Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

SENATE BILL NO. 2103
(Senators Armstrong, Rust, Poolman)
(Representatives Louser, Schatz, Thoreson)

AN ACT to provide an appropriation to the state treasurer for allocations to counties, cities, and townships; to provide appropriations to the department of transportation for distributions to counties and for state highway projects; to provide for a transfer; to provide for a report to the budget section; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STATE TREASURER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $298,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of distributions and allocations, as soon as possible, to counties, cities, and townships, for the period beginning with the effective date of this Act, and ending June 30, 2015.

1. The state treasurer shall distribute $100,000,000 to incorporated cities in oil-producing counties based on the population of each incorporated city according to the last official decennial federal census. The distribution to each eligible incorporated city must be proportional to the incorporated city's population relative to the combined total population of all the eligible incorporated cities within the qualifying county. The distribution must exclude incorporated cities with a population of fewer than fifty and hub cities as defined under section 57-51-01. The distribution must be based on allocations under subsection 2 of section 57-51-15 for formula allocation year 2014 as follows:

   a. $3,600,000 among the eligible incorporated cities, excluding incorporated cities with a population of more than one thousand, in the county that received the highest total allocation;

   b. $21,400,000 among the eligible incorporated cities in the county that received the second highest total allocation;

   c. $21,400,000 among the eligible incorporated cities in the county that received the third highest total allocation;

   d. $14,300,000 among the eligible incorporated cities in the county that received the fourth highest total allocation;

   e. $9,300,000 among the eligible incorporated cities in the county that received the fifth highest total allocation;

   f. $8,600,000 among the eligible incorporated cities in the county that received the sixth highest total allocation;

   g. $8,600,000 among the eligible incorporated cities in the county that received the seventh highest total allocation;

   h. $7,100,000 among the eligible incorporated cities in the county that received the eighth highest total allocation;

   i. $700,000 among the eligible incorporated cities in the county that received the ninth highest total allocation; and

j. $5,000,000 among the eligible incorporated cities in the county that received the tenth highest total allocation.

2. The state treasurer shall distribute $16,000,000 to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation of $10,000 to each organized and unorganized township within the county. The amount allocated to organized townships under this subsection must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this subsection must be credited by the county treasurer to a special fund for unorganized township roads. The distributions under this subsection must be used for the maintenance and improvement of township paved and unpaved roads and bridges. For purposes of this subsection, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under subsection 2 of section 57-51-15 of less than $5,000,000 for formula allocation year 2014.

3. a. The state treasurer shall distribute $10,000,000 to eligible incorporated cities in eligible counties based on the population of each eligible incorporated city according to the last official decennial federal census. The distribution to each eligible incorporated city in an eligible county must be proportional to each eligible incorporated city's population relative to the combined total population for all the eligible incorporated cities under this subsection. The distributions must exclude the following:

(1) Incorporated cities with a population of fewer than fifty and hub cities as defined under section 57-51-01.

(2) Incorporated cities in a county that received the thirteenth highest amount of allocations under subsection 2 of section 57-51-15 for formula allocation year 2014 with populations as follows:

(a) Fewer than seventy;

(b) Between eighty-five and one hundred eighty-five; or

(c) Between five hundred and six hundred.

(3) Incorporated cities in a county that received the fifth highest total payments under section 57-39.2-26.1 for distributions in state fiscal year 2014 with populations as follows:

(a) Fewer than three hundred; or

(b) More than nine hundred.

b. For purposes of this subsection, an "eligible county" means:

(1) A county that received an allocation under subsection 2 of section 57-51-15 of more than $100,000 but less than $5,000,000 for formula allocation year 2014;

(2) A county that received an allocation under subsection 2 of section 57-51-15 of less than $50,000 for formula allocation year 2014;

(3) A county that received the fifth highest total payments under section 57-39.2-26.1 for distributions in state fiscal year 2014;

(4) A county that received the thirty-seventh highest total payments under section 57-39.2-26.1 for distributions in state fiscal year 2014; or

(5) A county that received the forty-third highest total payments under section 57-39.2-26.1 for distributions in state fiscal year 2014.

4. The state treasurer shall distribute $172,000,000 to the hub cities as defined under section 57-51-01 based on allocations under subsection 1 of section 57-51-15 for formula allocation year 2014 and to other eligible cities as follows:

   a. $64,000,000 to the hub city that received the highest total allocation;

   b. $44,000,000 to the hub city that received the second highest total allocation;

   c. $32,000,000 to the hub city that received the third highest total allocation; and

   d. $32,000,000 to incorporated cities with a population of more than one thousand in the county that received the highest total allocation under subsection 2 of section 57-51-15 for formula allocation year 2014.

