Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019

HOUSE BILL NO. 1012
(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

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

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

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

SECTION 4. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENT FUNDING. Section 54-44.1-11 does not apply to funding of $503,115,558 in the capital assets line item relating to

enhanced state highway investments in section 1 of chapter 12 of the 2015 Session Laws. Any funds continued into the 2019-21 biennium but not spent by June 30, 2021, must be continued into the biennium beginning July 1, 2021, and ending June 30, 2023, and may be expended only for enhanced state highway investments.

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

SECTION 6. APPROPRIATION - 2017-19 BIENNIUM - GENERAL FUND - ROAD MAINTENANCE FUNDING - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $13,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of road maintenance, for the period beginning with the effective date of this Act and ending June 30, 2019. The funding provided in this section is considered a one-time funding item. Section 54-44.1-11 does not apply to this funding and any funds not spent by June 30, 2019, must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be expended only for road maintenance.

SECTION 7. CONTINGENT LOAN AUTHORIZATION - CONTINGENT APPROPRIATION - HIGHWAY IMPROVEMENT PROJECTS. The department of transportation may borrow from the Bank of North Dakota, $50,000,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation for matching federal funds that may become available, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funds authorized in this section may be borrowed and spent only upon certification by the director of the department of transportation to the director of the office of management and budget that the department has been awarded additional federal grants, which were applied for after February 1, 2019, during the biennium beginning July 1, 2019, and ending June 30, 2021. The department of transportation shall request from the sixty-seventh legislative assembly an appropriation to repay any outstanding loans authorized in this section. The appropriation in this section is a one-time funding item.

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

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

Notwithstanding any other provision of law, the director may enter a cooperative agreement with a private entity for the construction of an item on the state highway system which will benefit the private entity and the traveling public, as determined by the director. The private entity's cost-share of the items requested to be added to the state highway system must be paid for in advance of the construction by the private entity before the department can construct the project. Funds received by the department pursuant to this section must be deposited in the state highway fund as prescribed by section 24-02-41 and are appropriated to the department. If the department requires engineering or contracting services for a project under this section, it may provide the services or procure the services in accordance with section 24-02-07.3 and 24-02-17.

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

SECTION 10. DEPARTMENT OF TRANSPORTATION STUDY - PUBLIC TRANSPORTATION SERVICES - REPORT TO LEGISLATIVE MANAGEMENT. During the 2019-20 interim, the department of transportation shall study public transportation services within the state. The study must include the

number of users of public transportation services, demographics of the users, other transportation options available to users of public transportation services, and the identification of areas of the state which have no public or private transportation services available.

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

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

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

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

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1012 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 82 Nays 10 Absent 2

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 46 Nays 1 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at 8:09 P.M. on April 26, 2019.

Approved at 12:20 P.M. on May 1, 2019.

Governor

Filed in this office this 2nd day of May, 2019, at 10:05 o'clock A. M.

Secretary of State