

**Sixty-first Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2009**

SENATE BILL NO. 2338
(Senators Nething, Seymour, Wardner)
(Representatives Gruchalla, Kempenich, Weiler)

AN ACT to amend and reenact section 57-43.2-19 of the North Dakota Century Code, relating to deposit of special fuels excise taxes paid by railroads in a special fund; to provide an appropriation; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. 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 one million six hundred thousand dollars per biennium 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 2. APPROPRIATION. There is appropriated out of any moneys in the highway-rail grade crossing safety projects fund in the state treasury, not otherwise appropriated, the sum of \$1,600,000, or so much of the sum as may be necessary, and from federal highway traffic safety funds, the sum of \$900,000, or so much of the sum as may be necessary, to the department of transportation for funding of grants for highway-rail grade crossing safety projects, including grants for reduction of associated special assessments, in this state, for the biennium beginning July 1, 2009, and ending June 30, 2011. By August 1, 2011, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade safety projects fund to the highway tax distribution fund.

Grants under this section by the department of transportation for highway-rail grade crossing safety projects are subject to the following requirements:

1. A political subdivision must file an application with the department of transportation for a grant.
2. A political subdivision grant applicant must provide ten percent matching funds for the project costs but no local matching funds are required for a highway-rail grade crossing on a state highway.
3. Grant funds may be allocated for development of railroad quiet zones, installation or upgrading of active warning devices, resurfacing crossings, building of grade separations, and other costs associated with these improvements.
4. An applicant for grant approval for development of a railroad quiet zone shall provide the department of transportation a copy of the notice of intent filed with the federal railroad administration regarding establishment of a proposed quiet zone and copies of any subsequent filings with or orders from the federal railroad administration relating to the notice of intent.
5. Grants for a single crossing may not exceed \$75,000 and grants for all crossings within a city may not exceed a cumulative amount of \$225,000.

SECTION 3. EFFECTIVE DATE - EXPIRATION DATE. Section 1 of this Act is effective for taxable events occurring after June 30, 2009, and before July 1, 2011, and is thereafter ineffective.

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-first Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2338.

Senate Vote: Yeas 39 Nays 6 Absent 2

House Vote: Yeas 66 Nays 23 Absent 5

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2009.

Approved at _____ M. on _____, 2009.

Governor

Filed in this office this _____ day of _____, 2009,
at _____ o'clock _____ M.

Secretary of State