5. a. For purposes of this section, "formula allocation year 2014" means allocations to counties under subsection 2 of section 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014.

   b. For purposes of this section, "distributions in state fiscal year 2014" means payments to counties under section 57-39.2-26.1 for the period beginning August 1, 2013, and ending July 31, 2014.

   c. The funding provided to counties, cities, and townships in this section must be excluded from the calculation of oil and gas gross production tax allocations under chapter 57-51. The funding provided in this section is considered a one-time funding item.

SECTION 2. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION - REPORT TO BUDGET SECTION. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $352,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of distributions to counties for road and bridge infrastructure needs, for the period beginning with the effective date of this Act, and ending June 30, 2017.

1. The department of transportation shall distribute $240,000,000 to oil-producing counties based on the most recent data compiled by the upper great plains transportation institute regarding North Dakota's county, township, and tribal road and bridge infrastructure needs. The distribution to each oil-producing county must be proportional to each oil-producing county's total estimated road and bridge investment needs for the years 2015 to 2034, identified by the upper great plains transportation institute relative to the combined total estimated road and bridge investment needs for the years 2015 to 2034, identified by the upper great plains transportation institute of all the eligible oil-producing counties under this subsection. Each county's total estimated road and bridge investment needs include unpaved and paved road and bridge needs. For purposes of this section, "oil-producing counties" means the ten counties that received the highest total allocations under subsection 2 of section 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014.

2. The department of transportation shall distribute $112,000,000 to non-oil-producing counties based on county major collector roadway miles, as defined by the department of transportation. The distribution to each non-oil-producing county must be proportional to each non-oil-producing county's total county major collector roadway miles relative to the combined total of county major collector roadway miles of all the eligible non-oil-producing counties under this subsection. For purposes of this section, "non-oil-producing counties" means the forty-three counties that received no allocation of funding or a total allocation under

subsection 2 of section 57-51-15 of less than $5,000,000 for the period beginning September 1, 2013, and ending August 31, 2014.

3. a. Each county requesting funding under this section for county road and bridge projects shall submit the request in accordance with criteria developed by the department of transportation. For oil-producing counties, the request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county which are needed to support oil and gas production and distribution in the state. For non-oil-producing counties, the request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county which are needed to support economic activity in the state. The plan must meet the following criteria:

   (1) Roadways and bridges must provide continuity and connectivity to efficiently integrate and improve major paved and unpaved corridors within the county and across county borders.

   (2) Projects must be consistent with the upper great plains transportation institute's estimated road and bridge investment needs for the years 2015 to 2034 and other planning studies.

   (3) Upon completion of a major roadway construction or reconstruction project, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.995 kilograms].

   (4) Design speed on the roadway must be at least 55 miles per hour [88.51 kilometers per hour], unless the department of transportation provides an exemption.

   (5) Projects must comply with the American association of state highway transportation officials pavement design procedures and standards developed by the department of transportation in conjunction with the local jurisdiction.

   (6) Bridges must be designed to meet an HL 93 loading.

   b. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding for county and township rehabilitation and reconstruction projects. Counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.

   c. Funding provided under this section may be used for construction, engineering, and plan development costs, but may not be used for routine maintenance. Funding provided under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2015. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017, and ending June 30, 2019, and may be expended only for the purposes authorized by this section. The funding provided in this section is considered a one-time funding item.

4. The department of transportation shall report to the budget section and to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding, including the amounts distributed to each county, the amounts spent to date, and the amounts anticipated to be continued into the 2017-19 biennium.

SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO HIGHWAY FUND. The director of the office of management and budget shall transfer the sum of $450,000,000 from the strategic investment and improvements fund to the highway fund during the period beginning with the effective date of this Act, and ending June 30, 2015. Of the $450,000,000, the office of management and budget shall transfer $200,000,000 within one month of the effective date of this Act and shall transfer $250,000,000 at the end of the 2013-15 biennium.

SECTION 4. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of $450,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of construction and maintenance of state transportation infrastructure, for the period beginning with the effective date of this Act, and ending June 30, 2017. The funding provided in this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2015. The funding provided in this section is considered a one-time funding item.

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2103 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 44 Nays 2 Absent 1

President of the Senate

Secretary of the Senate

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

Vote: Yeas 98 Nays 2 Absent 2

Speaker of the House

Chief Clerk of the House

Received by the Governor at 4:14 P.M. on February 23, 2015.

Approved at 11:20 A.M. on February 24, 2015.

Governor

Filed in this office this 24th day of February, 2015,

at 11:46 o'clock A. M.

Secretary of State