M to \$14.8M)	1,100,000
Total	\$24,600,000

### **Quiet Zone Funding**

- We would also like to take this opportunity to share with the committee that the Quiet Zone program which was funded by the legislative body in the 2009-11 biennium and continued in the 2011-13 biennium needs to be extended another biennium to allow projects underway to be completed. We have attached an amendment for your consideration.

Thank you Mr. Chairman, this concludes my testimony.

**ATTACHMENT A**

**PROPOSED AMENDMENTS TO SENATE BILL NO. 2012**

Page 5, after line 24, insert:

**“SECTION 9. APPROPRIATION – TRANSFER – HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS.** There is appropriated out of any moneys in the highway-rail grade crossing safety fund in the state treasury, not otherwise appropriated, the sum of \$640,000, or so much as may be necessary, to the department of transportation for the funding of grants for highway-rail grade crossing safety projects, including grants for the reduction of associated special assessments, for the biennium beginning July 1, 2013, and ending June 30, 2015. On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade safety projects fund to the highway tax distribution fund.

The funds provided under this section may be used by the department of transportation for highway-rail grade crossing safety projects approved by the department and for which funding was obligated prior to January 1, 2013.

Renumber accordingly.

**SENATE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION**

January 29, 2013  
10 a.m. - Harvest Room

**North Dakota Department of Transportation  
Grant Levi, P.E., Interim Director**

**SB2012**

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Mr. Chairman and members of the committee, I'm Grant Levi, Interim Director for the North Dakota Department of Transportation (NDDOT). The Department supports SB2012.

**Full-time employees**

In order to provide service needs due to growth in the state's economy, we are requesting 16 new FTEs.

- 5 engineers to provide management and oversight of preliminary and construction consultant engineering and contractors working on highway projects.
- 4 equipment operators to address increased road maintenance & snow removal demands in western N.D.
- 1 accounting/budget specialist to meet increased accounting and regulatory demands.
- 2 driver's license supervisors to meet the demands of the growth for licensing and testing in western N.D.
- 4 motor vehicle licensing specialists in the Bismarck office to meet the increasing demand for motor vehicle services, which include support of branch offices across the state.

See attached spreadsheet.

Thank you Mr. Chairman, this concludes my testimony.

**North Dakota Department of Transportation**  
**Detail for Requested Positions**  
**SB2012**

	Number of Positions	Starting Annual Salary	Annual Benefits	Total Annual Salary and Benefits per Position	Total Annual Salary and Benefits by Classification	Biennial Total by Program
<b>Highways Program</b>						
Transportation Engineer III	4	\$ 75,000	\$ 26,472	\$ 101,472	\$ 405,888	
Transportation Engineer II	1	65,000	24,697	89,697	89,697	
Transportation Technician I	4	45,000	20,573	65,573	262,292	
Program Total	9	\$ 185,000	\$ 71,742	\$ 256,742	\$ 757,877	\$ 1,515,754
<b>Administration Program</b>						
Account Budget Specialist II	1	\$ 52,000	\$ 22,627	\$ 74,627	\$ 74,627	
Program Total	1	\$ 52,000	\$ 22,627	\$ 74,627	\$ 74,627	\$ 149,254
<b>Driver and Vehicle Services Program</b>						
Drivers License Examiner Supervisor	2	\$ 50,000	\$ 21,431	\$ 71,431	\$ 142,862	
Licensing Specialist II	4	38,000	19,656	57,656	230,624	
Program Total	6	\$ 88,000	\$ 41,087	\$ 129,087	\$ 373,486	\$ 746,972
<b>Total All Programs - Annual Cost</b>	16	\$ 325,000	\$ 135,456	\$ 460,456	\$ 1,205,990	
<b>2013-2015 Biennium Total Cost</b>						<b>\$ 2,411,980</b>

**LISTING OF PROPOSED CHANGES TO SENATE BILL NO. 2012**

**Department of Transportation**

**Proposed funding changes:**

<b>Description</b>	<b>FTE</b>	<b>General Fund</b>	<b>Special Funds</b>	<b>Total</b>
Add appropriation authority and related language to continue projects funded from the highway-rail grade crossing safety fund (Dept. of Transportation)			\$640,000	\$640,000
Total proposed funding changes		<u>\$0</u>	<u>\$640,000</u>	<u>\$640,000</u>

**Other proposed changes:**

Continue unexpended 2011-13 biennium appropriations from the state disaster relief fund into the 2013-15 biennium for Devils Lake road grade raising projects. (Sen. Oehlke)

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 1, line 2, remove "to provide appropriations to the state treasurer for transportation funding"

Page 1, line 3, remove "distributions;"

Page 1, replace lines 14 and 15 with:

"Operating expenses	204,090,250	173,731,465	377,821,715
Capital assets	709,079,831	560,431,376	1,269,511,207"

Page 1, replace line 20 with:

"Total all funds	\$1,146,903,884	\$938,799,694	\$2,085,703,578
Less estimated income	<u>1,146,903,884</u>	<u>928,799,694</u>	<u>2,075,703,578"</u>

Page 2, replace line 11 with:

"Enhanced state highway investments		0	541,600,000"
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Page 2, replace lines 13 and 14 with:

"Total all funds		\$608,000,575	\$693,600,000
Total special funds		<u>602,150,575</u>	<u>683,600,000"</u>

Page 4, remove lines 9 through 31

Page 5, remove lines 1 through 12

Page 5, line 20, replace "\$1,161,600,000" with "\$541,600,000"

Page 5, line 25, remove "Sections 5 and 6 of this Act and funding of \$1,161,600,000 in"

Page 5, remove line 26

Page 5, line 27, replace "in the" with "The"

Page 5, line 27, replace "are" with "is"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Department of Transportation - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$198,822,626		\$198,822,626
Operating expenses	456,821,715	(79,000,000)	377,821,715
Capital assets	1,810,511,207	(541,000,000)	1,269,511,207
County and township road program	142,000,000		142,000,000
Grants	97,548,030		97,548,030
General fund transfer to highway fund	683,600,000		683,600,000
Total all funds	\$3,389,303,578	(\$620,000,000)	\$2,769,303,578

Less estimated income	2,695,703,578	(620,000,000)	2,075,703,578
General fund	\$693,600,000	\$0	\$693,600,000
FTE	1079.50	0.00	1079.50

**Department No. 801 - Department of Transportation - Detail of Senate Changes**

	<b>Removes Road Construction and Maintenance Funding<sup>1</sup></b>	<b>Total Senate Changes</b>
Salaries and wages		
Operating expenses	(79,000,000)	(79,000,000)
Capital assets	(541,000,000)	(541,000,000)
County and township road program		
Grants		
General fund transfer to highway fund		
Total all funds	(\$620,000,000)	(\$620,000,000)
Less estimated income	(620,000,000)	(620,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment removes \$620 million of road construction and maintenance funding.

This amendment also:

- Removes Section 5 which provides a \$100 million general fund appropriation to the State Treasurer during the 2011-13 biennium for transportation funding distributions to non-oil producing counties, cities, and townships.
- Removes Section 6 which transfers \$620 million from the general fund to the highway fund during the 2011-13 biennium.
- Adjusts sections 2 and 8 which relate to one-time funding and carryover authority for highway funding.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 4, remove lines 9 through 31

Page 5, replace lines 1 through 4 with:

**"SECTION 5. APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section as follows:

1. Fifteen million dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
2. Ten million dollars to counties and townships in oil-producing counties through a distribution of \$15,000 to each organized township and a distribution of \$15,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute the remaining funds to counties and townships in non-oil-producing counties pursuant to the method provided in subsection 1.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year 2012 and an "oil-producing county" means a county that received a total allocation under section 57-51-15 of \$500,000 or more for state fiscal year 2012. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes."

Renumber accordingly

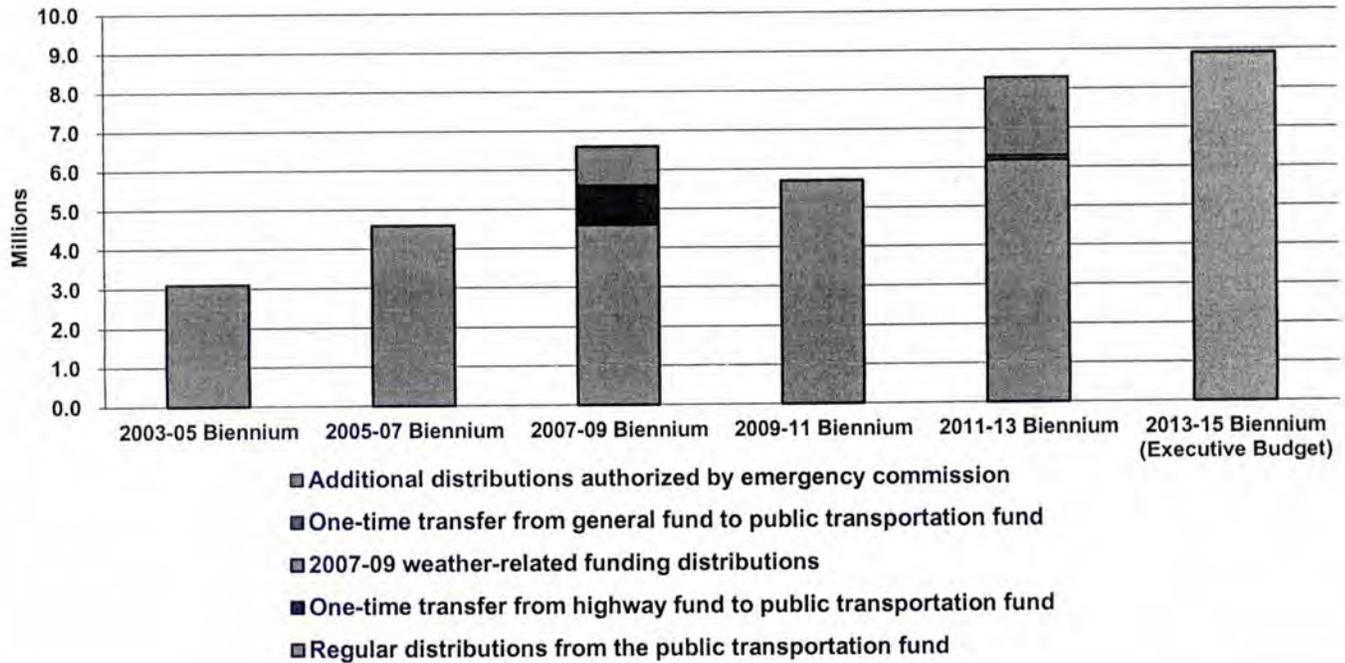
**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment replaces Section 5 to remove a \$100 million general fund appropriation to the State Treasurer for 2011-13 biennium transportation distributions to non-oil-producing political subdivisions. The new section provides a \$25 million general fund appropriation to the State Treasurer to be allocated as follows:

- Ten million dollars to organized and unorganized townships in oil-producing counties through a \$15,000 distribution to each township.
- Fifteen million dollars to counties and townships in non-oil-producing counties for township road purposes.

## DISTRIBUTIONS FROM THE PUBLIC TRANSPORTATION FUND

The chart below details regular distributions from the public transportation fund and special one-time funding distributions from the fund.



	2003-05 Biennium	2005-07 Biennium	2007-09 Biennium	2009-11 Biennium	2011-13 Biennium (Estimated)	2013-15 Biennium (Executive Budget)
Regular distributions from the public transportation fund <sup>1</sup>	\$3.1	\$4.6	\$4.6	\$5.7	\$6.2	\$8.9
One-time transfer from highway fund to public transportation fund <sup>2</sup>			1.0			
2007-09 weather-related funding distributions <sup>3</sup>			1.0			
One-time transfer from general fund to public transportation fund <sup>4</sup>					0.1	
Additional distributions authorized by emergency commission <sup>5</sup>					2.0	
<b>Total</b>	<b>\$3.1</b>	<b>\$4.6</b>	<b>\$6.6</b>	<b>\$5.7</b>	<b>\$8.3</b>	<b>\$8.9</b>

<sup>1</sup>Prior to the 2009-11 biennium, the public transportation fund received an additional fee from motor vehicle registration fees. Beginning with the 2009-11 biennium, the fund receives an allocation from the highway tax distribution fund. The amounts shown reflect legislative appropriations provided from the public transportation fund for distributions to transit agencies.

<sup>2</sup>House Bill No. 1012 (2007) provided for a one-time transfer of \$1 million from the highway fund to the public transportation fund.

<sup>3</sup>Senate Bill No. 2012 (2009) provided \$1 million for 2007-09 biennium weather-related distributions to public transit programs.

<sup>4</sup>Senate Bill No. 2015 (2011) provided for a transfer of \$100,000 from the general fund to the public transportation fund.

<sup>5</sup>In March 2012 the Emergency Commission authorized an additional \$2 million of distributions from the public transportation fund. The excess funds were the result of deposits in the public transportation fund exceeding legislative appropriation estimates in the 2009-11 and 2011-13 bienniums.

**SENATE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION**  
February 5, 2013  
3 p.m. - Harvest Room

**North Dakota Department of Transportation**  
**Grant Levi, P.E., Interim Director**

**SB 2012**

---

Mr. Chairman and members of the committee, I'm Grant Levi, Interim Director of the North Dakota Department of Transportation (DOT). Per your request, we will be presenting a suggested modification to a section of the Century Code to ensure long term stability and function of Motor Vehicle branch offices. In addition, we will be discussing other proposed amendments to SB 2012.

In previous testimony, we have presented information of what we would like to implement to enhance business efficiencies with Motor Vehicle services including:

- Additional positions – Four FTEs.
- Computer software Vehicle Registration and Titling System (VRTS) – replace and upgrade the existing Motor Vehicle software = \$9.7 million.
- Outsourcing additional work – including phone calls, training, quality review and processing.

With the strong economic growth in our state, the Motor Vehicle branch offices, like the Department, are experiencing challenges retaining employees and keeping pace with the increased service demands.

To meet the increased service demands and implement technology enhancements, we need to establish a new business model that will better serve motor vehicle customers. In addition, we believe there is a need to modify some processes relating to branch offices. Attachment 1 is a proposed modification to Section 39-02-03 of the Century Code. This proposed modification gives the Department the ability to proceed as follows:

- Section 1, Line 12 - would change the word "shall" to "may" and strike out the word "uniform."
  - This would provide the Department more flexibility regarding the use of fees to cover branch office costs.
- Section 1, Line 13 and 14 – would add the wording "not to exceed ten dollars for each service provided."
  - This provides guidance from the legislative body, which will allow the Department to establish a fee schedule through administrative rules, not to exceed \$10 per service. This is in response to a 2010 Attorney General's opinion pertaining to fees established by state agencies. Attachment 2 is the current fee schedule.

- Section 1, Line 17 – removes the word “overhead.”
  - This allows the Department to provide funding for branch office costs in addition to overhead.
  
- Section 1, Line 20-23 – adds “Notwithstanding any other provision of law, in establishing branch offices, the director may enter into direct negotiations and contract with any entity the director deems qualified to provide branch office services.”
  - This will allow the director more flexibility to supplement branch offices costs when necessary to ensure adequate services are provided. It also allows the director more flexibility in establishing and maintaining branch offices.

These modifications to the Century Code will allow the Department to assist branch offices by supplementing costs, where needed, to allow branches to hire staff so they can complete quality review and provide services in a timely manner.

Procedurally, prior to the Department supplementing any fees, we would do a business analysis of the branch offices’ financial status to help determine the necessity of funding. The Subcommittee requested information on branch office fees and revenue. Attachments 3 and 4 provide this information.

In addition to the possible modification to Century Code to modify motor vehicle process we also recommend the committee consider adding the following amendments to SB 2012.

- Attachment 5 - Quiet Zone Funding – We previously supplied to the committee a Quiet Zone amendment. The Quiet Zone program, which was funded by the legislative body in the 2009-11 biennium and continued in the 2011-13 biennium, needs to be extended another biennium to allow projects underway to be completed.
  
- Attachment 6 – Amendment to Section 4 of SB 2012 County and Township Road Reconstruction Program – Carryover Authority: A few of the 17 oil producing counties have stated they will have projects ready to bid prior to May of this year. The proposed amendment adds construction to the list of items that the department could reimburse the counties for, in addition to engineering and design costs incurred on related projects prior to January 1, 2013.

Mr. Chairman, this concludes my testimony. Thank you.

## Attachment 1

Sixty-third  
Legislative Assembly  
of North Dakota

BILL NO.

Introduced by

- 1 A BILL for an Act to amend and reenact section 39-02-03 of the North Dakota Century  
2 Code, relating to department of transportation branch offices.

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

4 **SECTION 1. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code  
5 is amended and reenacted as follows:

6 The director, subject to the approval of the governor, may adopt and enforce  
7 such administrative rules and designate such agencies and establish such branch  
8 offices as may be necessary to carry out the laws applicable to the director's office and  
9 department. The director shall provide suitable forms for applications, registration cards,  
10 license number plates, and all other forms requisite for the operation of the director's  
11 office and department, and shall prepay all transportation charges thereon. ~~In addition,~~  
12 ~~the~~ The director shall may provide for a ~~uniform~~ maximum fee schedule for the various  
13 services provided by the branch offices, not to exceed ten dollars for each service  
14 provided. Any branch office may establish a different fee schedule if the schedule does  
15 not contain a fee that exceeds a maximum fee established by the director and is  
16 approved by the director. All branch office managers must be bonded. The department  
17 may lease or provide office space or other ~~overhead~~ costs as necessary to independent  
18 motor vehicle branch managers. All rents collected under this section must be deposited  
19 in the state highway fund. The department and the officers thereof shall enforce the  
20 provisions of all laws pertaining to the director and the department. Notwithstanding any  
21 other provision of law, in establishing branch offices, the director may enter into direct  
22 negotiations and contract with any entity the director deems qualified to provide branch  
23 office services.

## Attachment 2

### MAXIMUM BRANCH SERVICE FEE SCHEDULE

APPLICATION TYPE	FEE
MOTOR VEHICLE/NEW TITLE ONLY	\$7.00
MOTOR VEHICLE/ NEW TITLE AND REGISTRATION	\$8.00
MOTOR VEHICLE/TITLE TRANSFER ONLY	\$7.00
MOTOR VEHICLE/TITLE TRANSFER AND REGISTRATION	\$8.00
MOTOR VEHICLE/DUPLICATE TITLE	\$7.00
MOTOR VEHICLE/REGISTRATION	\$7.00
MOTOR VEHICLE/DUPLICATE REGISTRATION	\$7.00
MOTOR VEHICLE/NEW REGISTRATION	\$4.00
MOTOR VEHICLE/REGISTRATION CHANGE	\$7.00
MOTOR VEHICLE/TITLE CORRECTION	\$7.00
MOTOR VEHICLE/RENEWAL	\$4.00
OTHER/STANDARD PERMIT	\$7.00
OTHER/NEW MOBILITY IMPAIRED	\$7.00
OTHER/DUPLICATE MOBILITY IMPAIRED	\$7.00
OTHER/RENEWAL MOBILITY IMPAIRED	\$7.00
OTHER/NEW PERSONAL INVENTORY	\$7.00
OTHER/DUPLICATE PERSONAL INVENTORY	\$7.00
OTHER/RENEW PERSONAL INVENTORY	\$7.00

**CONVENIENCE FEE** – a fee may be charged to the customer who chooses to pay via debit or credit card; this fee is not to exceed the actual cost charged by the card vendor as defined in the table provided

**BRANCH ADMIN FEE \$2.00** – a fee may be charged only on new title or title transfer transactions to be used when letters are written and/or postage costs are incurred

If a branch office provides services for dealer plate processing and mailing, a branch office may charge for costs incurred by the branch office(s) not to exceed \$5.00. A written request must be submitted in writing and approved by Motor Vehicle Director.

### Attachment 3

<b>Fees Collected</b>	
<b>Branch</b>	<b>Jul 2011 - Jun 2012</b>
Fargo	\$ 704,318.75 *
Minot	\$ 350,684.32
Grand Forks	\$ 337,070.00
Dickinson	\$ 261,514.47
Williston	\$ 232,287.10
Jamestown	\$ 146,627.51
Devils Lake	\$ 137,852.00
Wahpeton	\$ 96,221.60
Grafton	\$ 91,260.89
Valley City	\$ 67,727.40
McKenzie Co.	\$ 60,697.73
Rugby	\$ 43,834.40
Beulah	\$ 42,315.50
Bottineau Co.	\$ 40,614.00
Ransom Co.	\$ 29,350.00
DRN - Dickey	\$ 29,228.05
Bowman Co.	\$ 18,094.07
Cavalier Co.	\$ 16,326.00
Emmons Co.	\$ 14,455.00
Grant Co.	\$ 5,261.02

\*Fargo provides the additional service of mailing out plates for the dealers and is reimbursed for the cost of postage plus a small processing fee.

Bismarck does not collect fees for services.

## Attachment 4

<b>Tax Revenue by Branch</b>	
<b>Branch</b>	<b>Jul 2011 - Jun 2012 Minus Branch Fees</b>
Bismarck	\$ 116,804,097.20
Fargo	\$ 29,124,298.46
Minot	\$ 25,076,724.30
Dickinson	\$ 13,436,094.70
Williston	\$ 12,546,079.07
Grand Forks	\$ 11,726,164.16
Jamestown	\$ 5,986,103.94
Devils Lake	\$ 4,729,906.07
McKenzie Co.	\$ 3,715,861.46
Grafton	\$ 3,300,961.87
Wahpeton	\$ 3,203,512.36
Valley City	\$ 2,523,066.15
Bowman Co.	\$ 1,995,471.64
Rugby	\$ 1,163,684.61
Beulah	\$ 1,150,672.69
DRN - Dickey	\$ 1,140,831.60
Bottineau Co.	\$ 1,054,457.60
Ransom Co.	\$ 778,462.32
Cavalier Co.	\$ 656,791.06
Emmons Co.	\$ 557,038.93
Grant Co.	\$ 191,310.17

## Attachment 5

### PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 5, after line 24, insert:

**“SECTION 9. APPROPRIATION – TRANSFER – HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS.** There is appropriated out of any moneys in the highway-rail grade crossing safety fund in the state treasury, not otherwise appropriated, the sum of \$640,000, or so much as may be necessary, to the department of transportation for the funding of grants for highway-rail grade crossing safety projects, including grants for the reduction of associated special assessments, for the biennium beginning July 1, 2013, and ending June 30, 2015. On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade safety projects fund to the highway tax distribution fund.

The funds provided under this section may be used by the department of transportation for highway-rail grade crossing safety projects approved by the department and for which funding was obligated prior to January 1, 2013.

Renumber accordingly.

## Attachment 6

### **PROPOSED AMENDMENTS TO SENATE BILL NO. 2012**

Page 4, line 2, replace "and" with a comma

Page 4, line 2, after "design" insert ", and construction"

Renumber accordingly.

13.8162.01009  
Title.

Prepared by the Legislative Council staff for  
Senator Bowman

February 4, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 5, after line 4, insert:

**"SECTION 6. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing township transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2015.

1. The state treasurer shall distribute the funds provided under this section to counties and townships in oil-producing counties through a distribution of \$15,000 to each organized township and a distribution of \$15,000 for each unorganized township to the county in which the unorganized township is located.
2. If any funds remain after the distributions provided under subsection 1 of this section, the state treasurer shall distribute the remaining funds to counties and townships in oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive a distribution under this subsection.

For purposes of this section, an "oil-producing county" means a county that received total allocations under section 57-51-15 of \$500,000 or more during state fiscal year 2012. All funds distributed under this section must be used for roadway maintenance purposes. The funding provided in this section is considered a one-time funding item."

Page 5, line 25, replace "5 and 6" with "5, 6, and 7"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment appropriates \$10 million to the State Treasurer to provide a \$15,000 transportation grant for each organized and unorganized township in oil-producing counties. The section defines an "oil-producing county" as a county that received total allocations under Section 57-51-15 (oil and gas gross production tax) of \$500,000 or more during state fiscal year 2012. Any funding that remains after the distributions of grants is to be distributed to counties and townships in oil-producing counties pursuant to the method contained in Section 54-27-19.1 (township highway aid distributions).

February 4, 2013

## PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 5, after line 4, insert:

**"SECTION 6. APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$35,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section as follows:

1. Twenty-five million dollars to all counties and townships in the state pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
2. Ten million dollars to counties and townships in oil-producing counties through a distribution of \$15,000 to each organized township and a distribution of \$15,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute the remaining funds to counties and townships in non-oil-producing counties pursuant to the method provided in subsection 1.

For purposes of this section, an "oil-producing county" means a county that received a total allocation under section 57-51-15 of \$500,000 or more for state fiscal year 2012. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes."

Page 5, line 25, replace "and 6" with ", 6, and 7"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment provides a \$35 million general fund appropriation to the State Treasurer to be allocated as follows:

- Ten million dollars to organized and unorganized townships in oil-producing counties through a \$15,000 distribution to each township.
- Twenty-five million dollars to all counties and townships in the state for township road purposes.

**Example of Modified Loan Program:**

Replacement of 10 miles of light 72 lb (per yard) with heavier 115 lb rail.  
Estimated Project Cost: 10 track miles at \$500,000 per mile = \$5,000,000.  
Short Line Railroad Project Contribution (30%) = \$1.5 million.  
ND DOT Loan Amount (70%) = \$3.5 million.  
Loan Term: 15 years, Payment deferred for 2 years.  
Estimated Annual Loan Amortization: \$ \$320,000.-  
Annual Loan Forgiveness Amount if Performance Measures are Met: \$160,000. ·  
State of ND Appropriates the Forgiven Amount to keep loan fund at current balance.

**Performance Measures:**

**Short Line Railroad must:**

Rehabilitate the Line to 286,000 lb GVW standard.  
Maintain Track Speed to at least 25 mph.  
Keep Track Accessible for customer service for 12 months of the year.

13.8162.01011  
Title.

Prepared by the Legislative Council staff for  
Senator Wanzek

February 5, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 2, after line 19, insert:

**"SECTION 3. APPROPRIATION - RAILROAD FREIGHT ASSISTANCE LOAN PROGRAMS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$350,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of enhancing railroad freight assistance loan programs, for the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall use the funding provided under this section for new loans provided under the local rail service assistance and freight rail improvement loan programs as follows:

1. The director shall provide loans for railroad branch line improvements that are strategically important to the state.
2. The term of each loan must be 15 years and the director may not charge interest on the loan.
3. Loan payments must be deferred for the first two years of the loan.
4. The director shall forgive one-half of a recipient's annual loan payment each year if the director determines the recipient has maintained the following performance measures for the improved track:
  - a. The track is able to accommodate gross train car weights of 286,000 pounds or more.
  - b. The track is rated to maintain a maximum train speed of 25 miles per hour or more.
  - c. The track is accessible for rail traffic year round except in emergency situations."

Page 5, line 25, remove "5 and"

Page 5, line 25, after "6" insert "and 7"

Renumber accordingly

13.8162.01015  
Title.

Prepared by the Legislative Council staff for  
Senator Krebsbach

February 7, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 5, after line 18, insert:

**"SECTION 8. APPROPRIATION - RIGHT-OF-WAY PURCHASE GRANTS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to eligible cities for the purchase of right of way for future interchange projects, for the biennium beginning July 1, 2013, and ending June 30, 2015. For purposes of this section, an eligible city is one that is affected by oil and gas development and is purchasing land for future interchange projects along an existing highway bypass route."

Renumber accordingly

Subcom  
SB 2012  
2-12-13

13.8162.01016  
Title.

Prepared by the Legislative Council staff for  
Senator G. Lee

February 12, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 1, line 3, after "transfers" insert "and contingent transfers"

Page 5, after line 18, insert:

**"SECTION 8. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014."

Renumber accordingly

2

*Sub  
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**LISTING OF PROPOSED CHANGES TO SENATE BILL NO. 2012**

**Department of Transportation**

**Proposed funding changes:**

<b>Description</b>	<b>FTE</b>	<b>General Fund</b>	<b>Special Funds</b>	<b>Total</b>
1 Add appropriation authority and related language to continue projects funded from the highway-rail grade crossing safety fund (Dept. of Transportation)			\$640,000	\$640,000
2 Add funding for railroad freight assistance programs (Sen. Wanzek) (13.8162.01011)		\$350,000		\$350,000
<b>Duplicative amendments</b>				
3 Add funding for grants to oil-producing townships and additional funding for distributions to non-oil townships (Sen. Wanzek) (13.8162.01013)		\$35,000,000		\$35,000,000
4 Add funding for transportation funding distributions to oil-producing political subdivisions (Sen. Bowman) (13.8162.01009)		\$10,000,000		\$10,000,000
Total proposed funding changes		<u>\$45,350,000</u>	<u>\$640,000</u>	<u>\$45,990,000</u>

**Other proposed changes:**

- 1 Continue unexpended 2011-13 biennium appropriations from the state disaster relief fund into the 2013-15 biennium for Devils Lake road grade raising projects. (Sen. Oehlke) (13.8162.01001)
- 2 Amend NDCC Section 39-02-03 regarding department motor vehicle branch offices. (Dept. of Transportation)
- 3 Amend subsection 8 of section 4 regarding the county and township road reconstruction program to allow funds to be used on construction costs incurred as of January 1, 2013. (Dept. of Transportation)
- 4 Remove \$683.6 million transfer from general fund to highway fund and related \$683.6 million special fund appropriation to the Dept. of Transportation. Provide a direct \$683.6 million general fund appropriation to the department. (Sen. Holmberg)
- 5 Declare section 4 of the bill which provides program guidelines for the county and township road program an emergency.

Sen. 2011-2012

Prepared by the Legislative Council staff  
for Senate Bill No. 2012 Subcommittee  
February 13, 2013

**LISTING OF PROPOSED CHANGES TO SENATE BILL NO. 2012**

**Department of Transportation**

**Proposed funding changes:**

<b>Description</b>	<b>FTE</b>	<b>General Fund</b>	<b>Special Funds</b>	<b>Total</b>
1 Add appropriation authority and related language to continue projects funded from the highway-rail grade crossing safety fund (Dept. of Transportation)			\$640,000	\$640,000
2 Add funding for railroad freight assistance programs (Sen. Wanzek) (13.8162.01011)		\$350,000		\$350,000
3 Add contingent transfers from general fund to public transportation fund (Sen. Lee) (13.8162.01016)		\$1,100,000		\$1,100,000
4 Add funding for grants to cities to purchase right of way along highway bypasses (Sen. Krebsbach) (13.8162.01015)		\$5,000,000		\$5,000,000
<b>Duplicative Amendments</b>				
5 Add funding for grants to oil-producing townships and additional funding for distributions to non-oil townships (Sen. Wanzek) (13.8162.01013)		\$35,000,000		\$35,000,000
6 Add funding for transportation funding distributions to oil-producing political subdivisions (Sen. Bowman) (13.8162.01009)		\$10,000,000		\$10,000,000
<b>Total proposed funding changes</b>		<u>\$51,450,000</u>	<u>\$640,000</u>	<u>\$52,090,000</u>

**Other proposed changes:**

- 1 Continue unexpended 2011-13 biennium appropriations from the state disaster relief fund into the 2013-15 biennium for Devils Lake road grade raising projects. (Sen. Oehlke) (13.8162.01001)
- 2 Amend NDCC Section 39-02-03 regarding department branch offices. (Dept. of Transportation)
- 3 Amend subsection 8 of section 4 regarding the county and township road reconstruction program to allow funds to be used on construction costs incurred as of January 1, 2013. (Dept. of Transportation)

- 4 Remove \$683.6 million transfer from general fund to highway fund and related \$683.6 million special fund appropriation to the Dept. of Transportation. Provide a direct \$683.6 million general fund appropriation to the department. (Sen. Holmberg)
- 5 Declare section 4 of the bill which provides program guidelines for the county and township road program an emergency.
- 6 Provide for a Legislative Management study of motor vehicle branch offices and the use of branch offices in the future.
- 7 Combine Senate Bill No. 2326 (license plate bill) into Senate Bill No. 2012.
- 8 Declare the \$10 million federal TIGER III railroad matching grant to be an emergency.
- 9 Create a new section to NDCC Chapter 24-06 relating to the altering of highway right of way. (Sen. Wanzek) (13.8162.01010)

February 14, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 5, after line 4, insert:

**"SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The State Treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section.

**SECTION 7. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$415,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distribution to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2015. The state treasurer shall use the funding provided under this section to ensure that all eligible counties and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the distributions to eligible counties and townships must be distributed by the state treasurer pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly."

Page 5, line 25, replace "and 6" with "through 8"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment appropriates funding from the general fund to the State Treasurer to correct the following distribution and calculation errors related to transportation funding distributions provided to counties and townships in non-oil-producing counties:

- A 2011-13 biennium general fund appropriation of \$590,000 is provided to allow the State Treasurer to distribute a \$10,000 transportation grant to each county and township that is eligible to receive a grant under subsection 3 of Section 27 of 2011 Senate Bill No. 2371. An exemption is also provided to prohibit the State Treasurer from requiring political subdivisions to return any overpayment of funds received as a result of the distribution error.
- A 2013-15 biennium general fund appropriation of \$415,000 is provided to allow the State Treasurer to ensure that all eligible counties and townships receive a \$15,000 transportation grant pursuant to subsection 3 of Section 2 of Senate Bill No. 2176 (2013).

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the upper great plains transportation institute"

Page 1, line 3, after "exemptions" insert "; to provide for budget section reports"

Page 1, after line 17, insert:

"County and township bridge reconstruction program"	0	27,000,000	27,000,000
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Page 1, replace lines 19 and 20 with:

"Total all funds	\$1,146,903,884	\$1,585,799,694	\$2,732,703,578
Less estimated income	<u>1,146,903,884</u>	<u>1,575,799,694</u>	<u>2,722,703,578</u> "

Page 2, after line 7, insert:

"County and township bridge reconstruction	0	27,000,000"
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Page 2, replace lines 13 and 14 with:

"Total all funds	\$608,000,575	\$1,340,600,000
Total special funds	<u>602,150,575</u>	<u>1,330,600,000"</u>

Page 4, after line 8, insert:

**"SECTION 5. COUNTY AND TOWNSHIP BRIDGE RECONSTRUCTION PROGRAM - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION.**

The county and township bridge reconstruction program line item in section 1 of this Act contains the sum of \$27,000,000 from the strategic investment and improvements fund which must be used by the department of transportation for a county and township road bridge rehabilitation and reconstruction program, for the period beginning with the effective date of this Act and ending June 30, 2015, as follows:

1. The funding must be used to rehabilitate or reconstruct county and township road bridges needed for the safe conveyance of persons and commerce in this state. The director of the department of transportation shall distribute the funding based on data available from studies conducted by the upper great plains transportation institute.
2. Each county requesting funding for a county or township road bridge project or for multiple projects shall submit the request in accordance with criteria developed by the department of transportation. The department of transportation, in consultation with the county, may approve a project or approve a project with amendments.
  - a. Funding must be distributed for projects based on data available from upper great plains transportation institute studies, actual road

conditions, and the level of integration with state highway and other county road projects.

- b. Funding may not be distributed for the routine maintenance of bridges.
3. The funding may be used to provide up to ninety percent of the cost of an approved bridge project, including engineering and plan development costs.
4. Upon approval of a project, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs. The funding provided for construction, engineering, and project development costs may be applied to costs incurred as of January 1, 2013.
5. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the funding to be used for the approved bridge project.
6. Each recipient county shall report to the department of transportation upon awarding each contract and upon completion of each project in a manner prescribed by the department.
7. Section 54-44.1-11 does not apply to funding included in the county and township bridge reconstruction program line item in section 1 of this Act. Any funds not spent by June 30, 2015, may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for county and township road bridge rehabilitation and reconstruction projects.
8. For purposes of this section, a "bridge" is a structure that extends over a river, stream, depression, or other obstacle and has an end area of fifty square feet [4.65 square meters] or greater.
9. To be eligible to receive a grant under this section, the county or township road bridge 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 6. APPROPRIATION. - UPPER GREAT PLAINS  
TRANSPORTATION INSTITUTE - STRATEGIC INVESTMENT AND  
IMPROVEMENTS FUND - BUDGET SECTION REPORTS.**

There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$350,000, or so much of the sum as may be necessary, to the upper great plains transportation institute for the purpose of updating and maintaining reports for transportation infrastructure needs for all county and township roads and bridges in the state, for the biennium beginning July 1, 2013, and ending June 30, 2015. While updating and maintaining the reports, the upper great plains transportation institute shall review options to most efficiently use resources through the integration of road and bridge projects identified in the reports along with other associated infrastructure needs. During the 2013-14 interim, the upper great plains transportation institute shall report at least annually to the budget section of the legislative management regarding the status of the reports."

Page 5, line 25, replace "and 6" with ", 7, and 8"

Page 5, line 26, replace "and" with a comma

Page 5, line 27, after "item" insert ", and \$27,000,000 in the county and township bridge reconstruction program line item"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Senate Action**

	Executive Budget	Senate Changes	Senate Version
<b>Transportation Institute</b>			
Total all funds	\$0	\$350,000	\$350,000
Less estimated income	0	350,000	350,000
General fund	\$0	\$0	\$0
<b>Department of Transportation</b>			
Total all funds	\$3,389,303,578	\$27,000,000	\$3,416,303,578
Less estimated income	2,695,703,578	27,000,000	2,722,703,578
General fund	\$693,600,000	\$0	\$693,600,000
<b>Bill total</b>			
Total all funds	\$3,389,303,578	\$27,350,000	\$3,416,653,578
Less estimated income	2,695,703,578	27,350,000	2,723,053,578
General fund	\$693,600,000	\$0	\$693,600,000

**Senate Bill No. 2012 - Transportation Institute - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Transportation reports		\$350,000	\$350,000
Total all funds	\$0	\$350,000	\$350,000
Less estimated income	0	350,000	350,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

**Department No. 627 - Transportation Institute - Detail of Senate Changes**

	Adds Funding for Transportation Reports <sup>1</sup>	Total Senate Changes
Transportation reports	\$350,000	\$350,000
Total all funds	\$350,000	\$350,000
Less estimated income	350,000	350,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding of \$350,000 from the strategic investment and improvements fund is appropriated to the Upper Great Plains Transportation Institute to update and maintain transportation infrastructure reports. The institute is to provide reports to the Budget Section regarding the status of the report.

**Senate Bill No. 2012 - Department of Transportation - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$198,822,626		\$198,822,626
Operating expenses	456,821,715		456,821,715
Capital assets	1,810,511,207		1,810,511,207
County and township road program	142,000,000		142,000,000
Grants	97,548,030		97,548,030
General fund transfer to highway fund	683,600,000		683,600,000
County and township bridge program		27,000,000	27,000,000
<b>Total all funds</b>	<b>\$3,389,303,578</b>	<b>\$27,000,000</b>	<b>\$3,416,303,578</b>
<b>Less estimated income</b>	<b>2,695,703,578</b>	<b>27,000,000</b>	<b>2,722,703,578</b>
<b>General fund</b>	<b>\$693,600,000</b>	<b>\$0</b>	<b>\$693,600,000</b>
<b>FTE</b>	<b>1079.50</b>	<b>0.00</b>	<b>1079.50</b>

**Department No. 801 - Department of Transportation - Detail of Senate Changes**

	<b>Adds Funding for County and Township Bridge Program<sup>1</sup></b>	<b>Total Senate Changes</b>
Salaries and wages		
Operating expenses		
Capital assets		
County and township road program		
Grants		
General fund transfer to highway fund		
County and township bridge program	27,000,000	27,000,000
<b>Total all funds</b>	<b>\$27,000,000</b>	<b>\$27,000,000</b>
<b>Less estimated income</b>	<b>27,000,000</b>	<b>27,000,000</b>
<b>General fund</b>	<b>\$0</b>	<b>\$0</b>
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>

<sup>1</sup>Funding is added from the strategic investment and improvements fund for a county and township bridge reconstruction program. A section is also added to provide guidelines for the program.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 1, line 3, after "distributions" insert "; to amend and reenact sections 39-02-03 and 39-04-09 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices and the issuance of license plates"

Page 1, line 3, after "transfers" insert "and contingent transfers"

Page 1, line 3, after "exemptions" insert "; to provide for budget section reports; to provide for a legislative management study"

Page 1, replace lines 13 through 20 with:

"Salaries and wages	\$165,966,396	\$32,880,464	\$198,846,860
Operating expenses	204,090,250	173,731,465	377,821,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road reconstruction program	0	142,000,000	142,000,000
County and township bridge reconstruction program	0	27,000,000	27,000,000
Grants	<u>67,767,407</u>	<u>30,420,623</u>	<u>98,188,030</u>
Total all funds	\$1,146,903,884	\$966,463,928	\$2,113,367,812
Less estimated income	<u>1,146,903,884</u>	<u>956,463,928</u>	<u>2,103,367,812"</u>

Page 2, after line 7, insert:

"County and township bridge reconstruction	0	27,000,000"
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Page 2, replace line 11 with:

"Enhanced state highway investments	0	541,600,000"
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Page 2, replace lines 13 and 14 with:

"Total all funds	\$608,000,575	\$720,600,000
Total special funds	<u>602,150,575</u>	<u>710,600,000"</u>

Page 4, line 2, replace "and" with a comma

Page 4, line 2, after "design" insert ", and construction"

Page 4, remove lines 9 through 31

Page 5, replace lines 1 through 12 with:

**"SECTION 5. COUNTY AND TOWNSHIP BRIDGE RECONSTRUCTION PROGRAM - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION.** The county and township bridge reconstruction program line item in section 1 of this Act contains the sum of \$27,000,000 from the strategic investment and improvements fund which must be used by the department of transportation for a county and township road bridge rehabilitation and reconstruction program, for the period beginning with the effective date of this Act and ending June 30, 2015, as follows:

1. The funding must be used to rehabilitate or reconstruct county and township road bridges needed for the safe conveyance of persons and commerce in this state. The director of the department of transportation shall distribute the funding based on data available from studies conducted by the upper great plains transportation institute.
2. Each county requesting funding for a county or township road bridge project or for multiple projects shall submit the request in accordance with criteria developed by the department of transportation. The department of transportation, in consultation with the county, may approve a project or approve a project with amendments.
  - a. Funding must be distributed for projects based on data available from upper great plains transportation institute studies, actual road conditions, and the level of integration with state highway and other county road projects.
  - b. Funding may not be distributed for the routine maintenance of bridges.
3. The funding may be used to provide up to ninety percent of the cost of an approved bridge project, including engineering and plan development costs.
4. Upon approval of a project, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs. The funding provided for construction, engineering, and project development costs may be applied to costs incurred as of January 1, 2013.
5. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the funding to be used for the approved bridge project.
6. Each recipient county shall report to the department of transportation upon awarding each contract and upon completion of each project in a manner prescribed by the department.
7. Section 54-44.1-11 does not apply to funding included in the county and township bridge reconstruction program line item in section 1 of this Act. Any funds not spent by June 30, 2015, may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for county and township road bridge rehabilitation and reconstruction projects.
8. For purposes of this section, a "bridge" is a structure that extends over a river, stream, depression, or other obstacle and has an end area of fifty square feet [4.65 square meters] or greater.
9. To be eligible to receive a grant under this section, the county or township road bridge 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 6. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS FUND.** The grants line item in section 1 of this Act includes the sum of \$640,000 from the highway-rail grade crossing safety projects fund which may be used by the

department of transportation to continue highway-rail grade crossing safety projects approved by the department and for which funding was obligated prior to January 1, 2013. On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade crossing safety projects fund to the highway tax distribution fund.

**SECTION 7. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014.

**SECTION 8. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing township transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2015.

1. The state treasurer shall distribute the funds provided under this section to counties and townships in oil-producing counties through a distribution of \$15,000 to each organized township and a distribution of \$15,000 for each unorganized township to the county in which the unorganized township is located.
2. If any funds remain after the distributions provided under subsection 1, the state treasurer shall distribute the remaining funds to counties and townships in oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive a distribution under this subsection.

For purposes of this section, an "oil-producing county" means a county that received total allocations under section 57-51-15 of \$500,000 or more during state fiscal year 2012. All funds distributed under this section must be used for roadway maintenance purposes. The funding provided in this section is considered a one-time funding item.

**SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of

chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section.

**SECTION 10. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$415,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distribution to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2015. The state treasurer shall use the funding provided under this section to ensure that all eligible counties and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the distributions to eligible counties and townships must be distributed by the state treasurer pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly.

**SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL LICENSE PLATE ISSUE - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,200,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses for a general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The appropriation provided under this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 12. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - GENERAL LICENSE PLATE ISSUE.** There is appropriated from special funds and other income received, the sum of \$4,280,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for expenses incurred by roughrider industries related to the general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 5, line 17, after the period insert "The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation."

Page 5, line 20, replace "\$1,161,600,000" with "\$541,600,000"

Page 5, after line 24, insert:

**"SECTION 15. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING GRANTS.** The amount appropriated to the department of transportation from the state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department to provide road grade raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 16. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

### **39-02-03. Powers and duties of director and department.**

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. ~~In addition, the~~The director ~~shall~~may provide for a ~~uniform~~ maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other ~~overhead~~ costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

**SECTION 17. AMENDMENT.** Section 39-04-09 of the North Dakota Century Code is amended and reenacted as follows:

#### **39-04-09. Director may design and issue number plates.**

The director may design and issue plates of distinctly different color for each classification of motor vehicle, and there must at all times be a marked contrast between the background color of the plates and that of the numerals and letters ~~thereon~~on the plate. License plates must be acquired from the North Dakota state penitentiary if the penitentiary has the facilities to manufacture license plates. The director shall make a general issue during the biennium beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 18. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH OFFICES.** During the 2013-14 interim, the legislative management shall consider studying the use of branch offices by the department of transportation. The study must include a review of the structure of agreements with operators of branch offices, the number of motor vehicles registered at each office, the current locations of offices, the quality of data provided by the offices, the staffing needs of the offices, and the fees received by offices for services provided. The study must also include a review of the future use of branch offices, including office locations, alternative uses for facilities, and other changes that may promote efficiencies. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 5, line 25, replace "5 and 6" with "4, 5, 8, 9, and 10"

Page 5, line 25, remove "\$1,161,600,000 in"

Page 5, line 26, remove "the capital assets line item relating to enhanced state highway investments and"

Page 5, line 27, after "item" insert "in section 1 of this Act, funding of \$27,000,000 in the county and township bridge reconstruction program line item in section 1 of this Act, and funding of \$10,000,000 in the grants line item"

Page 5, line 27, after "Act" insert "to match a federal TIGER III grant for railroad improvements"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Senate Action**

	Executive Budget	Senate Changes	Senate Version
State Treasurer			
Total all funds	\$0	\$10,415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$0	\$10,415,000	\$10,415,000
DOCR			
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
Department of Transportation			
Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812
Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
General fund	\$693,600,000	\$7,300,000	\$700,900,000
Bill total			
Total all funds	\$3,389,303,578	(\$570,340,766)	\$2,818,962,812
Less estimated income	2,695,703,578	(588,055,766)	2,107,647,812
General fund	\$693,600,000	\$17,715,000	\$711,315,000

**Senate Bill No. 2012 - State Treasurer - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Grants to townships		\$10,000,000	\$10,000,000
Township distribution corrections		415,000	415,000
Total all funds	\$0	\$10,415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$0	\$10,415,000	\$10,415,000
FTE	0.00	0.00	0.00

**Department No. 120 - State Treasurer - Detail of Senate Changes**

	Adds Funding for Grants to Townships in Oil-Producing Counties <sup>1</sup>	Adds Funding to Correct Distributions to Townships <sup>2</sup>	Total Senate Changes
Grants to townships	\$10,000,000		\$10,000,000
Township distribution corrections		415,000	415,000
Total all funds	\$10,000,000	\$415,000	\$10,415,000
Less estimated income	0	0	0
General fund	\$10,000,000	\$415,000	\$10,415,000
FTE	0.00	0.00	0.00

<sup>1</sup>Funding of \$10 million from the general fund is appropriated to the State Treasurer to provide a \$15,000 transportation funding grant to each organized and unorganized township in oil-producing counties. An

"oil-producing county" is one that received total allocations under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or more during state fiscal year 2012.

<sup>2</sup>A \$415,000 general fund appropriation is provided to the State Treasurer to ensure that all eligible counties and townships receive a \$15,000 transportation grant pursuant to subsection 3 of Section 2 of 2013 Senate Bill No. 2176.

A section is also added to provide a 2011-13 biennium appropriation of \$590,000 from the general fund to the State Treasurer to correct a distribution error in providing grants to counties and townships under subsection 3 of Section 27 of 2011 Senate Bill No. 2371. An exemption is provided to prohibit the State Treasurer from requiring political subdivisions to return any overpayment of funds received as a result of the distribution error.

Section 5 is removed which provides a \$100 million general fund appropriation to the State Treasurer during the 2011-13 biennium for transportation funding distributions to non-oil-producing counties, cities, and townships. Senate Bill No. 2176, as passed by the Legislative Assembly in 2013, contained \$100 million from the general fund for transportation funding distributions to non-oil-producing counties.

