

OTHER DUTIES OF THE TRANSPORTATION COMMITTEE - BACKGROUND MEMORANDUM

In addition to the study responsibilities assigned to the Transportation Committee for the 2015-16 interim, the committee has also been assigned to:

- Receive a report from the Department of Transportation regarding information collected from transportation network companies during each biennium, pursuant to North Dakota Century Code Section 39-34-05.
- Receive a report from the Department of Transportation by June 30, 2016, pursuant to Section 12 of 2015 House Bill No. 1012, regarding its study of state funding distributions and allocations to public transportation providers.
- Receive a report from the Department of Transportation, pursuant to Section 18 of 2015 House Bill No. 1012, regarding the department's updated North Dakota state rail plan.

REPORT FROM THE DEPARTMENT OF TRANSPORTATION ON INFORMATION COLLECTED ON TRANSPORTATION NETWORK COMPANIES

A transportation network company as defined in Section 26.1-40.1-01, means a person operating in this state which enables prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with independent participating drivers using a personal vehicle. An example of a transportation network company is Uber.

In 2015 House Bill No. 1144, the Legislative Assembly created Chapter 39-34 relating to transportation company networks ([Appendix A](#)), which requires transportation network companies to register with the state; requires passengers to be notified of fees before services are rendered; establishes transportation driver requirements; limits disclosure of personally identifiable information of passengers; sets reporting requirements for transportation network companies and the Department of Transportation; and restricts political subdivisions from imposing taxes, rate restrictions, entry, operational, or other requirements on transportation network companies.

Section 39-34-04 ([Appendix A](#)) requires transportation network companies to report the following information to the Department of Transportation:

1. A list of political subdivisions in which the transportation network company operates;
2. The number of accidents that were reported to the transportation network company during the passenger on-board stage; and
3. The number and types of traffic violations and other violations that were reported to the transportation network company during the passenger on-board stage.

Section 39-34-04 also requires the Department of Transportation to report the information collected from the transportation network companies to the Legislative Management.

REPORT FROM THE DEPARTMENT OF TRANSPORTATION ON ITS STUDY OF STATE FUNDING DISTRIBUTIONS AND ALLOCATIONS TO PUBLIC TRANSPORTATION PROVIDERS

Section 12 of House Bill No. 1012 ([Appendix B](#)) requires the Department of Transportation to study state funding distributions and allocations to public transportation providers. The study must include a review of distributions and allocations; a review of distribution and allocation formulas; and the public transportation providers use of the funds received from the distributions, allocations, and contingent funding, including uses for operating costs and capital asset purchases. The Department of Transportation is required to report to the Transportation Committee regarding the results of its study by June 30, 2016.

State Statutes

Chapter 39-04.2 ([Appendix C](#)) authorizes the Director of the Department of Transportation to administer the public transportation fund, provides for distribution of the fund and provides a continuing appropriation for the fund.

Section 54-27-19(3) ([Appendix D](#)) requires the State Treasurer to transfer 1.5 percent monthly to the public transportation fund from the highway tax distribution fund.

Legislative History

In addition to \$6.2 million appropriated to the Department of Transportation for public transportation funding through the highway tax distribution fund formula by the 2011 Legislative Assembly, 2011 Senate Bill No. 2015 provided a \$100,000 appropriation and transfer from the general fund to the public transportation fund for distributions and allocations to public transportation providers for the 2011-13 biennium.

In addition to \$8.9 million appropriated to the Department of Transportation for public transportation funding through the highway tax distribution fund formula by the 2013 Legislative Assembly, 2013 Senate Bill No. 2012 provided a \$1.1 million contingent appropriation and transfer from the general fund to the public transportation fund for distributions and allocations to public transportation providers, of which \$1.1 million was provided as the contingency was met for the 2013-15 biennium. The contingency required annual transfers of \$550,000 if deposits in the public transportation fund from the highway tax distribution fund were \$5 million or less for each fiscal year of the 2013-15 biennium.

In 2013 House Bill No. 1142, the Legislative Assembly provided a continuing appropriation to the Department of Transportation for funds received by the public transportation fund to be allocated to each county.

In addition to \$9.3 million from a continuing appropriation to the Department of Transportation for public transportation funding through the highway tax distribution fund formula, 2015 House Bill No. 1012 provided a \$200,000 contingent appropriation from the general fund to the public transportation fund for distributions and allocations to public transportation providers. The contingency requires annual transfers of \$100,000 if deposits in the public transportation fund from the highway tax distribution fund are \$5.2 million or less for each fiscal year of the 2015-17 biennium.

REPORT FROM THE DEPARTMENT OF TRANSPORTATION ON ITS NORTH DAKOTA STATE RAIL PLAN

Section 18 of House Bill No. 1012 ([Appendix E](#)) requires the Department of Transportation to report to the Transportation Committee regarding the department's updated North Dakota state rail plan. The bill also requires the department to post the updated document to the Department of Transportation's website, and to make the document available to the Legislative Council so that an electronic copy can be posted on the legislative branch public website.

ATTACH:5