

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED HOUSE BILL NO. 1012**

Introduced by

Appropriations Committee

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

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
15				
16				
17	Salaries and wages	\$201,478,341	(\$3,651,303)	\$197,827,038
18	Operating expenses	229,381,646	28,156,139	257,537,785
19	Capital assets	771,101,851	89,924,093	861,025,944
20	Grants	<u>67,528,030</u>	<u>28,326,607</u>	<u>95,854,637</u>
21	Total special funds	\$1,269,489,868	\$142,755,536	\$1,412,245,404
22	Full-time equivalent positions	1,047.00	(65.00)	982.00

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

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

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

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

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

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

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

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

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

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

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

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

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

1 state highway fund as prescribed by section 24-02-41 and are appropriated to the department.
2 If the department requires engineering or contracting services for a project under this section, it
3 may provide the services or procure the services in accordance with section 24-02-07.3 and
4 24-02-17.

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

10 **SECTION 10. DEPARTMENT OF TRANSPORTATION STUDY - PUBLIC**
11 **TRANSPORTATION SERVICES - REPORT TO LEGISLATIVE MANAGEMENT.** During the
12 2019-20 interim, the department of transportation shall study public transportation services
13 within the state. The study must include the number of users of public transportation services,
14 demographics of the users, other transportation options available to users of public
15 transportation services, and the identification of areas of the state which have no public or
16 private transportation services available.

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

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

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

24 **SECTION 13. EMERGENCY.** Sections 6 and 8 of this Act are declared to be an emergency
25 measure.