**Senate Bill No. 2012 - DOCR - Senate Action**

	Executive Budget	Senate Changes	Senate Version
License plate issue		\$4,280,000	\$4,280,000
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of Senate Changes**

	Adds Special Fund Authority for License Plate Issue <sup>1</sup>	Total Senate Changes
License plate issue	\$4,280,000	\$4,280,000
Total all funds	\$4,280,000	\$4,280,000
Less estimated income	4,280,000	4,280,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup>Special fund authority of \$4.28 million is provided for Roughrider Industries for costs associated with the general license plate issue.

**Senate Bill No. 2012 - Department of Transportation - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$198,822,626	\$24,234	\$198,846,860
Operating expenses	456,821,715	(79,000,000)	377,821,715
Capital assets	1,810,511,207	(541,000,000)	1,269,511,207
County and township road program	142,000,000		142,000,000
Grants	97,548,030	640,000	98,188,030
General fund transfer to highway fund	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000	1,100,000
License plate issue		6,200,000	6,200,000
County and township bridge program		27,000,000	27,000,000

Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812
Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
	\$693,600,000	\$7,300,000	\$700,900,000
General fund	1079.50	0.00	1079.50
FTE			

**Department No. 801 - Department of Transportation - Detail of Senate Changes**

	Corrects Executive Compensation Package <sup>1</sup>	Removes Previously Appropriated Road Funding <sup>2</sup>	Continues Highway-Rail Grade Crossing Safety Projects <sup>3</sup>	Provides Contingent Transfers to Public Transportation Fund <sup>4</sup>	Adds Funding for General License Plate Issue <sup>5</sup>	Adds Funding for County and Township Bridge Program <sup>6</sup>
Salaries and wages	\$24,234					
Operating expenses		(79,000,000)				
Capital assets		(541,000,000)				
County and township road program						
Grants			640,000			
General fund transfer to highway fund				1,100,000		
Transfer to public transportation fund					6,200,000	
License plate issue						27,000,000
County and township bridge program						
Total all funds	\$24,234	(\$620,000,000)	\$640,000	\$1,100,000	\$6,200,000	\$27,000,000
Less estimated income	24,234	(620,000,000)	640,000	0	0	27,000,000
General fund	\$0	\$0	\$0	\$1,100,000	\$6,200,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$24,234
Operating expenses	(79,000,000)
Capital assets	(541,000,000)
County and township road program	
Grants	640,000
General fund transfer to highway fund	
Transfer to public transportation fund	1,100,000
License plate issue	6,200,000
County and township bridge program	27,000,000
Total all funds	(\$585,035,766)
Less estimated income	(592,335,766)
General fund	\$7,300,000
FTE	0.00

<sup>1</sup>Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup>Funding of \$620 million for road construction and maintenance funding is removed. Senate Bill No. 2176, as previously passed by the Legislative Assembly in 2013, contains \$620 million of road construction and maintenance funding. Section 6 of the bill, which transfers \$620 million from the general fund to the highway fund during the 2011-13 biennium, is also removed.

<sup>3</sup>Funding from the highway-rail grade crossing safety fund is appropriated to continue projects for which funding was obligated prior to January 1, 2013. A section is also added to provide guidelines for the use of the funds.

<sup>4</sup>Funding is provided for contingent transfers from the general fund to the public transportation fund. The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being \$5 million or less during state fiscal years 2013 and 2014.

<sup>5</sup>Funding of \$6.2 million from the general fund is added to defray the expenses of a general license plate issue. An exemption is provided for the funding to allow the department to use any unexpended 2013-15 biennium appropriations related to the license plate issue in the 2015-17 biennium. A section is also added to amend Section 39-04-09 to require the Director of the Department of Transportation to make a general license plate issue during the 2013-15 and 2015-17 bienniums.

<sup>6</sup>Funding of \$27 million from the strategic investment and improvements fund is appropriated to the department for a county and township bridge reconstruction program. A section is also added to provide guidelines for the program.

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This amendment also:

- Adjusts subsection 8 of Section 4 regarding the county and township road reconstruction program in areas affected by energy development to allow funds to be used on construction costs incurred as of January 1, 2013.
- Adds a section to amend Section 39-02-03 regarding fees charged by Department of Transportation motor vehicle branch offices.
- Adds a section to continue unexpended 2011-13 biennium appropriations from the state disaster relief fund into the 2013-15 biennium for Devils Lake road grade raising projects.

*SB 2012  
March 11, 2013  
Attachment 1*

**SB 2012**

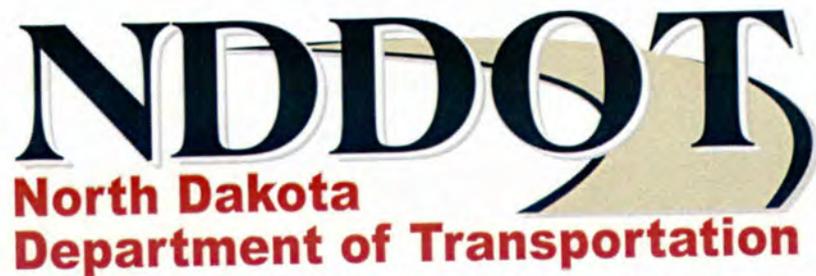
**TESTIMONY BEFORE THE  
HOUSE APPROPRIATIONS – GOVERNMENT  
OPERATIONS DIVISION**

**2013-2015 Biennium Budget**

**Prepared by  
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION  
BISMARCK, NORTH DAKOTA**

**INTERIM DIRECTOR  
Grant Levi, P.E.**

**March 11, 2013**



# **House Appropriations Government Operations Division – SB 2012**

**March 11, 2013**

# Introduction

- Accomplishments
- Challenges
- Budget Information
- Questions

# Record breaking biennium

The 2011-2013 biennium is one that can be called record breaking in many ways.

- Record energy production
- Record agricultural production
- Record manufacturing & tourism
- Record flooding
- Record traffic
- Record motor vehicle registrations
- Record drivers license renewals



Thanks to you the state has successfully handled a large number of historic records. Your legislation and funding has helped the NDDOT to accomplish a great deal.

# Energy Production

- 768,853 barrels of oil produced daily – December 2012
- Compared to 343,867 barrels per day – December 2010

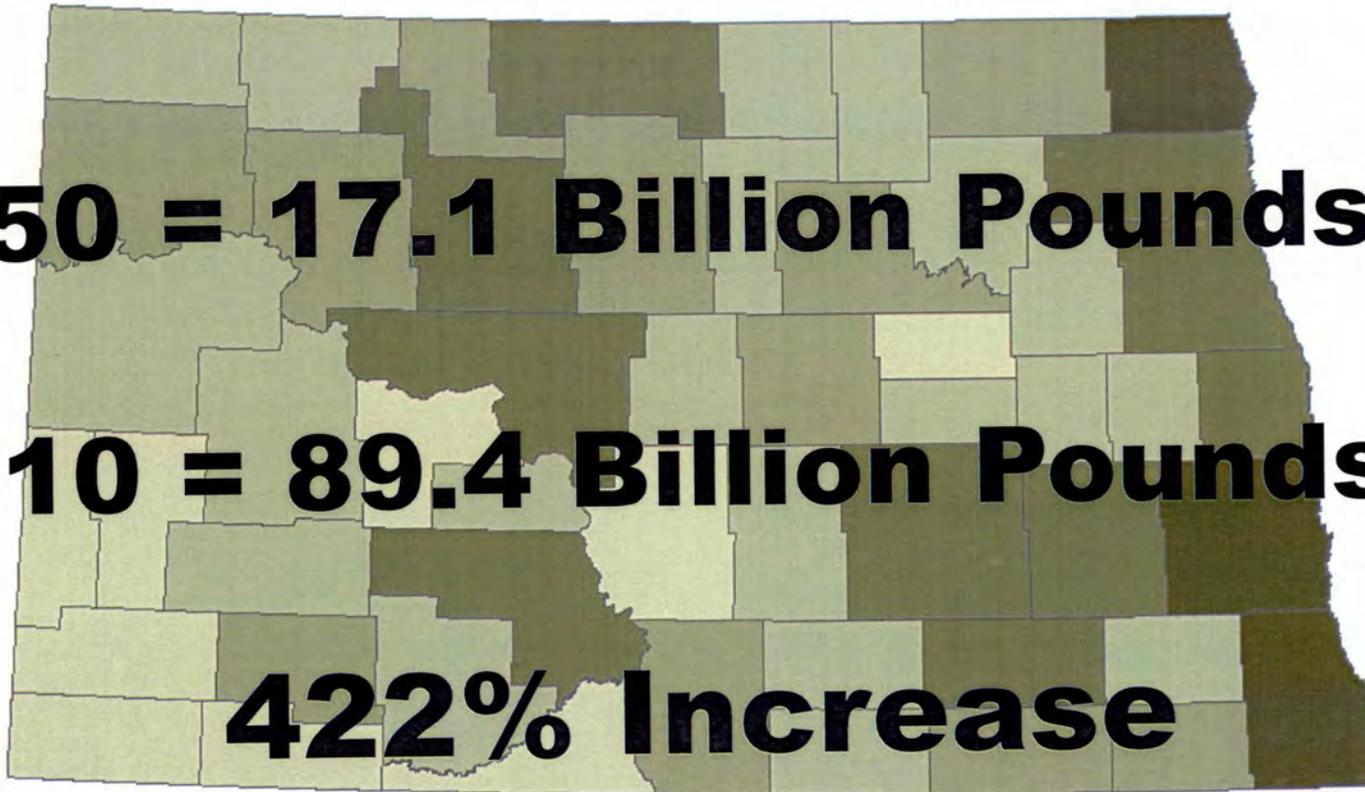


# Agricultural Growth 1950-2010

**1950 = 17.1 Billion Pounds**

**2010 = 89.4 Billion Pounds**

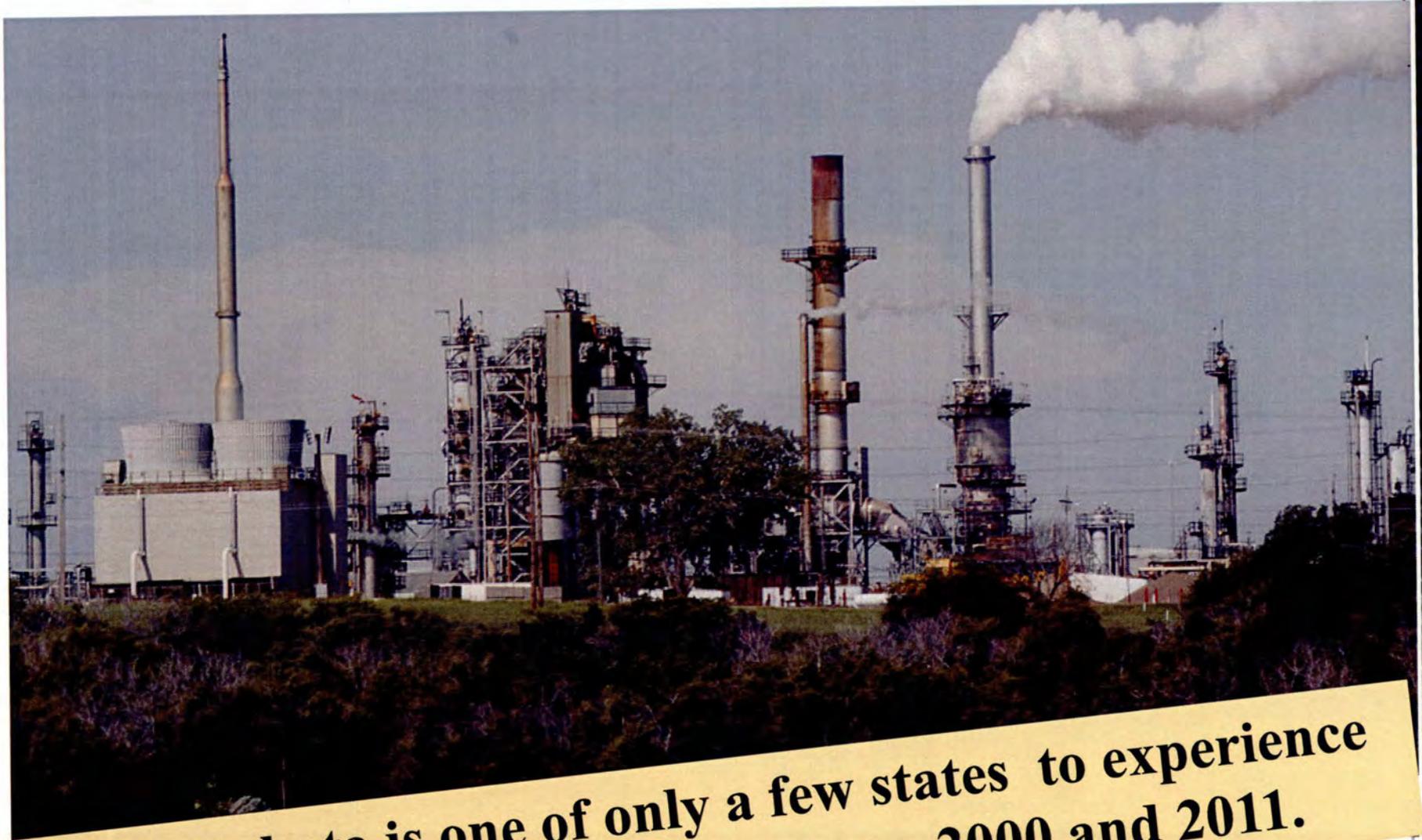
**422% Increase**



## Legend

	74,872,000 - 489,000,000 lbs
	489,000,001 - 1,023,000,000 lbs
	1,023,000,001 - 1,530,000,000 lbs
	1,530,000,001 - 3,103,000,000 lbs
	3,103,000,001 - 3,976,476,000 lbs

# Manufacturing Growth



**North Dakota is one of only a few states to experience a growth in manufacturing between 2000 and 2011.**

# Accomplishments - NDDOT

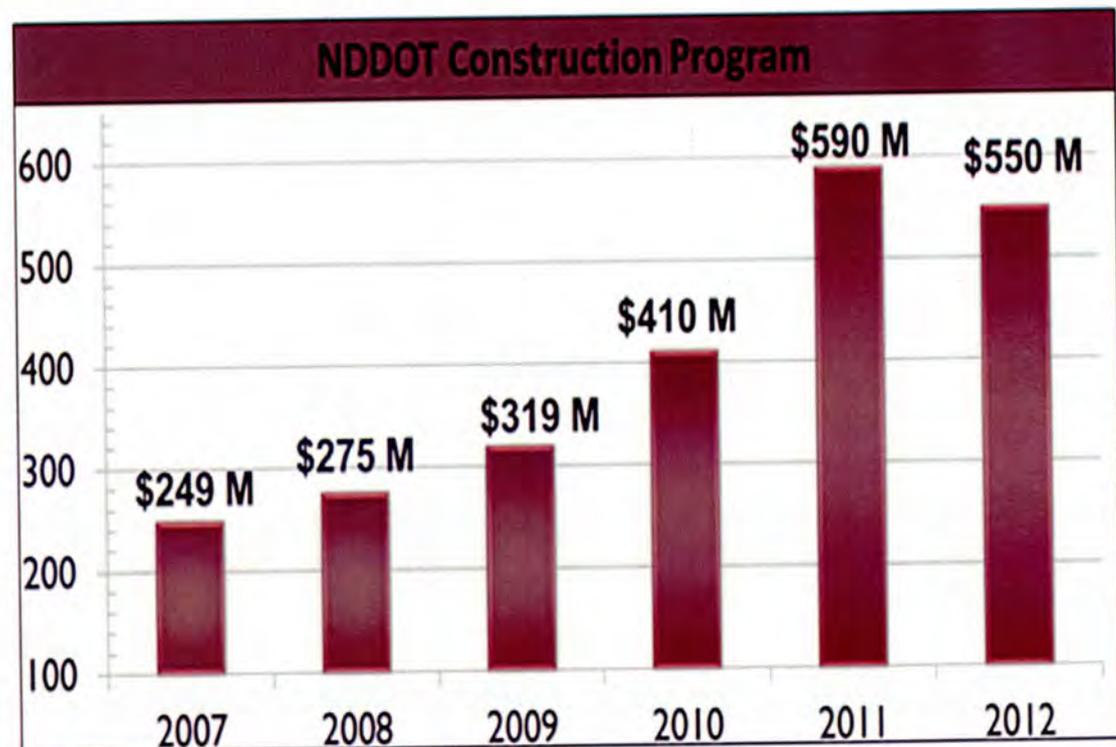
- Working with our partners – county, city, township and tribal agencies - the Department had the two largest road construction programs in state history, delivering over \$1 billion in projects.

- **Road Construction**

- NDDOT bid out 444 contracts for highway construction.

- **Emergency Work**

- \$316.74 million in federal Emergency Relief funding.



# Accomplishments - Emergency Work

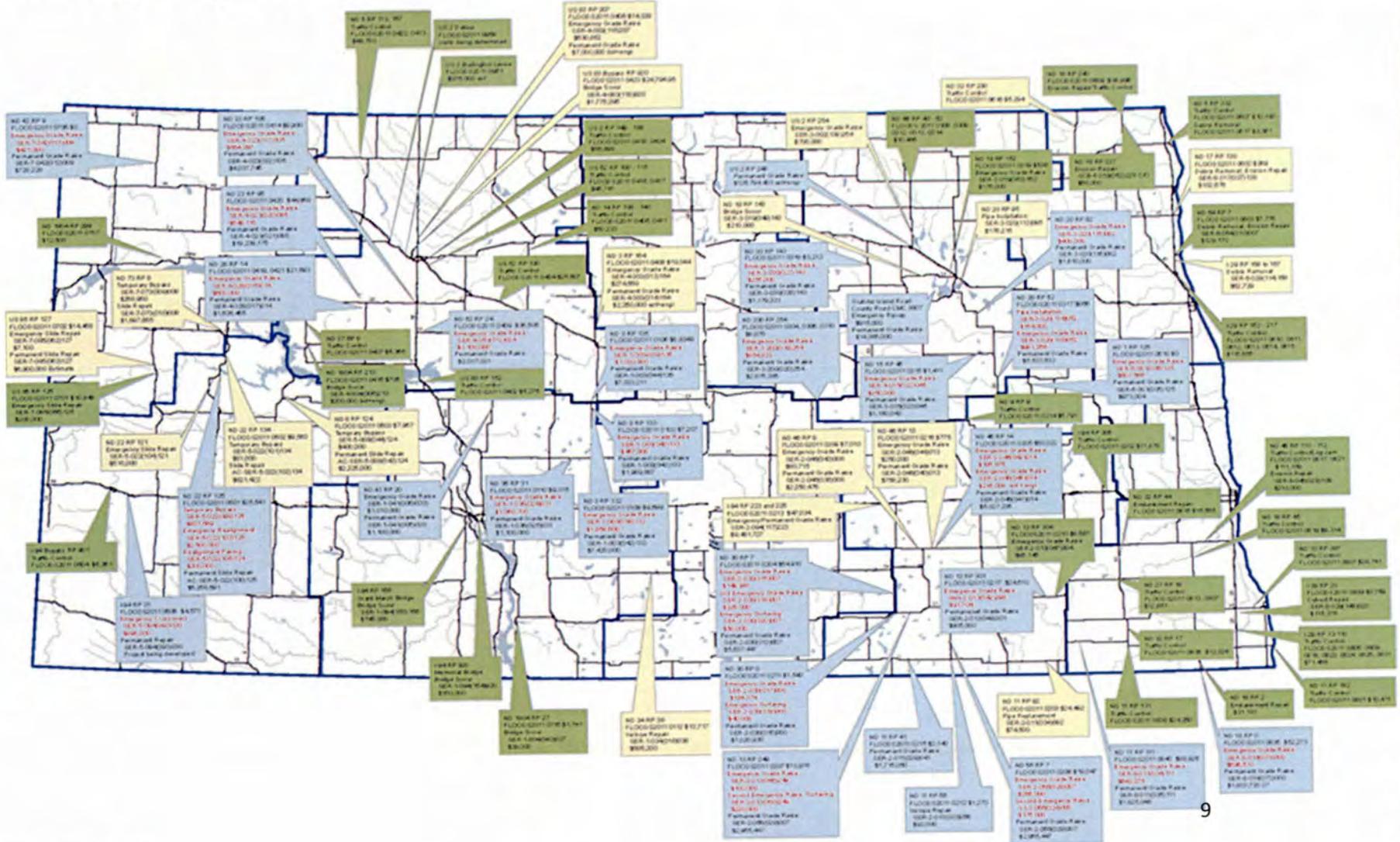
- The Emergency Commission and Budget section approved additional appropriations spending authority to allow us to go forward with emergency work.
- HB 1023 provides the \$36.1 million state match for ER work completed on the state system.
- FHWA changed ER guidelines to require higher roadway elevations. Cost effective to make improvements to site.
- Devils Lake Basin projects: From 1994 to 2012, we have spent approximately \$550 million on roadways in the Devils Lake Basin (includes state highways, county roadways, and BIA roads.)



*ND Highway 57 grade raise – Devils Lake*

# Accomplishments - Transportation

## Emergency Relief (ER) Projects



# Accomplishments

**Provided quality services during statewide flooding.**

- The NDDOT brought in equipment and employees from throughout the state to assist with flood fighting efforts in Fargo, Minot and Bismarck/Mandan areas.

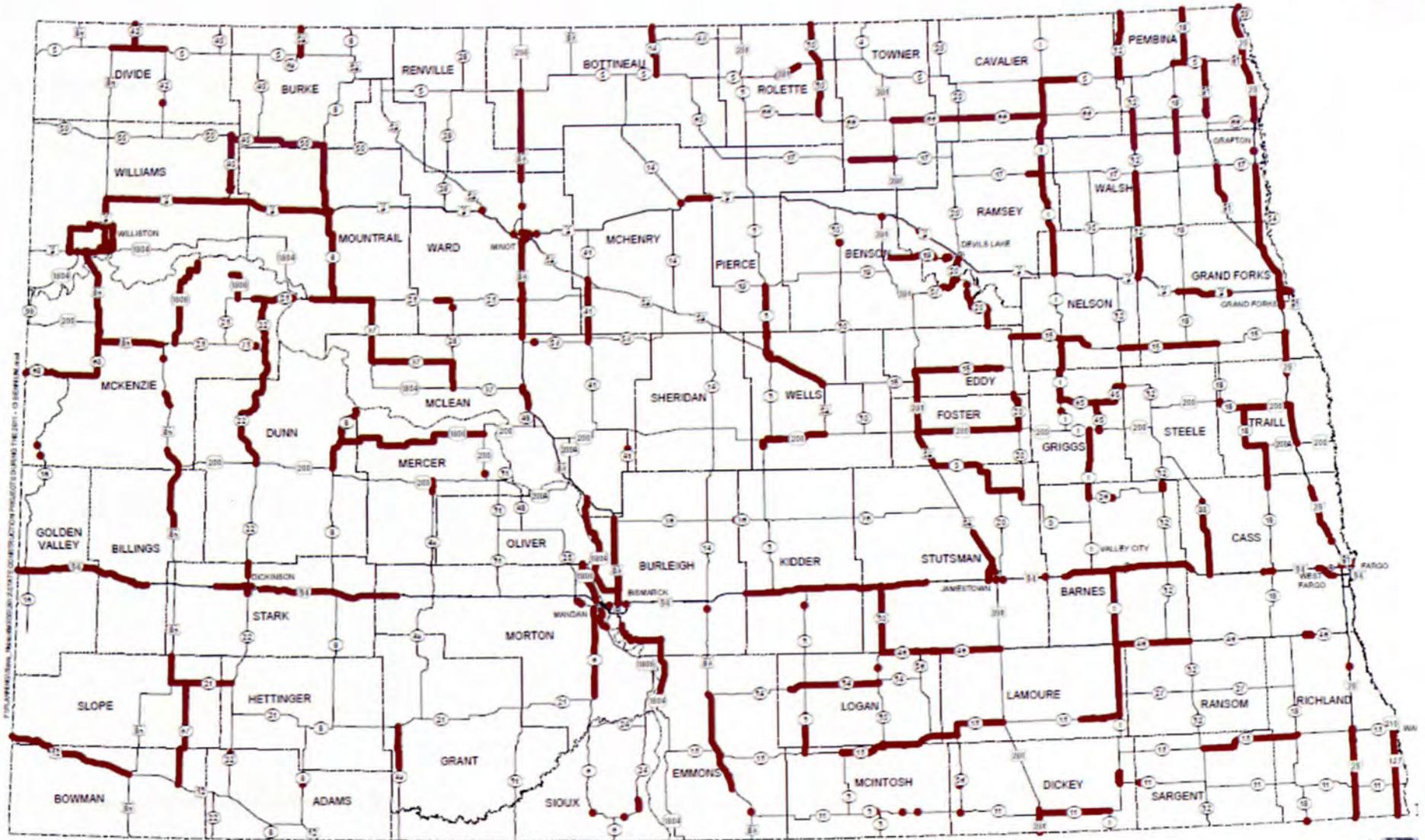


# Accomplishments – Transportation

- Work progressed on several projects including:
  - West Fargo Main Avenue
  - ND 57 east of Fort Totten
  - US 2 north of Williston
  - ND 20 near Devils Lake
  - US 85 west of Watford City
  - US 281 near Carrington
  - US 8 near Bowbells
  - ND 200 east of Mayville
  - I-94 near Dawson
  - ND 18 south of Cavalier
  - ND 23 east of New Town
  - US 83 in Bismarck and south of Minot
  - Williston temporary bypasses.



# Accomplishments – Transportation



*2011-13 Biennium Projects*

# Accomplishments

## Techniques to enhance road strength & safe traffic flow:

### Concrete improvement projects:

- Concrete intersections – short term projects to stop rutting.
- Concrete overlay on highways – long term projects to prolong the life of the road.

### Roundabout Project on ND 22 near Killdeer – to enhance traffic movement.

- Traffic can be viewed on our website on the Travel Information Map camera at <http://www.dot.nd.gov/travel-info-v2/>



# Accomplishments - Safety

Roadway safety enhancements include :

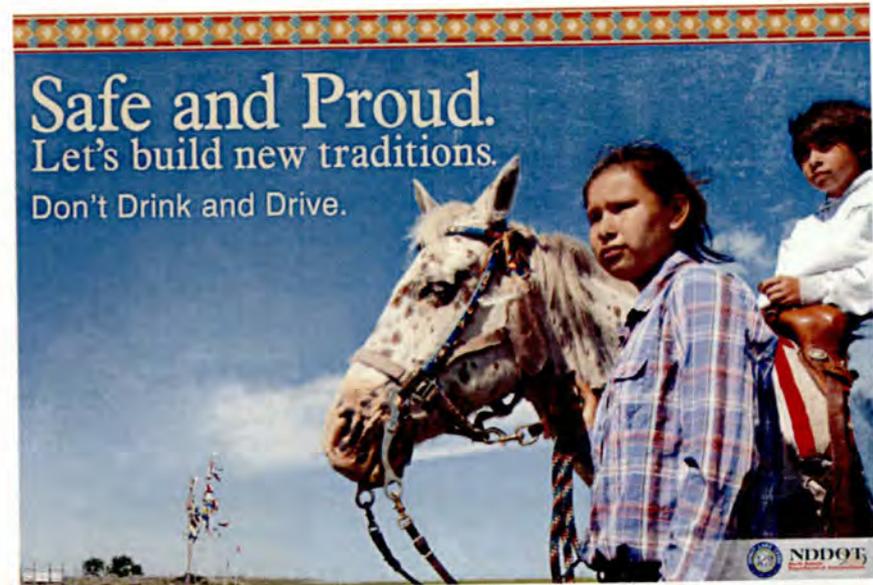
- Widening roadways
- Adding turn lanes
- Implementing new County and Townships road safety program.



# Accomplishments - Safety

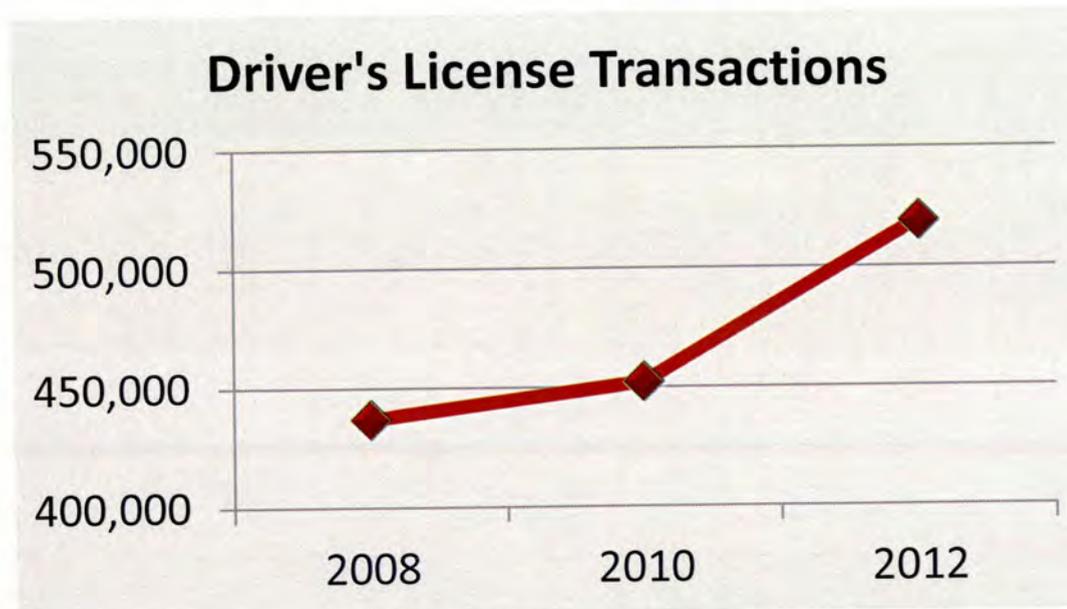
## Behavioral safety enhancements include:

- Completing a new North Dakota Strategic Highway Safety Plan (SHSP) which includes goals and emphasis areas to promote traffic safety in North Dakota.
- High visibility multi-agency law enforcement across the state to reduce impaired (alcohol & drug) driving and increase seat belt use.
- Tribal Outreach program.
- Parents LEAD (Listen, Educate, Ask, Discuss) program.
- Public Service announcements and events to promote safety.



# Accomplishments – Drivers License

- With the help of resources you provided – over 518,000 transactions were processed for more than 509,000 drivers.
- This is the first time the state has exceeded half a million licensed drivers.



# Accomplishments – Drivers License

- The wait time for CDLs has improved from an average of 32 days in 2010, to a current statewide average of 19 days.
- We are partnering with Williston State College and private oil companies for 3<sup>rd</sup> party CDL testing. Plan on working with Bismarck State College in the future.



# Accomplishments – Motor Vehicle

- Processed over one million renewals in the last year.
- Enhanced branch office training using computer based materials and on-site programs.
- eDealer program implemented.
- Temporary motor vehicle registrations exceeded 11,650 in the first 18 months of the biennium, generating \$3.35 million.



# Accomplishments – Technology

- To inform travelers about road conditions, the NDDOT created a new web page with *Snow and Ice Control*.
- Added more cameras to the map so you can see road conditions.
- New “Mobile Travel Map Application” provides access the DOT map from a mobile device such as a smartphone or iPad.
- Added website information on construction projects in Fargo, Minot, Devils Lake, Dickinson and Williston.



# Challenges – Service Expectations

## Increased public expectations for service:

- **Safety**
  - Maintain safety on all highways.
- **Snow and Ice Control**
  - 24 Hour demand for service.
- **Motor Vehicle & Drivers License**
  - Demand for driver related testing continues to increase.
  - Title turnaround time approx. seven weeks
- **Road Expansion/Improvement**
  - Adding miles to system/paved roadways/wider roads/load carrying capacity.



*NDDOT Towplow*

# Challenges - Safety

In 2012 there were 170 fatalities, compared to 148 in 2011.

Rate so far this year:

- 19 Fatalities as of March 8, 2012
- 19 Fatalities as of March 8, 2013

## ▪ Traffic fatalities in 2012:

- 50% alcohol related.
- 66% unrestrained.  
(no seat belts)
- 29% speed related.



# Challenges - Drivers License

- Continue delivering effective customer service in a timely manner at all sites.
- Managing the growth of third party testing to ensure high quality program continues to meet federal guidelines.



Bismarck



Williston

# Challenges - Motor Vehicle

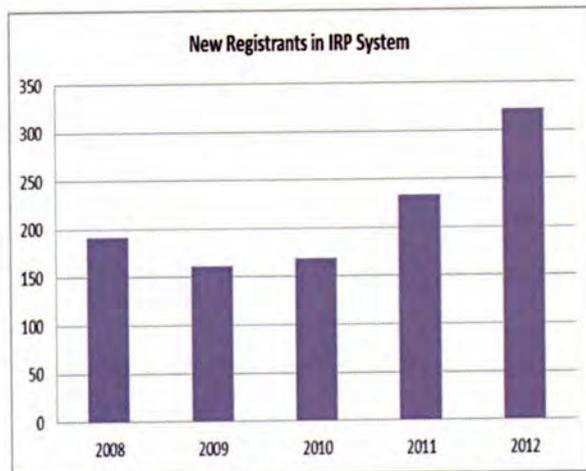
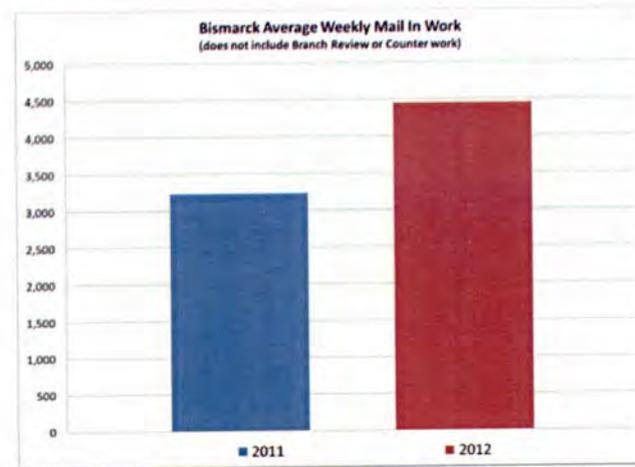
Unlike Drivers License offices, the 20 Motor Vehicle branch offices are operated by independent contractors (not state employees.)



- Increased complexity of transactions statewide:
  - Growth in out of state titling.
  - Increase in fraud.

# Challenges - Motor Vehicle

- In 2012, Motor Vehicle processed an average of 4,462 pieces of mail-in work per week, in addition to renewals, an increase of 38.2% from 2011.



- 91% increase of new trucking companies in the International Registration Plan (IRP) from 2010-2012.

- The number of licensed dealers has increased 12% from 2010 to 2012, approaching 1,100.



# Challenges - Traffic

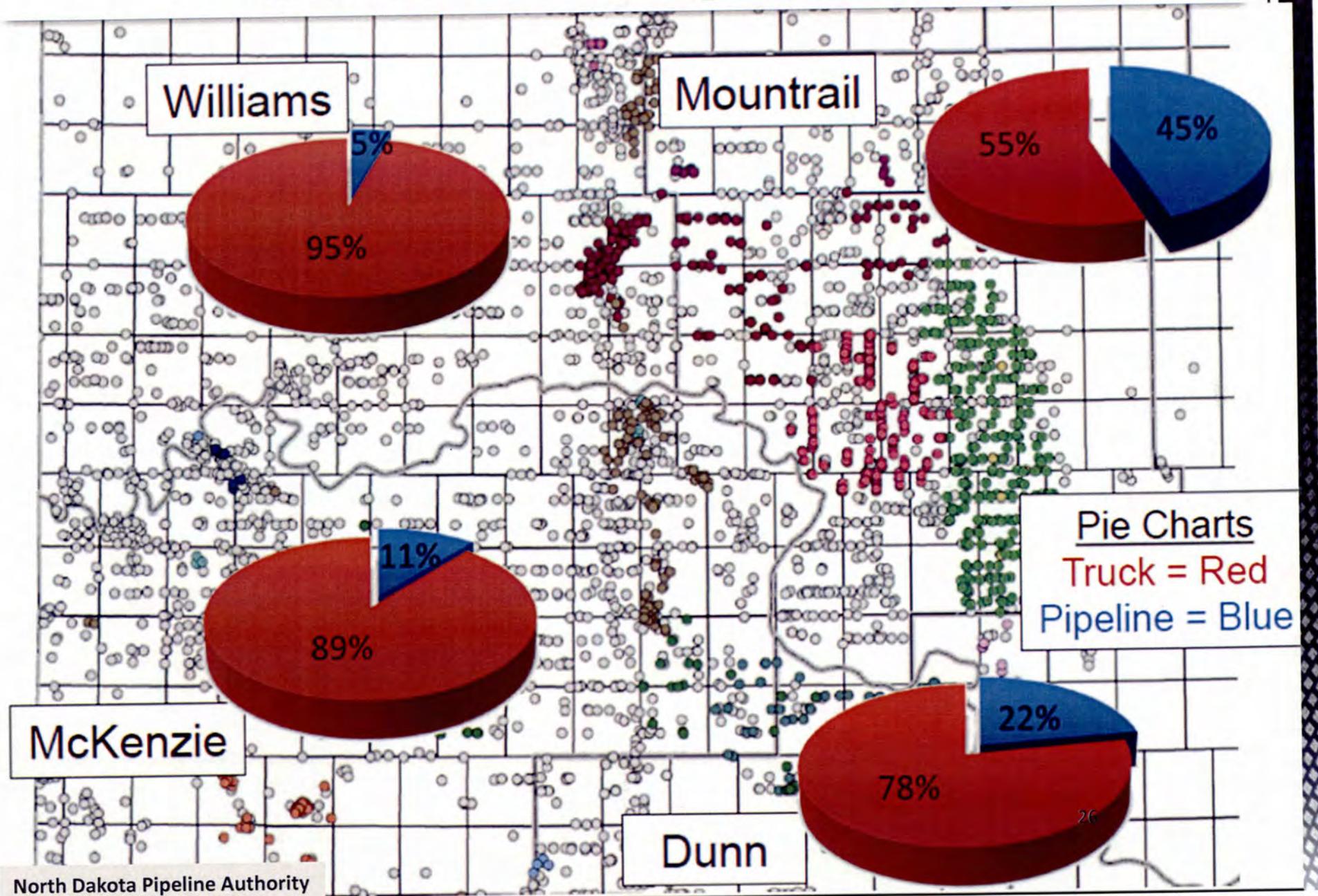
## ▪ Increases in traffic:

- Increased traffic volumes (particularly heavy trucks), accelerated the deterioration of county, township, tribal roads and state highways in the oil impact areas.
- From 2010-2012 North Dakota saw a 22% increase in traffic statewide, and a 53% increase in traffic in western N.D. on all state highways.
- I-94 near Fargo averaged 68,000 vehicles a day in 2012.
- US 85 west of Watford City averaged 11,051 vehicles a day in 2012 compared to 2,322 in 2006.



*Interstate 94 Traffic near Fargo*

# ND Oil Transportation



# Challenges - System Condition



ND Highway 1806 on September 2, 2010



ND Highway 1806 on April 28, 2011-After 7 months of traffic

# Challenges - System Condition

## System Condition:

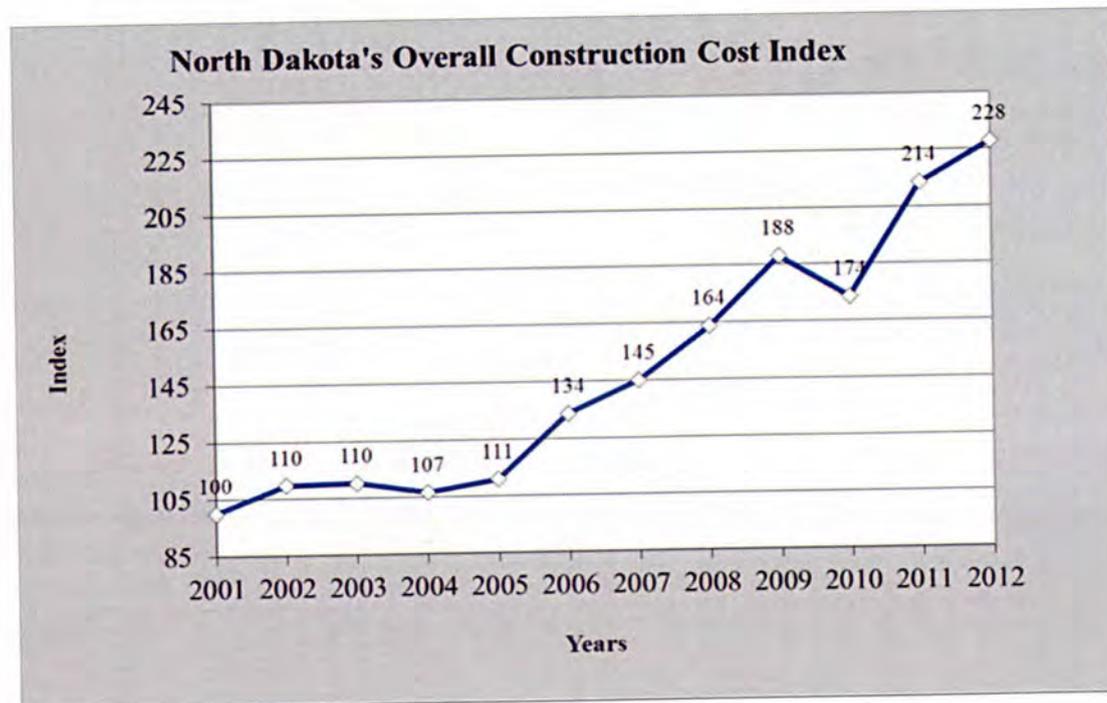
- Increased traffic volumes, (particularly heavy trucks), have accelerated the deterioration of county, township, tribal roads and state highways in the oil impacted areas. Roadways in the western part of the state were originally built to handle agriculture traffic (small grains and ranching) and were not built to carry the heavy loads associated with oil development.
- The picture illustrates damage that has occurred on US 85 due to increased heavy truck traffic.



*US 85*

# Cost Of Doing Business

- One of the major challenges facing city, state, county and township levels of government as they try to provide transportation infrastructure is the rising cost of doing business.
- The chart illustrates inflation is averaging more than 11% per year since 2001. Construction cost inflation is eating up growth in revenues.
- Even though we are at an all-time high for contractors bidding on our projects, costs continue to rise substantially primarily due to labor and material costs.



# Cost Of Doing Business

We have also noted an increase cost of doing business in western North Dakota versus working on projects in other areas of the state.

2012 Road Construction Costs Per Mile

Non interstate rural work	Western ND	Statewide
Mine and blend	\$1,700,000	\$1,050,000
Mine and blend with widening	\$2,500,000	\$2,000,000
Surfacing	\$420,000	\$350,000

# Federal Funding MAP-21 Bill

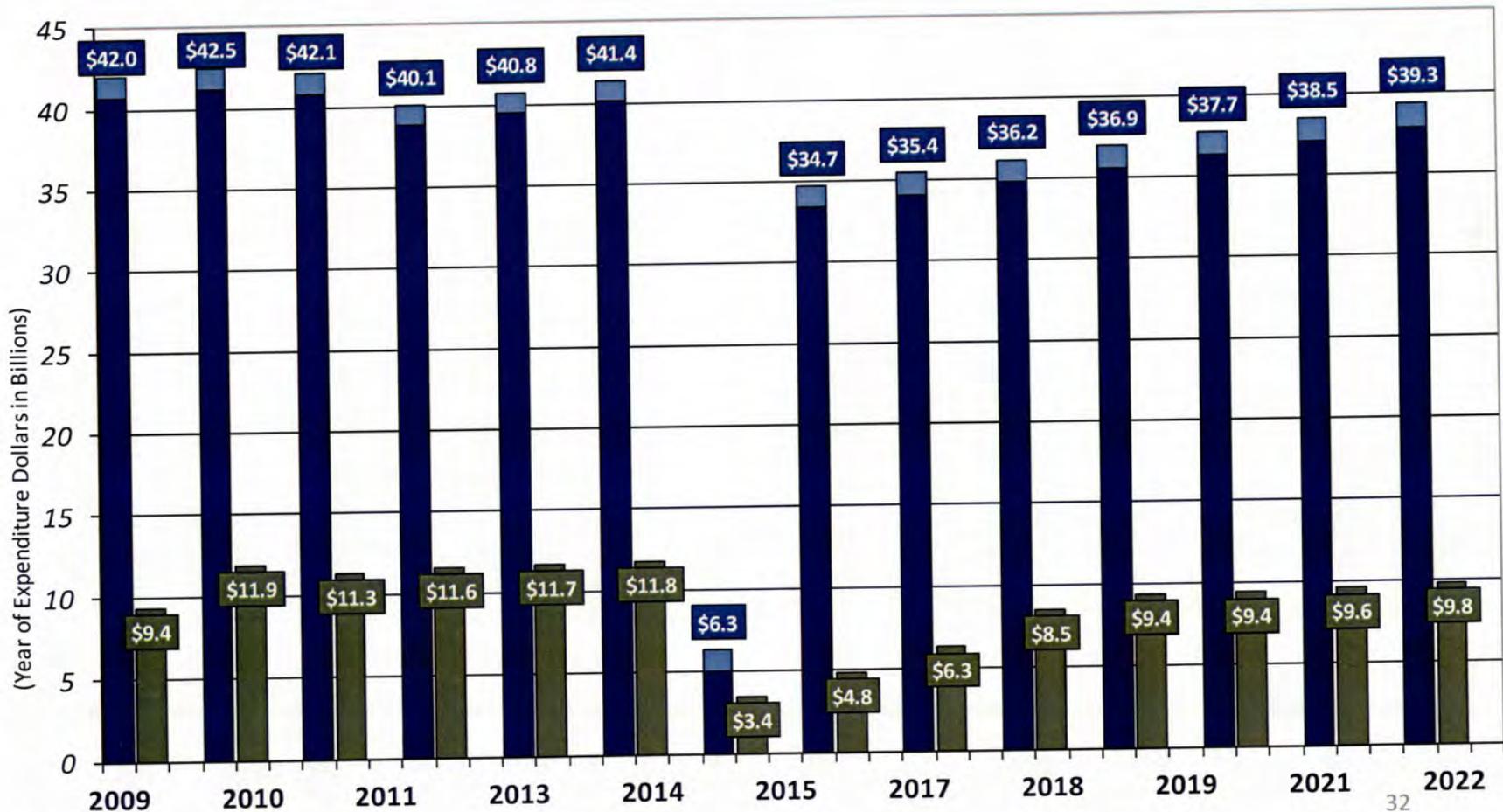
- The bill states North Dakota has an apportionment of:
  - \$240.5 million in 2012 and 2013.
  - \$242.5 million in 2014.
- Bill provides an obligational authority of \$234.5 million for 2012 and unknown for 2013.
- Currently operating under a Continuing Resolution that runs through March 27, 2013. The NDDOT received approximately \$108 Million in federal funds through March.
- Over the past five years, DOT received an average of approximately \$245 million in obligational authority a year.

# Uncertainty of Federal Funding

## Federal Highway and Transit Needs and Obligations Through 2022

Assumes a minimum balance of \$2 billion for the Highway Account and \$.25 billion for the Mass Transit Account

■ Federal-aid Highway Obligations   ■ Highway Safety Obligations   ■ Total Transit Obligations



# UGPTI Roadway Needs Study

Biennium	Roadways	Needs Total \$\$\$ In Millions
2013-2015	State Highways	\$2,414.7
2015-2017	State Highways	\$1,352.9
2013-2015	County & Township Roads	\$ 834.0
2015-2017	County & Township Roads	\$ 772.0

UGPTI State Needs Study was complete January 2013  
 UGPTI County Needs Study was complete September 2012

# Challenges – Staffing

NDDOT is competing with major industries statewide. Agriculture and oil companies are seeking employees with NDDOT skill sets in many areas including:

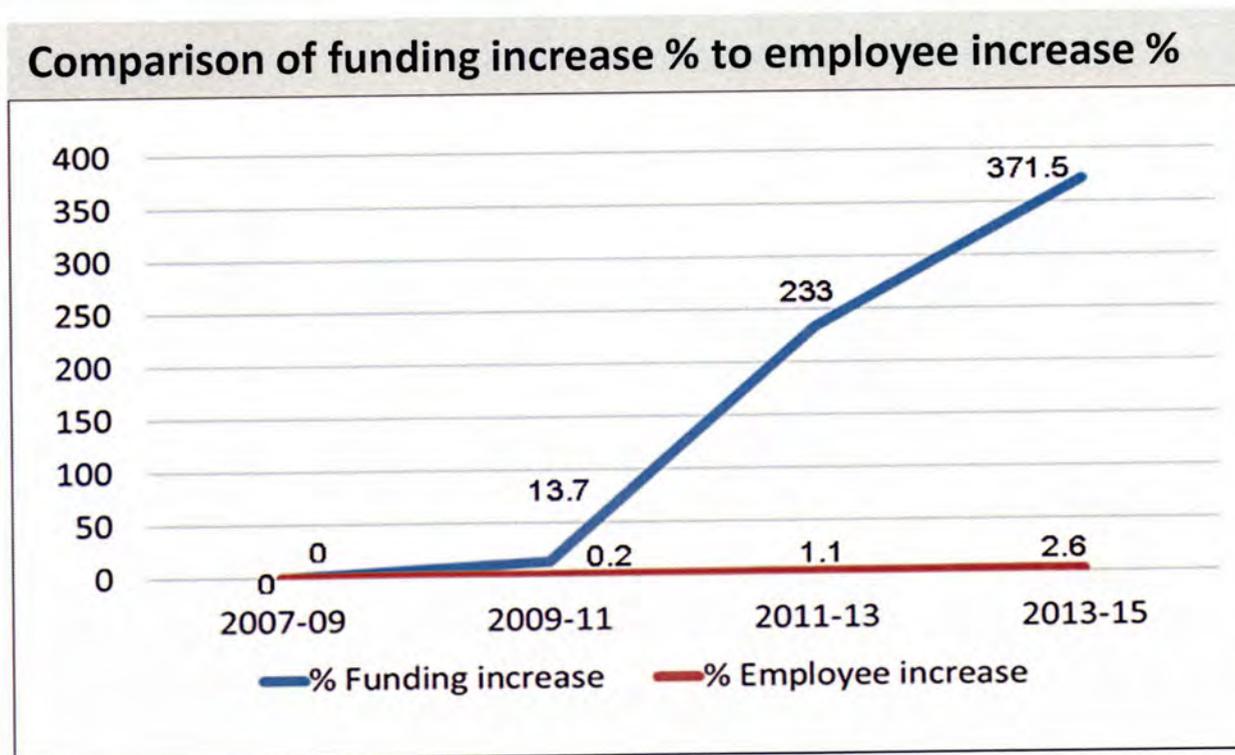
- Equipment Operators (CDL's)
- Drivers License personnel
- Motor Vehicle staff
- Engineers.



# Challenges – Staffing

## Staffing

- Difficulty in hiring and retaining experienced staff due to higher salaries offered by other companies & increased housing costs.



# Challenges – Staffing



- We continue to experience a large number of vacancies with 31 open statewide and 7 in the Williston District.
- The Department employees are experiencing extraordinary pressure as a consequence of the demands from North Dakota's growing economy and being short staffed.



# Senate Bill 2176 Funding

- Thank you for passing Senate Bill 2176. It provides \$720 million immediately for statewide highway and road improvement projects.
  - \$620 million of General Fund money for state highway projects.
  - \$100 million in General Fund money to the treasurer to be used by the cities, counties, and townships in the non-oil producing counties.
- The bill moves ahead a portion of the proposed \$2.7 billion DOT budget appropriation. An emergency clause is in the bill to expedite projects.
- Some key road projects would have been delayed until the following year.
- We started bidding roadway projects in February.



# Comparison of Appropriation Highlights 2011-2013 Biennium vs. 2013-2015 Proposal

## 2011-2013 Approp. Highlights

- \$1.67 billion total appropriation.
- \$228.6 million one time for extraordinary state highway maintenance.
- \$142.0 million one time for county and township road reconstruction program.
- Nine new FTEs
- \$15.6 million increase for roadway maintenance safety items such as lighting, snow and ice removal, pothole patching, and pavement marking.
- \$2.5 million in one-time authority for asbestos abatement in the central office building.
- \$530,886 to convert the agency's entire radio network to digital.

## 2013-2015 Approp. Highlights (Governor's Budget)

- \$2.7 billion total appropriation to NDDOT.
  - SB2012 - \$2.1 billion
  - SB2176 - \$620 million
    - \$2.7 billion includes \$1.16 billion one time for enhanced state highway investments.
      - SB2012 - \$541.6 million
      - SB2176 - \$620 million
- SB2176 - \$100 million for non-oil-producing counties, cities and townships (state treasurer distributes)
- SB2012 provides \$142 million one time funding for county & township road reconstruction program and provides that these funds can be used for construction costs as well as engineering and design costs effective January 1, 2013.
- SB2012 provides \$10 million to match a federal TIGER III grant to rebuild a 20-mile segment of railroad track & 2 bridges near Churchs Ferry.
- SB2012 provides \$9.7 million for a motor vehicle registration/ titling info technology project.
- SB2012 provides \$6.0 million in one-time funding for the final phase of asbestos abatement.
- SB2012 provides 16.0 new FTEs.

# Engrossed SB 2012 Additions

- (Section 5) \$27M statewide county and township bridge reconstruction program.
- (Section 6) Highway-Rail Grade Crossing Safety Project - extends the current Quiet Zone Funding to June 30, 2015.
- (Section 7) Contingent Transfers to Public Transportation Fund -- \$1.1M General Fund – Contingent on less than \$5M deposit in public transportation fund on July 1, 2013 and July 1, 2014.
- (Section 8) \$10M to state treasurer for township roadways in oil producing counties.
- (Sections 9 & 10) County and Township Transportation Distribution correction -- \$1M General Fund to State Treasurer.
- (Section 11) New License Plates -- \$6.2M – General Fund

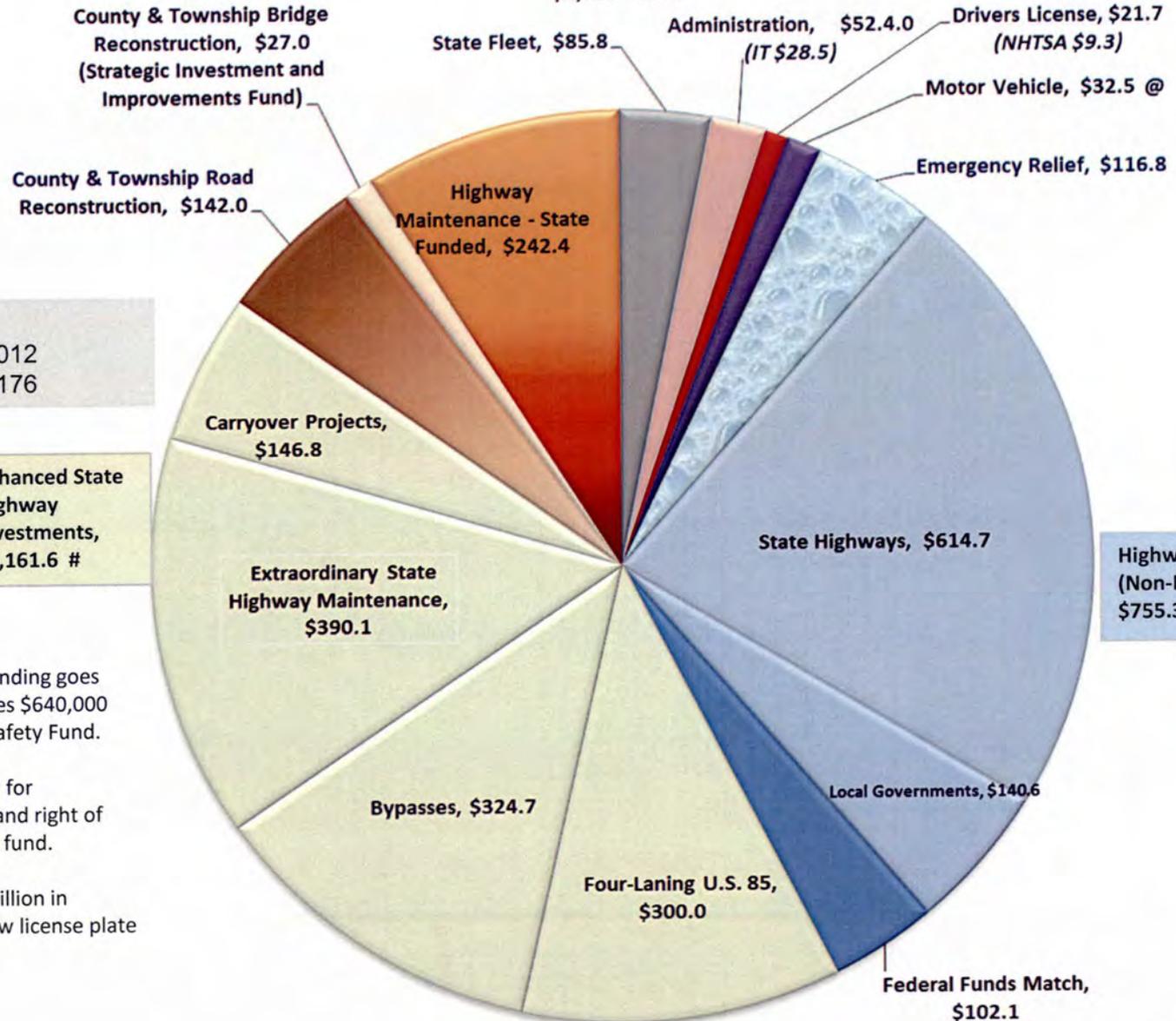
# Engrossed SB 2012 Additions

- (Section 15) State Disaster Relief Fund – Road Grade Raising Grants (funding for counties surrounding Devils Lake to Match ER work) - extends the current funding to June 30, 2015.
- (Section 16) Allow the Department through Administrative Rules process to establish a \$10 maximum transaction on Motor Vehicle fees - currently \$7.
- (Section 18) Motor Vehicle branch office study.
- (Section 19) declares that Sections 4,5,8,9,10 are emergency measures; also makes construction costs an eligible item for funding in the \$142 million (county and township road reconstruction program) and \$10 million (Tiger III matching funds).
- Approximately \$45.3 million was added to SB2012, not all of these funds are appropriated through NDDOT.

# NDDOT 2013-2015 Enrolled SB 2176 & Engrossed SB 2012

(millions)  
\$2,739.6 total

## NDDOT Budget



\$1.16 billion includes:  
\$541.6 M from SB 2012  
\$620.0 M from SB 2176

Enhanced State Highway Investments, \$1,161.6 #

Highways (Non-Mtce.) \$755.3 \*

\* Approx. \$140.6 million of this funding goes toward local governments, includes \$640,000 for the Hwy-Rail Grade Crossing Safety Fund.

# 20% of this funding will be used for engineering, additionally utilities and right of way costs are also included in this fund.

@ Motor Vehicle includes \$6.2 million in general fund appropriation for new license plate issue.

# Transportation Program Appropriations

- \$1.16 billion in one-time funding from the general fund for enhanced state highway investments:
  - \$146.8 million - Projects moved from 2011-13 biennium.
  - \$300 million - upgrading two-lane highways to four-lane highways, and constructing underpasses.
  - \$324.7 million - truck reliever routes around cities.
  - \$390.1 million - extraordinary state highway maintenance and repair.

# History of Highway Investments

- This table provides a breakdown of the dollars spent on state highways from 1995 - 2010 in the oil impact areas compared to the rest of the state. It shows that from 1995 – 2010 just over \$4 billion was invested in state highways.

Years	Oil Impact Area (Minot, Williston, & Dickinson Districts)	Other State District Areas (Bismarck, Valley City, Devils Lake, Grand Forks & Fargo Districts)	Total Investments
1995 – 2010	\$1.2 B	\$2.9 B	\$4.1 B

This shows that about 29 percent of the funds were invested in the three districts in the oil impact areas and 71 percent of the funds were invested in the rest of the state.

# History of System Design

- Many state highways were designed and built in the 1950's and 60's. Roadways in the western part of the state were originally built to handle agriculture traffic (small grains and ranching) and were not built to carry the heavy loads associated with oil development.
- Over the years many of the roads in the eastern part of the state have been built to carry heavier loads associated with more intense agricultural development (sugar beets, potatoes, corn etc.)



# Highway Investments

Eastern and western roadway investments utilizing state and federal funding.

Funding	Oil Impact Area (Minot, Williston & Dickinson Districts) (\$ Millions)	Bismarck, Valley City, Devils Lake, Grand Forks, & Fargo Districts (\$ Millions)	Statewide (\$ Millions)	Total (\$ Millions)
<b>2011 – 2013 BIENNIUM</b>				
Oil Impact Funds for State Highways	\$228.6 M	---		\$228.6 M
Oil Impact Funds for County Roads	\$142.0 M	---		\$142.0 M
Bid Openings (2011 – 2012) (Fed funds, state & local match)	\$316.7 M	\$347.6 M		\$664.3 M
Emergency Relief (ER)	\$86.4 M	\$197.7 M		\$284.1 M
<b>Total 2011- 2013 Biennium</b>	<b>\$773.7 M</b>	<b>\$545.3 M</b>		<b>\$1,319.0 M</b>
<b>2013 – 2015 BIENNIUM (SB 2012 &amp; SB 2176)</b>				
Projected Oil Impact Funds for State Highways	\$1,161.6 M	---		\$1,161.6 M
Projected Oil Impact Funds for County Roads	\$142.0 M	---		\$142.0 M
SB2012 Amendment - County & Township Bridge Program			\$27.0 M	\$27.0 M
STIP (2013 -2014) (Fed funds, state & local match)	\$148.8 M	\$450.0 M		\$598.8 M
ER Carryover (from 2011-2013 biennium)	\$31.1 M	\$77.0 M		\$108.1 M
<b>Total 2013- 2015 Biennium</b>	<b>\$1,483.5 M</b>	<b>\$527.0 M</b>	<b>\$27.0 M</b>	<b>\$2,037.5 M</b>
<b>Grand Total 2011 – 2015</b>	<b>\$2,257.2 M</b>	<b>\$1,072.3 M</b>	<b>\$27.0 M</b>	<b>\$3,356.5 M</b>

# Technology Needs

- \$9.7 million in special funds for a motor vehicle information technology project.
  - Motor Vehicle IT system is 12+ years old and built on power builder program language.
  - DOT has been cited in 6 audits relating to deficiencies in the system. Present software system does not have accounting capability to correct a state audit finding.
  - New IT program will have an advanced accounting module to help address audit findings. The new program will also streamline the process with branches and auto dealers, and help provide more timely customer service.



# Increased Need for DOT Services

In order to provide service needs due to growth in the highway program and the state's economy we are requesting 16 positions.

- 5 engineer positions to provide management and oversight of preliminary and construction consultant and contractors working on highway projects. The Department is presently outsourcing approximately 70% of Engineering work.
- 4 equipment operators to address road maintenance & snow removal demands, due to increased traffic & additional highway lane miles in western N.D.
- 1 Account/Budget Specialist due to growth in Transportation Program resulting in increased accounting work, as well as increased federal and state audit requirements.
- 2 drivers license staff members to meet the demands for licensing and testing in western N.D.
- 4 motor vehicle licensing specialists in Bismarck office to meet the demand for growth of motor vehicle.



*Snowplows clearing I-29 in February 2013 storm.*

# Asbestos Abatement Project

Recently completed second phase of three phase asbestos abatement process.

- \$6 million in one-time fund dollars.
- **Final** phase of asbestos removal in Bismarck headquarters building.



*Bismarck office asbestos abatement*



# Current bills that have a fiscal impact

- HB1033 – Appropriates \$4.5 million from the general fund for replacement of two airplanes.
- HB1342 – Expands 10% overweight permit eligibility to all agricultural products. This will result in an indeterminate amount of additional expenditures to repair roadways.
- HB1358 – Appropriates \$150 million from the general fund for distributions to counties.
- HB1425 – Enhanced driver's license bill; NDDOT would need an additional appropriation of \$864,650 to implement the provisions of the bill.
- SB2098 – Refunds unused MV registration fees when a vehicle is sold or disposed of and not replaced. NDDOT would need an additional appropriation of \$90,000 to implement the provisions of the bill.
- SB2221 – Appropriates \$20 million from the Strategic Investment and Improvement Fund for local roads to recreational areas, which will be distributed by the Special Road Fund Committee.

# Revenue/Expenditure Charts

## Financial Chart Attachments:

- (Green Attachment) - Enrolled HB 1012  
2011-13 Biennium Revenue and Expenditures
- (Blue Attachment) - SB 2012 Executive  
Recommendation / 2013-15 Biennium Revenue and  
Expenditures.
- (Yellow Attachment) - Enrolled SB2176 and  
Engrossed SB2012/ Biennium Revenue and  
Expenditures for 2013-2015.

# Summary

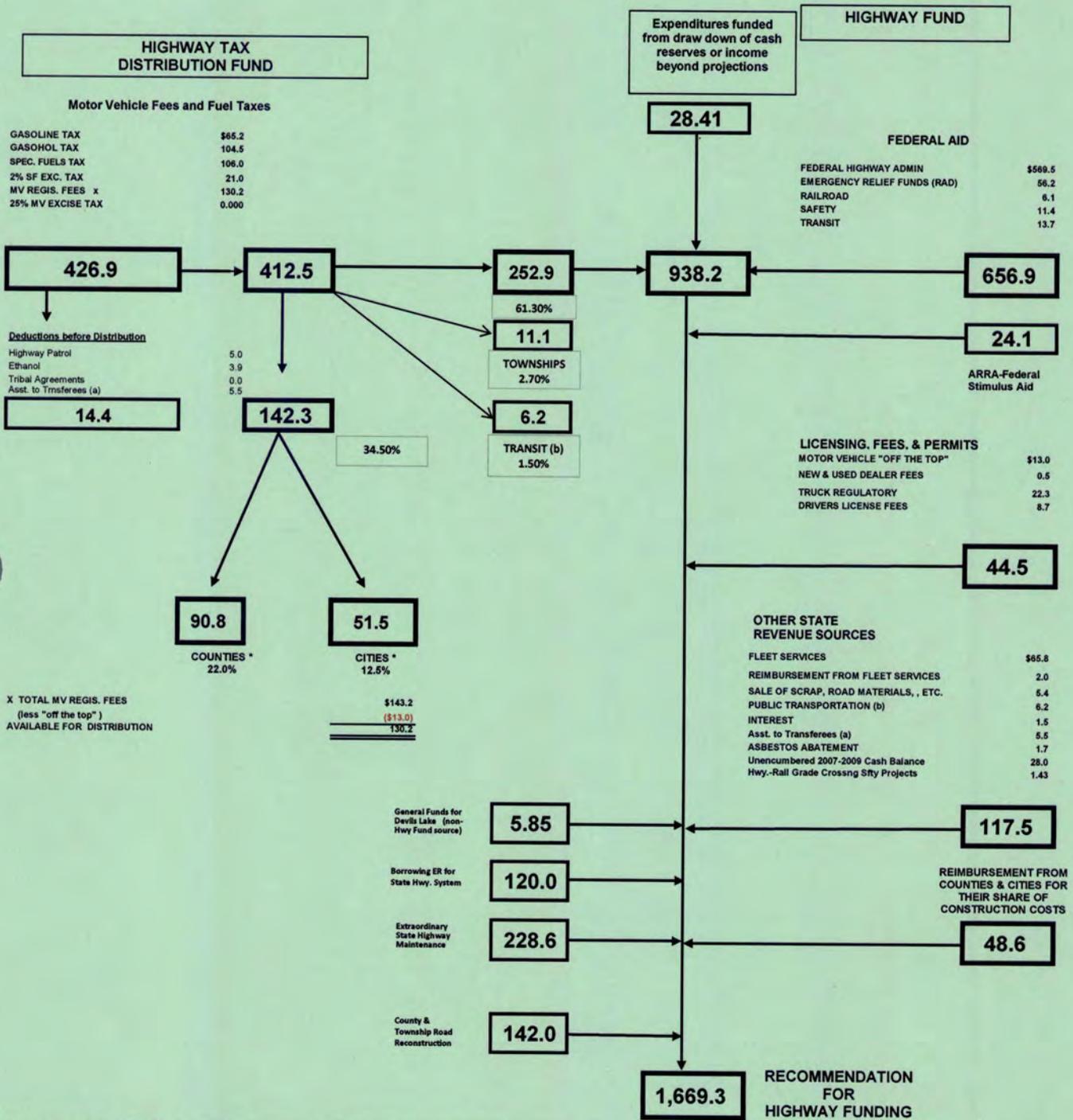
To meet the service and roadway demands, we ask that you pass the entire Governor's Budget, including the salary plan.

- NDDOT is in direct competition with industries for retaining and recruiting employees.
- The resources are needed to meet growing demand for roadway, drivers license and motor vehicle services.

# Questions?

# DEPARTMENT OF TRANSPORTATION ENROLLED HB 1012 2011 - 2013 BIENNIUM REVENUE

(MILLIONS)



**Motor Vehicle Fees and Fuel Taxes**

GASOLINE TAX	\$65.2
GASOHOL TAX	104.5
SPEC. FUELS TAX	106.0
2% SF EXC. TAX	21.0
MV REGIS. FEES x	130.2
25% MV EXCISE TAX	0.000

**FEDERAL AID**

FEDERAL HIGHWAY ADMIN	\$509.5
EMERGENCY RELIEF FUNDS (RAD)	56.2
RAILROAD SAFETY	6.1
TRANSIT	11.4
	13.7

**Deductions before Distribution**

Highway Patrol	5.0
Ethanol	3.9
Tribal Agreements	0.0
Asst. to Transferees (a)	5.5
<b>Total</b>	<b>14.4</b>

34.50%

COUNTIES \*  
22.0%

CITIES \*  
12.5%  
\$143.2  
(\$13.0)  
130.2

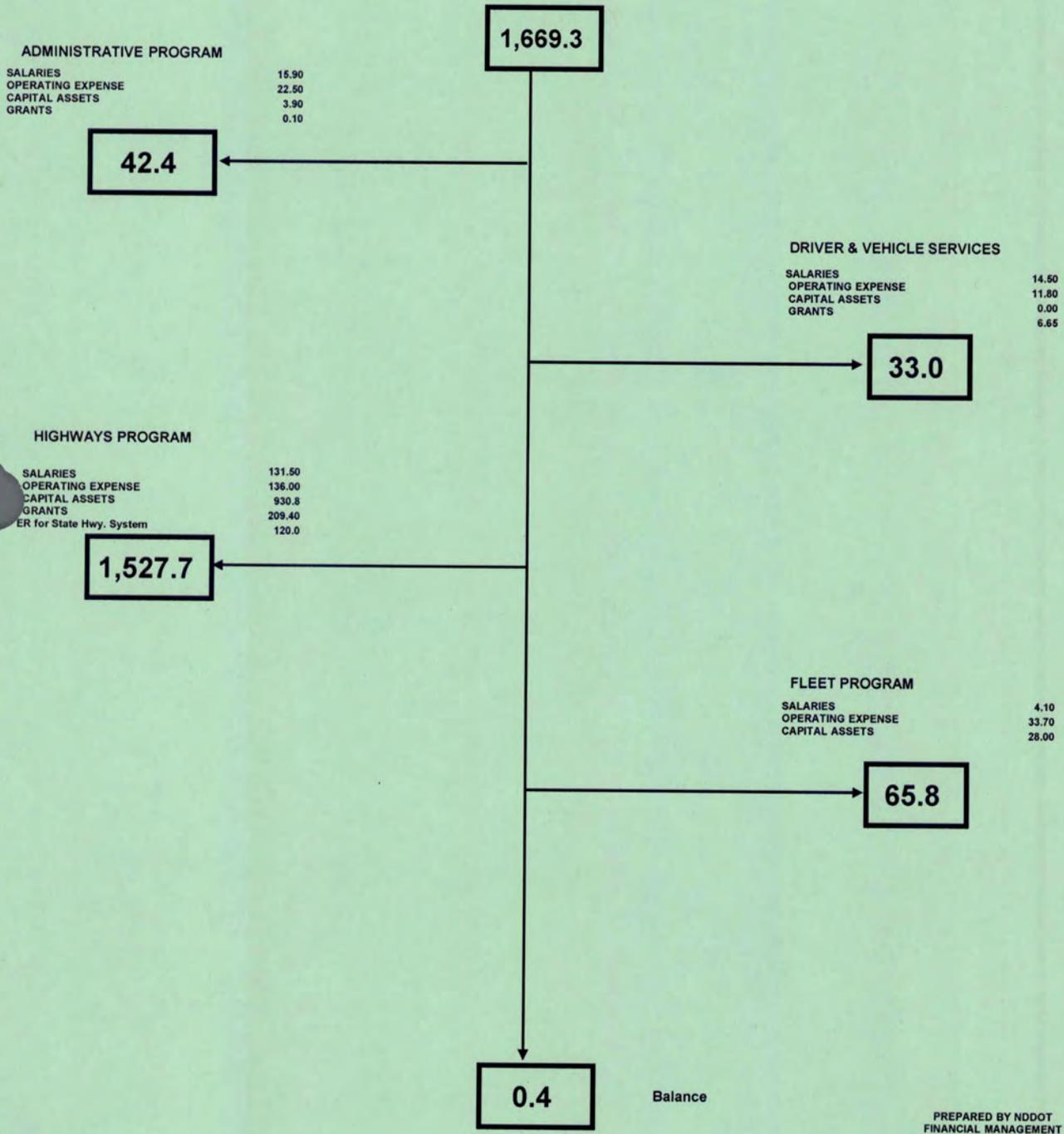
X TOTAL MV REGIS. FEES  
(less "off the top")  
AVAILABLE FOR DISTRIBUTION

\*Other Revenue for locals, not included in DOT appropriation (in millions):

Biennium	Township	Counties	Cities	Transit
<i>One-time non-oil producing counties distribution</i>				
2009-11	\$7.0	\$17.5	\$10.5	\$0
2011-13	\$5.0	\$12.5	\$7.5	\$0

# DEPARTMENT OF TRANSPORTATION ENROLLED HB 1012 2011 - 2013 BIENNIUM EXPENDITURES

(MILLIONS)



# DEPARTMENT OF TRANSPORTATION SB 2012 EXECUTIVE RECOMMENDATION 2013 - 2015 BIENNIUM REVENUE

(MILLIONS)

## HIGHWAY FUND

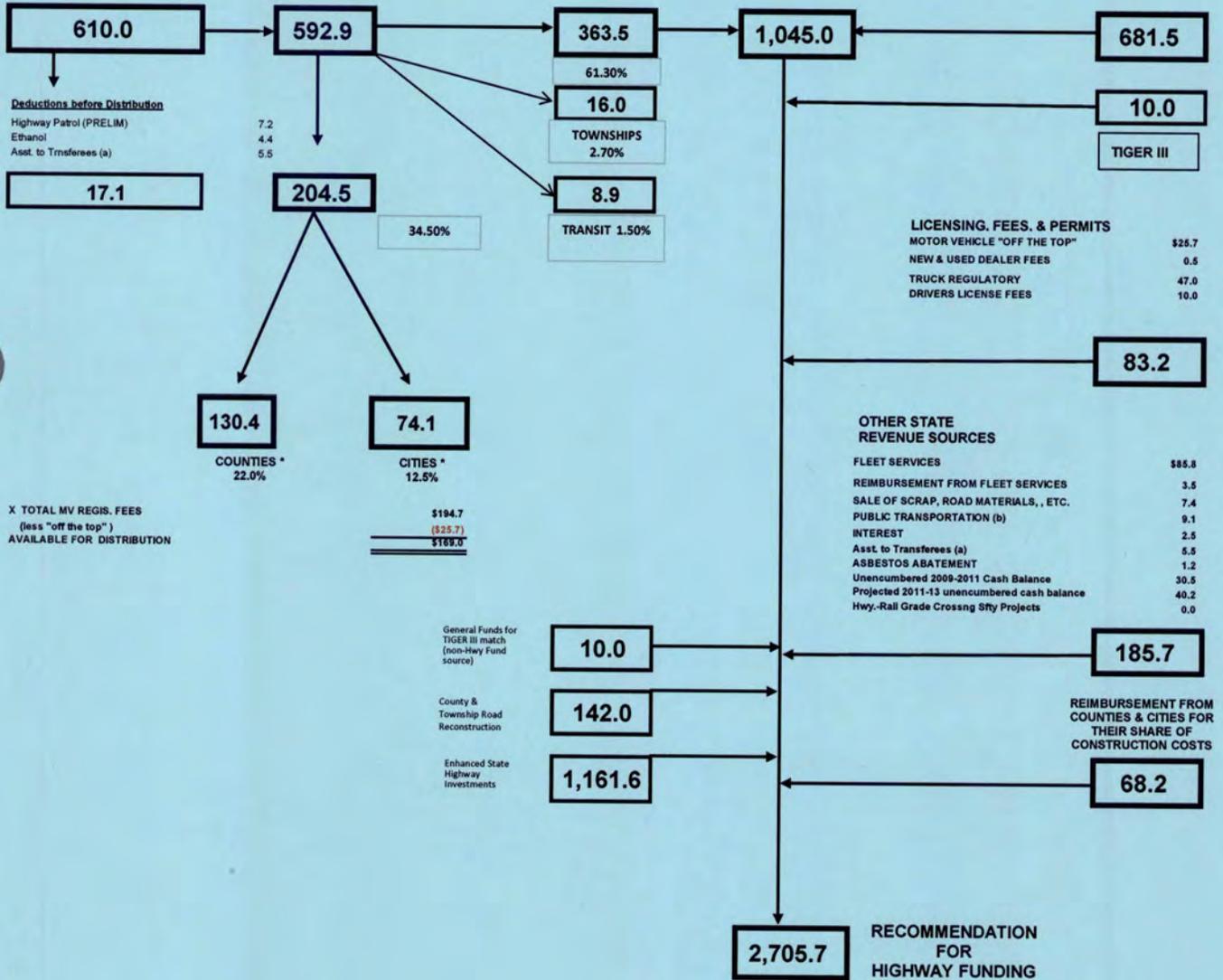
## HIGHWAY TAX DISTRIBUTION FUND

### Motor Vehicle Fees and Fuel Taxes

GASOLINE TAX	\$88.0
GASOHOL TAX	107.9
SPEC. FUELS TAX	204.5
2% SF EXC. TAX	40.6
MV REGIS. FEES x	169.0

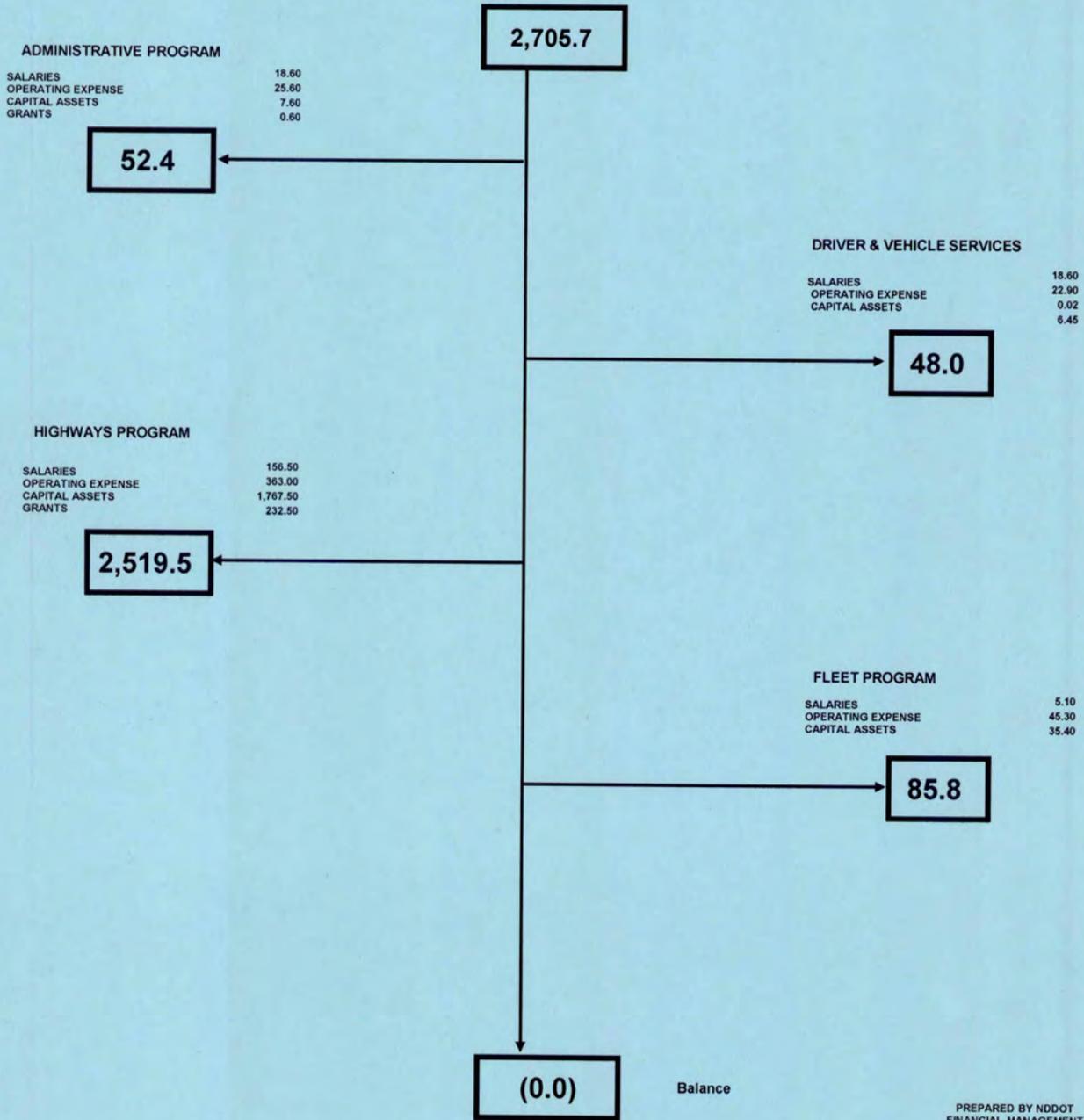
### FEDERAL AID

FEDERAL HIGHWAY ADMIN	\$532.2
ER, MISSILE RDS, FOREST HWYS	116.8
RAILROAD	8.4
SAFETY	9.3
TRANSIT	14.8



# DEPARTMENT OF TRANSPORTATION SB 2012 EXECUTIVE RECOMMENDATION 2013-2015 BIENNIUM EXPENDITURES

(MILLIONS)



# DEPARTMENT OF TRANSPORTATION ENROLLED SB 2176 & ENGROSSED SB 2012 2013 - 2015 BIENNIUM REVENUE

(MILLIONS)

## HIGHWAY FUND

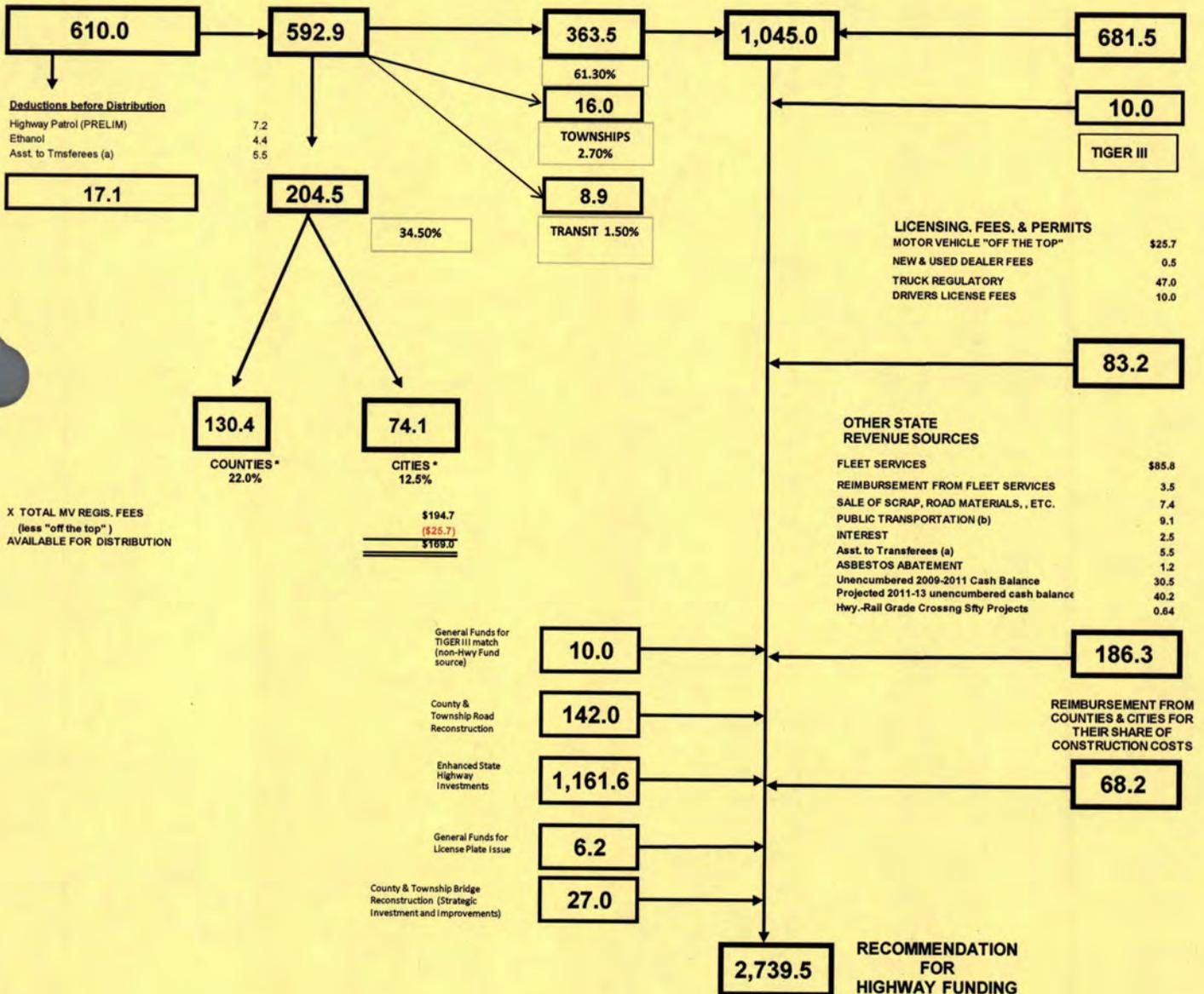
## HIGHWAY TAX DISTRIBUTION FUND

### Motor Vehicle Fees and Fuel Taxes

GASOLINE TAX	\$88.0
GASOHOL TAX	107.9
SPEC. FUELS TAX	204.5
2% SF EXC. TAX	40.6
MV REGIS. FEES x	169.0

### FEDERAL AID

FEDERAL HIGHWAY ADMIN	\$532.2
ER, MISSILE RDS, FOREST HWYS	116.8
RAILROAD	8.4
SAFETY	9.3
TRANSIT	14.8



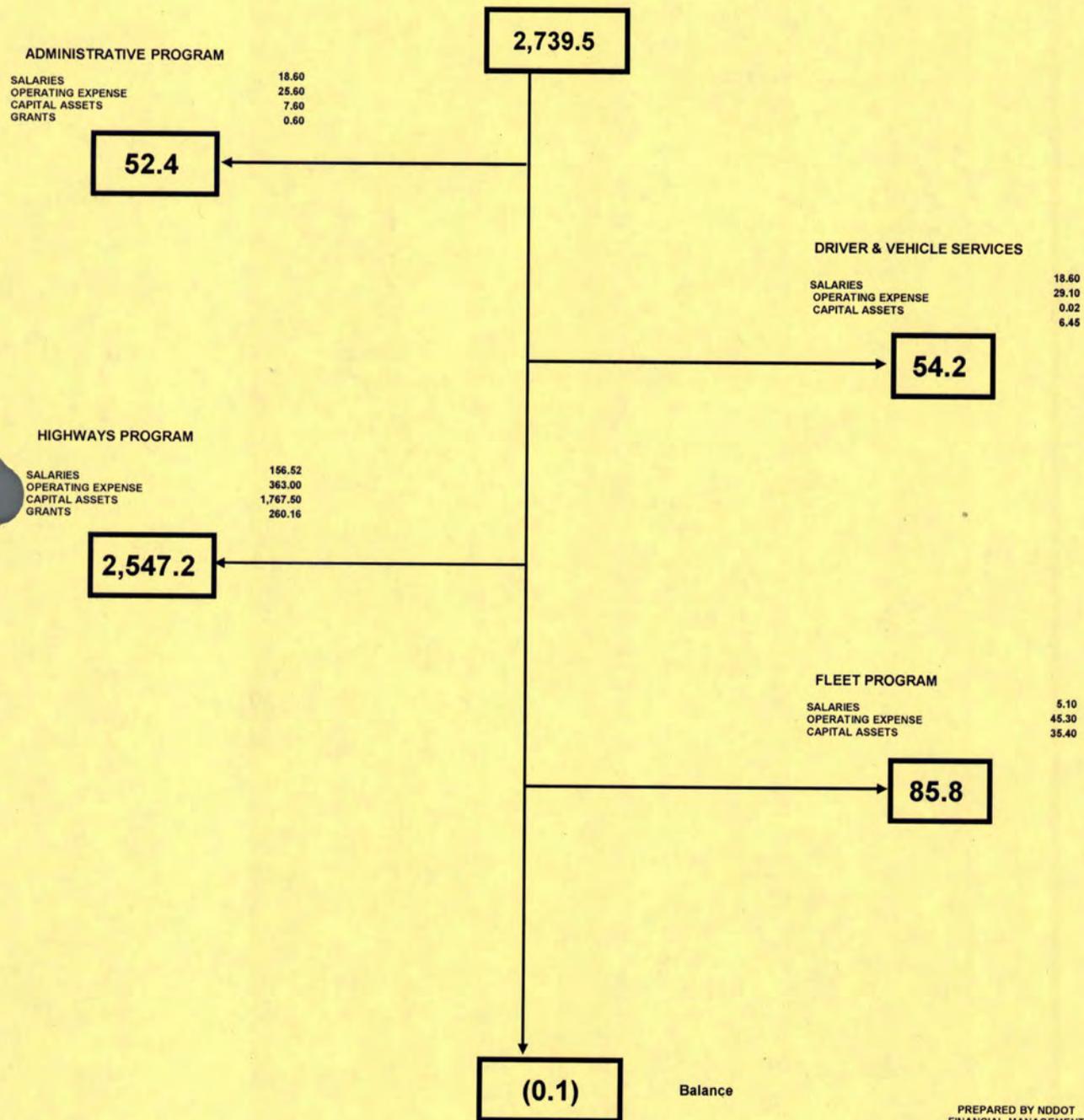
X TOTAL MV REGIS. FEES  
(less "off the top")  
AVAILABLE FOR DISTRIBUTION

\$194.7  
~~(\$25.7)~~  
\$169.0

- General Funds for TIGER III match (non-Hwy Fund source) 10.0
- County & Township Road Reconstruction 142.0
- Enhanced State Highway Investments 1,161.6
- General Funds for License Plate Issue 6.2
- County & Township Bridge Reconstruction (Strategic Investment and Improvements) 27.0

# DEPARTMENT OF TRANSPORTATION ENROLLED SB 2176 & ENGROSSED SB 2012 2013-2015 BIENNIUM EXPENDITURES

(MILLIONS)



PREPARED BY NDDOT  
FINANCIAL MANAGEMENT  
DIVISION  
MARCH 8, 2013

362012  
March 11, 2013  
Attachment 2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 3, replace the second "and" with ", 39-04-08,"

Page 1, line 3, after "39-04-09" insert ", 39-04-10.4, and 39-04-11"

Page 9, after line 15, insert:

**"SECTION 17. AMENDMENT.** Section 39-04-08 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-08. Number plates furnished by the department.**

The department shall furnish to every motor vehicle owner ~~two number plates for each registered motor vehicle, and one number plate for each registered motor vehicle,~~ motorcycle, trailer, or housetrailer. Upon request in the application for registration, the department shall provide two number plates for a registered motor vehicle. The department ~~may, in its discretion, shall~~ furnish only one number plate for each registered apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer."

Page 9, line 19, overstrike "plates" and insert immediately thereafter "a plate"

Page 9, line 21, overstrike the first "plates" and insert immediately thereafter "plate"

Page 9, after line 25, insert:

**"SECTION 19. AMENDMENT.** Section 39-04-10.4 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-10.4. Antique motor vehicles - License and fee - Use.**

1. Any motor vehicle which is at least forty years old may be permanently licensed by the department upon the payment of a registration fee of ten dollars. The department shall design and issue a distinctive number plate for this purpose. In lieu of the distinctive number plate, the owner of the motor vehicle may, at the discretion of the director, display on the motor vehicle a number plate from the year in which the motor vehicle was manufactured or in the case of military vehicles, military identification numbers. The number plate from the year of manufacture or military identification numbers may not be used in lieu of a distinctive number plate when it would create a duplication of a number in the recordkeeping system of the department. A number plate from the year of manufacture or military identification numbers must be legible and must be restored to the satisfaction of the department. ~~Notwithstanding section 39-04-11, only one number plate needs to be displayed on a motor vehicle licensed under this subsection.~~ Motor vehicles registered under the provisions of this section may not be used in the routine functions of a business or farming operation.
2. Any motor vehicle which is at least forty years old may, if not licensed under subsection 1, be permanently licensed using a personalized plate

issued under section 39-04-10.3, in which case a one-time fee of one hundred dollars is due.

**SECTION 20. AMENDMENT.** Section 39-04-11 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-11. Display of number ~~plates~~plate and tabs.**

Except as otherwise specifically provided, a person may not operate or drive a vehicle on the public highways of this state unless the vehicle has a distinctive number assigned to it by the department, and ~~two~~one number ~~plates~~plate, bearing the distinctive number conspicuously displayed, horizontally and in an upright position, ~~one on the front and one on the rear of the vehicle, each and~~ securely fastened, ~~except number plates assigned to a motorcycle, trailer, or housetrailer must be attached to the rear thereof.~~ When only one number plate is furnished for an apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer, the plate must be attached to the front of the apportioned vehicle or truck tractor and the rear of the semitrailer. The bottom of ~~each~~a number plate must be at a height of not less than twelve inches [30.48 centimeters] above the level surface upon which the vehicle stands. ~~Each~~A plate must be mounted in a manner that does not cover any words, letter, or number on the plate. As far as is reasonably possible, the ~~plates~~plate must at all times be kept free and clear of mud, ice, or snow so as to be clearly visible and ~~all~~any number ~~plates~~plate, ~~markers~~marker, or evidence of registration or licensing except for the current year must be removed from the vehicle. ~~All~~A vehicle license ~~plates~~plate issued by the department ~~continue~~continues to be the property of the state of North Dakota for the period for which the ~~plates are~~plate is valid. An annual registration tab or sticker for the current registration year must be displayed on each number plate, in the area designated by the department for the tab or sticker, in those years for which tabs or stickers are issued in lieu of ~~a number plates~~plate."

Renumber accordingly



Issues & Research » Transportation » License Plate Information

Go 18456

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## License Plate Information

Updated July 2012

[A-C](#) | [D-H](#) | [I-L](#) | [M](#) | [N](#) | [O-R](#) | [S-U](#) | [V-W](#)

STATES	NUMBER OF LICENSE PLATES REQUIRED	NUMBER OF SPECIALTY, ORGANIZATIONAL, AND MILITARY LICENSE PLATES	OWNERSHIP OF LICENSE PLATE AFTER TRANSFER OF VEHICLE
Alabama	1	112	Owner retains ownership of the license plate upon transfer of the vehicle.
Alaska	2	24	Plates remain with the vehicle upon transfer unless they are specialty plates.
Arizona	1	54	Owner retains ownership of the license plate upon transfer.
Arkansas	1	108	Owner may transfer plates from one vehicle to another. <sup>2</sup>
California	2 <sup>1</sup>	11	Regular plates remain with vehicle upon transfer or sale. Transfer of specialized plates to another vehicle is permitted provided proper transfer fees are included. <sup>2</sup>
Colorado	2	108	If vehicle is bought or sold, there is no transfer of plates between the two different owners.
Connecticut	2	66	All plates are the property of the state and shall be returned to commissioner within 10 days of sale of the vehicle.
Delaware	1	99	Plates remain with the vehicle upon transfer or sale of vehicle.
District of Columbia	2	14	License plates may not be transferred from one owner to another.
Florida	1	120	Owner retains ownership of license plate after transfer of vehicle and may transfer to another vehicle. <sup>2</sup>
Georgia	1	89	Owner retains ownership of license plate after transfer unless he assigns it to new owner with the vehicle.
Guam	No information	Not Available	
Hawaii	2	22	Owner retains ownership of license plates after transfer of vehicle. <sup>2</sup>
Idaho	2 <sup>1</sup>	43	Owner retains ownership of the license plate upon transfer of the vehicle.
Illinois	2 <sup>1</sup>	51	Owner must return plates to DMV after transferring the vehicle or have them assigned to another vehicle upon payment of fees. <sup>2</sup>
Indiana	1	101	Owner may transfer plates to new owner after transfer of vehicle.
Iowa	2 <sup>1</sup>	65	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Kansas	1	26	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Kentucky	1	84	Plates remain with the vehicle upon transfer or sale of vehicle until tags expire.
Louisiana	1	152	All regular license plates must be removed or destroyed before transfer of ownership of vehicle.
Maine	2 <sup>1</sup>	23	The license plate expires when ownership of vehicle has transferred. The registrant may request that plates and the registration number be assigned to another vehicle in that registrant's name.
Maryland	2 <sup>1</sup>	More than 700	The license plate expires when ownership of vehicle has transferred. The former owner of a vehicle may transfer the registration plates from the sold vehicle to his new vehicle of the same class.
Massachusetts	2 <sup>1</sup>	18	Owner must remove license plate before vehicle is transferred to new owner.
Michigan	1	56	

			All regular license plates must be removed or destroyed before transfer of ownership of vehicle. Owner may retain to use on another vehicle. <sup>2</sup>
Minnesota	2 <sup>1</sup>	44	Plates remain with the vehicle upon transfer unless they are specialty plates.
Mississippi	1	167	Owner must remove license plate before vehicle is transferred to new owner.
Missouri	2	189	The license plate expires when ownership of vehicle has transferred. Original owner may register another vehicle in the same category under the same number for a fee. <sup>2</sup>
Montana	2	176	Owner must remove license plate before vehicle is transferred to new owner.
Nebraska	2	7	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Nevada	2 <sup>1</sup>	42	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup> In 2011 the Nevada Legislature limited the number of specialty license plates in circulation to 30 at a given time.
New Hampshire	2	8	Owner may retain or transfer license plates to new owner. <sup>2</sup>
New Jersey	2	75	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
New Mexico	1	41	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
New York	2 <sup>1</sup>	207	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
North Carolina	1	127	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another one of his vehicles. <sup>2</sup>
North Dakota	2 <sup>1</sup>	17	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Ohio	2 <sup>1</sup>	148	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Oklahoma	1	182	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Oregon	2 <sup>1</sup>	33	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Pennsylvania	1	Over 200	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Puerto Rico	2	6	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another one of his vehicles. <sup>2</sup>
Rhode Island	2 <sup>1</sup>	15	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
South Carolina	1	136	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup> If no transfer desired, owner must send plates to DMV.
South Dakota	2	100 <sup>3</sup>	Owner retains ownership of the license plate upon transfer of the vehicle.
Tennessee	1	More than 90	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Texas	2	102	No information.
U.S. Virgin Islands	2	More than 20	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Utah	2 <sup>1</sup>	53	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup> If no transfer desired, owner must send plates to DMV.
Vermont	2	17	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Virginia	2 <sup>1</sup>	More than 200	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup>
Washington	2 <sup>1</sup>	42	Plates remain with the vehicle and new owner upon transfer or sale of vehicle.

West Virginia	1	54	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup> If no transfer desired, owner must send plates to DMV.
Wisconsin	2	32	Plates remain with the vehicle and new owner upon transfer or sale of vehicle.
Wyoming	2	14	Owner retains ownership of the license plate upon transfer of the vehicle and may transfer it to another of his vehicles. <sup>2</sup> If no transfer desired, owner must send plates to DMV.
<b>Total 1 plate</b>	<b>20</b>		
<b>Total 2 plate</b>	<b>34</b>		

\* Including military, special organizations, universities, and any other specialty plate that is not considered "standard" or "standard vanity" by the state. Does not include motorcycle, commercial or dealer plates.

1. Only one plate required for truck tractors, trailers, motorcycles and special equipment.
2. Application process to the DMV to transfer license plates from one vehicle to another may apply.
3. Includes organizational decals that are affixed to standard plate.

Source: AAA, *Digest of Motor Laws, 2012*; state DMV websites, 2012.

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 Denver, CO 80230

Washington Office  
 Tel: 202-624-5400 | Fax: 202-737-1069 | 444 North Capitol Street, N.W., Suite 515 |  
 Washington, D.C. 20001

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*2012  
March 11, 2013  
Attachment 4*

**Testimony HB 2012  
House Appropriations Committee  
Government Operations Division  
March 11, 2013 (Harley E. Neshem)**

Mr. Chairman and members of the committee. I consider it a privilege to speak in favor of HB 2012 and the funding for County and Township roads originally in SB 2328.

My name is Harley Neshem and I am president of Gratech Company, Ltd. of Berthold. We are a grading and aggregate contractor. Our company was founded in 1949 and I have personally been involved with highway construction in North Dakota since 1970. We presently employ about 200 workers seasonally and have construction volume approaching \$50 million. I have also served as president of the Associated General Contractors of North Dakota.

As you might imagine, our association members support Governor Dalrymple's proposed increase in infrastructure investment. As one living in western North Dakota, I experience the need for this investment every day. The deteriorating road system, in not only oil country but statewide, is well documented.

I know the question has been asked whether the construction industry will be able to carry out the work that is contemplated under such a major increase in funding. Another question is will the state get good value for its dollar? The answer is yes and a recent bid letting, November 16<sup>th</sup>, is illustrative. Bids were called for 43 projects. The engineer's estimate of cost for these 43 projects was \$110,000,000. The low bids totaled \$97,000,000, some 12.1% less than the DOT expected. A total of 286 bids were submitted, which is an average of 6.7 bidders for each project. There is much competition for the work.

A little disheartening is the fact that of the 286 bids, only 94 were placed by North Dakota contractors, leaving 192 by out of state firms. For a variety of reasons, highway construction in North Dakota has been in decline until just recently and many contractors have left the industry.

**Testimony SB 2012 - Page 2**  
**House Appropriations Committee**  
**Government Operations Division**  
**March 11, 2013 (Harley E. Neshem)**

The most recent NDDOT Bid Letting was held February 25<sup>th</sup>. While the statistics aren't out yet, I can say with certainty they will be similar to the November results.

Along with increased funding, it would be very helpful to get those funds to the DOT as quickly as possible so projects can be let for bids as early in the cycle as possible. Springtime load restrictions on the highways makes the movement of heavy equipment prohibitive between approximately mid-March and mid-May. If we can move our most productive, yet heaviest, equipment before load restrictions are imposed we can reduce our costs and begin and complete projects sooner and more efficiently.

Our industry competes for labor with many others. Putting projects out for bid earlier would allow us to put our crews together while the labor pool is larger than it will be later.

The Legislature has some spending authority under the emergency clauses for state funds and I commend you for exercising that authority as you did with SB 2176. For the future, it would also be very helpful if the DOT could borrow against federal funding.

I also ask for funding of additional staff positions to speed up the process of issuing "Certificates of Authority" (COA's). A COA is confirmation that our proposed source of borrow dirt, gravel and even rock piles in a cultivated field is free of cultural artifacts and various government easements. We are waiting as long as 30 days for these COA's to be issued because of staff shortages. My company and others have had to idle crews while waiting for issuance and then run short of time to complete a project within the days allowed under the contract.

Thanks very much for the opportunity to present these comments today. I will try to answer any questions you may have.



P.O Box 1091  
Bismarck, ND 58502  
(701) 355-4458  
FAX (701) 223-4645

**MEMBERS**

AmeriFlax  
BNSF Railway Company  
Garrison Diversion Conservancy District  
Independent Beef Association of ND  
Landowners Association of ND  
Milk Producers Association of ND  
Minn-Dak Farmers Cooperative  
ND Ag Aviation Association  
ND Ag Consultants  
ND Agricultural Association  
ND Agri-Women  
ND Association of Agricultural Educators  
ND Association of Soil Conservation Districts  
ND Barley Council  
ND Beef Commission  
ND Corn Growers Association  
ND Corn Utilization Council  
ND Crop Improvement and Seed Association  
ND Dairy Coalition  
ND Department of Agriculture  
ND Dry Bean Council  
ND Dry Edible Bean Seed Growers  
ND Elk Growers  
ND Ethanol Council  
ND Farm Bureau  
ND Farm Credit Council  
ND Farmers Union  
ND Grain Dealers Association  
ND Grain Growers Association  
ND Irrigation Association  
ND Lamb and Wool Producers  
ND Oilseed Council  
ND Pork Producers  
ND Soybean Council  
ND Soybean Growers Association  
ND State Seed Commission  
ND Stockmen's Association  
ND Wheat Commission  
NDSU Agricultural Affairs  
Northern Canola Growers Association  
Northern Food Grade Soybean Association  
Northern Plains Potato Growers Association  
Northern Pulse Growers Association  
Red River Valley Sugarbeet Growers

*SB 2012  
March 11, 2013  
Attachment 5*

**Testimony of Jessie Bateman  
Administrator, North Dakota Ag Coalition  
In Support of SB 2012  
March 11, 2013**

Chairman Thoreson and members of the House Appropriations –  
Government Operations Division:

My name is Jessie Bateman, and I am here today as the administrator of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of SB 2012.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 30 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. The Ag Coalition takes a position on a limited number of issues, brought to us by our members, that have significant impact on North Dakota's agriculture industry.

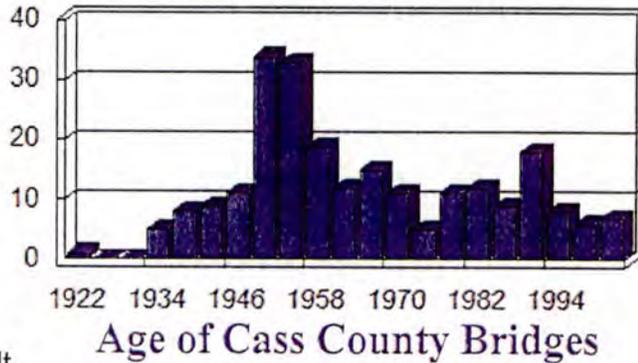
The North Dakota Ag Coalition is supporting SB 2012, specifically the allocation of \$27 million for a county and township road bridge rehabilitation and reconstruction program, which was originally included in SB 2328. By continuing to improve our state's rural road bridges, we will help to ensure that North Dakota's farmers and ranchers are able to market their product safely and efficiently and ultimately deliver the product that feeds the world.

We appreciate your past support of North Dakota's agriculture industry and encourage your favorable consideration of SB 2012.

IN 2012  
March 11, 2013  
Attachment

Senate Bill No. 2012 – House Appropriations Committee Hearing, March 11th, 2013  
County and Township Road Bridge Rehabilitation and Reconstruction Program  
Cass County Highway Department: County and Township Bridge Overview

The Cass County highway system consists of nearly 650 miles of roadway covering an area of 1,766 square miles with 50 townships. Cass County maintains nearly 500 structures and bridges on both the County and Township road networks, with 268 bridges spanning a distance of 20 feet in length or greater. Of our over 20 foot bridges, they average 79 feet in length and 27 feet in width.



In Cass County the average age of a bridge is 40 years old. Of the nearly 500 structures, over 1/3 were built

before 1960. Designed to the standards of their time, many of these bridges have reached the end of their design life or cannot handle the truck traffic of today.

Agriculture continues to lead North Dakota's economy with an economic impact to Cass County of over \$455 million. Since 1960, statewide agricultural production has increased from 17.1 billion pound to 89.4 billion pounds, a 422% increase. Cass County now produces over 4 billion pounds of agricultural products. Adding in the loads of seed and fertilizer, it equals 56,000 truck loads of agricultural products at 80,000 pounds per load.



As agricultural production increase, so does the load on our bridge network. Although Cass County has both Interstate 94 and Interstate 29, nearly all agricultural products travel on the township and county road network to get from the field to the market. With an average of ten bridges per township, nearly every truck load travelling in Cass County crosses over a County maintained bridge.

As our bridge network has aged and deteriorated, Cass County has worked diligently to maintain these bridges. In the last 10 years we have spent over \$18.8 million repairing and replacing bridges. Besides the increase in vehicle loads, the six major floods in the last 15 years have added significant damage. Combining an aging bridge system with back to back major floods has taken a toll on our bridge network. Since 2009 we have spent over \$3 million repairing over 40 flood damaged bridges using FEMA or Federal Emergency Relief funds with local match. These funds only allow a bridge to be rebuilt to pre-flood conditions and do not allow for structural improvements.



Cass County has also looked at ways to reduce cost to repair or replace bridges. In addition to bridge repairs, Cass County has used diagnostic bridge testing to evaluate two load restricted bridges. These bridges were in good condition but a lack of plans or shop drawings resulted in the NDDOT using field measurements to load rate

the bridges. Our goal is to get all bridges on the County Highway System to the equivalent weight standard as the adjacent roadway. Load testing served as a cost saving method to analyze these bridges.

With a significant investment in bridges and utilizing innovative designs and load testing, Cass County still struggles to keep up with its bridge demands. Because such a large number of bridges built in the 1950s and 1960s, we are seeing many of them now reaching the end of their service life and becoming structurally deficient. Additional funding from the State of North Dakota will go a long way in addressing our aging bridge network. This funding will also allow us to not only repair these bridges, but to improve them to meet the increased traffic loads of today.

# Cass County North Dakota

## Bridge Inventory Major and Minor Structures



### Bridge Sufficiency Rating Categories Based on ND DOT 2011/2012 Bridge Inspection & Appraisal

- ▲ 80 + Sufficiency
- ▲ 50-79.9 Sufficiency
- ▲ 0-49.9 Sufficiency
- ★ Code Three Structure
- Minor Structures (under 20')
- Low Water Crossings

- County
- Interstates
- US Routes
- State
- Exit Ramps
- County Roads
- Paved
- Gravel
- City Limits
- FARGO
- WEST FARGO
- Villages
- Drain/Coulee/Ditch
- Perennial Stream
- Intermittent Stream
- Railway

Jason Benson  
County Engineer, P.E.

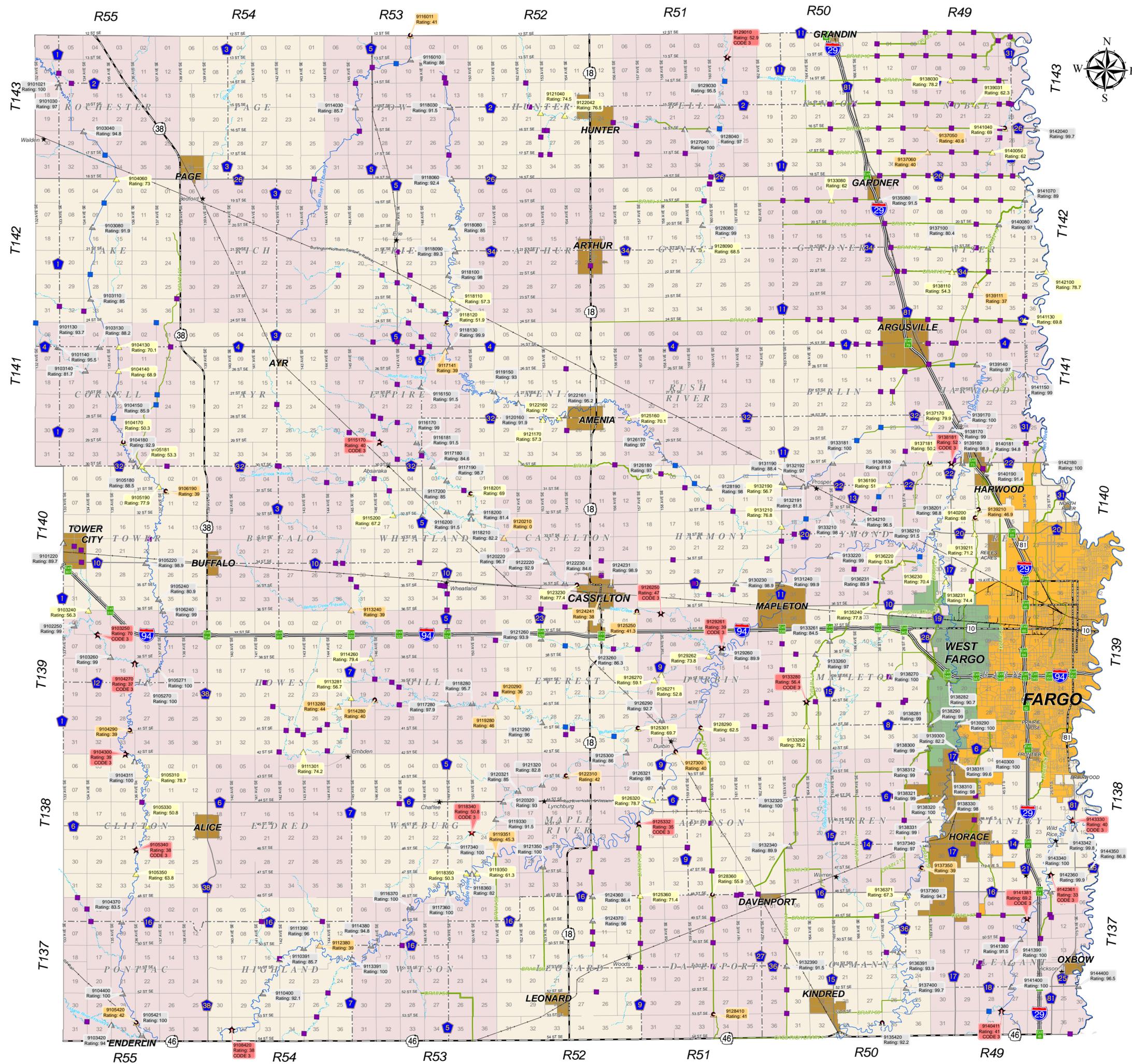
Richard Sieg  
Highway Superintendent

Cass County Hwy. Dept.  
1201 West Main Ave.  
West Fargo, ND 58078

(701) 298-2370 - phone  
(701) 298-2395 - fax

Web: <http://www.casscountynd.gov>  
Email: [highway@casscountynd.gov](mailto:highway@casscountynd.gov)

Date: February, 2013



Disclaimer: As with all public information derived from variable sources, this data may contain errors or faults. Therefore, Cass County does not provide any warranty express or implied, as to the accuracy of this data. The recipient is encouraged to make an independent investigation of verification of the data. If an error is found, it is requested the County Engineer be advised of the particulars so the data can be examined and corrected. THIS MAP IS NOT A SUBSTITUTE FOR AN ACCURATE FIELD SURVEY.

*David  
March 11, 2013  
Attachment 8*

Testimony  
Senate Bill 2012 – Department of Transportation  
State Aid for Public Transit Budget  
Government Operations Division - Appropriations Committee  
March 11, 2013

Chairman Thoreson and members of the committee, my name is Pat Hansen. I am the executive director of South Central Adult Services in Valley City. I am also a member of the North Dakota Senior Service Providers and Dakota Transit Association.

The State Aid for Public Transit funding we receive is used to match federal dollars we use for operating vehicles and as local match for purchasing vehicles for use in public transit. Replacing vehicles statewide is a priority since the average vehicle age in ND is 7.3 years (only 4 states in the country have older transit vehicle fleets) according to the 2012 Rural Transit Fact Book published by SURTC. If we do not receive adequate state funding for match, we may not be able to access all of the federal dollars we are appropriated.

I am going to talk about what is happening in my agency as an example of what is occurring statewide with public transit services in North Dakota.

Our Agency is seeing huge increases in demand for services. This increases miles driven, and creates huge increases in fuel bills and vehicle maintenance costs. We currently have 9 vehicles with over 100,000 miles, 6 over 150,000 miles and 1 over 200,000 miles. Our ridership has increased by 73%, from 62,738 rides in FY 08/09 to 107,932 rides in FY 11/12. South Central Adult Services provides the same service in the very rural areas of North Dakota that are available in the larger cities. The very rural counties of McIntosh and Emmons each provided 17,000 rides this year. Barnes County exceeded 55,000 rides and LaMoure, Foster, Logan and Griggs counties each provided nearly 5,000 rides. Local service is provided to communities within the counties, and transit is available from the southwestern counties to Bismarck 5 days per week, to Jamestown 5

days per week and to Fargo 5 days per week. We are transporting dialysis patients from Strasberg, Linton, Wishek, Ashley, Carrington and Valley City on a regular basis. We have made more than 100 trips to Fargo with patients for radiation treatments and chemotherapy in the last few months.

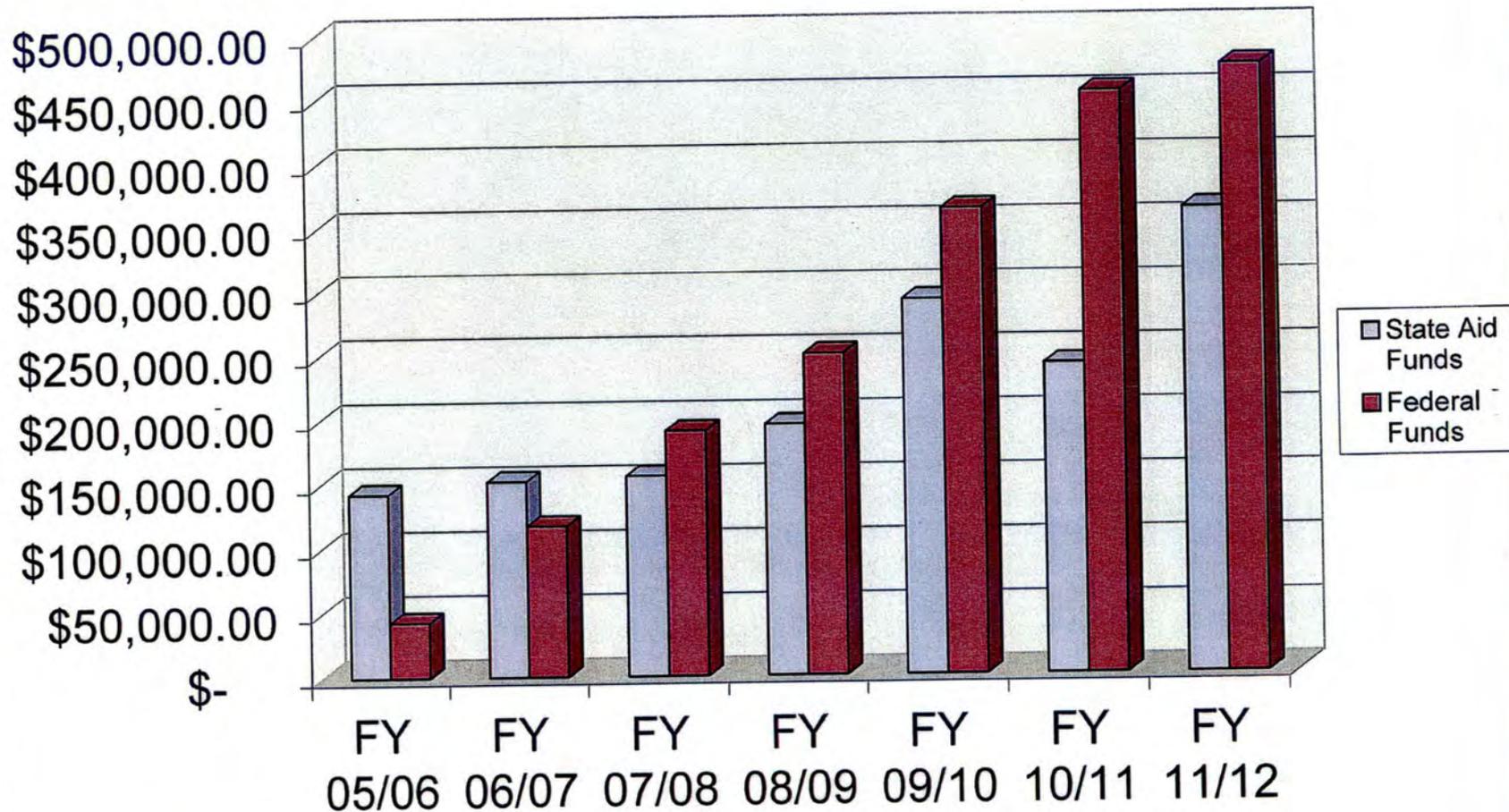
That is only the tip of the iceberg. We provide rides for local medical appointments, rides to work and school and many rides for local grocery shopping, hair appointments, rides to senior centers and rides for nursing homes. We currently have 13 full-time and 27 part-time transit employees. Even taking the impact on the residents of our counties out of the picture, if we do not receive adequate funding, the staff reductions in these rural counties would be devastating to our employees and to the small rural communities where there are very few jobs available.

I have attached charts indicating our federal and state funds, ride provision, total budgets and fuel costs for the past 7 years to show the huge increases we are experiencing.

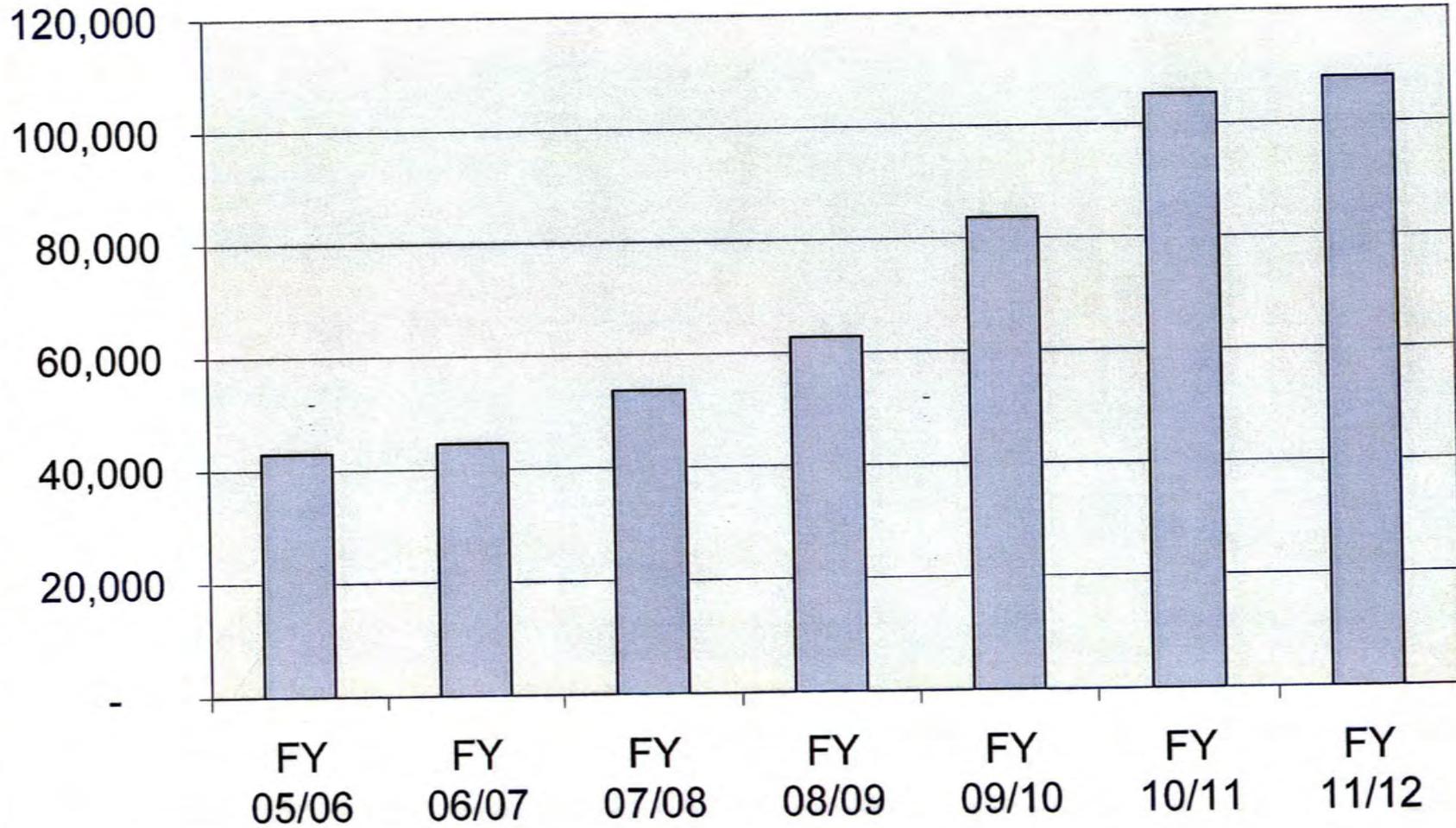
SB 2012 estimates there will be \$8.9 million dollars available in the State Aid for Public Transit fund. While that is an increase over the \$8.3 being distributed this current biennium, transit providers feel that a figure of \$10 million is closer to what the needs are for State Aid for Public Transit funding for 2013-2015. I strongly encourage you to support funding to this \$10 million level as amended in SB 2012, making this funding a reality!

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

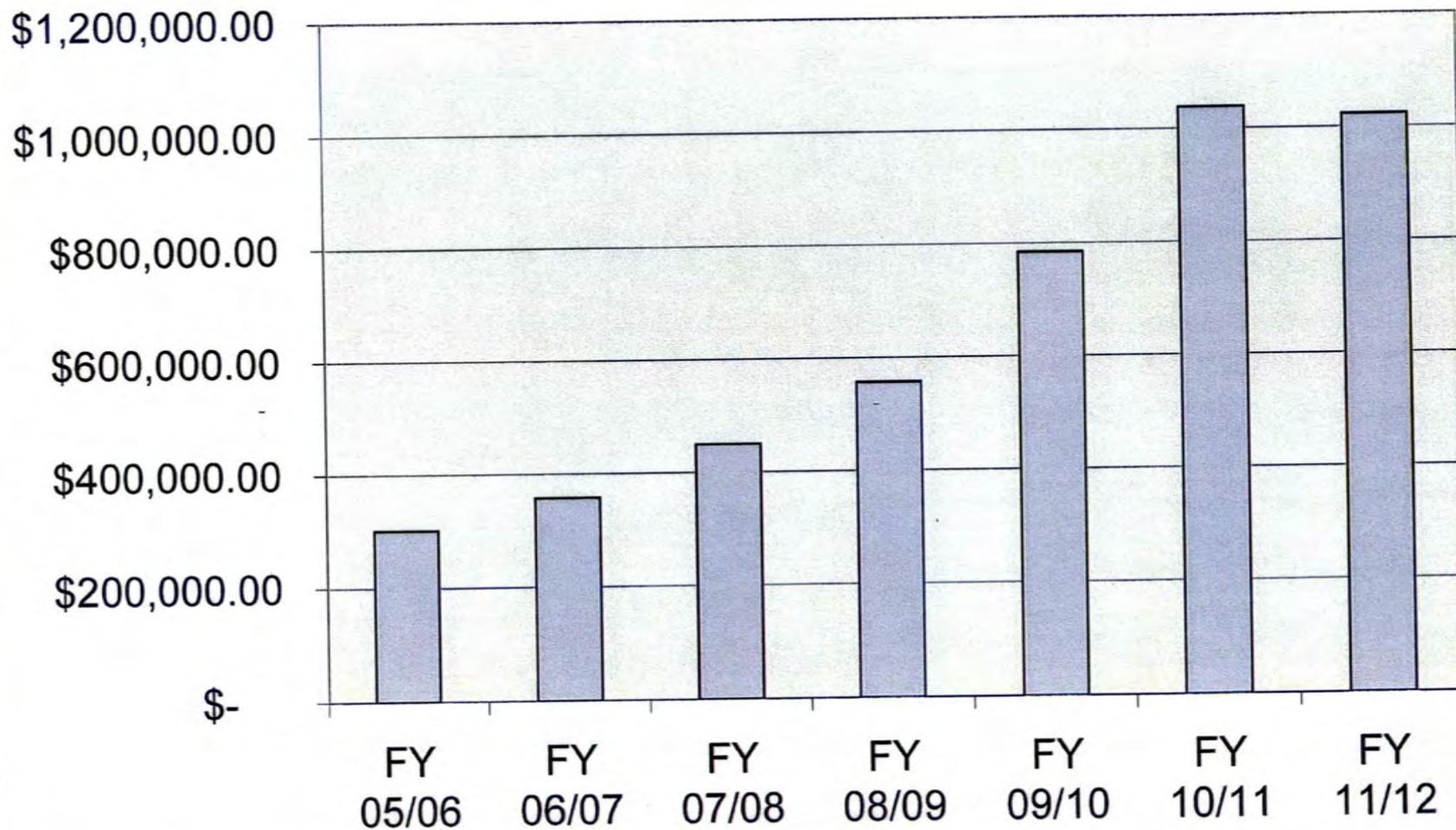
## Federal/State Funds



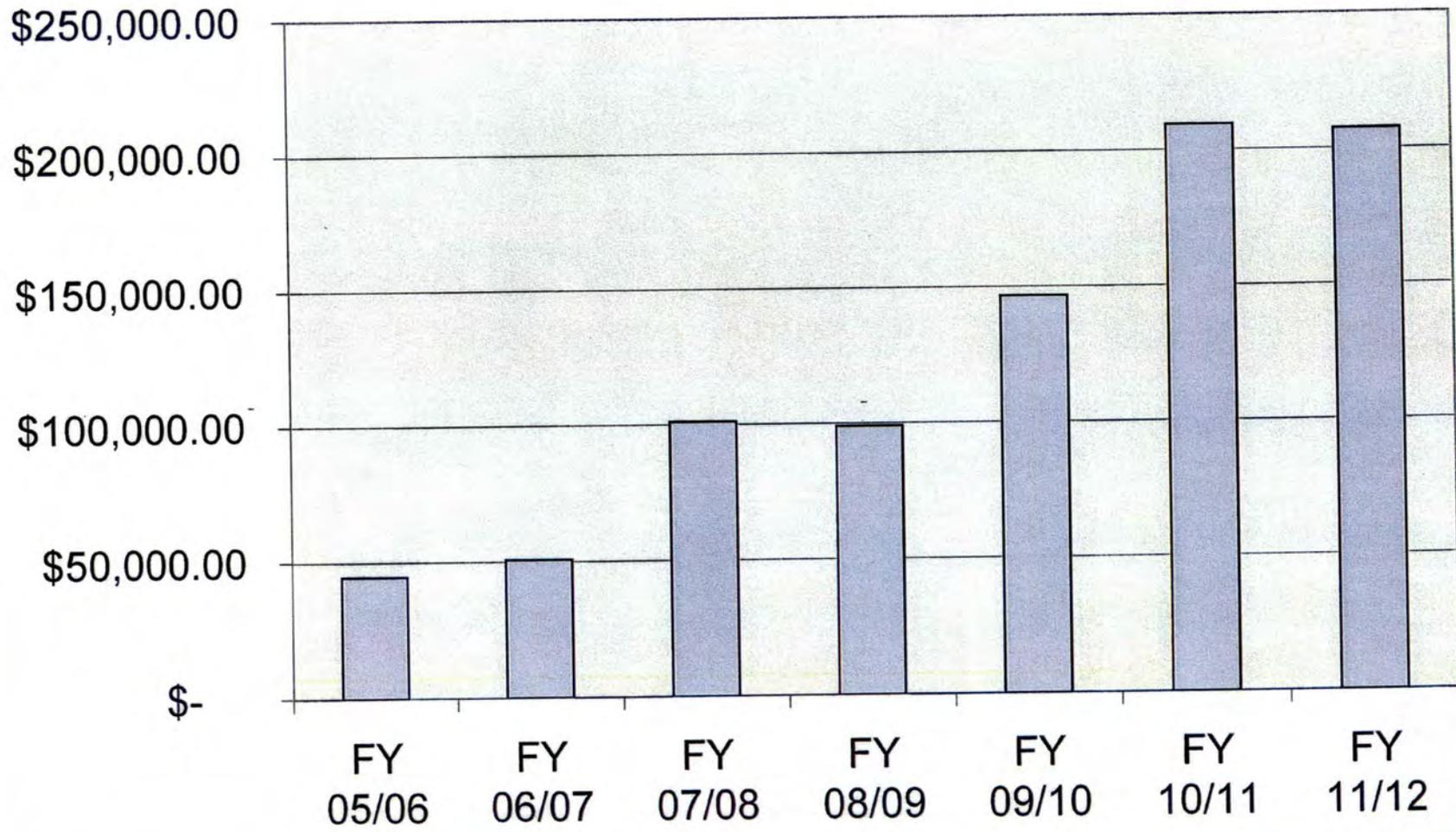
## Ride Provision



## Total Budgets



# Fuel Cost



JODD  
March 11, 2013  
Attachment 9

**Cost versus Revenue for Driver's License  
2011 Biennium to 2013 Biennium**

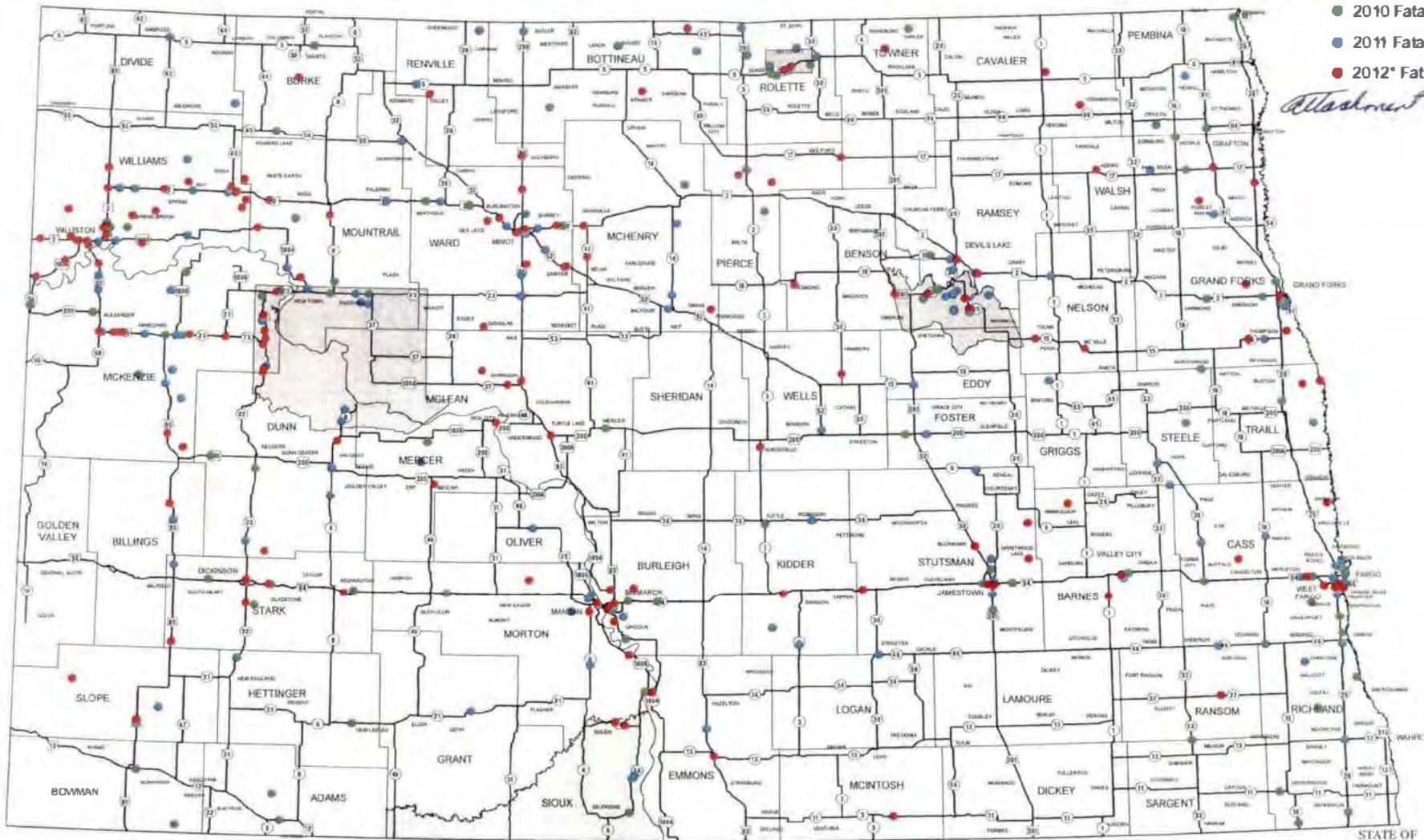
Actual 2011 and projected 2013* biennium revenue versus cost variance per transaction		
Items	2011 Biennium	2013 Biennium Projection
Total Costs	(\$9,394,256.90)	(\$11,225,999.77)
Total Revenue	\$8,158,328.00	\$9,048,898.23
Revenue/Cost Variance	(\$1,235,928.90)	(\$2,177,101.54)
Total Items Issued	399,838	463,712
Total Variance Per Item	(\$3.09)	(\$4.69)
Breakdown of Variance Per Item Cost 2011 to 2013		
	2009-2011	2011-2013
Total Cost per item issued	(\$23.50)	(\$24.21)
Revenue per item issued	\$20.40	\$19.51
Loss per item issued	(\$3.09)	(\$4.69)

# 2010 - 2012\* Fatal Crashes

SB 2012  
March 11, 2013

- 2010 Fatal Crashes
- 2011 Fatal Crashes
- 2012\* Fatal Crashes

Attachment 10



23 US C 64 9 9 BACKGROUNDS  
WDDOT Review & Update

\*2012 crash data is preliminary and is based on best information available at the time the map is created. There are 142/147 fatal crashes displayed for 2012.

STATE OF NORTH DAKOTA  
PREPARED BY THE  
 NORTH DAKOTA DEPARTMENT OF TRANSPORTATION  
 SAFETY DIVISION  
 IN COOPERATION WITH  
 U.S. DEPARTMENT OF TRANSPORTATION  
 FEDERAL HIGHWAY ADMINISTRATION  
 01/19/13



202012  
March 11, 2013  
Attachment 12

Testimony of Thomas D. Kelsch, Kelsch Kelsch Ruff & Kranda for 3 M

In Support of General Re-Issue of License Plates in SB 2012

Chairman Thoreson and Members of the Government Operations Division of the House Appropriations Committee, my name is Tom Kelsch and I am appearing on behalf of 3 M, this morning is support of SB 2012, in particular sections 11 and 12, which are appropriations to DOT and the Department of Corrections for expenses for a general license plate issue to be completed from July 1, 2013 to June 30, 2017.

It is time for North Dakota to have a general reissue of plates. North Dakota has some of the oldest plates in the nation, and some plates will be over 25 years old when replaced under this bill.

License plates degrade over time and lose their reflectivity making them more difficult for law enforcement to read.

3M would encourage the legislature, DOT, and Roughrider, with this reissue to modernize from an embossed plate to DLP, (Digital License Plates). DLP has been deployed for over 10 years, and in over 20 states, including all of our bordering states.

The cost of DLP has come down significantly in the last 10 years, and is roughly half the price of systems sold 10 years ago.

An advantage of digital plates is to be able to print a bar code on them to be used for inventory management.

DLP uses thinner aluminum, (about 1/3 less - .22gauge instead of .32gauge). DLP can use thinner aluminum because it doesn't have to be stamped. The aluminum savings will more than offset the cost of DLP printing machine, making DLP more cost effective for the reissue. (Estimated savings \$500,000 over the next 4 years).

Thinner plates should also reduce the cost of shipping and brings much more flexibility to the ability to print specialized plates at minimal cost and time compared to the current embossing system.

A general issue of license plates will bring in additional revenues for DOT, because there are people who do not have current stickers for their license plates. The general issue will make it easier for law enforcement to catch these scofflaws. A CSG study found that at any time there are 2-7% of motorists in noncompliance with current registration.

If we figure at the low end of this spectrum, say 3% of the licensed vehicles: North Dakota could conservatively expect new revenue of approximately \$3,000,000. (800,000 registered vehicles x 3% x average registration fee of \$125.

3 M believes that it is important for DOT to be able to provide in this reissue that drivers can keep their current plate number, if it is special number, for a fee. A small percentage of drivers have specialized plates or numbers and if they are willing to pay more they should be provided the opportunity to keep their same number. DLP would make this process much easier for both DOT and Roughriders.

On behalf of 3 M I urge you to give SB 2012 a "Do Pass" recommendation and that you leave the general reissue intact in the bill.

# License Plate Replacement

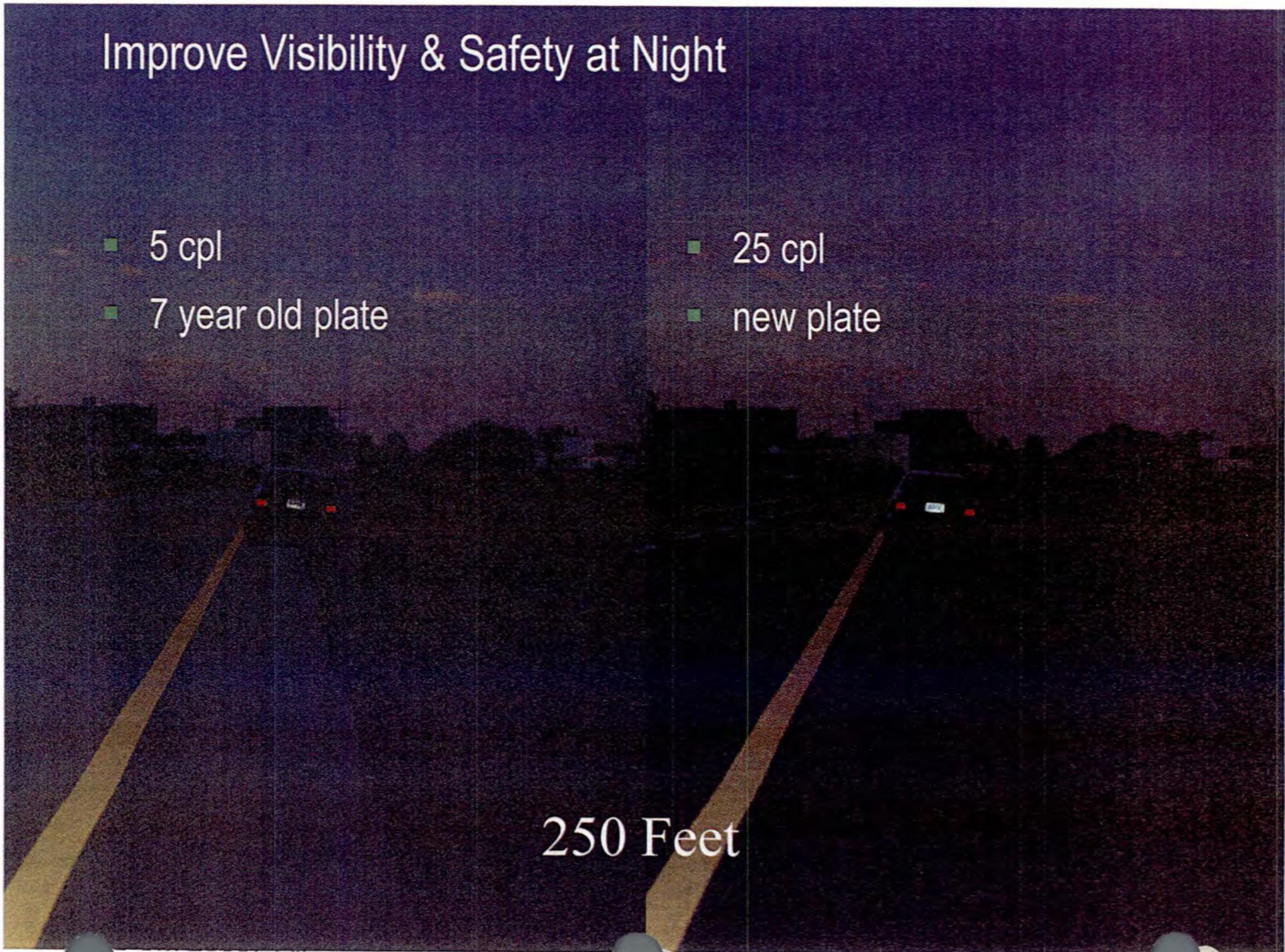
- License plates degrade over time.
- Most plates lose 50% of their reflectivity after 7 years.
- Older plates are more difficult for law enforcement to read.
- Most states have a policy for plate replacement in place or have replaced plates in the last 10 years.
- North Dakota License plates are among the oldest in the nation.

# Improve Visibility & Safety at Night

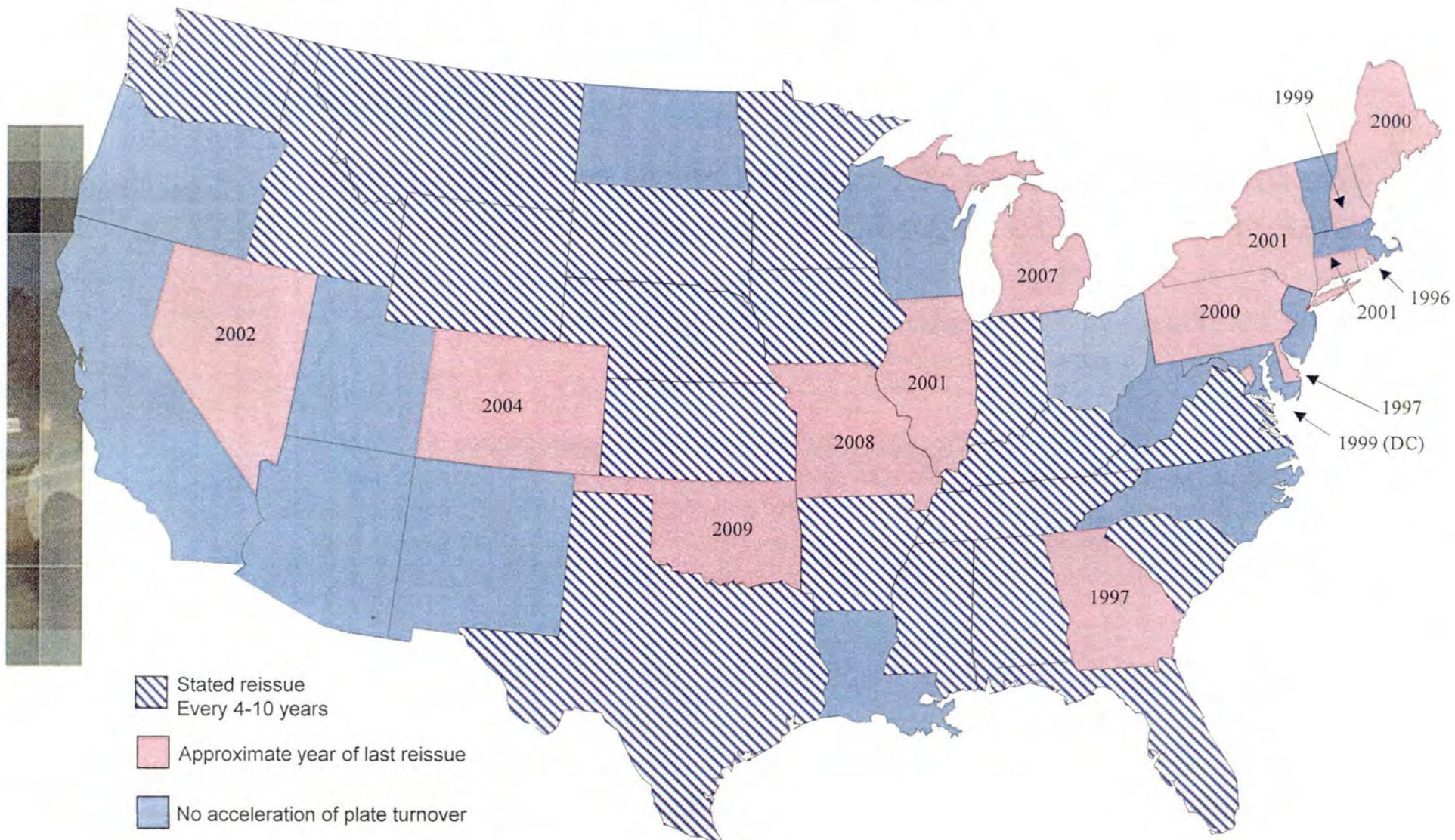
- 5 cpl
- 7 year old plate

- 25 cpl
- new plate

250 Feet



# Planned License Plate Replacement



# Law Enforcement *Support from Police Chiefs*

***The International Association of Chiefs of Police (IACP) resolved in 2002 to support license plate reissues***

*...WHEREAS, reissuance of license plates serves as a deterrent to those who would avoid registration and payment of motor vehicles fees; now, therefore, be it*

*RESOLVED, that the ...IACP, recognizing that the **efficient and reliable identification of vehicles is a critical element of national and state security procedures**, supports the issuance of fully-reflective, license plates with clearly identifiable registration numbers and state of registration, and **urges that states periodically issue new plates** to maintain effective vehicle identification and to protect the security and integrity of the vehicle registration process.*



**Reissues encourage compliance and help with security**

# Samples of ND Degraded Plates



# Recommendation

- Adopt a policy for ND License plate replacement
- Charge and optional fee of \$10 for customers to keep their same alpha numeric.
- Move to digital plate production
  - *Lower cost of metal, longer plate life, flexible production*

JB 2012  
March 11, 2013  
Attachment 13

## DEVILS LAKE FUNDING

To deal with the threat of losing rail service in much of northeastern North Dakota, the State is working with BNSF Railway and AMTRAK to raise and upgrade approximately 15 miles of track and replace two bridges. The project's total cost could reach as much as \$100 million; the State's share of that is \$20 million, with half of that coming from a federal Tiger III grant. The OMB budget request includes \$10 million to match that grant and fulfill the State's share of the project cost.

- Devils Lake flooding caused disruption of rail service in the region. BNSF had to stop using the track for through freight service in 2008 and serve the area by bringing local trains in from the east or west. (Completion of the first phase of work allowed BNSF to resume using the track in late 2012.)
- AMTRAK has had to temporarily shift passenger service to another corridor during times of high water. In 2010 AMTRAK indicated flooding would ultimately cause a permanent shift of service away from the present route, bypassing the cities of Grand Forks, Rugby, Devils Lake and Church's Ferry.
- The cost of upgrading the line to cope with flooding could not be justified without a partnership using state, federal and private funds.
- BNSF completed the first phase of the project in 2012, at a cost of \$20 million (all of it paid by BNSF). This work involved replacing two bridges with ones that are longer and about 10 feet higher in elevation; raising the approaches to the bridges and raising the track elevation in the area roughly five feet.
- In 2013 BNSF is scheduled to do Phase II work, which involves raising the track an additional five feet and replacing about 50 miles of bolted rail with continuously welded rail needed for AMTRAK operations. The 2013 work will cost an estimated \$47-\$50 million. The State's share will go toward this phase, with BNSF and AMTRAK paying the rest. The State would have no further obligation under the arrangement.
- Should lake levels continue rising, further elevation increases would be done with the cost borne evenly by BNSF and AMTRAK, with AMTRAK's total share for all three phases not to exceed \$33 million and BNSF responsible for the rest.
- The budget item includes an emergency provision because the 2013 work is scheduled to begin in April. North Dakota DOT is currently reviewing the final draft of the construction agreement.

John Olson  
426-9393  
olsonpc@midco.net



SB2012  
March 11, 2013  
Attachment 14

Testimony to the  
**Senate Appropriations Committee**

Prepared March 11, 2013 by  
Terry Traynor, Assistant Director of the  
North Dakota Association of Counties

**Regarding: Engrossed SB2012 – NDDOT Budget**

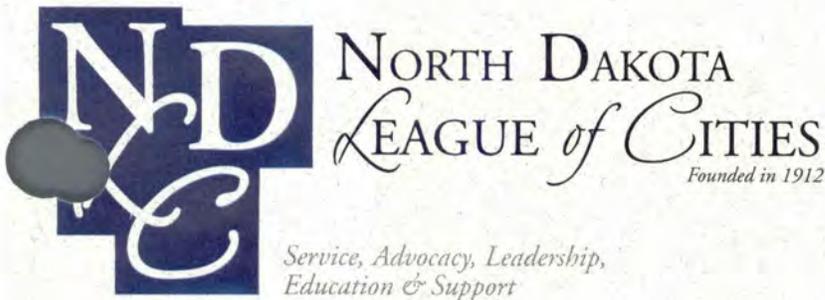
Mr. Chairman and members of the Committee, the North Dakota Association of Counties would like to document the enthusiastic support of the counties for Senate Bill 2012. Clearly the State's highway, road, and street infrastructure is in great need of the level of funding proposed in this budget.

We understand that the Legislature, and particularly your Appropriations Committee, has a large challenge ahead in balancing the revenue available with the numerous needs of our vast state. In meeting that challenge with respect to transportation funding, we request that you will keep the counties' interests in mind.

Clearly SB2012 is a robust and forward-looking framework for our State's highways. Additionally, the need for the county and township road rehabilitation funding of section 4 and the bridge rehabilitation funding of section 5 has been documented by the Upper Great Plains Transportation Institute studies.

We again applaud and thank the Legislature for its earlier action on SB2176, which will give both the NDDOT and local government a jump-start on the upcoming construction season.

Thank you for your consideration of county interests, and be assured our Association stands ready to assist your subcommittee in any way possible.



SB2012  
March 11, 2013  
Attachment 15

House Appropriations-Government Operations Committee  
Senate Bill 2012  
March 11, 2013

For decades, the cities and counties in North Dakota have worked with the state's Department of Transportation to address transportation needs. North Dakota's 357 incorporated cities use state, federal and local funds to maintain and improve streets, and transportation funds have become the largest per capita payment to cities.

Together, using all available sources of funds, we have made substantial investments in transportation, and this state-local partnership has served us well over the decades. City leaders recognize the value of maintaining a high level of transportation services at the local level, as well as the crucial need for a well-maintained network of highways that connect communities and indeed the United States.

The results of surveys, meetings around the state and transportation studies by the Upper Great Plains Transportation Institute over the 2011-13 interim, all reveal widespread recognition in both the private and public sector that transportation needs have outstripped available funding. However, the executive budget provides essential funding to bridge the gap between needs and an excellent transportation system.

The League supports the North Dakota Department of Transportation's 2013-2015 budget as it includes continuation of our longstanding state-local partnership. We applaud SB 2012's investment in critical infrastructure that supports our state's economic health and serves our citizenry as we provide the transportation network that moves people and good. We look forward to continuing this strong partnership in funding state and local transportation needs. Thank you for your support of SB 2012.

Connie Sprynczynatyk  
Executive Director

*SB 2012  
March 27, 2013  
Attachment 1*

## **SB 2012**

# **TESTIMONY BEFORE THE HOUSE APPROPRIATIONS GOVERNMENT OPERATIONS DIVISION**

Prepared by  
**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION  
BISMARCK, NORTH DAKOTA**

**INTERIM DIRECTOR  
Grant Levi, P.E.**

**MARCH 27, 2013**

# HOUSE APPROPRIATIONS GOVERNMENT OPERATIONS DIVISION

March 27, 2013  
8:30 a.m. - Medora Room

North Dakota Department of Transportation  
Grant Levi, P.E., Interim Director

## SB 2012

Mr. Chairman and members of the committee, I'm Grant Levi, Interim Director of the North Dakota Department of Transportation (DOT.) Thank you for giving me the opportunity to present information to you today.

Today we will discuss budget charts and the Legislative Council Executive Budget document. Then we will answer questions you had about local funding, motor vehicle license plates, quiet zones and state fleet rates.

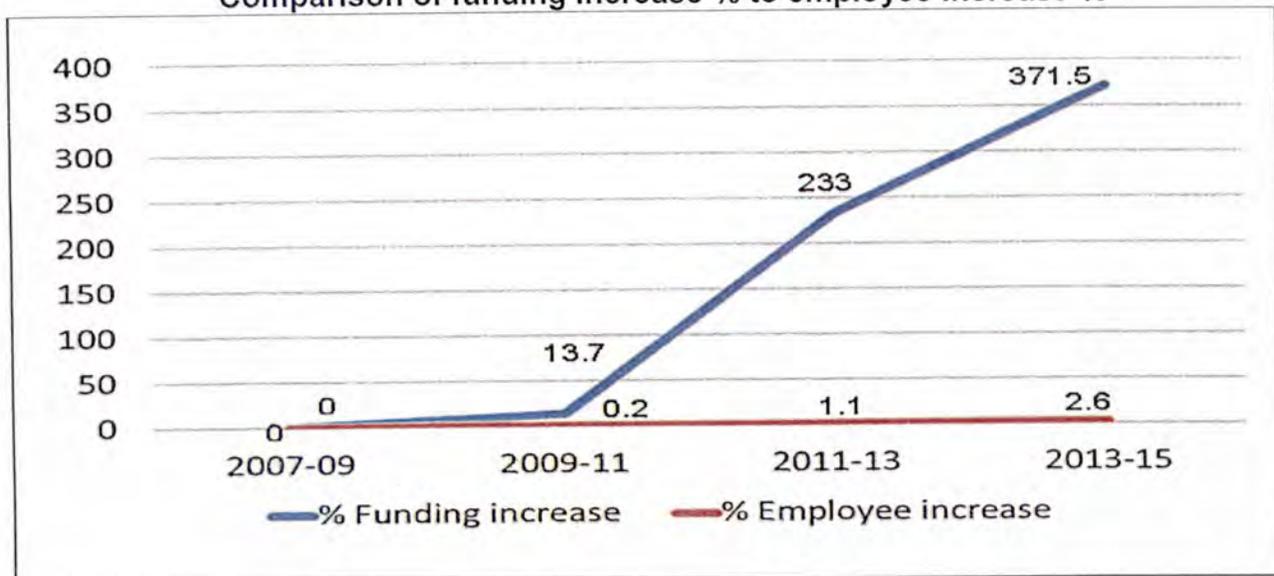
### Budget Charts

- DOT Chief Financial Officer Shannon Sauer will now go over our budget charts attached to the testimony. (Blue Attachment) - SB 2012 Executive Recommendation / 2013-15 Biennium Revenue and Expenditures. (Green Attachment) - Enrolled HB 1012 /2011-13 Biennium Revenue and Expenditures. (Yellow Attachment) – Enrolled SB 2176 and Engrossed SB2012/ 2013-15 Biennium.

### Legislative Council Executive Budgets Document

Next, I will present a brief overview of items outlined for you in the Legislative Council Executive Budget document presented to the committee on March 8.

Comparison of funding increase % to employee increase %



**(1.-3.) One Time General Funding**

The one time general funding outlined in bullets 1-3 of the Legislative Council summary provides additional funding in the highway fund for enhanced state highway investments (\$1.16 billion), and to continue the county and township road reconstruction program (\$142 million).

The Senate removed from SB2012 the \$620 million 2011-13 biennium transfer from the general fund to the highway fund. Senate Bill No. 2176, as approved by the Legislative Assembly, contains a \$620 million general fund appropriation for state highway projects. SB2176 also provided \$100 million in general fund money to the treasurer to be distributed to cities, counties, and townships in the non-oil producing counties. This funding was also removed from SB2012.

- The table below compares the 2011-13 biennium funding to the 2013-15 proposed funding contained in SB2012 and also compares the proposed Oil Impact Area expenditures to the expenditures in the rest of the state.

Funding	Oil Impact Area (Minot, Williston & Dickinson Districts) (\$ Millions)	Bismarck, Valley City, Devils Lake, Grand Forks, & Fargo Districts (\$ Millions)	Statewide (\$ Millions)	Total (\$ Millions)
<b>2011 – 2013 BIENNIUM</b>				
Oil Impact Funds for State Highways	\$228.6 M	---		\$228.6 M
Oil Impact Funds for County Roads	\$142.0 M	---		\$142.0 M
Bid Openings (2011 – 2012) (Fed funds, state & local match)	\$316.7 M	\$347.6 M		\$664.3 M
Emergency Relief (ER)	\$86.4 M	\$197.7 M		\$284.1 M
<b>Total 2011- 2013 Biennium</b>	<b>\$773.7 M</b>	<b>\$545.3 M</b>		<b>\$1,319.0 M</b>
<b>2013 – 2015 BIENNIUM (SB 2012 &amp; SB 2176)</b>				
Projected Oil Impact Funds for State Highways	\$1,161.6 M	---		\$1,161.6 M
Projected Oil Impact Funds for County Roads	\$142.0 M	---		\$142.0 M
SB2012 Amendment - County & Township Bridge Program			\$27.0 M	\$27.0 M
STIP (2013 -2014) (Fed funds, state & local match)	\$148.8 M	\$450.0 M		\$598.8 M
ER Carryover (from 2011- 2013 biennium)	\$31.1 M	\$77.0 M		\$108.1 M
<b>Total 2013- 2015 Biennium</b>	<b>\$1,483.5 M</b>	<b>\$527.0 M</b>	<b>\$27.0 M</b>	<b>\$2,037.5 M</b>
<b>Grand Total 2011 – 2015</b>	<b>\$2,257.2 M</b>	<b>\$1,072.3 M</b>	<b>\$27.0 M</b>	<b>\$3,356.5 M</b>



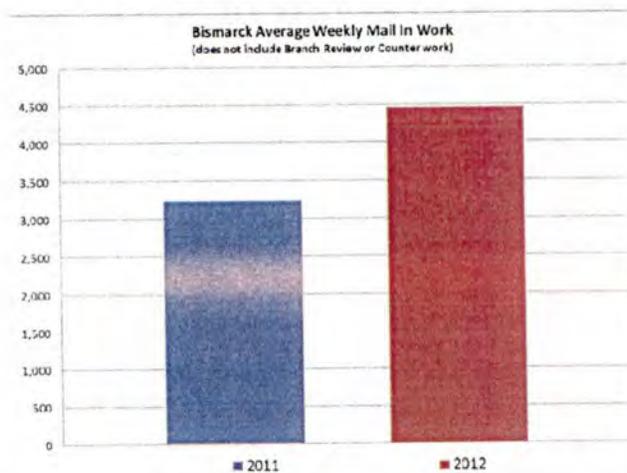
#### (4.) Full-time employees

In order to provide needed services due to growth in the state's economy, we are requesting 16 new FTEs.

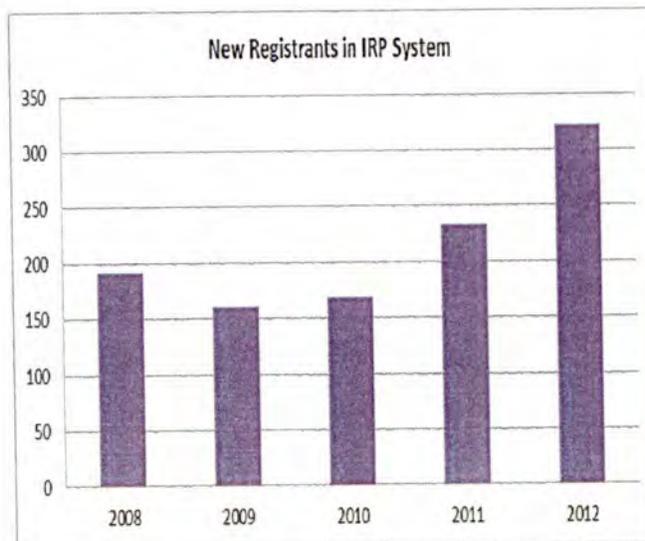
- 5 engineers to provide management and oversight of preliminary and construction consultant engineering.
  - We are outsourcing 70% of the engineering work. The Department must have a sufficient number of employees to provide necessary oversight on all consultant projects.
  - In a recent conversation with consultants and contractors, they requested that DOT provide additional resources and more oversight on state projects. Their comments were that owners need to be present for major project decisions. Currently we do not have sufficient engineering staff to be present at all the construction/consultant project meetings.
  - The North Dakota DOT currently has 157 engineers on staff and with the passage of SB2012 we will have approximately a \$2 billion biennial construction budget (includes city and county projects bid through the Department). For your information, South Dakota DOT has 225 engineers on staff and an \$847 million biennial construction budget.
- 4 equipment operators to address increased road maintenance & snow removal demands in western N.D.
  - Presently, each Williston District equipment operator is responsible for taking care of 52 lane miles, which was established when traffic counts were lower. When traffic volumes increase, there is a need for more equipment operators to provide the necessary service. For example in the Valley City District each operator is responsible for 46 lane miles and in Fargo they are responsible for 39 lane miles.
  - With the proposed addition of 4 equipment operators, each operator will still be responsible for 50 lane miles because of the additional lane miles that will be added in the Williston District.
- 1 accounting/budget specialist to meet increased accounting and regulatory demands.
  - The volume of accounting has increased dramatically. The increase in accounting volume affects our project accounting and payables areas very heavily. These areas are particularly complex and labor intensive.
  - The State Auditor's Office and the federal government are increasing the requirements with which we must comply. These are high priority items and cannot wait until current staff has time to address them.
- 2 driver's license staff members to meet the demands of the growth for licensing and testing in western N.D.
  - The volume of driver's license transactions have increased as over 518,000 transactions were processed in 2012 supporting more than 509,000 drivers. This is the first time the state has exceeded half a million licensed drivers.



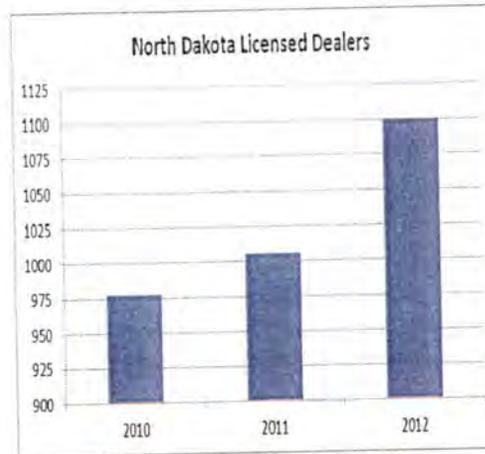
- Driver's license needs to continue delivering effective customer service in a timely manner at all sites.
  - Staff is needed to manage the growth of third party testing to ensure high quality programs continue to meet federal guidelines.
- 4 motor vehicle licensing specialists in the Bismarck office to meet the increasing demand for motor vehicle services, which include support of branch offices across the state.
    - Processed over one million vehicle renewals in the last year.
    - There is an increase in complexity of motor vehicle transactions statewide with:
      - Growth in out of state titling and an increase in fraud.
  - In 2012, Motor Vehicle processed an average of 4,462 pieces of mail-in work per week, in addition to renewals, an increase of 38.2% from 2011.



- 91% increase of new trucking companies in the International Registration Plan (IRP) from 2010-2012.



- The number of licensed dealers has increased 12% from 2010 to 2012, approaching 1,100.



Because of the growth in all of the motor vehicle transactions we are presently not meeting the customers' expectations. As a result we need the 4 FTE's.

#### **(5.) Technology**

- Approximately \$9.7 million is in the budget for a motor vehicle information technology project to replace the existing Vehicle Registration and Titling System (VRTS) which is built on Powerbuilder technology with design starting in 1996 (17 years ago).
- Motor Vehicle collects and distributes revenue. (\$360M in first 18 months of this biennium)
  - DOT has been cited in 6 audits relating to deficiencies in the system. Present software system does not have accounting capability to correct a state audit finding.
  - New technology on the horizon includes: eDealer, eLiens and eTitling. We need to modernize our system to take advantage of these new applications.
  - New IT program will have an accounting module to address audit findings. The new program will also streamline the process with branches and auto dealers, and help provide timelier customer service.
- The proposed cost estimate of \$9.7 million is based on using an off-the-shelf software package and making modifications to it.

#### **(6.) Asbestos Abatement Project**

- Thank you for resources provided to complete two phases of the three phase asbestos abatement project. Phases 1 and 2 have been completed with funding from the last two bienniums.
- DOT personnel on the second and third floors of the Transportation Building continue to work in an environment where asbestos exists.

- The asbestos removal project has involved stripping the interior of the building down to the bare frame in order to remove the asbestos and then re-constructing the interior as shown in the picture below.



*Asbestos abatement is a big project*



*Removing asbestos on 4<sup>th</sup> floor of DOT building*

- Approximately \$6 million in one-time funding is in this budget to complete the third and final phase of asbestos removal in the Bismarck headquarters building.

**(7.) Salary enhancements for oil and gas producing areas**

- Approximately \$2.5 million is in the budget to provide continued funding to retain employees in areas of the state impacted by the oil and gas industry growth. A Geographical Pay Differential Program is in place for equipment operators (transportation techs), driver's license examiners, radio technicians and shop mechanics.
  - Currently a newly hired equipment operator (trans tech 1) makes approximately \$15 an hour without Geographical Pay Differential funds. With the Geographical Pay Differential the operator will make approximately \$18 per hour.
  - Compared to starting salaries offered at Walmart in Williston where a store clerk makes \$17 an hour and a night stocker makes \$19 an hour, as well as help wanted ads for truck drivers in the Williston newspaper offering starting wages ranging from \$20-\$30 an hour, plus benefits.



*Photo taken in March 2013 outside of Walmart in Williston*



*The inside view of a snow plow, which is similar to an instrument panel on an airplane.*

The information below shows examples of what a DOT employee's actual take home pay is with the use of the Geographical Pay Differential program.

<b>Equipment Operator (Trans Tech I) - Williston (Single/1 exemption)</b>	
<b>Base Salary</b>	<b>\$ 2,644.00</b>
Geographical Pay Differential	\$ 484.20
<b>Total Gross Pay</b>	<b>\$ 3,128.20</b>
Federal Taxes Withheld	\$ 407.05
State Taxes Withheld	\$ 43.76
FICA	\$ 239.31
<b>NET PAY</b>	<b>\$ 2,438.08</b>
Current rent in Williston for a one bedroom runs approximately \$2,000-\$2,500 per month if even available	

<b>Drivers License Examiner I – Minot (Single/1 exemption)</b>	
<b>Base Salary</b>	<b>\$ 2,507.00</b>
Geographical Pay Differential	\$ 484.20
<b>Total Gross Pay</b>	<b>\$ 2,991.20</b>
Federal Taxes Withheld	\$ 386.50
State Taxes Withheld	\$ 41.70
FICA	\$ 228.83
<b>NET PAY</b>	<b>\$ 2,334.17</b>
Current rent is approximately \$1,200 per month for a two bedroom apartment in Minot.	

**(8.) Rental assistance for oil and gas producing areas**

- Approximately \$1.1 million is budgeted in the department’s operations line item to help provide temporary housing for employees moving into the energy impacted areas. The Department is currently reserving a block of rooms in a Williston motel to house new employees and staff who must travel to the area to provide services such as engineers, motor vehicle personnel and surveyors who are needed to conduct business in the area.
- A portion of the funding is to assist with motel rooms until the employee can find permanent housing. In addition we provide employees with rental assistance when apartment rental costs have increased above the state average.
- DOT employees continue to find difficulty in obtaining affordable housing. Please see Attachment A which is a recent document we received from a new employee looking for housing in Williston.

**(9.) One time funding for TIGER III Grant**

- \$10 million to match a \$10 million federal TIGER III grant to rebuild a 20-mile segment of railroad track & two bridges near Churchs Ferry. The total cost of the project is approximately \$90 million with Amtrak and BNSF providing the remaining funds.

**(10.) Federal funding changes (2011-13 Biennium Enrolled compared to 2013-15 Budget Request)**

Provides for the following anticipated changes in federal highway aid in millions:

Federal Highway Administration funds (from \$569.5M to \$532.2M)	(\$37,300,000)
Emergency relief (from \$56.2M to \$116.8M)	60,600,000
Federal rail funds (from \$6.1M to \$8.4M)	2,300,000
National Highway Traffic Safety Administration (from \$11.4M to \$9.3M)	(2,100,000)
Federal transit funds (from \$13.7M to \$14.8M)	1,100,000
<b>Total</b>	<b>\$24,600,000</b>

**(11.) Salary funding**

- This provides funding adjustments to the Department’s salary line items so it contains the necessary funding for the Governor’s budget plan. The funding is essential in order for us to retain and recruit employees.

**Other Sections in Bill**

**Line item transfers**

- This is not a new provision and has been included in previous DOT appropriations. This provision allows us to transfer funds which are necessary to conduct department business.

**County and township road reconstruction program in areas affected by oil and gas development**

- Continues the county and township road reconstruction program in areas affected by oil and gas development. The section provides that any funding not spent during the 2013-15 biennium may be continued and used during the 2015-17 biennium. Due to the large construction program this provision is necessary for counties and townships to finalize and complete all necessary transactions for construction projects which will be under contract.

#### **County and township bridge reconstruction program**

- \$27 million appropriated from the strategic investment and improvements fund for a county and township bridge reconstruction program.
- If it is the intent of the Legislative body to keep this provision in SB2012, on page #5, line #22, which describes a bridge. It should be changed to match the bridge description utilized in the Upper Great Plains Transportation Institute Study which states “A Bridge is defined as a structure that has an opening of more than 20 feet as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet of a group of pipe as long as the pipes are spaced less than half the distance apart of the smallest pipe.”

#### **Highway-rail grade crossing safety projects**

- Provides guidelines for the continuation of previously approved highway-rail grade crossing safety projects into the 2013-15 biennium. The Legislative Assembly in 2009 provided \$2.5 million of one-time funding for highway-rail grade crossing safety projects.

#### **Contingent transfers to public transportation fund**

- Provides \$1.1 million from the general fund to the public transportation fund on July 1, 2013 and July 1, 2014.
- The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being \$5 million or less during the preceding state fiscal year.

#### **Oil-producing township transportation funding grants**

- Appropriates \$10 million to the State Treasurer to provide \$15,000 transportation grants to organized and unorganized townships in oil-producing counties.

#### **Township transportation funding distribution corrections**

- Provides \$1.1 million in general fund appropriations to the State Treasurer to correct errors in distribution.

#### **General license plate issue**

- Approximately \$6.2 million appropriated from the general fund for costs associated with new license plates. We will further discuss the general license plate issue later in our testimony.

#### **2013-15 biennium general fund transfer**

- Provides for a \$683.6 million transfer from the general fund to the highway fund during the 2013-15 biennium. This funding provides the balance remaining of the \$1.6 billion after implementation of SB2176 and funding for the \$142 million county and township road reconstruction program.

#### **Carryover authority - Enhanced state highway investments**

- Provides that unexpended 2013-15 biennium appropriations for enhanced state highway investments must be continued into 2015-17 biennium. Due to the large construction program this provision is necessary for DOT to finalize and complete all necessary transactions for construction projects which will be under contract. Even though we may not expend all of the funds, we need the entire funding to allow us to commit to contracts.

### **Exemption - Road grade raising grants**

- Provides that funding appropriated from the state disaster relief fund in 2011 Senate Bill SB2371 (Section 14) for road grade raising grants is not subject to North Dakota Century Code Section 54-44.1-11 and may be continued into the 2013-15 biennium by the Department of Transportation.
- This provides continuation of the \$6M provided to match Emergency Relief projects for Devils Lake area counties.

### **Motor Vehicle branch office fees**

- Amendment of section 39-02-03 relating to fees charged by motor vehicle branch offices.
- Allows the DOT through Administrative Rules process to establish a \$10 maximum transaction on Motor Vehicle fees - currently \$7.
- Branch office fees haven't been raised since 2006. A 2010 Attorney General opinion limited the ability of agencies to change fees.

### **Study of motor vehicle branch offices**

- A Legislative Management study of motor vehicle branch offices.
- 

Next, I will address the questions you had about local funding, new motor vehicle license plates, railroad quiet zones, and state fleet rates.

### **Local Transportation Funding Comparison**

- Per the legislative request we have developed a table (Attachment B) which shows the total amount of funding appropriated for local governments that could be used for transportation, including transit, was approximately \$550 million during the 2011 session. It should be noted that from the \$550 million, approximately \$126.4 million is distributed to the counties and cities through the gross production tax and is not necessarily used for transportation. In addition to state funding, counties and cities receive approximately 25% of the state's federal funding. In the 2011-13 biennium it is estimated counties received approximately \$46.5 million, the 12 major cities received approximately \$69.7 million and transit received approximately \$13.7 million in federal funding.
- Attachment C shows funding proposed through several bills: SB2012, SB2176, SB2221, SB2013, HB1358, and the estimated funding to be received from the highway tax distribution fund. The total amount of funding appropriated for local governments, including transit, is approximately \$1.2 billion. It should be noted that from the \$1.2 billion, approximately \$379 million is distributed to the counties and cities through the gross production tax and is not necessarily used for transportation. In addition to state funding, counties and cities receive approximately 25% of the state's federal funding. In the 2013-15 biennium it is estimated the counties will receive approximately \$39.9 million, and the 12 major cities will receive approximately \$72.2 million in federal funding. Transit is estimated to receive approximately \$14.8 million in federal funding.

### UGPTI Roadway Needs Study

- The request also asked for information about the UGPTI Study, the table below illustrates findings from the study. The UGPTI State Needs Study was completed in January 2013 and the UGPTI County Needs Study was completed in September 2012.

Biennium	Roadways	Needs Total \$\$\$ In Millions
2013-2015	State Highways	\$2,414.7
2015-2017	State Highways	\$1,352.9
2013-2015	County & Township Roads	\$ 834.0
2015-2017	County & Township Roads	\$ 772.0

- In addition to the roadway needs study, UGPTI recently completed a needs study for county and township bridges. The study estimates the total cost to repair and replace bridges in the serious or worse category to be \$95.7 million.
- No recent statewide needs study has been completed for the cities.
- It should be noted the UGPTI studies only cover the costs for capital improvement projects, not operation or maintenance costs. Typically, counties, townships and cities use a portion of the highway tax distribution fund for operation and maintenance.

### Motor Vehicle Plates

The table below illustrates how much it costs to make and distribute motor vehicle plates. The current charge for a standard pair of plates is \$5. However, there are other charges and fees for registration, etc. when titling a vehicle.

Current License Plate Costs - March 2013	
Standard- Pair (Most vehicles, Highway Patrol)	Plate Cost
Total Cost Per Set	\$7.68
Standard - Single (Motorcycles, Trailers, etc.)	
Total Cost Per Plate	\$ 5.98
Organizational - Pair (Ducks Unlimited, NDSU)	
Total Cost Per Set	\$10.59
Veteran - Pair (Army, Navy, Generic Veteran)	
Total Cost Per Set	\$10.59

The general license plate section of SB2012 allows us until June 30, 2017 to replace all vehicle plates. If this passes DOT will establish a working relationship with groups and other agencies that have an interest in the plate to discuss the process of implementing a new plate. We will also work closely with Roughrider Industries to determine the type of plate (digital or embossed) that will be issued. A determination on the process will be made based on what is the most cost effective.

### **Quiet Zones**

There have been no new requests for Quiet Zone funding. Currently there are four quiet zone projects planned which, when completed, will cost a total of approximately \$640,000. The projects include:

- Beach – in process, planned to be done in 2013.
- South Heart – in process, planned to be done in 2013.
- Bismarck – planned, delayed due to city funding.
- Minot – planned, delayed due to flooding.

### **State Fleet Rates**

The budget for the state fleet was prepared using the following criteria:

- Actual, historical operating costs from the 2011-2013 biennium.
- Projected usage for the coming biennium.
- Current average sale price of state fleet vehicles sold at auction.
- Inflation factors.

Attached are Charts (1,2, 3) for sedans, heavy pickups and tandem axle plow trucks which demonstrate the significance of fuel and repair costs on three of the largest fleet vehicle groups. The rates are reviewed quarterly and, if necessary, adjusted to remain responsive to changing conditions.

To meet the growing service and roadway demands, we ask that you pass the entire Governor's Budget, including the salary plan. NDDOT is in direct competition with industries for retaining and recruiting employees. The resources are needed for providing quality roadway, driver's license and motor vehicle services.

Thank you Mr. Chairman, this concludes my testimony.

# DEPARTMENT OF TRANSPORTATION SB 2012 EXECUTIVE RECOMMENDATION 2013 - 2015 BIENNIUM REVENUE

(MILLIONS)

## HIGHWAY FUND

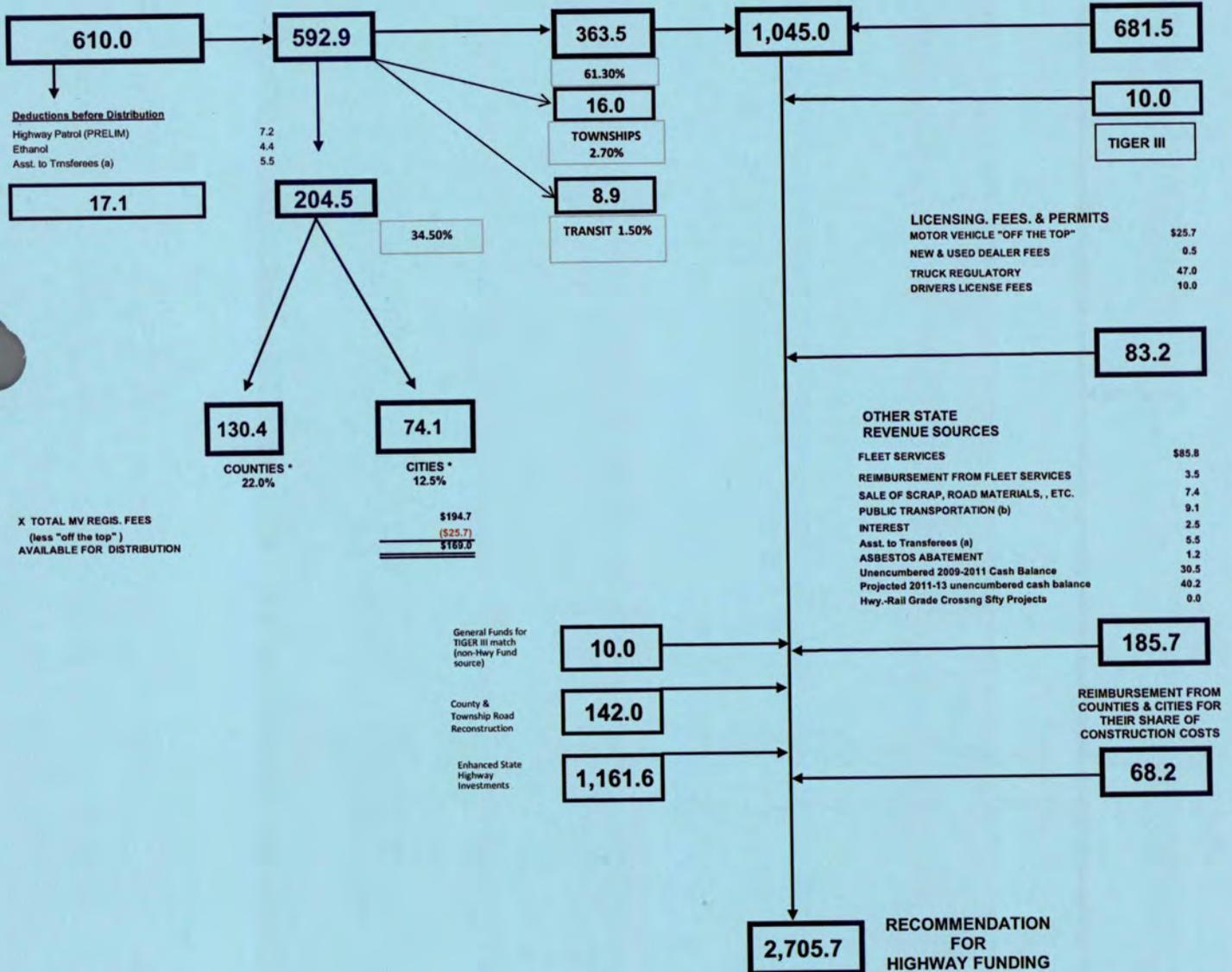
## HIGHWAY TAX DISTRIBUTION FUND

### Motor Vehicle Fees and Fuel Taxes

GASOLINE TAX	\$88.0
GASOHOL TAX	107.9
SPEC. FUELS TAX	204.5
2% SF EXC. TAX	40.6
MV REGIS. FEES x	169.0

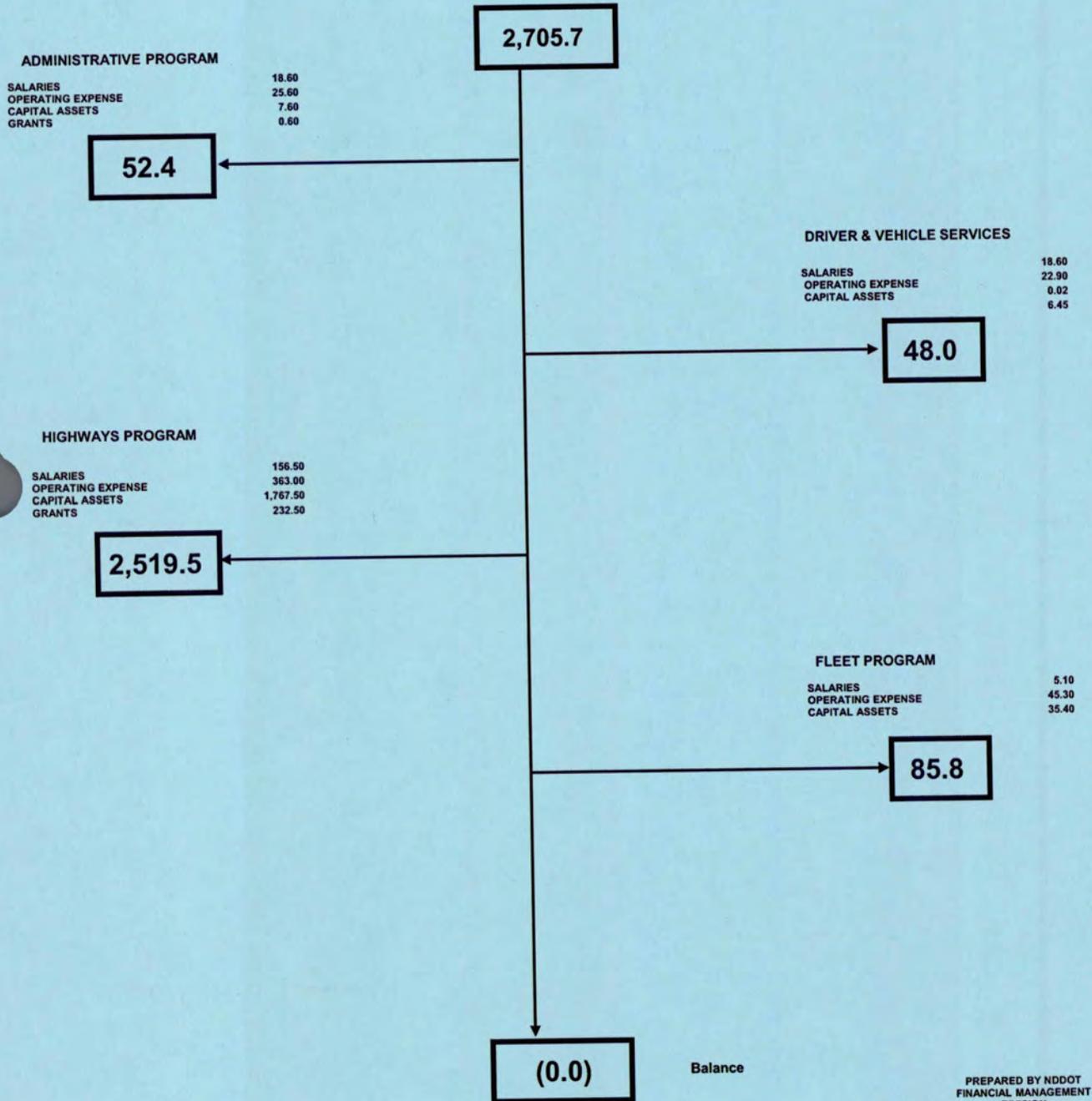
### FEDERAL AID

FEDERAL HIGHWAY ADMIN	\$532.2
ER, MISSILE RDS, FOREST HWYS	116.8
RAILROAD	8.4
SAFETY	9.3
TRANSIT	14.8



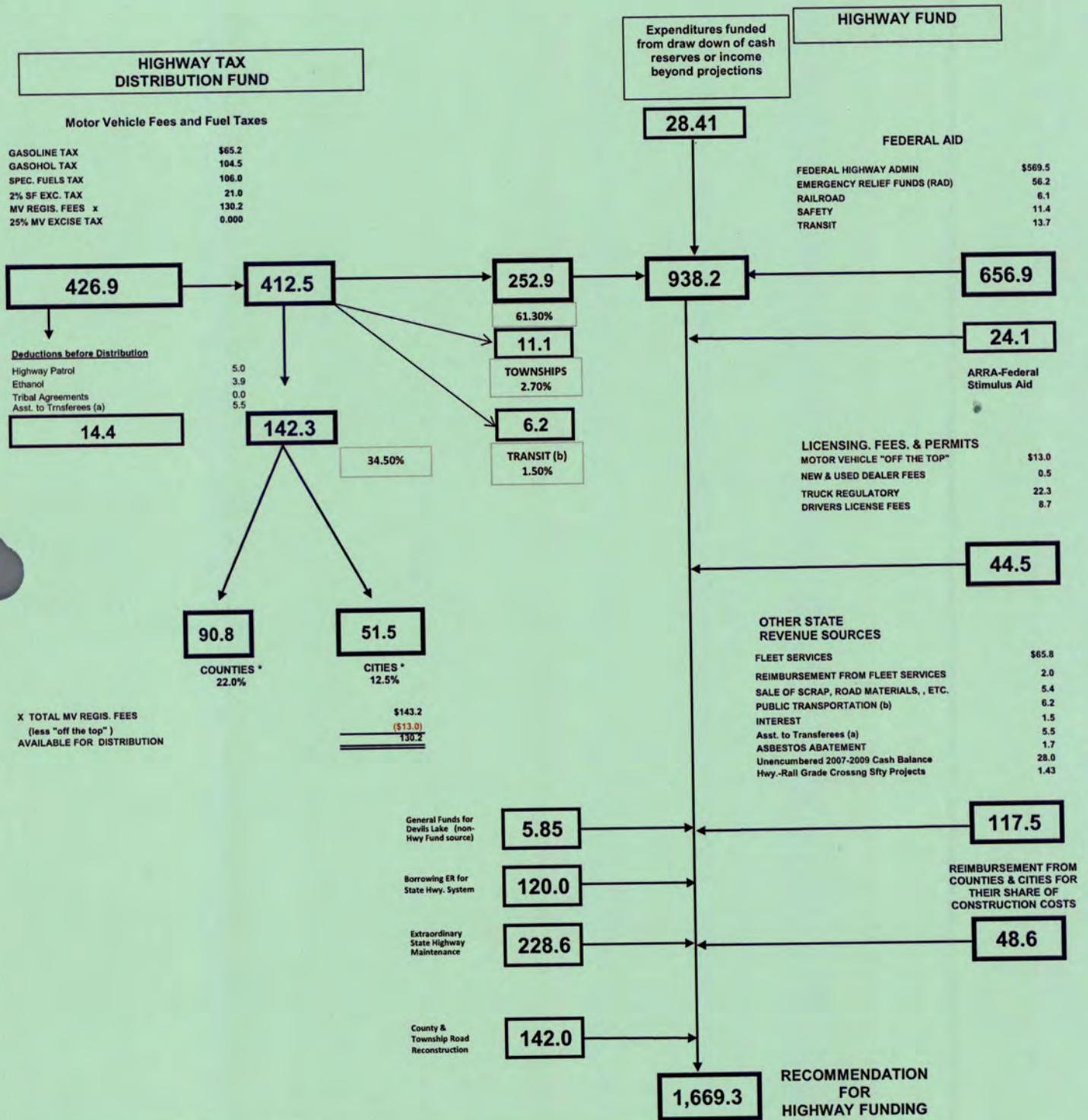
# DEPARTMENT OF TRANSPORTATION SB 2012 EXECUTIVE RECOMMENDATION 2013-2015 BIENNIUM EXPENDITURES

(MILLIONS)



# DEPARTMENT OF TRANSPORTATION ENROLLED HB 1012 2011 - 2013 BIENNIUM REVENUE

(MILLIONS)



X TOTAL MV REGIS. FEES  
(less "off the top")  
AVAILABLE FOR DISTRIBUTION

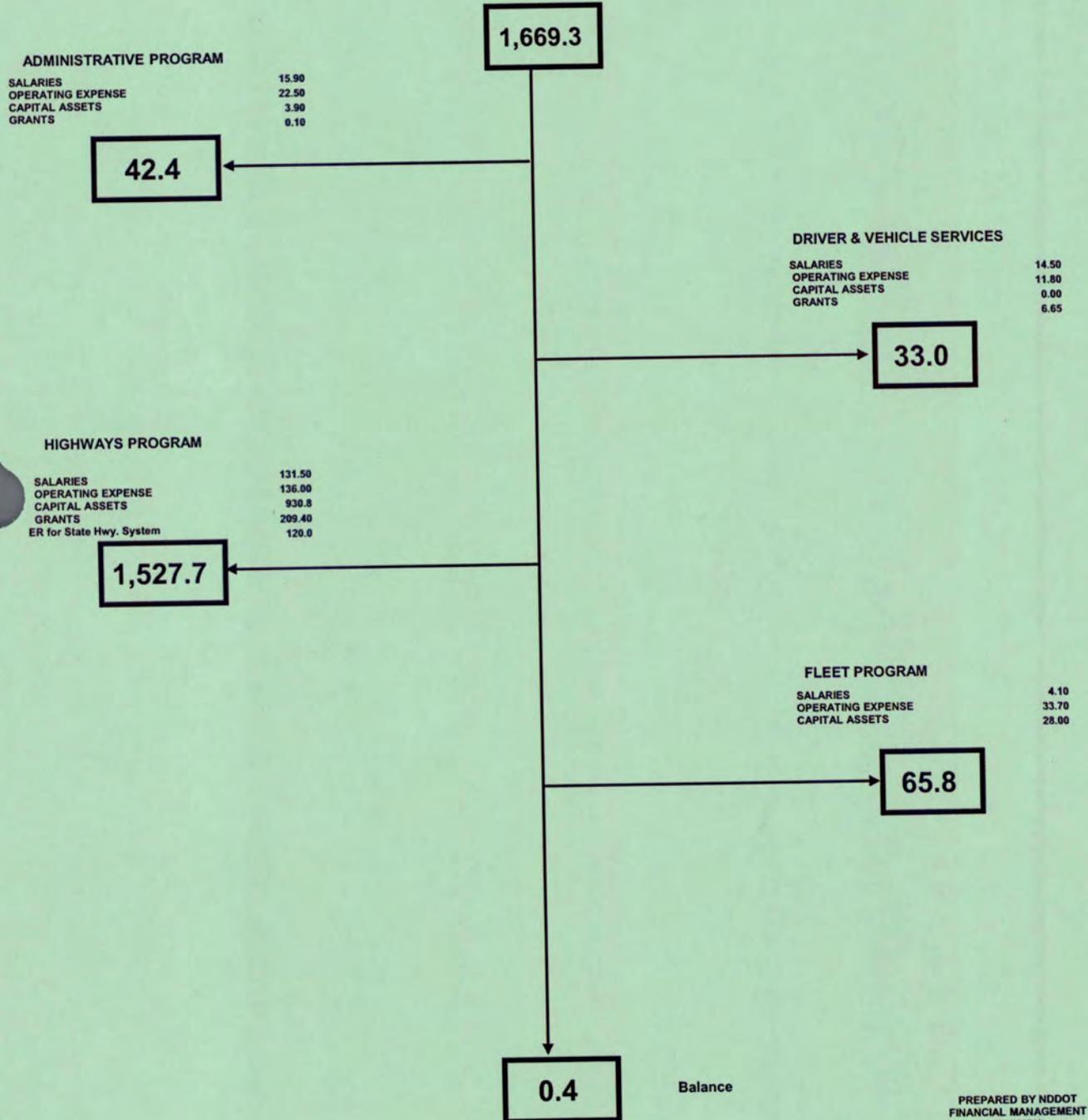
\$143.2  
(\$13.0)  
130.2

\*Other Revenue for locals, not included in DOT appropriation (in millions):

Biennium	Township	Counties	Cities	Transit
<i>One-time non-oil producing counties distribution</i>				
2009-11	\$7.0	\$17.5	\$10.5	\$0
2011-13	\$5.0	\$12.5	\$7.5	\$0

# DEPARTMENT OF TRANSPORTATION ENROLLED HB 1012 2011 - 2013 BIENNIUM EXPENDITURES

(MILLIONS)



PREPARED BY NDDOT  
FINANCIAL MANAGEMENT  
DIVISION  
AUGUST 9, 2011

# DEPARTMENT OF TRANSPORTATION ENROLLED SB 2176 & ENGROSSED SB 2012 2013 - 2015 BIENNIUM REVENUE

(MILLIONS)

## HIGHWAY FUND

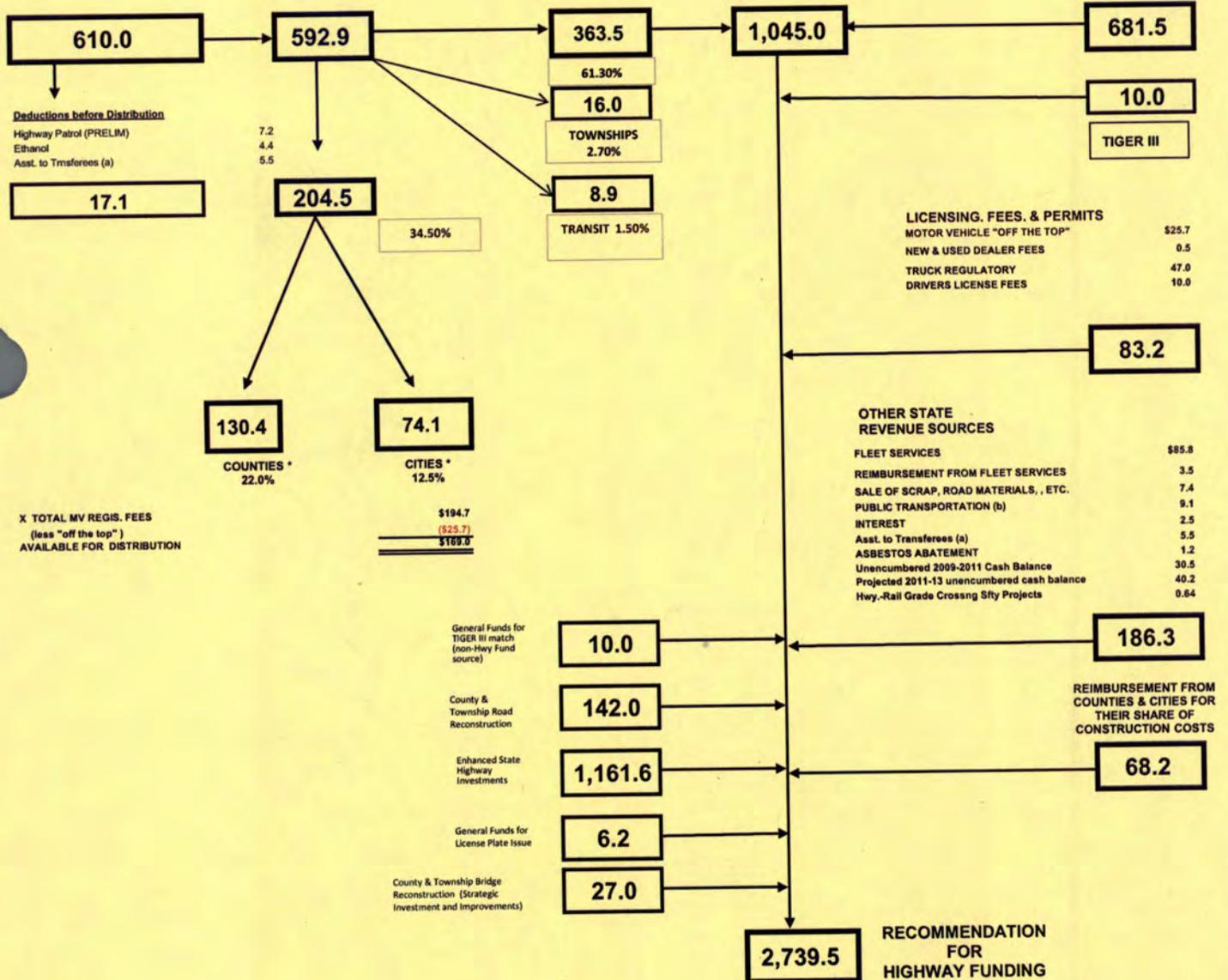
## HIGHWAY TAX DISTRIBUTION FUND

### Motor Vehicle Fees and Fuel Taxes

GASOLINE TAX	\$88.0
GASOHOL TAX	107.9
SPEC. FUELS TAX	204.5
2% SF EXC. TAX	40.6
MV REGIS. FEES x	169.0

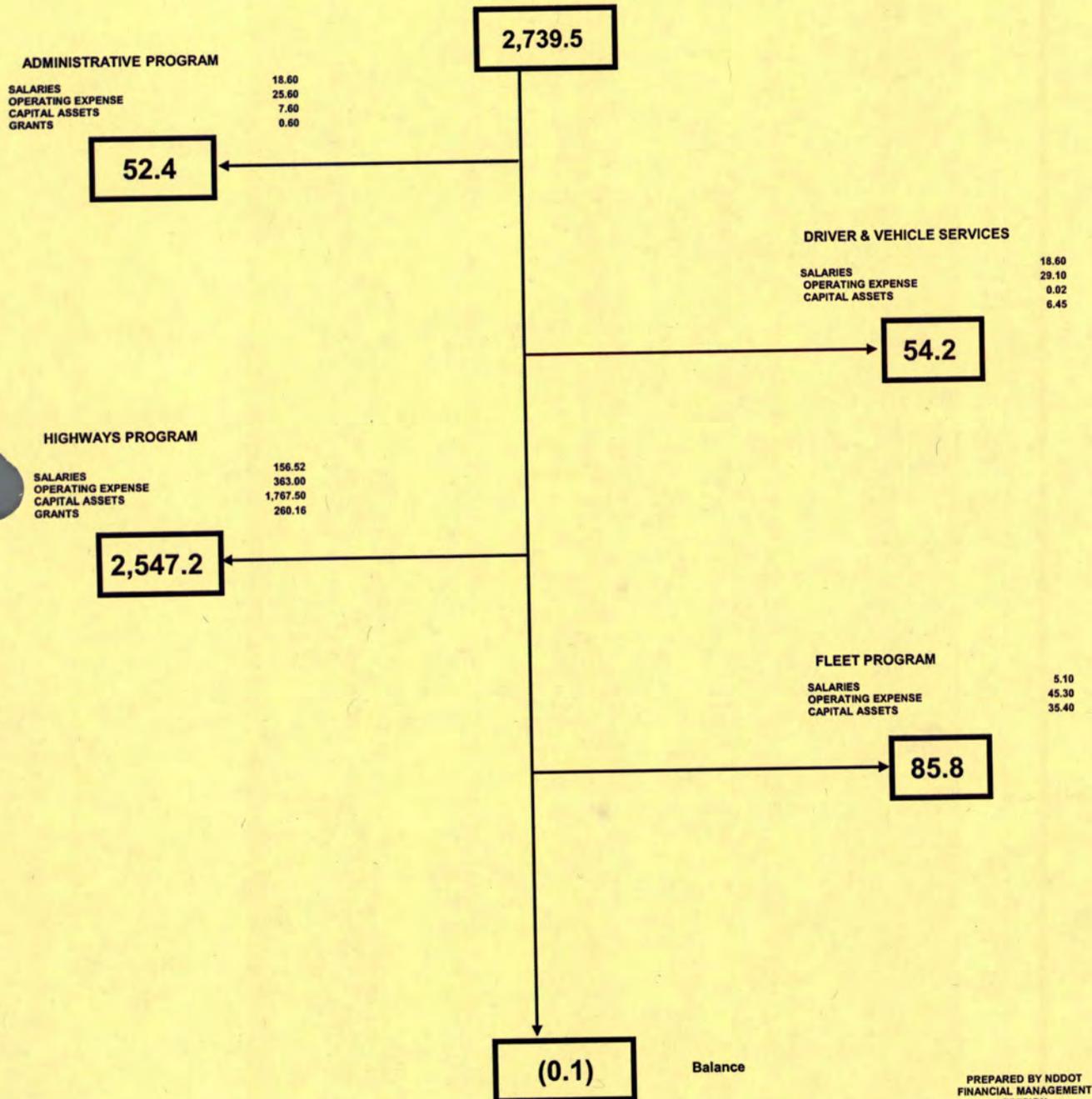
### FEDERAL AID

FEDERAL HIGHWAY ADMIN	\$532.2
ER, MISSILE RDS, FOREST HWYS	116.8
RAILROAD	8.4
SAFETY	9.3
TRANSIT	14.8



# DEPARTMENT OF TRANSPORTATION ENROLLED SB 2176 & ENGROSSED SB 2012 2013-2015 BIENNIUM EXPENDITURES

(MILLIONS)



PREPARED BY NDDOT  
FINANCIAL MANAGEMENT  
DIVISION  
MARCH 8, 2013

2-19-13 Rental Search Documentation - Steven B Mullen – Williston NDOT Office **Attachment A**

**Newspapers**

Williston Herald – No one bedrooms 2 bedrooms 2500+  
Roundup - No one bedrooms 2 bedrooms 2700+  
Various rental flyers - No one bedrooms 2 bedrooms 2300+

**Property Management Offices I called**

1) Prairie Property Management / The Gables II Apartments  
3315 2nd Avenue E, Williston, ND 58801  
(855) 231-1534  
Susan / Rachel - one bedroom \$2000 2 bedroom \$2700 and \$2900

2) Golden City Properties  
719 2nd St W, Williston, ND 58801  
(701) 572-0172  
Jan – Nothing available

3) Becks / Lori L Property Management  
2916 1st Ave W, Williston, ND 58801  
(701) 774-8833  
LoAnn – Nothing available, no rentals only home sales

4) Golden City Property Mgmt  
717 2nd St W, Williston, ND 58801  
(701) 572-0172  
Jan – Nothing available

5) Fredricksen Real Estate  
717 2nd St W, Williston, ND  
(701) 572-8167  
Nothing available

6) Valley Rental Service  
2304 11th Ave W, Williston, ND 5880  
(701) 572-7612  
Sherry – nothing available

7) Williston Garden Apartments  
10 42nd St E, Williston, ND 58801  
(701) 774-1066  
Kerry – nothing available

8) Wanzek Housing Facility  
Serving the Williston Area  
(701) 369-3350  
Nothing available

9) Johnston Property Management Williston / Watford  
PO Box 1324, Watford City, ND 58854  
(701) 842-4205  
Rayburn – nothing available

**ATTACHMENT B - North Dakota Department of Transportation  
Schedule of Local Transportation Funding - 2011 Legislative Session**

Current Biennium Funding	Recipient	System	Funding Source	Local Match	Administration Method	Funding Amount	Total Funding
County and Township Road Reconstruction Program	OP-C	C,T	GF to HF	10%	COI Grant	\$ 142,000,000	\$ 142,000,000
Non-oil Transportation Funding Distributions							
Non-oil Transportation Funding Distributions	NOP-Cty	Cty	GF to ST		AST	\$ 20,800,000	
Non-oil Transportation Funding Distributions	NOP-C	C	GF to ST		AST	35,200,000	
Non-oil Transportation Funding Distributions	NOP-T	T	GF to ST		AST	27,000,000	83,000,000
Highway Tax Distribution Fund Allocations per NDCC							
City Allocations	Cty	Cty	FTMV		x AST	\$ 64,100,000	
County Allocations	C	C	FTMV		x AST	112,900,000	
Township Allocations	T	T	FTMV		x AST	13,900,000	
Public Transportation Allocations	PT	PT	FTMV		x AST	7,700,000	198,600,000
Gross Production Tax Estimates (counties & cities)	Cty,C	Cty, C	GPT		AST	126,400,000	126,400,000
<b>Total Local Transportation Funding - All Sources</b>							<b>\$ 550,000,000</b>

**Legend for Attachment B** = AST - Direct Allocation Through the ND State Treasurer, C - Counties, COI Grant - County Oil Impact - Separate Appropriation, Line-Handled as a grant, Cty-Cities, FTMV-Fuel Taxes & Motor Vehicle Registrations, GF - General Fund, GPT-Gross Production Tax, HF - Highway Fund, NOP-Non oil producing, OP - Oil producing, PTF-Public Transportation Fund, ST - State Treasurer, T-Townships, x-Distributions reflect revised projections as of 3-29-2012.

**ATTACHMENT C - Schedule of Local Transportation Funding – 2013 Legislative Session**

Bill/NDCC	Section	Recipient	System	Allocation Basis	Funding Source	Local Match	Administration Method	Funding Amount	Total Funding
<b>SB2012</b>									
County and Township Road Reconstruction Program	1,4	OP-C	C,T	UGPTI/NDDOT	GF to HF	10%	COI Grant	142,000,000	
County and Township Bridge Reconstruction Program	1,5	C	C,T	UGPTI/NDDOT	SIIF	10%	CBR Grant	27,000,000	
Township Transportation Funding Distributions	8	OP-C,T	T	LSA	GF to ST		AST	10,000,000	
Contingent Public Transportation Funding	7	PT		LSA/NDDOT	GF to PTF		G	1,100,000	
Township Transportation Funding Corrections	9,10	C,T	C,T	LSA	GF to ST		AST	1,005,000	\$ 181,105,000
<b>SB2176</b>									
Non-oil Transportation Funding Distributions	2	NOP-Cty	Cty	HTDF	GF to ST		AST	\$ 24,200,000	
Non-oil Transportation Funding Distributions	2	NOP-C	C	HTDF	GF to ST		AST	39,800,000	
Non-oil Transportation Funding Distributions	2	NOP-C	C	HTDF	GF to ST		AST	3,200,000	
Non-oil Transportation Funding Distributions	2	NOP-T	T	HTDF	GF to ST		AST	12,800,000	
Non-oil Transportation Funding Distributions	2	NOP-C	T	LSA	GF to ST		AST	5,100,000	
Non-oil Transportation Funding Distributions	2	NOP-T	T	LSA	GF to ST		AST	14,900,000	100,000,000
<b>SB2221</b>									
County and Township Scenic and Recreation Roads	1,2	C,T	C,T	NDDOT	SIIF to SRF		G	\$ 20,000,000	20,000,000
<b>SB2013</b>									
Dust Control Pilot Project	9	OP-3C	C	LSA	USCL to C		G	\$ 3,000,000	
Contingent Oil & Gas Impact Grant for Dust Control	10	OP-C	C	LSA	USCL to C		G	7,000,000	
Gross Productn Tax Allocation Oil Gas Impact Grant Fund	12	OP-C	T	LSA	USL to C		G	15,000,000	25,000,000
<b>HB1358</b>									
Oil Producing County Distributions	6	OP-C	C	POP	SIIF to ST		AST	\$ 190,000,000	
Non-oil County Transportation Funding Distributions	7	NOP-C	C	PCRM	GF to HF		G	150,000,000	
Oil Producing Township Distributions	8	OP-C	T	LSA/HTDF	GF to ST		AST	8,760,000	
Gross Production Tax Allocation	3	C	NS	LSA	GPT		AST	292,900,000	
Gross Production Tax Allocation	3	Cty	NS	LSA	GPT		AST	86,500,000	728,160,000
<b>Highway Tax Distribution Fund Allocations per NDCC</b>									
City Allocations	54-27-19	Cty	Cty	HTDF	FTMV		AST	\$ 74,100,000	
County Allocations	54-27-19	C	C	HTDF	FTMV		AST	130,400,000	
Township Allocations	54-27-19	T	T	HTDF	FTMV		AST	16,000,000	
Public Transportation Allocations	54-27-19	PT	PT	HTDF	FTMV		AST	8,900,000	\$229,400,000
<b>Total Local Transportation Funding – All Sources</b>									<b>\$1,283,665,000</b>

**Legend for Attachment C** = 3C - Three counties in oil impacted areas, AST - Direct Allocation Through the ND State Treasurer, C – Counties, CBR Grant - County/Township Bridge Reconstruction, Separate Appropriation Line - Handled as a grant, COI Grant - County Oil Impact - Separate Appropriation, Line-Handled as a grant, Cty-Cities, FTMV-Fuel Taxes & Motor Vehicle Registrations, G-Grant, GF - General Fund, GPT-Gross Production Tax, HF - Highway Fund, HTDF - Highway Tax Distribution Formula, LSA - Legislative Set Allocation, NDCC-North Dakota Century Code, NDDOT - North Dakota Department of Transportation, NOP-Non oil producing, NS- Requirement for use of funding not specified. Could be used for transportation purposes, OP - Oil producing, PCRM-Prorated based on county road mileage, POP-Proportional based on oil production, PTF-Public Transportation Fund, SIIF - Strategic Investment and Improvements Fund, SRF-Special Roads Fund, ST - State Treasurer, T-Townships, UGPTI - Upper Great Plains Transportation Institute, USL-University and School Lands

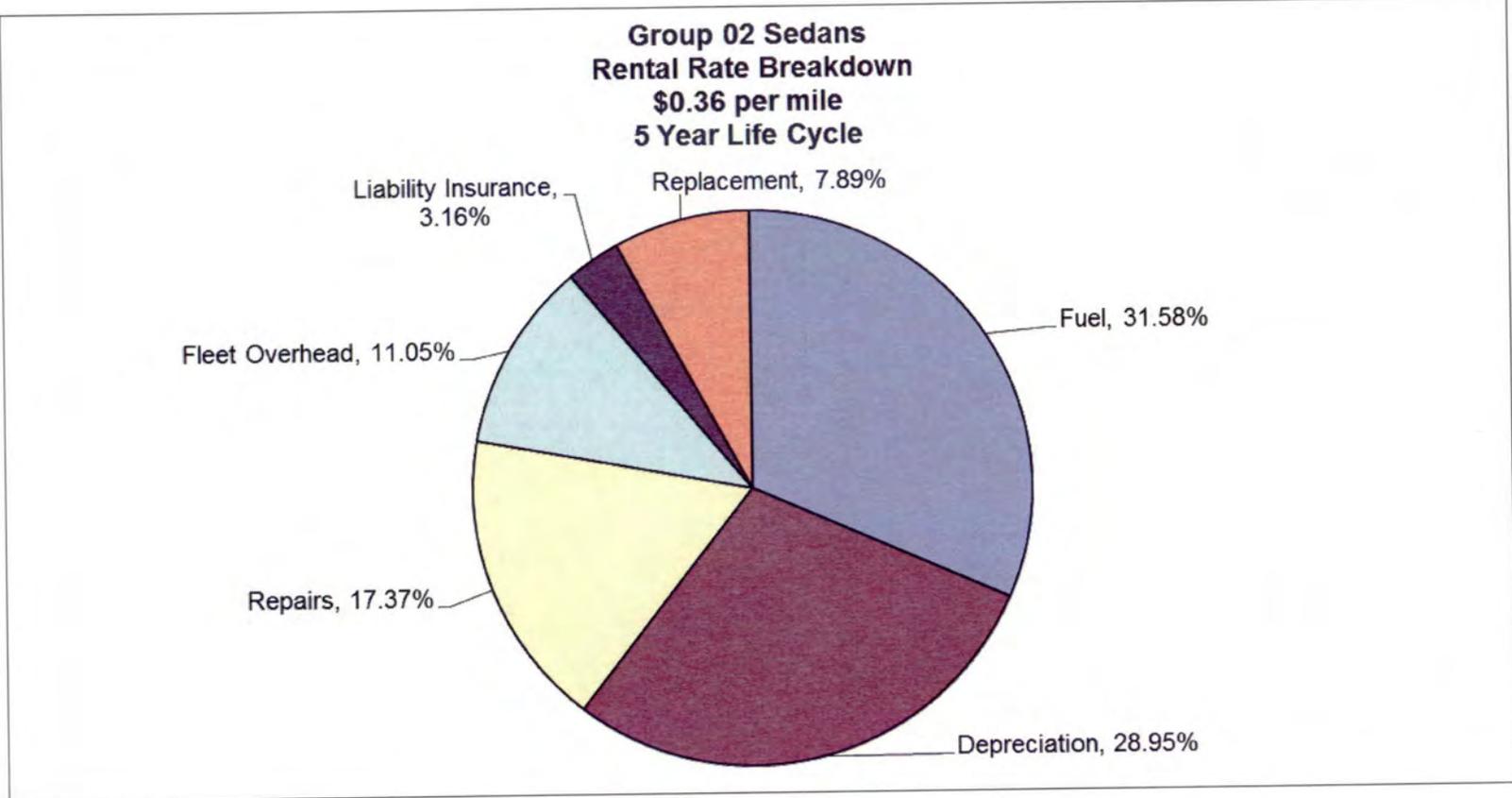
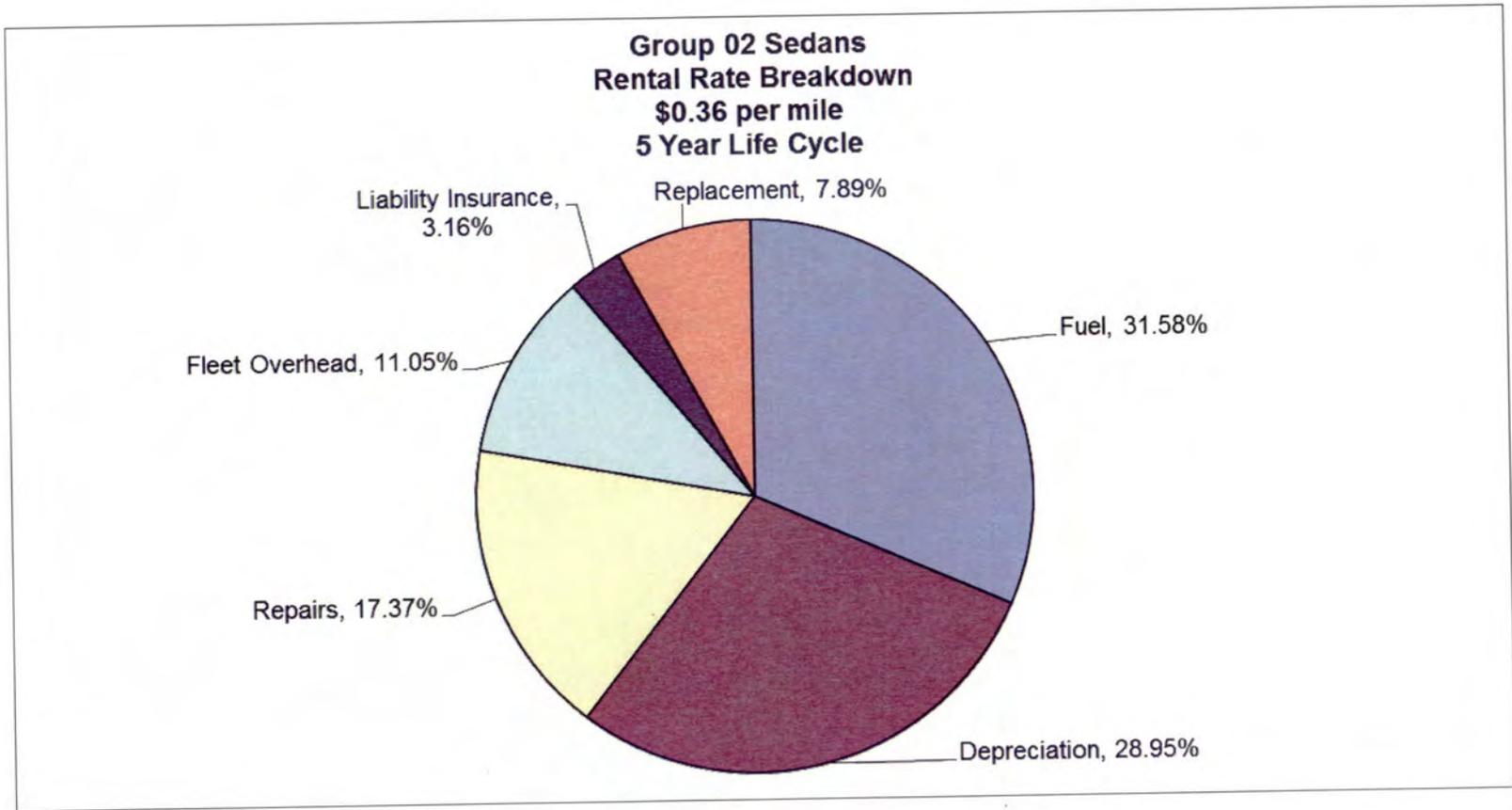
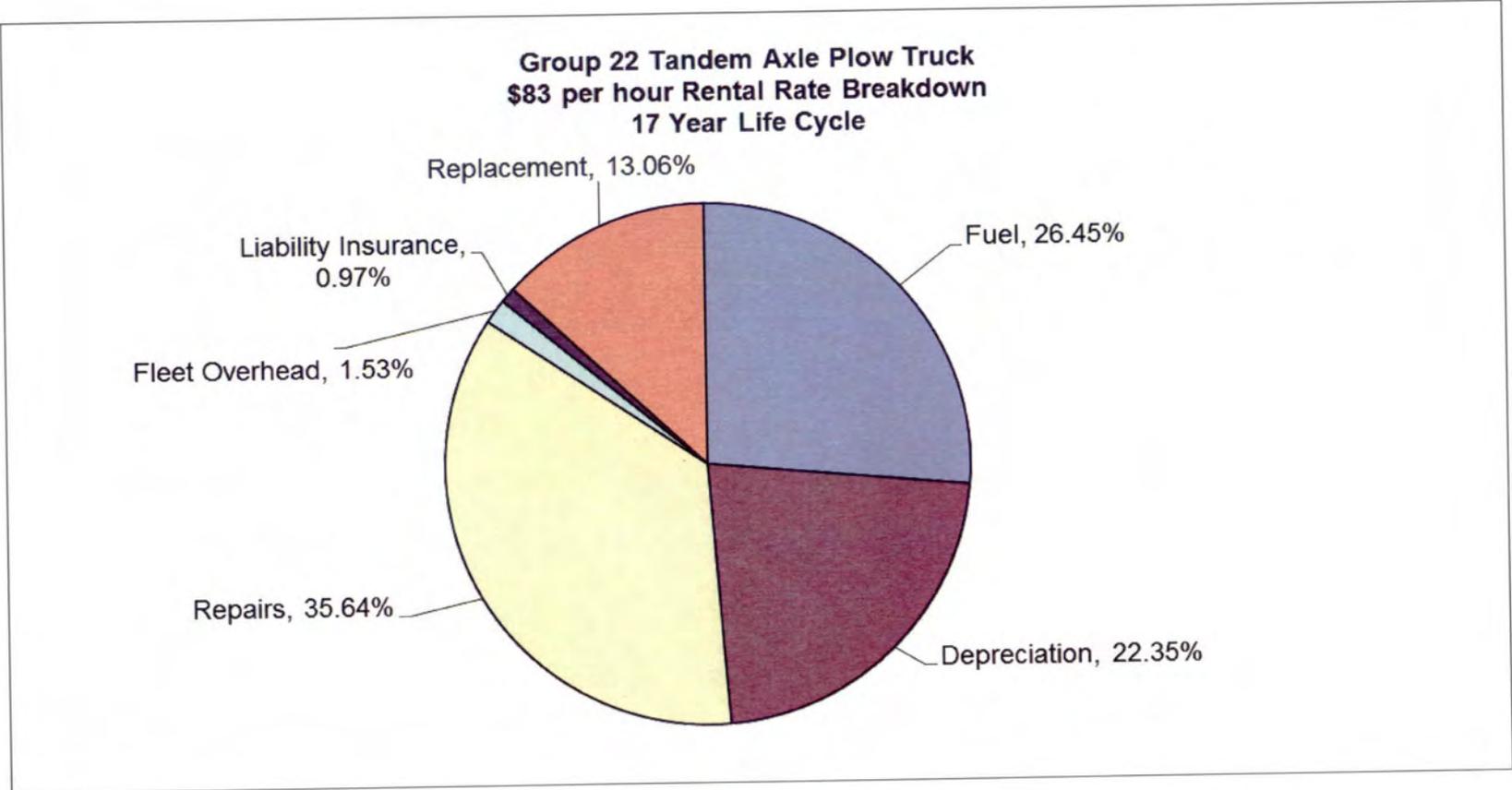


Chart 1





13.8162.02005  
Title.

*SB 2012 March 27, 2013*  
*Attachment 2*  
Prepared by the Legislative Council staff for  
Representative Keiser  
March 22, 2013

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 10, after line 4, insert:

**"SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying whether there may be statutory or administrative changes the state could make to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

SB2012  
March 27, 2013  
Attachment 3

Question on SB 2046

On page 5 line 26, the question was "would this language create a situation where many more would need a CDL to drive under this definition?"

Answer:

There has been no change in the definition of a commercial motor vehicle. The gross weight of 26,000 and one pounds remains the criteria for needing a CDL.

This definition of a "tank vehicle" does NOT affect the definition of a commercial motor vehicle or need for a CDL. The language in this definition merely identifies when a CDL holder needs to have an 'N' or tank vehicle endorsement added to their existing CDL. N is the tank endorsement.

The 'N' or tank vehicle endorsement is needed if:

1. The driver is operating a commercial motor vehicle that is transporting 1,000 or more gallons of liquid or gaseous material. The 1,000 or more gallons is an aggregate amount derived from adding the total gallons of all tanks with a rated capacity of 119 gallons or more.
2. This definition does not differentiate between permanent and portable tanks. Basically, if the tank is rated at 119 gallons or more and the aggregate total is 1,000 gallons or more, then you need the 'N' endorsement.

*302012  
March 27, 2013*

department shall issue a refund of the registration fees paid for any unused registration year.

*Attachment 4*

3. The department may provide to an owner of a fleet of one hundred or more vehicles number plates that are valid for as many as six consecutive years and that are exempt from the requirements of evidence of annual validation. The registrant shall file with the department a corporate surety bond in an amount the department determines to be reasonable and adequate, and conditioned that the owner will pay the annual fee at the beginning of each annual registration period for which the number plates are valid.

**39-04-13. Duplicates to be obtained of number plate, tab, sticker, or registration card if lost, mutilated, or illegible - Fee.**

If any number plate, tab, sticker, or registration card issued under the provisions of this chapter is lost, mutilated, or becomes illegible, the person who is entitled thereto shall make immediate application for and obtain a duplicate or substitute upon furnishing information of such fact satisfactory to the department and upon payment of the cost of issuing the duplicate item, not to exceed the sum of five dollars for each duplicate number plate, tab, sticker, or registration card issued. The department may issue a duplicate number plate, tab, sticker, or registration card at no cost to the owner when satisfied the vehicle owner did not receive the original number plate, tab, sticker, or registration card which was issued.

**39-04-14. Renewal of registration.**

Every vehicle registration, except those described in section 39-04-14.1, under this chapter expires on December thirty-first each year and must be renewed annually upon application by the owner and by payment of the fees required by law, such renewal to take effect on the first day of January each year. An owner who has made proper application for renewal of registration of a vehicle previous to January first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of the new plates. If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in this state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to January first.

**39-04-14.1. Renewal of registration of motor vehicles under certain weight.**

Except as otherwise provided in this section, the registration of a motor vehicle whose registered gross weight does not exceed twenty thousand pounds [9071.84 kilograms] expires on the last day of the month which is the anniversary of the month it was originally registered. The registration may be renewed annually on application by the owner and payment of fees required by law. The renewal takes effect on the first day of the first month of the registration period. An owner of more than one vehicle qualifying for staggered registration under this section may renew all of the owner's vehicles in the same month. The director shall prorate the registration fees accordingly. If a previously registered motor vehicle whose registered gross weight does not exceed twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in this state is expired, the department shall collect the annual registration fee under section 39-04-19 and shall issue registration that expires on the last day of the month that is the anniversary of the month the vehicle was purchased.

**39-04-14.2. Staggered registration for apportioned vehicles.**

The director may establish a procedure for the implementation of a staggered registration system for vehicles registered pursuant to the international registration plan. Procedures established under this section may provide for a one-time collection of up to eighteen months of registration fees.

SB 2012  
March 28 2013  
Attachment 1

## Local Transportation Funding Comparison 2011-13

- Attachment B shows the total amount of funding appropriated for local governments that could be used for transportation, including transit, was approximately \$550 million during the 2011 session.
- It should be noted that from the \$550 million, approximately \$126.4 million is distributed to the counties and cities through the gross production tax and is not necessarily used for transportation.
- In addition to state funding, counties and cities receive approximately 25% of the state's federal funding. In the 2011-13 biennium it is estimated counties received approximately \$46.5 million, the 12 major cities received approximately \$69.7 million and transit received approximately \$13.7 million in federal funding.

## ATTACHMENT B - North Dakota Department of Transportation Schedule of Local Transportation Funding – 2011 Legislative Session

Current Biennium Funding	Recipient	System	Funding Source	Local Match	Administration Method	Funding Amount	Total Funding
County and Township Road Reconstruction Program	OP-C	C,T	GF to HF	10%	COI Grant	\$ 142,000,000	\$ 142,000,000
Non-oil Transportation Funding Distributions							
Non-oil Transportation Funding Distributions	NOP-Cty	Cty	GF to ST		AST	\$ 20,800,000	
Non-oil Transportation Funding Distributions	NOP-C	C	GF to ST		AST	35,200,000	
Non-oil Transportation Funding Distributions	NOP-T	T	GF to ST		AST	27,000,000	83,000,000
Highway Tax Distribution Fund Allocations per NDCC							
City Allocations	Cty	Cty	FTMV		x AST	\$ 64,100,000	
County Allocations	C	C	FTMV		x AST	112,900,000	
Township Allocations	T	T	FTMV		x AST	13,900,000	
Public Transportation Allocations	PT	PT	FTMV		x AST	7,700,000	198,600,000
Gross Production Tax Estimates (counties & cities)							
	Cty,C	Cty, C	GPT		AST	126,400,000	126,400,000
<b>Total Local Transportation Funding - All Sources</b>							<b>\$ 550,000,000</b>

## **Legend for Attachment B**

AST - Direct Allocation Through the ND State Treasurer,  
C - Counties,  
COI Grant - County Oil Impact - Separate Appropriation, Line-Handled as a grant,  
Cty - Cities,  
FTMV - Fuel Taxes & Motor Vehicle Registrations,  
GF - General Fund,  
GPT - Gross Production Tax,  
HF - Highway Fund,  
NOP - Non oil producing,  
OP - Oil producing,  
PTF - Public Transportation Fund,  
ST - State Treasurer,  
T - Townships,  
x - Distributions reflect revised projections as of 3-29-2012.

### **Local Transportation Funding Comparison 2013-15**

- Attachment C shows funding proposed through several bills: SB2012, SB2176, SB2221, SB2013, HB1358, and the estimated funding to be received from the highway tax distribution fund. The total amount of funding appropriated for local governments, including transit, is approximately \$1.2 billion.
- It should be noted that from the \$1.2 billion, approximately \$379 million is distributed to the counties and cities through the gross production tax and is not necessarily used for transportation.
- In addition to state funding, counties and cities receive approximately 25% of the state's federal funding. In the 2013-15 biennium it is estimated the counties will receive approximately \$39.9 million, and the 12 major cities will receive approximately \$72.2 million in federal funding. Transit is estimated to receive approximately \$14.8 million in federal funding.

**ATTACHMENT C - Schedule of Local Transportation Funding – 2013 Legislative Session**

Bill/NDCC	Section	Recipient	System	Allocation Basis	Funding Source	Local Match	Administration Method	Funding Amount	Total Funding
<b>SB2012</b>									
County and Township Road Reconstruction Program	1,4	OP-C	C,T	UGPTI/NDDOT	GF to HF	10%	COI Grant	142,000,000	
County and Township Bridge Reconstruction Program	1,5	C	C,T	UGPTI/NDDOT	SIIF	10%	CBR Grant	27,000,000	
Township Transportation Funding Distributions	8	OP-C,T	T	LSA	GF to ST		AST	10,000,000	
Contingent Public Transportation Funding	7	PT		LSA/NDDOT	GF to PTF		G	1,100,000	
Township Transportation Funding Corrections	9,10	C,T	C,T	LSA	GF to ST		AST	1,005,000	\$ 181,105,000
<b>SB2176</b>									
Non-oil Transportation Funding Distributions	2	NOP-Cty	Cty	HTDF	GF to ST		AST	\$ 24,200,000	
Non-oil Transportation Funding Distributions	2	NOP-C	C	HTDF	GF to ST		AST	39,800,000	
Non-oil Transportation Funding Distributions	2	NOP-C	C	HTDF	GF to ST		AST	3,200,000	
Non-oil Transportation Funding Distributions	2	NOP-T	T	HTDF	GF to ST		AST	12,800,000	
Non-oil Transportation Funding Distributions	2	NOP-C	T	LSA	GF to ST		AST	5,100,000	
Non-oil Transportation Funding Distributions	2	NOP-T	T	LSA	GF to ST		AST	14,900,000	100,000,000
<b>SB2221</b>									
County and Township Scenic and Recreation Roads	1,2	C,T	C,T	NDDOT	SIIF to SRF		G	\$ 20,000,000	20,000,000
<b>SB2013</b>									
Dust Control Pilot Project	9	OP-3C	C	LSA	USL to C		G	\$ 3,000,000	
Contingent Oil & Gas Impact Grant for Dust Control	10	OP-C	C	LSA	USL to C		G	7,000,000	
Gross Production Tax Allocation Oil Gas Impact Grant Fund	12	OP-C	T	LSA	USL to C		G	15,000,000	25,000,000
<b>HB1358</b>									
Oil Producing County Distributions	6	OP-C	C	POP	SIIF to ST		AST	\$ 190,000,000	
Non-oil County Transportation Funding Distributions	7	NOP-C	C	PCRM	GF to HF		G	150,000,000	
Oil Producing Township Distributions	8	OP-C	T	LSA/HTDF	GF to ST		AST	8,760,000	
Gross Production Tax Allocation	3	C	NS	LSA	GPT		AST	292,900,000	
Gross Production Tax Allocation	3	Cty	NS	LSA	GPT		AST	86,500,000	728,160,000
<b>Highway Tax Distribution Fund Allocations per NDCC</b>									
City Allocations	54-27-19	Cty	Cty	HTDF	FTMV		AST	\$ 74,100,000	
County Allocations	54-27-19	C	C	HTDF	FTMV		AST	130,400,000	
Township Allocations	54-27-19	T	T	HTDF	FTMV		AST	16,000,000	
Public Transportation Allocations	54-27-19	PT	PT	HTDF	FTMV		AST	8,900,000	\$229,400,000
<b>Total Local Transportation Funding – All Sources</b>									<b>\$1,283,665,000</b>

## Legend for Attachment C

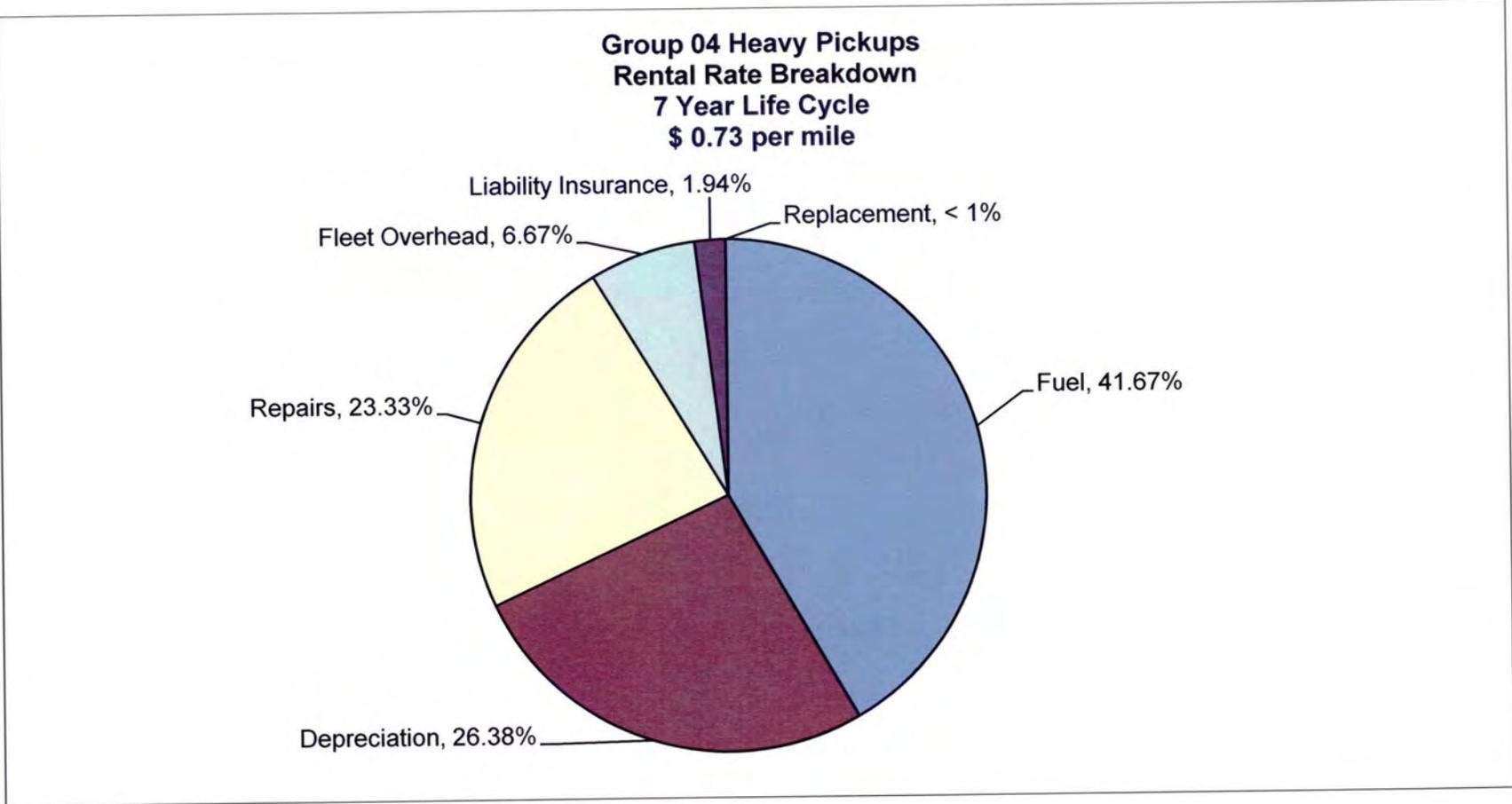
3C - Three counties in oil impacted areas,  
AST - Direct Allocation Through the ND State Treasurer,  
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Cty - Cities,  
FTMV - Fuel Taxes & Motor Vehicle Registrations,  
G - Grant,  
GF - General Fund,  
GPT- Gross Production Tax,  
HF - Highway Fund, HTDF - Highway Tax Distribution Formula,  
LSA - Legislative Set Allocation,  
NDCC - North Dakota Century Code,  
NDDOT - North Dakota Department of Transportation,  
NOP - Non oil producing,  
NS - Requirement for use of funding not specified. Could be used for transportation purposes,  
OP - Oil producing,  
PCRM - Prorated based on county road mileage,  
POP - Proportional based on oil production,  
PTF - Public Transportation Fund,  
SIIF - Strategic Investment and Improvements Fund,  
SRF - Special Roads Fund,  
ST - State Treasurer,  
T -Townships,  
UGPTI - Upper Great Plains Transportation Institute,  
USL - University and School Lands

# Upper Great Plains Transportation Institute Needs Study

<b>Biennium</b>	<b>Roadways</b>	<b>Statewide Needs Total \$\$\$ In Millions</b>
<b>2013-2015</b>	<b>State Highways</b>	<b>\$2,414.7</b>
<b>2015-2017</b>	<b>State Highways</b>	<b>\$1,352.9</b>
<b>2013-2015</b>	<b>County &amp; Township Roads</b>	<b>\$ 834.0</b>
<b>2015-2017</b>	<b>County &amp; Township Roads</b>	<b>\$ 772.0</b>

- The UGPTI State Needs Study was completed in January 2013 and the UGPTI County Needs Study was completed in September 2012.
- UGPTI based cost estimates on information available at the time of the study. Since completion, costs have gone up. DOT costs have increased 11 % per year and local governments are experiencing the same issues. In addition to right-of-way costs increasing dramatically across the state.
- In addition to the roadway needs study, UGPTI recently completed a needs study for county and township bridges. The study estimates the total cost to repair and replace bridges in the serious or worse category to be \$95.7 million.
- No recent needs study has been completed for the cities.
- The UGPTI studies only cover the costs for capital improvement projects, not operation or maintenance costs. Typically, counties, townships and cities use a portion of the highway tax distribution fund for operation and maintenance.
- The DOT operational and maintenance costs are included in the biennium appropriation.

Chart 2



**Chart 2**

13.8162.02009  
Title.

*2001*  
*April 9, 2013 Attachment 1*  
Prepared by the Legislative Council staff for  
Representative Brandenburg  
April 5, 2013

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies"

Page 10, after line 4, insert:

**"SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

13.8162.02007  
Title.

*SB 2012  
April 9, 2013 Attachment 2*

Prepared by the Legislative Council staff for  
Representative Glassheim  
March 28, 2013

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 10, after line 4, insert:

**"SECTION 19. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING.** During the 2012-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

SB 2012  
April 9, 2013 Attachment 3

13.8162.02013  
Title.

Prepared by the Legislative Council staff for  
Representative Streyle  
April 5, 2013

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 10, after line 4, insert:

**"SECTION 19. LEGISLATIVE MANAGEMENT STUDY - FEDERAL MOTOR CARRIER SAFETY REGULATIONS.** During the 2013-14 interim, the legislative management shall consider studying federal motor carrier safety regulations and the feasibility and desirability of adopting state regulations that are not in compliance with federal regulations, specifically relating to an intrastate exemption from hours of service for oilfield drivers. The study must include a cost-benefit analysis of the cost to the state in funding and the benefits to the industry. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly



# North Dakota Department of Transportation

Grant Levi, P.E.  
Interim Director

Jack Dalrymple  
Governor

DOU  
April 9, 2013  
Attachment 4

April 5, 2013

The Honorable Blair Thoreson, Chairman  
House Appropriations-Government Operations Division  
House Chambers  
600 East Boulevard Avenue  
Bismarck, ND 58505-0360

Dear Representative Thoreson:

Below are the responses to the questions asked at our last committee hearing on SB2012:

## New License Plate – Questions:

We worked with Rick Gardner from Rough Rider Industry to prepare the responses to the following questions:

1. How old is the equipment?

- The equipment that is being used for the embossed plates by Rough Rider industries was installed in 1987.

2. The existing embossed equipment needs repair as follows:

- Parts are replaced when necessary due to malfunction, i.e., safety feeder, press, blanking press, sheet applicator, and hot stamp machine.
- Preventative maintenance is done periodically when down time permits. New die sets have been purchased to take the place of worn or broken dies.
- The front end of the blanking system was updated 3 years ago.
- The sheeting applicator was updated 8 years ago.

3. What is the cost of the digital plate equipment?

- The estimated cost for the digital plate equipment is \$1,300,000. We should also note that the upgrades needed for the embossed equipment is estimated to be \$680,000 as a capital expense.

4. What improvements would be made to the embossing machine?

- Same technology but new press, safety feeder, and dies.
- Additional hot stamp machines would enhance capacity.
- New dies make sharper, crisper characters.

**Proposed Amendments to Engrossed SB2012**, Section 19 and Section 20, to modify motor vehicle registration renewal date (Attachment 1):

This amendment enables the Department to change registration renewal dates for vehicles such as farm trucks and intrastate motor carriers weighing more than 20,000 pounds, except for vehicles registered under the International Registration Plan (IRP), from December 31 to June 30. To accommodate this change, there will be a one-time 18 month registration period for this type of vehicle that will go from January 1, 2014, to June 30, 2015.

The following table illustrates some examples of the one-time fees the registrant would have to pay to cover the initial 18 month renewal. This table is based on the year the vehicle was first registered - 2008 and newer.

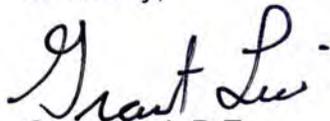
Weight	12 months	18 months	Vehicle
52,000	\$269	\$404	Farm Truck
105,500	\$649	\$974	Farm Truck

**FTE Request and Engineer staffing in relation to projects:**

Per your request, Attachment 2 provides additional information justifying the positions.

If you have any additional questions, please contact me at (701) 328-2584.

Sincerely,



Grant Levi, P.E.  
Interim Director

58/pa/sas  
Attachments

C: Representative Mike Brandenburg, Vice-Chairman,  
House Appropriations-Government Operations Division

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 7, after "study;" insert "to amend and reenact section 39-04-14 of the North Dakota Century Code, relating to renewal of motor vehicle registration; to create and enact section 39-04-14.4 of the North Dakota Century Code, relating to renewal of motor vehicle registration for vehicles over a certain weight;"

Page 10, after line 4, insert:

"SECTION 19. Section 39-04-14 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-14. Renewal of registration.**

Every vehicle registration, except those described in ~~section~~sections 39-04-14.1 and 39-04-14.4, under this chapter expires on December thirty-first each year and must be renewed annually upon application by the owner and by payment of the fees required by law, such renewal to take effect on the first day of January each year. An owner who has made proper application for renewal of registration of a vehicle previous to January first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of the new plates. ~~If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in this state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to January first."~~

Page 10, after line 4, insert:

"SECTION 20. Section 39-04-14.4 of the North Dakota Century Code is created and enacted as follows:

**39-04-14.4 Renewal of registration of motor vehicles over certain weight.**

Except as otherwise provided in section 39-04-14.2, the registration of a motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] expires on June thirtieth of each year and must be renewed annually upon application by the owner and by payment of the fees required by law, such renewal to take effect on the first day of July each year. An owner who has made proper application for renewal of registration of a vehicle previous to July first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of the new plates. If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in this state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to July first. The director shall provide for a one-time collection of eighteen months of registration fees for the registration period of January 1, 2014 to June 30, 2015. Beginning on July 1, 2015 registration of motor vehicles in this section must be renewed annually."

April 10, 2013

Fiscal No. 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue; to create and enact a new section to chapter 24-02 and to create and enact section 39-04-14.4 of the North Dakota Century Code, relating to highway-rail grade crossing safety projects and motor vehicle registration renewals"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 39-04-14"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", and motor vehicle registration renewals"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$18,610,837	\$184,577,233
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road reconstruction program	0	190,000,000	190,000,000
County and township bridge reconstruction program	0	20,000,000	20,000,000
Grants	<u>67,767,407</u>	<u>21,520,623</u>	<u>89,288,030</u>
Total all funds	\$1,146,903,884	\$990,475,198	\$2,137,379,082
Less estimated income	<u>1,146,903,884</u>	<u>932,475,198</u>	<u>2,079,379,082</u>
Total general fund	\$0	\$58,000,000	\$58,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program	142,000,000	190,000,000
County and township bridge reconstruction program	0	20,000,000"

Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$761,600,000
Total special funds	<u>602,150,575</u>	<u>703,600,000</u>
Total general fund	\$5,850,000	\$58,000,000"

Page 3, line 3, replace "\$142,000,000" with "\$190,000,000"

Page 4, line 18, replace "\$27,000,000" with "\$20,000,000"

Page 4, line 25, after "institute" insert "with priority given to bridge projects located on roadways defined by the department of transportation as a county major collector roadway"

Page 5, line 22, remove "extends over a river, stream,"

Page 5, line 23, replace "depression, or other obstacle and has an end area of fifty square feet [4.65 square meters] or greater" with "has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe"

Page 5, line 25, after "the" insert "existing roadway width on which the bridge will be constructed shall meet current design standards, as on file with the department of transportation, for the county for which it is being constructed. The"

Page 7, after line 26, insert:

**"SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - TRANSPORTATION FUNDING ALLOCATIONS TO NON-OIL-PRODUCING COUNTIES.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing transportation funding allocations to counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the most recently completed state fiscal year, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided under this section must be allocated in the amount of \$45,000,000 on June 1, 2013, and in the amount of \$105,000,000 on June 1, 2014. Allocations among counties under this section must be prorated among eligible counties on the basis of miles of roadways defined by the department of transportation as county major collector roadways in each county. Projects to be funded under this section must comply with American association of state highway and transportation officials pavement design procedures and department of transportation local government requirements. The funds provided under this section are considered a one-time funding item."

Page 7, line 28, after the boldfaced hyphen insert "**BUDGET SECTION APPROVAL -**"

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after the period insert "The general license plate issue must be made using digitally printed license plates. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates."

Page 8, line 1, after "The" insert "one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, after line 29, insert:

**"SECTION 17.** A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

## **Highway-rail grade crossing safety projects - Funding.**

The director shall establish a highway-rail grade crossing safety program within the department and develop guidelines for the distribution of program funds. Projects eligible to receive funding under the program include railroad quiet zones and any other rail safety project the director deems necessary for public safety. Each year, the director shall allocate one million four hundred thousand dollars of highway tax distribution fund deposits in the state highway fund for highway-rail grade crossing safety projects."

Page 9, after line 25, insert:

**"SECTION 20. AMENDMENT.** Section 39-04-14 of the North Dakota Century Code is amended and reenacted as follows:

### **39-04-14. Renewal of registration.**

Every vehicle registration, except those described in ~~sections~~ sections 39-04-14.1 and 39-04-14.4, under this chapter expires on December thirty-first each year and must be renewed annually upon application by the owner and by payment of the fees required by law, such renewal to take effect on the first day of January each year. An owner who has made proper application for renewal of registration of a vehicle previous to January first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of the new plates. ~~If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in this state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to January first.~~

**SECTION 21.** Section 39-04-14.4 of the North Dakota Century Code is created and enacted as follows:

### **39-04-14.4. Renewal of registration of motor vehicles over certain weight.**

Except as otherwise provided in section 39-04-14.2, the registration of a motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] expires on June thirtieth of each year and must be renewed annually upon application by the owner and by payment of fees required by law for a renewal to begin on the first day of July of that year. An owner who has made proper application for renewal and registration of a vehicle before July first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of the vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of new plates. If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in the state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to July first. The director shall provide for a one-time collection of eighteen months of registration fees for the registration period of January 1, 2014, to June 30, 2015. Beginning on July 1, 2015, the registration of motor vehicles under this section must be renewed annually.

**SECTION 22. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 23. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 24. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, line 5, replace "and 10" with "10, and 11"

Page 10, line 6, replace "\$142,000,000" with "\$190,000,000"

Page 10, line 7, replace "\$27,000,000" with "\$20,000,000"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of House Action**

	Executive Budget	Senate Version	House Changes	House Version
State Treasurer				
Total all funds	\$0	\$10,415,000	\$0	\$10,415,000
Less estimated income	0	0	0	0
General fund	\$0	\$10,415,000	\$0	\$10,415,000
DOCR				
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0
Department of Transportation				
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
Bill total				
Total all funds	\$3,389,303,578	\$2,818,962,812	\$175,251,270	\$2,994,214,082
Less estimated income	2,695,703,578	2,107,647,812	(23,368,730)	2,084,279,082
General fund	\$693,600,000	\$711,315,000	\$198,620,000	\$909,935,000

**Senate Bill No. 2012 - DOCR - House Action**

	Executive Budget	Senate Version	House Changes	House Version
License plate issue		\$4,280,000	\$620,000	\$4,900,000
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of House Changes**

	Increases Special Fund Authority for License Plate Issue <sup>1</sup>	Total House Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special fund authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates.

**Senate Bill No. 2012 - Department of Transportation - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$198,822,626	\$198,846,860	(\$14,269,627)	\$184,577,233
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207
County and township road program	142,000,000	142,000,000	48,000,000	190,000,000
Grants	97,548,030	98,188,030	(8,900,000)	89,288,030
General fund transfer to highway fund	683,600,000	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000		1,100,000
License plate issue		6,200,000	620,000	6,820,000
County and township bridge program		27,000,000	(7,000,000)	20,000,000
Accrued leave payments			7,280,897	7,280,897
Non-oil county distributions			150,000,000	150,000,000
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
FTE	1079.50	1079.50	0.00	1079.50

Department No. 801 - Department of Transportation - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Employees Affected by Energy Development <sup>3</sup>	Increases Funding for Oil-Impacted Counties Road Program <sup>4</sup>	Removes Public Transportation Fund Appropriation Authority <sup>5</sup>	Adjusts Funding for License Plate Issue <sup>6</sup>
Salaries and wages	(\$4,443,731)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets						
County and township road program				48,000,000		
Grants					(8,900,000)	
General fund transfer to highway fund						
Transfer to public transportation fund						
License plate issue						620,000
County and township bridge program						
Accrued leave payments		7,280,897				
Non-oil county distributions						
<b>Total all funds</b>	<b>(\$4,443,731)</b>	<b>\$0</b>	<b>(\$3,644,999)</b>	<b>\$48,000,000</b>	<b>(\$8,900,000)</b>	<b>\$620,000</b>
Less estimated income	(4,443,731)	0	(3,644,999)	0	(8,900,000)	0
<b>General fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,000,000</b>	<b>\$0</b>	<b>\$620,000</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for County and Township Bridge Program <sup>7</sup>	Adds Funding for Non-Oil-Impacted County Transportation Distributions <sup>8</sup>	Total House Changes
Salaries and wages			(\$14,269,627)
Operating expenses			(1,100,000)
Capital assets			
County and township road program			48,000,000
Grants			(8,900,000)
General fund transfer to highway fund			
Transfer to public transportation fund			
License plate issue			620,000
County and township bridge program	(7,000,000)		(7,000,000)
Accrued leave payments			7,280,897
Non-oil county distributions		150,000,000	150,000,000
<b>Total all funds</b>	<b>(\$7,000,000)</b>	<b>\$150,000,000</b>	<b>\$174,631,270</b>
Less estimated income	(7,000,000)	0	(23,988,730)
<b>General fund</b>	<b>\$0</b>	<b>\$150,000,000</b>	<b>\$198,620,000</b>
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed.

<sup>4</sup> Funding from the general fund is added to the county and township road reconstruction program in areas impacted by oil and gas development to provide total program funding of \$190 million, an increase of \$48 million from the executive budget and Senate version of \$142 million.

<sup>5</sup> Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as passed by the Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

<sup>6</sup> Funding for the general license plate issue is increased by \$620,000 to provide for digitally printed license plates to be issued rather than embossed plates.

<sup>7</sup> Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is reduced from \$27 million to \$20 million. Adjustments are also made to section 5 regarding the definition of a bridge and the priority of bridges to be reconstructed.

<sup>8</sup> A section is added to appropriate \$150 million from the general fund for transportation funding distributions to counties that received less than \$5 million of oil and gas production tax allocations in the preceding state fiscal year.

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This amendment also:

- Adds sections to provide statutory changes regarding the motor vehicle registration renewal dates of vehicles exceeding 20,000 pounds.
- Adds a section to establish a highway-rail grade crossing safety program in the Department of Transportation and requires the department to allocate \$1.4 million from the state highway fund for the program each year.
- Adds sections to provide for Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Funding Summary

	Executive Budget	Senate Version	House Changes	House Version
State Treasurer		\$10,000,000	(\$900,000)	\$9,100,000
Grants to townships		415,000		415,000
Township distribution corrections				
Total all funds	\$0	\$10,415,000	(\$900,000)	\$9,515,000
Less estimated income	0	0	0	0
General fund	\$0	\$10,415,000	(\$900,000)	\$9,515,000
FTE	0.00	0.00	0.00	0.00
DOCR		\$4,280,000	\$620,000	\$4,900,000
License plate issue				
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00
Department of Transportation				
Salaries and wages	\$198,822,626	\$198,846,860	(\$14,269,627)	\$184,577,233
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207
County and township road program	142,000,000	142,000,000	48,000,000	190,000,000
Grants	97,548,030	98,188,030	(8,900,000)	89,288,030
General fund transfer to highway fund	683,600,000	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000		1,100,000
License plate issue		6,200,000	620,000	6,820,000
County and township bridge program		27,000,000	(7,000,000)	20,000,000
Non-oil county distributions			150,000,000	150,000,000
Accrued leave payments			7,280,897	7,280,897
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
FTE	1079.50	1079.50	0.00	1079.50
Bill Total				
Total all funds	\$3,389,303,578	\$2,818,962,812	\$174,351,270	\$2,993,314,082
Less estimated income	2,695,703,578	2,107,647,812	(23,368,730)	2,084,279,082
General fund	\$693,600,000	\$711,315,000	\$197,720,000	\$909,035,000
FTE	1079.50	1079.50	0.00	1079.50

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**Senate Bill No. 2012 - State Treasurer - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Grants to townships		\$10,000,000	\$10,000,000
Township distribution corrections		415,000	415,000
<b>Total all funds</b>	<u>\$0</u>	<u>\$10,415,000</u>	<u>\$10,415,000</u>
Less estimated income	0	0	0
<b>General fund</b>	<u>\$0</u>	<u>\$10,415,000</u>	<u>\$10,415,000</u>
FTE	0.00	0.00	0.00

**Department 120 - State Treasurer - Detail of Senate Changes**

	<b>Adds Funding for Grants to Townships in Oil-Producing Counties<sup>1</sup></b>	<b>Adds Funding to Correct Distributions to Townships<sup>2</sup></b>	<b>Total Senate Changes</b>
Grants to townships	10,000,000		10,000,000
Township distribution corrections		415,000	415,000
<b>Total all funds</b>	<u>\$10,000,000</u>	<u>\$415,000</u>	<u>\$10,415,000</u>
Less estimated income	0	0	0
<b>General fund</b>	<u>\$10,000,000</u>	<u>\$415,000</u>	<u>\$10,415,000</u>
FTE	0.00	0.00	0.00

Funding of \$10 million from the general fund is appropriated to the State Treasurer to provide a \$15,000 transportation funding grant to each organized and unorganized township in oil-producing counties. An "oil-producing county" is one that received total allocations under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or more during state fiscal year 2012.

<sup>2</sup> A \$415,000 general fund appropriation is provided to the State Treasurer to ensure that all eligible counties and townships receive a \$15,000 transportation grant pursuant to subsection 3 of Section 2 of 2013 Senate Bill No. 2176.

A section is also added to provide a 2011-13 biennium appropriation of \$590,000 from the general fund to the State Treasurer to correct a distribution error in providing grants to counties and townships under subsection 3 of Section 27 of 2011 Senate Bill No. 2371. An exemption is provided to prohibit the State Treasurer from requiring political subdivisions to return any overpayment of funds received as a result of the distribution error.

Section 5 is removed which provides a \$100 million general fund appropriation to the State Treasurer during the 2011-13 biennium for transportation funding distributions to non-oil-producing counties, cities, and townships. Senate Bill No. 2176, as passed by the Legislative Assembly in 2013, contained \$100 million from the general fund for transportation funding distributions to non-oil-producing counties.

**Senate Bill No. 2012 - State Treasurer - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Grants to townships		\$10,000,000		\$9,100,000
Township distribution corrections		415,000		415,000
Total all funds	\$0	\$10,415,000	(\$900,000)	\$9,515,000
Less estimated income	0	0	0	0
General fund	\$0	\$10,415,000	(\$900,000)	\$9,515,000
FTE	0.00	0.00	0.00	0.00

**Department 120 - State Treasurer - Detail of House Changes**

	Reduces Funding for Grants to Townships <sup>1</sup>	Total House Changes
Grants to townships	(900,000)	(900,000)
Township distribution corrections		
Total all funds	(\$900,000)	(\$900,000)
Less estimated income	0	0
General fund	(\$900,000)	(\$900,000)
FTE	0.00	0.00

Funding added by the Senate for grants to townships in oil-producing counties is reduced from \$10 million to \$9.1 million.

This amendment also amends Section 27 of Chapter 579 of the 2011 Special Session Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$700,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Special Session Session Laws which has not already received a distribution under that subsection.

**Senate Bill No. 2012 - DOCR - Senate Action**

	Executive Budget	Senate Changes	Senate Version
License plate issue		\$4,280,000	\$4,280,000
Total all funds	\$0	\$4,280,000	\$4,280,000
Less estimated income	0	4,280,000	4,280,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

**Department 530 - DOCR - Detail of Senate Changes**

	Adds Special Fund Authority for License Plate Issue <sup>1</sup>	Total Senate Changes
License plate issue	4,280,000	4,280,000
Total all funds	\$4,280,000	\$4,280,000
Less estimated income	4,280,000	4,280,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special fund authority of \$4.28 million is provided for Roughrider Industries for costs associated with the general license plate issue.

**Senate Bill No. 2012 - DOCR - House Action**

	Executive Budget	Senate Version	House Changes	House Version
License plate issue		\$4,280,000	\$620,000	\$4,900,000
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Department 530 - DOCR - Detail of House Changes**

	Increases Special Funds Authority for License Plate Issue <sup>1</sup>	Total House Changes
License plate issue	620,000	620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates.

Senate Bill No. 2012 - Department of Transportation - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$198,822,626	\$24,234	\$198,846,860
Operating expenses	456,821,715	(79,000,000)	377,821,715
Capital assets	1,810,511,207	(541,000,000)	1,269,511,207
County and township road program	142,000,000		142,000,000
Grants	97,548,030	640,000	98,188,030
General fund transfer to highway fund	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000	1,100,000
License plate issue		6,200,000	6,200,000
County and township bridge program		27,000,000	27,000,000
Total all funds	\$3,389,303,578	(\$585,035,766)	\$2,804,267,812
Less estimated income	2,695,703,578	(592,335,766)	2,103,367,812
General fund	\$693,600,000	\$7,300,000	\$700,900,000
FTE	1079.50	0.00	1079.50

Department 801 - Department of Transportation - Detail of Senate Changes

	Corrects Executive Compensation Package <sup>1</sup>	Removes Previously Appropriated Road Funding <sup>2</sup>	Continues Highway-Rail Grade Crossing Safety Projects <sup>3</sup>	Provides Contingent Transfers to Public Transportation Fund <sup>4</sup>	Adds Funding for General License Plate Issue <sup>5</sup>	Adds Funding for County and Township Bridge Program <sup>6</sup>
Salaries and wages	24,234					
Operating expenses		(79,000,000)				
Capital assets		(541,000,000)				
County and township road program				640,000		
Grants						
General fund transfer to highway fund				1,100,000		
Transfer to public transportation fund					6,200,000	
License plate issue						27,000,000
County and township bridge program						
Total all funds	\$24,234	(\$620,000,000)	\$640,000	\$1,100,000	\$6,200,000	\$27,000,000
Less estimated income	24,234	(620,000,000)	640,000	0	0	27,000,000
General fund	\$0	\$0	\$0	\$1,100,000	\$6,200,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Total Senate Changes</b>
Salaries and wages	24,234
Operating expenses	(79,000,000)
Capital assets	(541,000,000)
County and township road program	
Grants	640,000
General fund transfer to highway fund	
Transfer to public transportation fund	1,100,000
License plate issue	6,200,000
County and township bridge program	27,000,000
Total all funds	(\$585,035,766)
Less estimated income	(592,335,766)
General fund	\$7,300,000
FTE	0.00

- <sup>1</sup> Funding is added due to a calculation error in the executive compensation package.
- <sup>2</sup> Funding of \$620 million for road construction and maintenance funding is removed. Senate Bill No. 2176, as approved by the 63<sup>rd</sup> Legislative Assembly, contains \$620 million of road construction and maintenance funding. Section 6 of the bill, which transfers \$620 million from the general fund to the highway fund during the 2011-13 biennium, is also removed.
- <sup>3</sup> Funding from the highway-rail grade crossing safety fund is appropriated to continue projects for which funding was obligated prior to January 1, 2013. A section is also added to provide guidelines for the use of the funds.
- Funding is provided for contingent transfers from the general fund to the public transportation fund. The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being \$5 million or less during state fiscal years 2013 and 2014.
- <sup>5</sup> Funding of \$6.2 million from the general fund is added to defray the expenses of a general license plate issue. An exemption is provided for the funding to allow the department to use any unexpended 2013-15 biennium appropriations related to the license plate issue in the 2015-17 biennium. A section is also added to amend Section 39-04-09 to require the Director of the Department of Transportation to make a general license plate issue during the 2013-15 and 2015-17 bienniums.
- <sup>6</sup> Funding of \$27 million from the strategic investment and improvements fund is appropriated to the department for a county and township bridge reconstruction program. A section is also added to provide guidelines for the program.

This amendment also:

- Adjusts subsection 8 of Section 4 regarding the county and township road reconstruction program in areas affected by energy development to allow funds to be used on construction costs incurred as of January 1, 2013.
- Adds a section to amend Section 39-02-03 regarding fees charged by Department of Transportation motor vehicle branch offices.
- Adds a section to continue unexpended 2011-13 biennium appropriations from the state disaster relief fund into the 2013-15 biennium for Devils Lake road grade raising projects.
- Adds a Legislative Management study of Department of Transportation motor vehicle branch offices.

enate Bill No. 2012 - Department of Transportation - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$198,822,626	\$198,846,860	(\$14,269,627)	\$184,577,233
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207
County and township road program	142,000,000	142,000,000	48,000,000	190,000,000
Grants	97,548,030	98,188,030	(8,900,000)	89,288,030
General fund transfer to highway fund	683,600,000	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000		1,100,000
License plate issue		6,200,000	620,000	6,820,000
County and township bridge program		27,000,000	(7,000,000)	20,000,000
Accrued leave payments			7,280,897	7,280,897
Non-oil county distributions			150,000,000	150,000,000
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
FTE	1079.50	1079.50	0.00	1079.50

Department 801 - Department of Transportation - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Employees Affected by Energy Development <sup>3</sup>	Increases Funding for Oil-Impacted Counties Road Program <sup>4</sup>	Removes Public Transportation Fund Appropriation Authority <sup>5</sup>	Adjusts Funding for License Plate Issue <sup>6</sup>
Salaries and wages	(4,443,731)	(7,280,897)	(2,544,999)			
Operating expenses			(1,100,000)			
Capital assets				48,000,000		
County and township road program					(8,900,000)	
Grants						
General fund transfer to highway fund						
Transfer to public transportation fund						620,000
License plate issue						
County and township bridge program		7,280,897				
Accrued leave payments						
Non-oil county distributions						
Total all funds	(\$4,443,731)	\$0	(\$3,644,999)	\$48,000,000	(\$8,900,000)	\$620,000
Less estimated income	(4,443,731)	0	(3,644,999)	0	(8,900,000)	0
General fund	\$0	\$0	\$0	\$48,000,000	\$0	\$620,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for County and Township Bridge Program <sup>7</sup>	Adds Funding for Non-Oil- Impacted County Transportation Distributions <sup>8</sup>	Total House Changes
Salaries and wages			(14,269,627)
Operating expenses			(1,100,000)
Capital assets			
County and township road program			48,000,000
Grants			(8,900,000)
General fund transfer to highway fund			
Transfer to public transportation fund			
License plate issue			620,000
County and township bridge program	(7,000,000)		(7,000,000)
Accrued leave payments			7,280,897
Non-oil county distributions		150,000,000	150,000,000
<b>Total all funds</b>	(\$7,000,000)	\$150,000,000	\$174,631,270
Less estimated income	(7,000,000)	0	(23,988,730)
General fund	\$0	\$150,000,000	\$198,620,000
<b>FTE</b>	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed.

<sup>4</sup> Funding from the general fund is added to the county and township road reconstruction program in areas impacted by oil and gas development to provide total program funding of \$190 million, an increase of \$48 million from the executive budget and Senate version of \$142 million.

<sup>5</sup> Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63rd Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

<sup>6</sup> Funding for the general license plate issue is increased by \$620,000 to provide for digitally printed license plates to be issued rather than embossed plates.

<sup>7</sup> Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is reduced from \$27 million to \$20 million. Adjustments are also made to Section 5 regarding the definition of a bridge and the priority of bridges to be reconstructed.

<sup>8</sup> A section is added to appropriate \$150 million from the general fund for transportation funding distributions to counties that received less than \$5 million of oil and gas production tax allocations in the preceding state fiscal year.

This amendment also:

Adds sections to provide statutory changes regarding the motor vehicle registration renewal dates of vehicles exceeding 20,000 pounds.

Adds a section to establish a highway-rail grade crossing safety program in the Department of Transportation and requires the department to allocate \$1.4 million from the state highway fund for the program each year.

- Adds sections to provide for Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.

# 2  
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Sixty-third  
Legislative Assembly  
of North Dakota

ENGROSSED SENATE BILL NO. 2012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
 2 transportation; to provide appropriations to the state treasurer for transportation funding  
 3 distributions; to provide an appropriation to the department of corrections and rehabilitation for  
 4 costs related to a general license plate issue; to create and enact a new section to chapter  
 5 24-02 and section 39-04-14.4 of the North Dakota Century Code, relating to highway-rail grade  
 6 crossing safety projects and motor vehicle registration renewals; to amend and reenact sections  
 7 39-02-03 and 39-04-09, and 39-04-14 of the North Dakota Century Code and section 27 of  
 8 chapter 579 of the 2011 Session Laws, relating to department of transportation motor vehicle  
 9 branch offices and the issuance of license plates, motor vehicle registration renewals, and  
 10 transportation funding distributions to non-oil-producing political subdivisions; to provide for  
 11 transfers and contingent transfers; to provide exemptions; to provide for budget section reports;  
 12 to provide for a legislative management study studies; and to declare an emergency.

13 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

14 SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds  
 15 as may be necessary, are appropriated out of any moneys in the general fund in the state  
 16 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
 17 other income, to the department of transportation for the purpose of defraying the expenses of  
 18 the department of transportation, for the biennium beginning July 1, 2013, and ending June 30,  
 19 2015, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
21 Salaries and wages	\$165,966,396	\$32,880,464	\$198,846,860
22 Operating expenses	204,090,250	173,731,465	377,821,715
23 Capital assets	709,079,831	560,431,376	1,269,511,207

Sixty-third  
Legislative Assembly

1	County and township road	0	142,000,000	142,000,000
2	— reconstruction program			
3	County and township bridge	0	27,000,000	27,000,000
4	— reconstruction program			
5	Grants	67,767,407	30,420,623	98,188,030
6	Total all funds	\$1,146,903,884	\$966,463,928	\$2,113,367,812
7	Less estimated income	1,146,903,884	956,463,928	2,103,367,812
8	Total general fund	\$0	\$10,000,000	\$10,000,000
9	Salaries and wages	\$165,966,396	\$18,610,837	\$184,577,233
10	Accrued leave payments	0	7,280,897	7,280,897
11	Operating expenses	204,090,250	172,631,465	376,721,715
12	Capital assets	709,079,831	560,431,376	1,269,511,207
13	County and township road	0	190,000,000	190,000,000
14	— reconstruction program			
15	County and township bridge	0	20,000,000	20,000,000
16	— reconstruction program			
17	Grants	67,767,407	21,520,623	89,288,030
18	Total all funds	\$1,146,903,884	\$990,475,198	\$2,137,379,082
19	Less estimated income	1,146,903,884	932,475,198	2,079,379,082
20	Total general fund	\$0	\$58,000,000	\$58,000,000
21	Full-time equivalent positions	1,063.50	16.00	1,079.50

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

**SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

26	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
27	Federal stimulus funds	\$24,119,575	\$0
28	Devils Lake area highway project	5,850,000	0
29	Extraordinary state highway maintenance	228,600,000	0
30	County and township road reconstruction	142,000,000	142,000,000
31	County and township bridge reconstruction	0	27,000,000

Sixty-third  
Legislative Assembly

1	County and township road reconstruction program	142,000,000	190,000,000
2	County and township bridge reconstruction program	0	20,000,000
3	Emergency relief program borrowing authority	200,000,000	0
4	Road grade raising grants	6,000,000	0
5	Highway-rail grade crossing safety grants	1,431,000	0
6	Enhanced state highway investments	0	541,600,000
7	Federal TIGER III grant match	0	10,000,000
8	Total all funds	\$608,000,575	\$720,600,000
9	Total special funds	602,150,575	710,600,000
10	Total general fund	\$5,850,000	\$10,000,000
11	Total all funds	\$608,000,575	\$761,600,000
12	Total special funds	602,150,575	703,600,000
13	Total general fund	\$5,850,000	\$58,000,000

14 The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17  
 15 biennium. The department of transportation shall report to the appropriations committees of the  
 16 sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning  
 17 July 1, 2013, and ending June 30, 2015.

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

23 **SECTION 4. COUNTY AND TOWNSHIP ROAD RECONSTRUCTION PROGRAM -**  
 24 **CARRYOVER AUTHORITY.**

25 1. The sum of ~~\$142,000,000~~\$190,000,000, or so much of the sum as may be necessary,  
 26 included in the county and township road reconstruction program line item in section 1  
 27 of this Act, must be used to rehabilitate or reconstruct county and township paved and  
 28 unpaved roads needed to support oil and gas production and distribution in North  
 29 Dakota.

- 1           a. Funding allocations to counties are to be made by the department of  
2           transportation based on data supplied by the upper great plains transportation  
3           institute.
- 4           b. Counties identified in the data supplied by the upper great plains transportation  
5           institute are eligible for this funding.
- 6        2. Each county requesting funding under this section for county or township roads shall  
7        submit the request in accordance with criteria developed by the department of  
8        transportation.
  - 9           a. The request shall include a proposed plan for funding projects that rehabilitate or  
10          reconstruct paved and unpaved roads within the county.
  - 11          b. The plan shall be based on data supplied by the upper great plains transportation  
12          institute, actual road conditions, and integration with state highway and other  
13          county road projects.
  - 14          c. Funds shall not be used for routine maintenance.
- 15        3. The department of transportation, in consultation with the county, may approve the  
16        plan or approve the plan with amendments.
- 17        4. The funding included in the county and township road reconstruction program line item  
18        in section 1 of this Act may be used for:
  - 19           a. Ninety percent of the cost of the approved roadway projects not to exceed the  
20           funding available for that county.
  - 21           b. Funding may be used for construction, engineering, and plan development costs.
- 22        5. Upon approval of the plan, the department of transportation shall transfer to the county  
23        the approved funding for engineering and plan development costs.
- 24        6. Upon execution of a construction contract by the county, the department of  
25        transportation shall transfer to the county the approved funding to be distributed for  
26        county and township road rehabilitation and reconstruction projects.
- 27        7. The recipient counties shall report to the department of transportation upon awarding  
28        of each contract and upon completion of each project in a manner prescribed by the  
29        department.

- 1           8. The funding included in the county and township road reconstruction line item in  
2           section 1 of this Act may be applied to engineering, design, and construction costs  
3           incurred on related projects as of January 1, 2013.
- 4           9. Section 54-44.1-11 does not apply to funding included in the county and township road  
5           reconstruction program line item in section 1 of this Act. Any funds not spent by  
6           June 30, 2015, must be continued into the biennium beginning July 1, 2015, and  
7           ending June 30, 2017, and may be expended only for county and township paved and  
8           unpaved road rehabilitation and reconstruction projects.

9           **SECTION 5. COUNTY AND TOWNSHIP BRIDGE RECONSTRUCTION PROGRAM -**  
10          **STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION.** The county and

11 township bridge reconstruction program line item in section 1 of this Act contains the sum of  
12 ~~\$27,000,000~~\$20,000,000 from the strategic investment and improvements fund which must be  
13 used by the department of transportation for a county and township road bridge rehabilitation  
14 and reconstruction program, for the period beginning with the effective date of this Act and  
15 ending June 30, 2015, as follows:

- 16           1. The funding must be used to rehabilitate or reconstruct county and township road  
17           bridges needed for the safe conveyance of persons and commerce in this state. The  
18           director of the department of transportation shall distribute the funding based on data  
19           available from studies conducted by the upper great plains transportation institute with  
20           priority given to bridge projects located on roadways defined by the department of  
21           transportation as a county major collector roadway.
- 22           2. Each county requesting funding for a county or township road bridge project or for  
23           multiple projects shall submit the request in accordance with criteria developed by the  
24           department of transportation. The department of transportation, in consultation with  
25           the county, may approve a project or approve a project with amendments.
- 26           a. Funding must be distributed for projects based on data available from upper  
27           great plains transportation institute studies, actual road conditions, and the level  
28           of integration with state highway and other county road projects.
- 29           b. Funding may not be distributed for the routine maintenance of bridges.
- 30           3. The funding may be used to provide up to ninety percent of the cost of an approved  
31           bridge project, including engineering and plan development costs.

- 1       4. Upon approval of a project, the department of transportation shall transfer to the  
2       county the approved funding for engineering and plan development costs. The funding  
3       provided for construction, engineering, and project development costs may be applied  
4       to costs incurred as of January 1, 2013.
- 5       5. Upon execution of a construction contract by the county, the department of  
6       transportation shall transfer to the county the funding to be used for the approved  
7       bridge project.
- 8       6. Each recipient county shall report to the department of transportation upon awarding  
9       each contract and upon completion of each project in a manner prescribed by the  
10      department.
- 11      7. Section 54-44.1-11 does not apply to funding included in the county and township  
12      bridge reconstruction program line item in section 1 of this Act. Any funds not spent by  
13      June 30, 2015, may be continued into the biennium beginning July 1, 2015, and  
14      ending June 30, 2017, and may be expended only for county and township road  
15      bridge rehabilitation and reconstruction projects.
- 16      8. For purposes of this section, a "bridge" is a structure that ~~extends over a river, stream,~~  
17      ~~depression, or other obstacle and has an end area of fifty square feet [4.65 square~~  
18      ~~meters] or greater.~~ has an opening of more than 20 feet [6.096 meters] as measured  
19      along the centerline of the roadway. It may also be the clear openings of more than  
20      20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than  
21      half the distance apart of the smallest diameter pipe.
- 22      9. To be eligible to receive a grant under this section, the existing roadway width on  
23      which the bridge will be constructed must meet current design standards, as on file  
24      with the department of transportation, for the county for which it is being constructed.  
25      The county or township road bridge project must be located within a county that levies  
26      a combined total of seven or more mills for county road and bridge, farm-to-market  
27      and federal aid road, and county road purposes.

28       **SECTION 6. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS FUND.** The  
29      grants line item in section 1 of this Act includes the sum of \$640,000 from the highway-rail  
30      grade crossing safety projects fund which may be used by the department of transportation to  
31      continue highway-rail grade crossing safety projects approved by the department and for which

1 funding was obligated prior to January 1, 2013. On June 30, 2015, the state treasurer shall  
2 transfer any unexpended and unobligated balance in the highway-rail grade crossing safety  
3 projects fund to the highway tax distribution fund.

4 **SECTION 7. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO**  
5 **PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general  
6 fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the  
7 sum as may be necessary, which the office of management and budget shall transfer to the  
8 public transportation fund pursuant to this section during the biennium beginning July 1, 2013,  
9 and ending June 30, 2015. The office of management and budget shall transfer the sum of  
10 \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax  
11 distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending  
12 June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on  
13 July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund  
14 are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014.

15 **SECTION 8. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION**  
16 **FUNDING DISTRIBUTIONS.** There is appropriated out of any moneys in the general fund in the  
17 state treasury, not otherwise appropriated, the sum of ~~\$10,000,000~~\$9,100,000, or so much of  
18 the sum as may be necessary, to the state treasurer for the purpose of providing township  
19 transportation funding distributions, for the period beginning with the effective date of this Act  
20 and ending June 30, 2015.

- 21 1. The state treasurer shall distribute the funds provided under this section to counties  
22 and townships in oil-producing counties through a distribution of \$15,000 to each  
23 organized township and a distribution of \$15,000 for each unorganized township to the  
24 county in which the unorganized township is located.
- 25 2. If any funds remain after the distributions provided under subsection 1, the state  
26 treasurer shall distribute the remaining funds to counties and townships in  
27 oil-producing counties pursuant to section 54-27-19.1. Organized townships are not  
28 required to provide matching funds to receive a distribution under this subsection.

29 For purposes of this section, an "oil-producing county" means a county that received total  
30 allocations under section 57-51-15 of \$500,000 or more during state fiscal year 2012. All funds

1 distributed under this section must be used for roadway maintenance purposes. The funding  
2 provided in this section is considered a one-time funding item.

3 ~~SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP~~  
4 ~~TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.~~ There is  
5 appropriated out of any moneys in the general fund in the state treasury, not otherwise  
6 appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the state  
7 treasurer for the purpose of providing transportation funding distributions to counties and  
8 townships in accordance with this section, for the period beginning with the effective date of this  
9 Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under  
10 this section to counties and townships that are eligible to receive a distribution under subsection  
11 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a  
12 distribution under that subsection. Section 27 of chapter 579 of the 2011 Session Laws is not  
13 subject to section 54-11-01 and the state treasurer may not require a political subdivision to  
14 return an overpayment of funds received from distributions under the section.

15 **SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP**  
16 **TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is  
17 appropriated out of any moneys in the general fund in the state treasury, not otherwise  
18 appropriated, the sum of \$700,000, or so much of the sum as may be necessary, to the state  
19 treasurer for the purpose of providing transportation funding distributions to counties and  
20 townships in accordance with this section, for the period beginning with the effective date of this  
21 Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under  
22 this section to counties and townships that are eligible to receive a distribution under  
23 subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already  
24 received a distribution under that subsection. Beginning with the effective date of this Act,  
25 section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the  
26 state treasurer may not require a political subdivision to return an overpayment of funds  
27 received from distributions under the section.

28 **SECTION 10. APPROPRIATION - STATE TREASURER - TOWNSHIP**  
29 **TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION.** There is appropriated out of  
30 any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
31 \$415,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of

1 providing transportation funding distribution to counties and townships in accordance with this  
2 section, for the period beginning with the effective date of this Act and ending June 30, 2015.  
3 The state treasurer shall use the funding provided under this section to ensure that all eligible  
4 counties and townships receive a distribution in accordance with subsection 3 of section 2 of  
5 Senate Bill No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain  
6 after the distributions to eligible counties and townships must be distributed by the state  
7 treasurer pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176  
8 as approved by the sixty-third legislative assembly.

9 **SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION -**

10 **TRANSPORTATION FUNDING ALLOCATIONS TO NON-OIL-PRODUCING COUNTIES.**

11 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
12 appropriated, the sum of \$150,000,000, or so much of the sum as may be necessary, to the  
13 department of transportation for the purpose of providing transportation funding allocations to  
14 counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section  
15 57-51-15 in the most recently completed state fiscal year, for the period beginning with the  
16 effective date of this Act and ending June 30, 2015. The funding provided under this section  
17 must be allocated in the amount of \$45,000,000 on June 1, 2013, and in the amount of  
18 \$105,000,000 on June 1, 2014. Allocations among counties under this section must be prorated  
19 among eligible counties on the basis of miles of roadways defined by the department of  
20 transportation as county major collector roadways in each county. Projects to be funded under  
21 this section must comply with American association of state highway and transportation officials  
22 pavement design procedures and department of transportation local government requirements.  
23 The funds provided under this section are considered a one-time funding item.

24 **SECTION 12. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL**

25 **LICENSE PLATE ISSUE - BUDGET SECTION APPROVAL - EXEMPTION.** There is  
26 appropriated out of any moneys in the general fund in the state treasury, not otherwise  
27 appropriated, the sum of ~~\$6,200,000~~ \$6,820,000, or so much of the sum as may be necessary,  
28 to the department of transportation for the purpose of defraying the expenses for a general  
29 license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The  
30 general license plate issue must be made using digitally printed license plates. The department  
31 of transportation shall develop a process to select a new design to be used for the general

1 license plate issue and shall develop guidelines regarding the administration of the license plate  
2 issue. The department shall provide its recommendation for the new license plate design to the  
3 budget section, and budget section approval must be received prior to the issuance of the new  
4 license plates. The one-time general fund appropriation provided under this section is not  
5 subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2015,  
6 and ending June 30, 2017.

7 **SECTION 13. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND**

8 **REHABILITATION - GENERAL LICENSE PLATE ISSUE.** There is appropriated from special  
9 funds and other income received, the sum of ~~\$4,280,000~~\$4,900,000, or so much of the sum as  
10 may be necessary, to the department of corrections and rehabilitation for expenses incurred by  
11 roughrider industries related to the general license plate issue, for the biennium beginning  
12 July 1, 2013, and ending June 30, 2015.

13 **SECTION 14. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.**

14 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
15 appropriated, the sum of \$683,600,000, or so much of the sum as may be necessary, which the  
16 office of management and budget shall transfer to the highway fund during the biennium  
17 beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall  
18 transfer the funds provided under this section to the state highway fund at the request of the  
19 director of the department of transportation. The funding provided in this section is considered a  
20 one-time funding item.

21 **SECTION 15. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER**

22 **AUTHORITY.** Section 54-44.1-11 does not apply to funding of \$541,600,000 in the capital  
23 assets line item relating to enhanced state highway investments in section 1 of this Act. Any  
24 funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015,  
25 and ending June 30, 2017, and may be expended only for enhanced state highway  
26 investments.

27 **SECTION 16. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE**

28 **RAISING GRANTS.** The amount appropriated to the department of transportation from the  
29 state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579  
30 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any

1 unexpended funds from this appropriation are available to the department to provide road grade  
2 raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

3 **SECTION 17.** A new section to chapter 24-02 of the North Dakota Century Code is created  
4 and enacted as follows:

5 **Highway-rail grade crossing safety projects - Funding.**

6 The director shall establish a highway-rail grade crossing safety program within the  
7 department and develop guidelines for the distribution of program funds. Projects eligible to  
8 receive funding under the program include railroad quiet zones and any other rail safety project  
9 the director deems necessary for public safety. Each year, the director shall allocate one million  
10 four hundred thousand dollars of highway tax distribution fund deposits in the state highway  
11 fund for highway-rail grade crossing safety projects.

12 **SECTION 18. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **39-02-03. Powers and duties of director and department.**

15 The director, subject to the approval of the governor, may adopt and enforce such  
16 administrative rules and designate such agencies and establish such branch offices as may be  
17 necessary to carry out the laws applicable to the director's office and department. The director  
18 shall provide suitable forms for applications, registration cards, license number plates, and all  
19 other forms requisite for the operation of the director's office and department, and shall prepay  
20 all transportation charges thereon. ~~In addition, the~~ The director shall ~~may~~ provide for a ~~uniform~~  
21 maximum fee schedule for the various services provided by the branch offices, not to exceed  
22 ten dollars for each service provided. Any branch office may establish a different fee schedule if  
23 the schedule does not contain a fee that exceeds a maximum fee established by the director  
24 and is approved by the director. All branch office managers must be bonded. The department  
25 may lease or provide office space or other ~~overhead~~ costs as necessary to independent motor  
26 vehicle branch managers. All rents collected under this section must be deposited in the state  
27 highway fund. The department and the officers thereof shall enforce the provisions of all laws  
28 pertaining to the director and the department.

29 **SECTION 19. AMENDMENT.** Section 39-04-09 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1       **39-04-09. Director may design and issue number plates.**

2       The director may design and issue plates of distinctly different color for each classification  
3 of motor vehicle, and there must at all times be a marked contrast between the background  
4 color of the plates and that of the numerals and letters ~~thereon~~on the plate. License plates must  
5 be acquired from the North Dakota state penitentiary if the penitentiary has the facilities to  
6 manufacture license plates. The director shall make a general issue during the biennium  
7 beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning  
8 July 1, 2015, and ending June 30, 2017.

9       **SECTION 20. AMENDMENT.** Section 39-04-14 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11       **39-04-14. Renewal of registration.**

12       Every vehicle registration, except those described in ~~section~~sections 39-04-14, 1 and  
13 39-04-14.4, under this chapter expires on December thirty-first each year and must be renewed  
14 annually upon application by the owner and by payment of the fees required by law, such  
15 renewal to take effect on the first day of January each year. An owner who has made proper  
16 application for renewal of registration of a vehicle previous to January first but who has not  
17 received the number plates, plate, or registration card for the ensuing year is entitled to operate  
18 or permit the operation of such vehicle upon the highways upon displaying thereon the number  
19 plates or plate issued for the preceding year for such time, to be prescribed by the department,  
20 as may be required for the issuance of the new plates. ~~If a previously registered motor vehicle~~  
21 ~~whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is~~  
22 ~~purchased during the period the vehicle's registration in this state is expired, the registration fee~~  
23 ~~must be prorated on a monthly basis from the date of purchase to January first.~~

24       **SECTION 21.** Section 39-04-14.4 of the North Dakota Century Code is created and enacted  
25 as follows:

26       **39-04-14.4. Renewal of registration of motor vehicles over certain weight.**

27       Except as otherwise provided in section 39-04-14.2, the registration of a motor vehicle  
28 whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] expires  
29 on June thirtieth of each year and must be renewed annually upon application by the owner and  
30 by payment of fees required by law for a renewal to begin on the first day of July of that year. An  
31 owner who has made proper application for renewal and registration of a vehicle before July

1 first but who has not received the number plates, plate, or registration card for the ensuing year  
2 is entitled to operate or permit the operation of the vehicle upon the highways upon displaying  
3 thereon the number plates or plate issued for the preceding year for such time, to be prescribed  
4 by the department, as may be required for the issuance of new plates. If a previously registered  
5 motor vehicle whose registered gross weight exceeds twenty thousand pounds  
6 [9071.84 kilograms] is purchased during the period the vehicle's registration in the state is  
7 expired, the registration fee must be prorated on a monthly basis from the date of purchase to  
8 July first. The director shall provide for a one-time collection of eighteen months of registration  
9 fees for the registration period of January 1, 2014, to June 30, 2015. Beginning on July 1, 2015,  
10 the registration of motor vehicles under this section must be renewed annually.

11 **SECTION 22. AMENDMENT.** Section 27 of chapter 579 of the 2011 Special Session  
12 Session Laws is amended and reenacted as follows:

13 **SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER -**  
14 **TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING**

15 **POLITICAL SUBDIVISIONS.** If the tax commissioner certifies that total oil and gas tax  
16 revenue collections for the period July 1, 2011, through February 29, 2012, exceed  
17 total oil and gas tax revenue collection projections for that period by at least  
18 \$48,000,000, based on legislative estimates made at the close of the 2011 regular  
19 legislative session, there is appropriated out of any moneys in the general fund in the  
20 state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the  
21 sum as may be necessary, to the state treasurer for the purpose of providing  
22 transportation funding distributions, for the period beginning with the effective date of  
23 this Act and ending June 30, 2013. The funding provided in this section is considered  
24 a one-time funding item. The state treasurer shall distribute the funds provided under  
25 this section on April 1, 2012, as follows:

- 26 1. Six million eight hundred thousand dollars to non-oil-producing counties and  
27 cities pursuant to subsection 4 of section 54-27-19.
- 28 2. One million seven hundred thousand dollars to counties and townships in non-oil-  
29 producing counties pursuant to section 54-27-19.1. Organized townships are not  
30 required to provide matching funds to receive distributions under this section.

1           3. Fourteen million five hundred thousand dollars to counties and townships in non-  
2           oil-producing counties through a distribution of \$10,000 to each organized  
3           township and a distribution of \$10,000 for each unorganized township to the  
4           county in which the unorganized township is located. If any funds remain after the  
5           distributions provided under this subsection, the state treasurer shall distribute  
6           eighty percent of the remaining funds to counties and cities pursuant to the  
7           method provided in subsection 1 of this section and shall distribute twenty  
8           percent of the remaining funds to counties and townships pursuant to the method  
9           provided in subsection 2 of this section.

10           For purposes of this section, a "non-oil-producing county" means a county that  
11           received no allocation of funding or a total allocation under section 57-51-15 of less  
12           than \$500,000 for state fiscal year ~~2011~~2010. Any funds received by a county under  
13           this section for an unorganized township distribution must be used for roadway  
14           purposes in those unorganized townships located in the county. All funds distributed  
15           under this section must be used for extraordinary roadway maintenance purposes.

16           **SECTION 23. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE**

17           **PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying  
18           state railroad assistance programs. The study, if conducted, must review existing programs and  
19           funding levels and whether the existing programs and funding levels are adequate to meet  
20           current industry needs. The legislative management shall report its findings and  
21           recommendations, together with any legislation required to implement the recommendations, to  
22           the sixty-fourth legislative assembly.

23           **SECTION 24. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND**

24           **FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the  
25           the long-term costs of transportation infrastructure maintenance and improvement projects and  
26           methods for funding these projects. The legislative management shall report its findings and  
27           recommendations, together with any legislation required to implement the recommendations, to  
28           the sixty-fourth legislative assembly.

29           **SECTION 25. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL**

30           **STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying  
31           potential statutory or administrative changes that could be made to assist parties in the fuel

1 supply chain in complying with federal renewable fuel standards, including compliance with the  
2 renewable identification number credits requirements. The legislative management shall report  
3 its findings and recommendations, together with any legislation required to implement the  
4 recommendations, to the sixty-fourth legislative assembly.

5 **SECTION 26. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH**

6 **OFFICES.** During the 2013-14 interim, the legislative management shall consider studying the  
7 use of branch offices by the department of transportation. The study must include a review of  
8 the structure of agreements with operators of branch offices, the number of motor vehicles  
9 registered at each office, the current locations of offices, the quality of data provided by the  
10 offices, the staffing needs of the offices, and the fees received by offices for services provided.  
11 The study must also include a review of the future use of branch offices, including office  
12 locations, alternative uses for facilities, and other changes that may promote efficiencies. The  
13 legislative management shall report its findings and recommendations, together with any  
14 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

15 **SECTION 27. EMERGENCY.** Sections 4, 5, 8, 9, ~~and 10, 11, and 22~~ of this Act and funding  
16 of ~~\$142,000,000~~\$190,000,000 in the county and township road reconstruction program line item  
17 in section 1 of this Act, funding of ~~\$27,000,000~~\$20,000,000 in the county and township bridge  
18 reconstruction program line item in section 1 of this Act, and funding of \$10,000,000 in the  
19 grants line item in section 1 of this Act to match a federal TIGER III grant for railroad  
20 improvements are declared to be an emergency measure.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL 2012  
WITH HOUSE AMENDMENTS (13.8162.03000)

#1

4-22-13

BB 2012

Conf Comm

Page 8, line 30, remove "must be made using digitally printed license plates."

Page 8, line 30, after "issue" insert "may not use embossed printed license plates."

Renumber accordingly.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL 2012  
WITH HOUSE AMENDMENTS (13.8162.03000)

#2  
4-22-13  
SB 2012  
Conf Com

Page 8, line 29, remove "The general"

Page 8, line 30, remove "license plate issue must be made using digitally printed license plates."

Page 8, line 29, after the period insert "The department will study options for the printing of the plate and present an option to the budget section for approval."

Renumber accordingly.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL 2012  
WITH HOUSE AMENDMENTS (13.8162.03000)

# 1

4-24-13  
SB 2012

Conf Com

Page 8, line 30, remove "must be made using digitally printed license plates."

Page 8, line 30, after "issue" insert "may not use embossed printed license plates."

Renumber accordingly.

*Al.*  
*SB 2012*  
*H-26-13*  
*conf*

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

That the House recede from its amendments as printed on pages 1491-1499 of the Senate Journal and pages 1558-1566 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 57-43.2-19"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies; to provide an effective date; to provide an expiration date"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
Grants	<u>67,767,407</u>	<u>22,020,623</u>	<u>89,788,030</u>
Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434
Less estimated income	<u>1,146,903,884</u>	<u>773,875,550</u>	<u>1,920,779,434</u>
Total general fund	\$0	\$10,000,000	\$10,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program	142,000,000	0"
--------------------------------------------------	-------------	----

Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$551,600,000
Total special funds	<u>602,150,575</u>	<u>541,600,000</u>
Total general fund	\$5,850,000	\$10,000,000"

Page 3, remove lines 1 through 29

Page 4, remove lines 1 through 29

Page 5, remove lines 1 through 28

Page 5, line 29, after "FUND" insert "- PILOT PROGRAM"

Page 6, line 2, after the period insert:

"The grants line item in section 1 of this Act includes the sum of \$500,000 from the highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall develop guidelines for the distribution of program funds for rail safety projects the director deems necessary for public safety. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system."

Page 6, remove lines 16 through 31

Page 7, replace lines 1 through 14 with:

**"SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, line 18, replace "\$415,000" with "\$385,000"

Page 7, line 28, after "ISSUE" insert "- BUDGET SECTION APPROVAL"

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after "The" insert "department of transportation may not use embossed printed license plates for the general license plate issue. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates. The one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, line 12, replace "\$683,600,000" with "\$541,600,000"

Page 9, line 21, replace "plate" with "plates"

Page 9, after line 25, insert:

**"SECTION 15. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-19. Transfer, deposit, and distribution of funds.**

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

**SECTION 16. AMENDMENT.** Section 27 of chapter 579 of the 2011 Session Laws is amended and reenacted as follows:

**SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS.** If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year ~~2011~~2010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized

townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

**SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, after line 4, insert:

**"SECTION 21. EFFECTIVE DATE - EXPIRATION DATE.** Section 15 of this Act is effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter ineffective."

Page 10, line 5, replace "4, 5, 8, 9, and 10" with "6, 7, and 16"

Page 10, line 5, remove "and funding of"

Page 10, remove lines 6 and 7

Page 10, line 8, remove "item in section 1 of this Act,"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
State Treasurer						
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
DOCR						
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0

General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Transportation						
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
Bill total						
Total all funds	\$3,389,303,578	\$2,818,962,812	(\$333,378,378)	\$2,485,584,434	\$2,993,314,082	(\$507,729,648)
Less estimated income	2,695,703,578	2,107,647,812	(181,968,378)	1,925,679,434	2,084,279,082	(158,599,648)
General fund	\$693,600,000	\$711,315,000	(\$151,410,000)	\$559,905,000	\$909,035,000	(\$349,130,000)

### Senate Bill No. 2012 - State Treasurer - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Grants to townships		\$10,000,000	(\$10,000,000)		\$9,100,000	(\$9,100,000)
Township distribution corrections		415,000	(30,000)	385,000	415,000	(30,000)
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

### Department No. 120 - State Treasurer - Detail of Conference Committee Changes

	Removes Funding for Grants to Townships <sup>1</sup>	Adjusts Funding for Township Distribution Corrections <sup>2</sup>	Total Conference Committee Changes
Grants to townships	(\$10,000,000)		(\$10,000,000)
Township distribution corrections		(30,000)	(30,000)
Total all funds	(\$10,000,000)	(\$30,000)	(\$10,030,000)
Less estimated income	0	0	0
General fund	(\$10,000,000)	(\$30,000)	(\$10,030,000)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding of \$10 million added by the Senate for grants to townships in oil-producing counties is removed. The House version reduced the grant funding from \$10 million to \$9.1 million.

<sup>2</sup> Funding to correct grant distributions to townships made in Senate Bill No. 2176 is reduced by \$30,000 to reflect revised estimates for amounts needed for corrections.

This amendment also amends Section 27 of Chapter 579 of the 2011 Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$720,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Session Laws which has not already received a distribution under that subsection. The House also added these sections and provided funding of \$700,000.

**Senate Bill No. 2012 - DOCR - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
License plate issue		\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of Conference Committee Changes**

	Increases Special Funds Authority for License Plate Issue <sup>1</sup>	Total Conference Committee Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates, the same as the House version.

**Senate Bill No. 2012 - Department of Transportation - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$198,822,626	\$198,846,860	(\$11,369,275)	\$187,477,585	\$184,577,233	\$2,900,352
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715	376,721,715	
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207	1,269,511,207	
County and township road program	142,000,000	142,000,000	(142,000,000)		190,000,000	(190,000,000)
Grants	97,548,030	98,188,030	(8,400,000)	89,788,030	89,288,030	500,000
General fund transfer to highway fund	683,600,000	683,600,000	(142,000,000)	541,600,000	683,600,000	(142,000,000)
Transfer to public transportation fund		1,100,000		1,100,000	1,100,000	
License plate issue		6,200,000	620,000	6,820,000	6,820,000	
County and township bridge program		27,000,000	(27,000,000)		20,000,000	(20,000,000)
Non-oil county distributions					150,000,000	(150,000,000)
Accrued leave payments			7,280,897	7,280,897	7,280,897	
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
FTE	1079.50	1079.50	0.00	1079.50	1079.50	0.00

Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Employees Affected by Energy Development <sup>3</sup>	Removes Funding for Oil-Impacted Counties Road Program <sup>4</sup>	Removes Public Transportation Fund Appropriation Authority <sup>5</sup>	Adds Funding for Rail Safety Pilot Program <sup>6</sup>
Salaries and wages	(\$1,543,379)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets						
County and township road program				(142,000,000)		
Grants					(8,900,000)	500,000
General fund transfer to highway fund						
Transfer to public transportation fund						
License plate issue						
County and township bridge program						
Non-oil county distributions						
Accrued leave payments		7,280,897				
Total all funds	(\$1,543,379)	\$0	(\$3,644,999)	(\$142,000,000)	(\$8,900,000)	\$500,000
Less estimated income	(1,543,379)	0	(3,644,999)	(142,000,000)	(8,900,000)	500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts General Fund Transfer to Highway Fund <sup>7</sup>	Adjusts Funding for License Plate Issue <sup>8</sup>	Removes Funding for County and Township Bridge Program <sup>9</sup>	Total Conference Committee Changes
Salaries and wages				(\$11,369,275)
Operating expenses				(1,100,000)
Capital assets				
County and township road program				(142,000,000)
Grants				(8,400,000)
General fund transfer to highway fund	(142,000,000)			(142,000,000)
Transfer to public transportation fund				
License plate issue		620,000		620,000
County and township bridge program			(27,000,000)	(27,000,000)
Non-oil county distributions				
Accrued leave payments				7,280,897
Total all funds	(\$142,000,000)	\$620,000	(\$27,000,000)	(\$323,968,378)
Less estimated income	0	0	(27,000,000)	(182,588,378)
General fund	(\$142,000,000)	\$620,000	\$0	(\$141,380,000)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>2</sup> A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees. The House version also included an accrued leave payments line item.

<sup>3</sup> Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed. The House also removed this funding.

<sup>4</sup> Funding from the general fund for the county and township road reconstruction program in areas impacted by oil and gas development is removed. The House version provided total program funding of \$190 million which was an increase of \$48 million from the executive budget and Senate versions of \$142 million.

<sup>5</sup> Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63rd Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

<sup>6</sup> Grant funding of \$500,000 from the highway-rail grade crossing projects safety fund is added for a highway-rail grade safety pilot program during the 2013-15 biennium. Guidelines are also added for the program.

<sup>7</sup> The general fund transfer to the state highway fund is reduced by \$142 million to reflect the removal of the county and township road reconstruction program in areas affected by oil and gas development.

<sup>8</sup> Funding for the general license plate issue is increased by \$620,000 to provide for a general license plate issue to be made on nonembossed license plates. The House also added this funding.

<sup>9</sup> Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is removed. The Senate added funding of \$27 million for the program and the House reduced funding for the program to \$20 million.

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This amendment also:

- Adds a section to deposit \$250,000 of special fuels excise tax funding in the highway-rail grade crossing safety program during each year of the 2013-15 biennium.
- Adds sections to provide for the Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.
- Removes sections that provided program guidelines regarding the oil-producing county and township road reconstruction program and the county and township bridge reconstruction program.

FIRST ENGROSSMENT

Sixty-third  
Legislative Assembly  
of North Dakota

ENGROSSED SENATE BILL NO. 2012

#2  
SB 2012  
4-26-13  
Conf.

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 transportation; to provide appropriations to the state treasurer for transportation funding  
3 distributions; to provide an appropriation to the department of corrections and rehabilitation for  
4 costs related to a general license plate issue; to amend and reenact sections 39-02-03 and,  
5 39-04-09, and 57-43.2-19 of the North Dakota Century Code and section 27 of chapter 579 of  
6 the 2011 Session Laws, relating to department of transportation motor vehicle branch offices  
7 and, the issuance of license plates, deposits of special fuels excise taxes, and transportation  
8 funding distributions to non-oil-producing political subdivisions; to provide for transfers and  
9 contingent transfers; to provide exemptions; to provide for budget section reports; to provide for  
10 a legislative management study studies; to provide an effective date; to provide an expiration  
11 date; and to declare an emergency.

12 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

13 SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds  
14 as may be necessary, are appropriated out of any moneys in the general fund in the state  
15 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
16 other income, to the department of transportation for the purpose of defraying the expenses of  
17 the department of transportation, for the biennium beginning July 1, 2013, and ending June 30,  
18 2015, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
21 Salaries and wages	\$165,966,396	\$32,880,464	\$198,846,860
22 Operating expenses	204,090,250	173,731,465	377,821,715
23 Capital assets	709,079,831	560,431,376	1,269,511,207
24 County and township road	0	142,000,000	142,000,000

Sixty-third  
Legislative Assembly

1	— reconstruction program			
2	County and township bridge	0	27,000,000	27,000,000
3	— reconstruction program			
4	Grants	67,767,407	30,420,623	98,188,030
5	Total all funds	\$1,146,903,884	\$966,463,928	\$2,113,367,812
6	Less estimated income	1,146,903,884	956,463,928	2,103,367,812
7	Total general fund	\$0	\$10,000,000	\$10,000,000
8	Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585
9	Accrued leave payments	0	7,280,897	7,280,897
10	Operating expenses	204,090,250	172,631,465	376,721,715
11	Capital assets	709,079,831	560,431,376	1,269,511,207
12	Grants	67,767,407	22,020,623	89,788,030
13	Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434
14	Less estimated income	1,146,903,884	773,875,550	1,920,779,434
15	Total general fund	\$0	\$10,000,000	\$10,000,000
16	Full-time equivalent positions	1,063.50	16.00	1,079.50

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

**SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

21	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
22	Federal stimulus funds	\$24,119,575	\$0
23	Devils Lake area highway project	5,850,000	0
24	Extraordinary state highway maintenance	228,600,000	0
25	<del>County and township road reconstruction</del>	<del>142,000,000</del>	<del>142,000,000</del>
26	<del>County and township bridge reconstruction</del>	<del>0</del>	<del>27,000,000</del>
27	County and township road reconstruction program	142,000,000	0
28	Emergency relief program borrowing authority	200,000,000	0
29	Road grade raising grants	6,000,000	0
30	Highway-rail grade crossing safety grants	1,431,000	0
31	Enhanced state highway investments	0	541,600,000

1	Federal TIGER III grant match	<u>0</u>	<u>10,000,000</u>
2	Total all funds	<u>\$608,000,575</u>	<u>\$720,600,000</u>
3	Total special funds	<u>602,150,575</u>	<u>710,600,000</u>
4	Total general fund	<u>\$5,850,000</u>	<u>\$10,000,000</u>
5	Total all funds	<u>\$608,000,575</u>	<u>\$551,600,000</u>
6	Total special funds	<u>602,150,575</u>	<u>541,600,000</u>
7	Total general fund	<u>\$5,850,000</u>	<u>\$10,000,000</u>

8 The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17  
9 biennium. The department of transportation shall report to the appropriations committees of the  
10 sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning  
11 July 1, 2013, and ending June 30, 2015.

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

17 ~~**SECTION 4. COUNTY AND TOWNSHIP ROAD RECONSTRUCTION PROGRAM-**~~  
18 ~~**CARRYOVER AUTHORITY.**~~

19 ~~1. The sum of \$142,000,000, or so much of the sum as may be necessary, included in~~  
20 ~~the county and township road reconstruction program line item in section 1 of this Act,~~  
21 ~~must be used to rehabilitate or reconstruct county and township paved and unpaved~~  
22 ~~roads needed to support oil and gas production and distribution in North Dakota.~~

23 ~~a. Funding allocations to counties are to be made by the department of~~  
24 ~~transportation based on data supplied by the upper great plains transportation~~  
25 ~~institute.~~

26 ~~b. Counties identified in the data supplied by the upper great plains transportation~~  
27 ~~institute are eligible for this funding.~~

28 ~~2. Each county requesting funding under this section for county or township roads shall~~  
29 ~~submit the request in accordance with criteria developed by the department of~~  
30 ~~transportation.~~

- 1 ~~a. The request shall include a proposed plan for funding projects that rehabilitate or~~  
2 ~~reconstruct paved and unpaved roads within the county.~~
- 3 ~~b. The plan shall be based on data supplied by the upper great plains transportation~~  
4 ~~institute, actual road conditions, and integration with state highway and other~~  
5 ~~county road projects.~~
- 6 ~~c. Funds shall not be used for routine maintenance.~~
- 7 ~~3. The department of transportation, in consultation with the county, may approve the~~  
8 ~~plan or approve the plan with amendments.~~
- 9 ~~4. The funding included in the county and township road reconstruction program line item~~  
10 ~~in section 1 of this Act may be used for:~~
- 11 ~~a. Ninety percent of the cost of the approved roadway projects not to exceed the~~  
12 ~~funding available for that county.~~
- 13 ~~b. Funding may be used for construction, engineering, and plan development costs.~~
- 14 ~~5. Upon approval of the plan, the department of transportation shall transfer to the county~~  
15 ~~the approved funding for engineering and plan development costs.~~
- 16 ~~6. Upon execution of a construction contract by the county, the department of~~  
17 ~~transportation shall transfer to the county the approved funding to be distributed for~~  
18 ~~county and township road rehabilitation and reconstruction projects.~~
- 19 ~~7. The recipient counties shall report to the department of transportation upon awarding~~  
20 ~~of each contract and upon completion of each project in a manner prescribed by the~~  
21 ~~department.~~
- 22 ~~8. The funding included in the county and township road reconstruction line item in~~  
23 ~~section 1 of this Act may be applied to engineering, design, and construction costs~~  
24 ~~incurred on related projects as of January 1, 2013.~~
- 25 ~~9. Section 54-44.1-11 does not apply to funding included in the county and township road~~  
26 ~~reconstruction program line item in section 1 of this Act. Any funds not spent by~~  
27 ~~June 30, 2015, must be continued into the biennium beginning July 1, 2015, and~~  
28 ~~ending June 30, 2017, and may be expended only for county and township paved and~~  
29 ~~unpaved road rehabilitation and reconstruction projects.~~

30 ~~**SECTION 5. COUNTY AND TOWNSHIP BRIDGE RECONSTRUCTION PROGRAM-**~~  
31 ~~**STRATEGIC INVESTMENT AND IMPROVEMENTS FUND- EXEMPTION.** The county and~~

1 ~~township bridge reconstruction program line item in section 1 of this Act contains the sum of~~  
2 ~~\$27,000,000 from the strategic investment and improvements fund which must be used by the~~  
3 ~~department of transportation for a county and township road bridge rehabilitation and~~  
4 ~~reconstruction program, for the period beginning with the effective date of this Act and ending~~  
5 ~~June 30, 2015, as follows:~~

6 ~~1. The funding must be used to rehabilitate or reconstruct county and township road~~  
7 ~~bridges needed for the safe conveyance of persons and commerce in this state. The~~  
8 ~~director of the department of transportation shall distribute the funding based on data~~  
9 ~~available from studies conducted by the upper great plains transportation institute.~~

10 ~~2. Each county requesting funding for a county or township road bridge project or for~~  
11 ~~multiple projects shall submit the request in accordance with criteria developed by the~~  
12 ~~department of transportation. The department of transportation, in consultation with~~  
13 ~~the county, may approve a project or approve a project with amendments.~~

14 ~~a. Funding must be distributed for projects based on data available from upper~~  
15 ~~great plains transportation institute studies, actual road conditions, and the level~~  
16 ~~of integration with state highway and other county road projects.~~

17 ~~b. Funding may not be distributed for the routine maintenance of bridges.~~

18 ~~3. The funding may be used to provide up to ninety percent of the cost of an approved~~  
19 ~~bridge project, including engineering and plan development costs.~~

20 ~~4. Upon approval of a project, the department of transportation shall transfer to the~~  
21 ~~county the approved funding for engineering and plan development costs. The funding~~  
22 ~~provided for construction, engineering, and project development costs may be applied~~  
23 ~~to costs incurred as of January 1, 2013.~~

24 ~~5. Upon execution of a construction contract by the county, the department of~~  
25 ~~transportation shall transfer to the county the funding to be used for the approved~~  
26 ~~bridge project.~~

27 ~~6. Each recipient county shall report to the department of transportation upon awarding~~  
28 ~~each contract and upon completion of each project in a manner prescribed by the~~  
29 ~~department.~~

30 ~~7. Section 54-44.1-11 does not apply to funding included in the county and township~~  
31 ~~bridge reconstruction program line item in section 1 of this Act. Any funds not spent by~~

1           ~~June 30, 2015, may be continued into the biennium beginning July 1, 2015, and~~  
2           ~~ending June 30, 2017, and may be expended only for county and township road~~  
3           ~~bridge rehabilitation and reconstruction projects.~~

4     ~~8. For purposes of this section, a "bridge" is a structure that extends over a river, stream,~~  
5           ~~depression, or other obstacle and has an end area of fifty square feet [4.65 square~~  
6           ~~meters] or greater.~~

7     ~~9. To be eligible to receive a grant under this section, the county or township road bridge~~  
8     ~~project must be located within a county that levies a combined total of seven or more mills for~~  
9     ~~county road and bridge, farm to market and federal aid road, and county road purposes.~~

10           **SECTION 4. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS FUND - PILOT**  
11     **PROGRAM.** The grants line item in section 1 of this Act includes the sum of \$640,000 from the  
12     highway-rail grade crossing safety projects fund which may be used by the department of  
13     transportation to continue highway-rail grade crossing safety projects approved by the  
14     department and for which funding was obligated prior to January 1, 2013.

15           The grants line item in section 1 of this Act includes the sum of \$500,000 from the  
16     highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot  
17     program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of  
18     the department of transportation shall develop guidelines for the distribution of program funds  
19     for rail safety projects the director deems necessary for public safety. An eligible project may be  
20     located on a paved or unpaved roadway and a local match of 10 percent of total project costs  
21     must be provided for any approved project that is not located on the state highway system.

22     \_\_\_ On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated  
23     balance in the highway-rail grade crossing safety projects fund to the highway tax distribution  
24     fund.

25           **SECTION 5. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO**  
26     **PUBLIC TRANSPORTATION FUND.** There is appropriated out of any moneys in the general  
27     fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the  
28     sum as may be necessary, which the office of management and budget shall transfer to the  
29     public transportation fund pursuant to this section during the biennium beginning July 1, 2013,  
30     and ending June 30, 2015. The office of management and budget shall transfer the sum of  
31     \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax

1 distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending  
2 June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on  
3 July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund  
4 are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014.

5 ~~SECTION 6. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION~~  
6 ~~FUNDING DISTRIBUTIONS.~~ There is appropriated out of any moneys in the general fund in the

7 state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as  
8 may be necessary, to the state treasurer for the purpose of providing township transportation  
9 funding distributions, for the period beginning with the effective date of this Act and ending  
10 June 30, 2015.

11 ~~1. The state treasurer shall distribute the funds provided under this section to counties~~  
12 ~~and townships in oil producing counties through a distribution of \$15,000 to each~~  
13 ~~organized township and a distribution of \$15,000 for each unorganized township to the~~  
14 ~~county in which the unorganized township is located.~~

15 ~~2. If any funds remain after the distributions provided under subsection 1, the state~~  
16 ~~treasurer shall distribute the remaining funds to counties and townships in~~  
17 ~~oil producing counties pursuant to section 54-27-19.1. Organized townships are not~~  
18 ~~required to provide matching funds to receive a distribution under this subsection.~~

19 For purposes of this section, an "oil producing county" means a county that received total  
20 allocations under section 57-51-15 of \$500,000 or more during state fiscal year 2012. All funds  
21 distributed under this section must be used for roadway maintenance purposes. The funding  
22 provided in this section is considered a one-time funding item.

23 ~~SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP~~  
24 ~~TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.~~ There is

25 appropriated out of any moneys in the general fund in the state treasury, not otherwise  
26 appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the state  
27 treasurer for the purpose of providing transportation funding distributions to counties and  
28 townships in accordance with this section, for the period beginning with the effective date of this  
29 Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under  
30 this section to counties and townships that are eligible to receive a distribution under subsection  
31 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a

1 ~~distribution under that subsection. Section 27 of chapter 579 of the 2011 Session Laws is not~~  
2 ~~subject to section 54-11-01 and the state treasurer may not require a political subdivision to~~  
3 ~~return an overpayment of funds received from distributions under the section.~~

4 **SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP**  
5 **TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is  
6 appropriated out of any moneys in the general fund in the state treasury, not otherwise  
7 appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state  
8 treasurer for the purpose of providing transportation funding distributions to counties and  
9 townships in accordance with this section, for the period beginning with the effective date of this  
10 Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under  
11 this section to counties and townships that are eligible to receive a distribution under  
12 subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already  
13 received a distribution under that subsection. Beginning with the effective date of this Act,  
14 section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the  
15 state treasurer may not require a political subdivision to return an overpayment of funds  
16 received from distributions under the section.

17 **SECTION 7. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION**  
18 **FUNDING DISTRIBUTIONS CORRECTION.** There is appropriated out of any moneys in the  
19 general fund in the state treasury, not otherwise appropriated, the sum of ~~\$415,000~~\$385,000,  
20 or so much of the sum as may be necessary, to the state treasurer for the purpose of providing  
21 transportation funding distribution to counties and townships in accordance with this section, for  
22 the period beginning with the effective date of this Act and ending June 30, 2015. The state  
23 treasurer shall use the funding provided under this section to ensure that all eligible counties  
24 and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill  
25 No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the  
26 distributions to eligible counties and townships must be distributed by the state treasurer  
27 pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as  
28 approved by the sixty-third legislative assembly.

29 **SECTION 8. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL**  
30 **LICENSE PLATE ISSUE - BUDGET SECTION APPROVAL - EXEMPTION.** There is  
31 appropriated out of any moneys in the general fund in the state treasury, not otherwise

1 appropriated, the sum of ~~\$6,200,000~~\$6,820,000, or so much of the sum as may be necessary,  
2 to the department of transportation for the purpose of defraying the expenses for a general  
3 license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The  
4 department of transportation may not use embossed printed license plates for the general  
5 license plate issue. The department of transportation shall develop a process to select a new  
6 design to be used for the general license plate issue and shall develop guidelines regarding the  
7 administration of the license plate issue. The department shall provide its recommendation for  
8 the new license plate design to the budget section, and budget section approval must be  
9 received prior to the issuance of the new license plates. The one-time general fund  
10 appropriation provided under this section is not subject to section 54-44.1-11 and may be  
11 continued into the biennium beginning July 1, 2015, and ending June 30, 2017.

12 **SECTION 9. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND**  
13 **REHABILITATION - GENERAL LICENSE PLATE ISSUE.** There is appropriated from special  
14 funds and other income received, the sum of ~~\$4,280,000~~\$4,900,000, or so much of the sum as  
15 may be necessary, to the department of corrections and rehabilitation for expenses incurred by  
16 roughrider industries related to the general license plate issue, for the biennium beginning  
17 July 1, 2013, and ending June 30, 2015.

18 **SECTION 10. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.**  
19 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
20 appropriated, the sum of ~~\$683,600,000~~\$541,600,000, or so much of the sum as may be  
21 necessary, which the office of management and budget shall transfer to the highway fund during  
22 the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and  
23 budget shall transfer the funds provided under this section to the state highway fund at the  
24 request of the director of the department of transportation. The funding provided in this section  
25 is considered a one-time funding item.

26 **SECTION 11. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER**  
27 **AUTHORITY.** Section 54-44.1-11 does not apply to funding of \$541,600,000 in the capital  
28 assets line item relating to enhanced state highway investments in section 1 of this Act. Any  
29 funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015,  
30 and ending June 30, 2017, and may be expended only for enhanced state highway  
31 investments.

1       **SECTION 12. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE**

2       **RAISING GRANTS.** The amount appropriated to the department of transportation from the  
3 state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579  
4 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any  
5 unexpended funds from this appropriation are available to the department to provide road grade  
6 raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

7       **SECTION 13. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9       **39-02-03. Powers and duties of director and department.**

10       The director, subject to the approval of the governor, may adopt and enforce such  
11 administrative rules and designate such agencies and establish such branch offices as may be  
12 necessary to carry out the laws applicable to the director's office and department. The director  
13 shall provide suitable forms for applications, registration cards, license number plates, and all  
14 other forms requisite for the operation of the director's office and department, and shall prepay  
15 all transportation charges thereon. ~~In addition, the~~The director shall ~~may~~ provide for a ~~uniform~~  
16 maximum fee schedule for the various services provided by the branch offices, not to exceed  
17 ten dollars for each service provided. Any branch office may establish a different fee schedule if  
18 the schedule does not contain a fee that exceeds a maximum fee established by the director  
19 and is approved by the director. All branch office managers must be bonded. The department  
20 may lease or provide office space or other ~~overhead~~ costs as necessary to independent motor  
21 vehicle branch managers. All rents collected under this section must be deposited in the state  
22 highway fund. The department and the officers thereof shall enforce the provisions of all laws  
23 pertaining to the director and the department.

24       **SECTION 14. AMENDMENT.** Section 39-04-09 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26       **39-04-09. Director may design and issue number plates.**

27       The director may design and issue plates of distinctly different color for each classification  
28 of motor vehicle, and there must at all times be a marked contrast between the background  
29 color of the plates and that of the numerals and letters ~~thereon~~ on the plateplates. License plates  
30 must be acquired from the North Dakota state penitentiary if the penitentiary has the facilities to  
31 manufacture license plates. The director shall make a general issue during the biennium

1 beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning  
2 July 1, 2015, and ending June 30, 2017.

3 **SECTION 15. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **57-43.2-19. Transfer, deposit, and distribution of funds.**

6 All taxes, license fees, penalties, and interest collected under this chapter must be  
7 transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund,  
8 except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section  
9 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state  
10 treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund.  
11 The highway tax distribution fund must be distributed in the manner as prescribed by section  
12 54-27-19.

13 **SECTION 16. AMENDMENT.** Section 27 of chapter 579 of the 2011 Session Laws is  
14 amended and reenacted as follows:

15 **SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER -**  
16 **TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING**  
17 **POLITICAL SUBDIVISIONS.**

18 If the tax commissioner certifies that total oil and gas tax  
19 revenue collections for the period July 1, 2011, through February 29, 2012, exceed  
20 total oil and gas tax revenue collection projections for that period by at least  
21 \$48,000,000, based on legislative estimates made at the close of the 2011 regular  
22 legislative session, there is appropriated out of any moneys in the general fund in the  
23 state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the  
24 sum as may be necessary, to the state treasurer for the purpose of providing  
25 transportation funding distributions, for the period beginning with the effective date of  
26 this Act and ending June 30, 2013. The funding provided in this section is considered  
27 a one-time funding item. The state treasurer shall distribute the funds provided under  
28 this section on April 1, 2012, as follows:

- 29 1. Six million eight hundred thousand dollars to non-oil-producing counties and  
cities pursuant to subsection 4 of section 54-27-19.

1           2. One million seven hundred thousand dollars to counties and townships in non-oil-  
2           producing counties pursuant to section 54-27-19.1. Organized townships are not  
3           required to provide matching funds to receive distributions under this section.

4           3. Fourteen million five hundred thousand dollars to counties and townships in non-  
5           oil-producing counties through a distribution of \$10,000 to each organized  
6           township and a distribution of \$10,000 for each unorganized township to the  
7           county in which the unorganized township is located. If any funds remain after the  
8           distributions provided under this subsection, the state treasurer shall distribute  
9           eighty percent of the remaining funds to counties and cities pursuant to the  
10          method provided in subsection 1 of this section and shall distribute twenty  
11          percent of the remaining funds to counties and townships pursuant to the method  
12          provided in subsection 2 of this section.

13          For purposes of this section, a "non-oil-producing county" means a county that  
14          received no allocation of funding or a total allocation under section 57-51-15 of less  
15          than \$500,000 for state fiscal year 2011-2010. Any funds received by a county under  
16          this section for an unorganized township distribution must be used for roadway  
17          purposes in those unorganized townships located in the county. All funds distributed  
18          under this section must be used for extraordinary roadway maintenance purposes.

19          **SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE**

20          **PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying  
21          state railroad assistance programs. The study, if conducted, must review existing programs and  
22          funding levels and whether the existing programs and funding levels are adequate to meet  
23          current industry needs. The legislative management shall report its findings and  
24          recommendations, together with any legislation required to implement the recommendations, to  
25          the sixty-fourth legislative assembly.

26          **SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND**  
27          **FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the  
28          the long-term costs of transportation infrastructure maintenance and improvement projects and  
29          methods for funding these projects. The legislative management shall report its findings and  
30          recommendations, together with any legislation required to implement the recommendations, to  
31          the sixty-fourth legislative assembly.

1       **SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL**

2       **STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying  
3 potential statutory or administrative changes that could be made to assist parties in the fuel  
4 supply chain in complying with federal renewable fuel standards, including compliance with the  
5 renewable identification number credits requirements. The legislative management shall report  
6 its findings and recommendations, together with any legislation required to implement the  
7 recommendations, to the sixty-fourth legislative assembly.

8       **SECTION 20. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH**

9       **OFFICES.** During the 2013-14 interim, the legislative management shall consider studying the  
10 use of branch offices by the department of transportation. The study must include a review of  
11 the structure of agreements with operators of branch offices, the number of motor vehicles  
12 registered at each office, the current locations of offices, the quality of data provided by the  
13 offices, the staffing needs of the offices, and the fees received by offices for services provided.  
14 The study must also include a review of the future use of branch offices, including office  
15 locations, alternative uses for facilities, and other changes that may promote efficiencies. The  
16 legislative management shall report its findings and recommendations, together with any  
17 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

18       **SECTION 21. EFFECTIVE DATE - EXPIRATION DATE.** Section 15 of this Act is effective  
19 for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter  
20 ineffective.

21       **SECTION 22. EMERGENCY.** Sections ~~4, 5, 8, 9, and 10~~, 7 and 16 of this Act ~~and funding~~  
22 ~~of \$142,000,000 in the county and township road reconstruction program line item in section 4~~  
23 ~~of this Act, funding of \$27,000,000 in the county and township bridge reconstruction program~~  
24 ~~line item in section 1 of this Act,~~ and funding of \$10,000,000 in the grants line item in section 1  
25 of this Act to match a federal TIGER III grant for railroad improvements are declared to be an  
26 emergency measure.

#3  
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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 39-09-04"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", and the alteration of speed limits"

Page 9, after line 25, insert:

**"SECTION 18. AMENDMENT.** Section 39-09-04 of the North Dakota Century Code is amended and reenacted as follows:

**39-09-04. Alteration of maximum speed limits on state highways.**

1. The maximum speed limits specified in section 39-09-02 may be altered on all or any part of the state highway system by an administrative order by the director after a public hearing has been held. Such determination must be based on engineering and traffic investigations with primary consideration given to the establishment of reasonable and safe speeds, highway conditions, enforcement, and the general welfare. Speed limits established pursuant to this section shall be effective only when appropriate signs giving notice thereof are erected and such maximum speed limits may be declared to be effective at all times or at such times as are indicated upon said signs. Differing limits may be established for different times of the day, different types of vehicles, varying weather conditions, and other factors bearing on safe speeds, which shall be effective when posted upon appropriate fixed or variable signs.
2. Upon request of a local political subdivision, the director shall evaluate the reasonableness and safety of the speed limit on a highway or a portion of highway in the state highway system within the political subdivision. The director shall consider as primary factors in evaluating the speed limit the amount of traffic, the size and weight of the vehicles constituting the traffic, and the extent of motor vehicle collisions, especially collisions resulting in death or serious bodily injury. If the evaluation results in a recommendation to reduce the speed limit, the director shall hold a public hearing on the recommendation. If after the hearing the director makes a determination to order the alteration of a speed limit on a highway or portion of a highway and the highway is posted at sixty-five miles [104.61 kilometers] an hour, the director shall issue an administrative order decreasing the speed limit to at least fifty-five miles [88.51 kilometers] an hour."

Renumber accordingly

# 1  
5-1-13  
Conf  
SB 2012

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

That the House recede from its amendments as printed on pages 1491-1499 of the Senate Journal and pages 1558-1566 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

- Page 1, line 3, replace the second "and" with a comma
- Page 1, line 3, after "39-04-09" insert ", and 39-06.1-06"
- Page 1, line 4, replace "and" with a comma
- Page 1, line 5, after "plates" insert ", and fees for speeding"
- Page 9, after line 25, insert:

**"SECTION 18. AMENDMENT.** Section 39-06.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**39-06.1-06. Amount of statutory fees.**

The fees required for a noncriminal disposition pursuant to either section 39-06.1-02 or 39-06.1-03 must be as follows:

1. For a nonmoving violation as defined in section 39-06.1-08, a fee of any amount not to exceed twenty dollars.
2. For a moving violation as defined in section 39-06.1-09, a fee of twenty dollars, except for:
  - a. A violation of section 39-10-26, 39-10-26.2, 39-10-41, 39-10-42, 39-10-46, or 39-10-46.1, a fee of fifty dollars.
  - b. A violation of section 39-10-05 involving failure to yield to a pedestrian or subsection 1 of section 39-10-28, a fee of fifty dollars.
  - c. A violation of section 39-21-41.2, a fee of twenty-five dollars.
  - d. A violation of subsection 1 of section 39-12-02 or section 39-08-23, a fee of one hundred dollars.
  - e. A violation of subdivision d of subsection 1 of section 39-12-04, a fee of one hundred dollars.
  - f. A violation of subsection 1 of section 39-04-37 by an individual by becoming a resident of this state, a fee of one hundred dollars.
  - g. A violation of subsection 2 of section 39-10-21.1, a fee of two hundred fifty dollars.
  - h. A violation of section 39-10-59, a fee of one hundred dollars.
  - i. A violation for the failure to obey a red traffic-control signal, stop sign, or yield sign under section 39-10-05 or 39-10-24, a fee of forty dollars.

3. Except as provided in ~~subsections 7 and 11~~subsection 10, for a violation of section 39-09-02, or an equivalent ordinance, a fee established as follows:

<del>Miles per hour over</del> lawful speed limit	Fee
<del>1 - 5</del>	<del>\$ 5</del>
<del>6 - 10</del>	<del>\$ 5 plus \$1/each mph over 5 mph over limit</del>
<del>11 - 15</del>	<del>\$ 10 plus \$1/each mph over 10 mph over limit</del>
<del>16 - 20</del>	<del>\$ 15 plus \$2/each mph over 15 mph over limit</del>
<del>21 - 25</del>	<del>\$ 25 plus \$3/each mph over 20 mph over limit</del>
<del>26 - 35</del>	<del>\$ 40 plus \$3/each mph over 25 mph over limit</del>
<del>36 - 45</del>	<del>\$ 70 plus \$3/each mph over 35 mph over limit</del>
<del>46 +</del>	<del>\$100 plus \$5/each mph over 45 mph over limit</del> <u>of two dollars for each mile an hour over the limit.</u>

4. For a violation of section 39-09-01, or an ordinance defining careless driving, a fee of thirty dollars.
5. For a violation of section 39-09-01.1, or an ordinance defining care required in driving, a fee of not less than ten dollars nor more than thirty dollars.
6. For a violation of any traffic parking regulations, except a violation of subsection 10 of section 39-01-15, on any state charitable or penal institution property or on the state capitol grounds, a fee in the amount of five dollars.
7. ~~On a highway on which the speed limit is a speed higher than fifty five miles [88.51 kilometers] an hour, for a violation of section 39-09-02, or an equivalent ordinance, a fee established as follows:~~

~~Miles per hour over~~

~~lawful speed limit~~

Fee

~~1 - 10~~ \$2/each mph over limit

~~11 +~~ \$20 plus \$5/each mph over 10 mph over limit

- ~~8.~~ For a violation of section 39-21-41.4, a fee not to exceed twenty dollars.
- ~~9-8.~~ For a violation of section 39-21-44 or a rule adopted under that section, a fee of two hundred fifty dollars.
- ~~10-9.~~ For a violation of subsection 3 of section 39-21-46, a fee established as follows:
- a. Driving more than eleven hours since the last ten hours off duty, driving after fourteen hours on duty since the last ten hours off duty, driving after sixty hours on duty in seven days or seventy hours in

eight days, no record of duty status or log book in possession, failing to retain previous seven-day record of duty status or log book, or operating a vehicle with four to six out-of-service defects, one hundred dollars;

- b. False record of duty status or log book or operating a vehicle with seven to nine out-of-service defects, two hundred fifty dollars;
- c. Operating a vehicle after driver placed out of service, operating a vehicle with ten or more out-of-service defects, or operating a vehicle that has been placed out of service prior to its repair, five hundred dollars; and
- d. All other violations of motor carrier safety rules adopted under subsection 3 of section 39-21-46, fifty dollars.

41-10. On a highway on which the speed limit is posted in excess of ~~sixty-five~~forty-five miles [~~40.64~~48.51 kilometers] an hour but lower than seventy miles [112.65 kilometers] an hour, for a violation of section 39-09-02, or equivalent ordinance, a fee of ~~five~~four dollars for each mile ~~per~~an hour over the limit. On a highway on which the speed limit is posted at seventy miles [112.65 kilometers] an hour or higher, for a violation of section 39-09-02, or equivalent ordinance, a fee of five dollars for each mile an hour over the limit.

42-11. For a violation of a school zone speed limit under subdivision b of subsection 1 of section 39-09-02, or, notwithstanding subsection 2 of section 40-05-06 or section 40-05.1-06, of an ordinance in a city or home rule city for a violation of a speed limit dependent upon being on or near a school, fees for a noncriminal disposition are ~~forty-eight~~forty dollars for one through ten miles per hour over the posted speed; and ~~forty-eight~~forty dollars, plus ~~one dollar~~two dollars for each additional mile per hour over ten miles per hour over the limit unless a greater fee would be applicable under this section.

43-12. For a violation of a highway construction zone speed limit under subsection 2 of section 39-09-02, a fee of eighty dollars for one through ten miles per hour over the posted speed; and eighty dollars plus two dollars for each mile per hour over ten miles per hour over the limit, unless a greater fee would be applicable under this section. The fee in this subsection does not apply to a highway construction zone unless individuals engaged in construction are present at the time and place of the violation and the posted speed limit sign states "Minimum Fee \$80".

Renumber accordingly

April 25, 2013

# 2  
5-1-13  
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SB 2012

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

That the House recede from its amendments as printed on pages 1491-1499 of the Senate Journal and pages 1558-1566 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 57-43.2-19"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies; to provide an effective date; to provide an expiration date"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
Grants	<u>67,767,407</u>	<u>22,020,623</u>	<u>89,788,030</u>
Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434
Less estimated income	<u>1,146,903,884</u>	<u>773,875,550</u>	<u>1,920,779,434</u>
Total general fund	\$0	\$10,000,000	\$10,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program 142,000,000 0"

Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$551,600,000
Total special funds	<u>602,150,575</u>	<u>541,600,000</u>
Total general fund	\$5,850,000	\$10,000,000"

Page 3, remove lines 1 through 29

Page 4, remove lines 1 through 29

Page 5, remove lines 1 through 28

Page 5, line 29, after "FUND" insert "- PILOT PROGRAM"

Page 6, line 2, after the period insert:

"The grants line item in section 1 of this Act includes the sum of \$500,000 from the highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall develop guidelines for the distribution of program funds for rail safety projects the director deems necessary for public safety. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system."

Page 6, remove lines 16 through 31

Page 7, replace lines 1 through 14 with:

**"SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, line 18, replace "\$415,000" with "\$385,000"

Page 7, line 28, after "ISSUE" insert "- BUDGET SECTION APPROVAL"

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after "The" insert "department of transportation may not use embossed printed license plates for the general license plate issue. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates. The one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, line 12, replace "\$683,600,000" with "\$541,600,000"

Page 9, line 21, replace "plate" with "plates"

Page 9, after line 25, insert:

**"SECTION 15. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

### **57-43.2-19. Transfer, deposit, and distribution of funds.**

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

**SECTION 16. AMENDMENT.** Section 27 of chapter 579 of the 2011 Session Laws is amended and reenacted as follows:

#### **SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS.**

If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year ~~2011~~2010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized

townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

**SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING.** During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS.** During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, after line 4, insert:

**"SECTION 21. EFFECTIVE DATE - EXPIRATION DATE.** Section 15 of this Act is effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter ineffective."

Page 10, line 5, replace "4, 5, 8, 9, and 10" with "6, 7, and 16"

Page 10, line 5, remove "and funding of"

Page 10, remove lines 6 and 7

Page 10, line 8, remove "item in section 1 of this Act,"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2012 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
State Treasurer						
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
DOCR						
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0

General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Transportation						
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
Bill total						
Total all funds	\$3,389,303,578	\$2,818,962,812	(\$333,378,378)	\$2,485,584,434	\$2,993,314,082	(\$507,729,648)
Less estimated income	2,695,703,578	2,107,647,812	(181,968,378)	1,925,679,434	2,084,279,082	(158,599,648)
General fund	\$693,600,000	\$711,315,000	(\$151,410,000)	\$559,905,000	\$909,035,000	(\$349,130,000)

**Senate Bill No. 2012 - State Treasurer - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Grants to townships		\$10,000,000	(\$10,000,000)		\$9,100,000	(\$9,100,000)
Township distribution corrections		415,000	(30,000)	385,000	415,000	(30,000)
Total all funds	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$10,415,000	(\$10,030,000)	\$385,000	\$9,515,000	(\$9,130,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 120 - State Treasurer - Detail of Conference Committee Changes**

	Removes Funding for Grants to Townships <sup>1</sup>	Adjusts Funding for Township Distribution Corrections <sup>2</sup>	Total Conference Committee Changes
Grants to townships	(\$10,000,000)		(\$10,000,000)
Township distribution corrections		(30,000)	(30,000)
Total all funds	(\$10,000,000)	(\$30,000)	(\$10,030,000)
Less estimated income	0	0	0
General fund	(\$10,000,000)	(\$30,000)	(\$10,030,000)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding of \$10 million added by the Senate for grants to townships in oil-producing counties is removed. The House version reduced the grant funding from \$10 million to \$9.1 million.

<sup>2</sup> Funding to correct grant distributions to townships made in Senate Bill No. 2176 is reduced by \$30,000 to reflect revised estimates for amounts needed for corrections.

This amendment also amends Section 27 of Chapter 579 of the 2011 Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$720,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Session Laws which has not already received a distribution under that subsection. The House also added these sections and provided funding of \$700,000.

**Senate Bill No. 2012 - DOCR - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
License plate issue		\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000	\$4,900,000	\$0
Less estimated income	0	4,280,000	620,000	4,900,000	4,900,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 530 - DOCR - Detail of Conference Committee Changes**

	Increases Special Funds Authority for License Plate Issue <sup>1</sup>	Total Conference Committee Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates, the same as the House version.

**Senate Bill No. 2012 - Department of Transportation - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$198,822,626	\$198,846,860	(\$11,369,275)	\$187,477,585	\$184,577,233	\$2,900,352
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715	376,721,715	
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207	1,269,511,207	
County and township road program	142,000,000	142,000,000	(142,000,000)		190,000,000	(190,000,000)
Grants	97,548,030	98,188,030	(8,400,000)	89,788,030	89,288,030	500,000
General fund transfer to highway fund	683,600,000	683,600,000	(142,000,000)	541,600,000	683,600,000	(142,000,000)
Transfer to public transportation fund		1,100,000		1,100,000	1,100,000	
License plate issue		6,200,000	620,000	6,820,000	6,820,000	
County and township bridge program		27,000,000	(27,000,000)		20,000,000	(20,000,000)
Non-oil county distributions					150,000,000	(150,000,000)
Accrued leave payments			7,280,897	7,280,897	7,280,897	
Total all funds	\$3,389,303,578	\$2,804,267,812	(\$323,968,378)	\$2,480,299,434	\$2,978,899,082	(\$498,599,648)
Less estimated income	2,695,703,578	2,103,367,812	(182,588,378)	1,920,779,434	2,079,379,082	(158,599,648)
General fund	\$693,600,000	\$700,900,000	(\$141,380,000)	\$559,520,000	\$899,520,000	(\$340,000,000)
FTE	1079.50	1079.50	0.00	1079.50	1079.50	0.00

**Department No. 801 - Department of Transportation - Detail of Conference Committee Changes**

	<b>Adjusts State Employee Compensation and Benefits Package<sup>1</sup></b>	<b>Provides Separate Line Item for Accrued Leave Payments<sup>2</sup></b>	<b>Removes Funding for Employees Affected by Energy Development<sup>3</sup></b>	<b>Removes Funding for Oil-Impacted Counties Road Program<sup>4</sup></b>	<b>Removes Public Transportation Fund Appropriation Authority<sup>5</sup></b>	<b>Adds Funding for Rail Safety Pilot Program<sup>6</sup></b>
Salaries and wages	(\$1,543,379)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets						
County and township road program				(142,000,000)		
Grants					(8,900,000)	500,000
General fund transfer to highway fund						
Transfer to public transportation fund						
License plate issue						
County and township bridge program						
Non-oil county distributions						
Accrued leave payments		7,280,897				
<b>Total all funds</b>	<b>(\$1,543,379)</b>	<b>\$0</b>	<b>(\$3,644,999)</b>	<b>(\$142,000,000)</b>	<b>(\$8,900,000)</b>	<b>\$500,000</b>
Less estimated income	(1,543,379)	0	(3,644,999)	(142,000,000)	(8,900,000)	500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Adjusts General Fund Transfer to Highway Fund<sup>7</sup></b>	<b>Adjusts Funding for License Plate Issue<sup>8</sup></b>	<b>Removes Funding for County and Township Bridge Program<sup>9</sup></b>	<b>Total Conference Committee Changes</b>
Salaries and wages				(\$11,369,275)
Operating expenses				(1,100,000)
Capital assets				
County and township road program				(142,000,000)
Grants				(8,400,000)
General fund transfer to highway fund	(142,000,000)			(142,000,000)
Transfer to public transportation fund				
License plate issue		620,000		620,000
County and township bridge program			(27,000,000)	(27,000,000)
Non-oil county distributions				
Accrued leave payments				7,280,897
<b>Total all funds</b>	<b>(\$142,000,000)</b>	<b>\$620,000</b>	<b>(\$27,000,000)</b>	<b>(\$323,968,378)</b>
Less estimated income	0	0	(27,000,000)	(182,588,378)
General fund	(\$142,000,000)	\$620,000	\$0	(\$141,380,000)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>2</sup> A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees. The House version also included an accrued leave payments line item.

<sup>3</sup> Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed. The House also removed this funding.

<sup>4</sup> Funding from the general fund for the county and township road reconstruction program in areas impacted by oil and gas development is removed. The House version provided total program funding of \$190 million which was an increase of \$48 million from the executive budget and Senate versions of \$142 million.

<sup>5</sup> Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63rd Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

<sup>6</sup> Grant funding of \$500,000 from the highway-rail grade crossing projects safety fund is added for a highway-rail grade safety pilot program during the 2013-15 biennium. Guidelines are also added for the program.

<sup>7</sup> The general fund transfer to the state highway fund is reduced by \$142 million to reflect the removal of the county and township road reconstruction program in areas affected by oil and gas development.

<sup>8</sup> Funding for the general license plate issue is increased by \$620,000 to provide for a general license plate issue to be made on nonembossed license plates. The House also added this funding.

<sup>9</sup> Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is removed. The Senate added funding of \$27 million for the program and the House reduced funding for the program to \$20 million.

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This amendment also:

- Adds a section to deposit \$250,000 of special fuels excise tax funding in the highway-rail grade crossing safety program during each year of the 2013-15 biennium.
- Adds sections to provide for the Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.
- Removes sections that provided program guidelines regarding the oil-producing county and township road reconstruction program and the county and township bridge reconstruction program.