

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1358

In lieu of the amendments adopted by the Senate as printed on pages 1131-1136 of the Senate Journal, Reengrossed House Bill No. 1358 is amended as follows:

Page 1, line 1, remove "a new section to chapter 23-01 and"

Page 1, line 3, after "reenact" insert "paragraph 1 of subdivision f of subsection 1 of section 15.1-27-04.1 of the North Dakota Century Code, as created by House Bill No. 1319, as approved by the sixty-third legislative assembly, and"

Page 1, line 5, remove "; to provide a continuing appropriation"

Page 1, line 5, remove the third "to provide a"

Page 1, line 6, replace "statement of legislative intent;" with "to provide a transfer; and"

Page 1, line 6, remove "; and to declare an emergency"

Page 1, remove lines 8 through 24

Page 2, replace lines 1 through 22 with:

"SECTION 1. AMENDMENT. Paragraph 1 of subdivision f of subsection 1 of section 15.1-27-04.1 of the North Dakota Century Code, as created by House Bill No. 1319, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

- (1) Seventy-five percent of all revenue received by the school district and reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08 and mineral revenue received by the school district by direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual;"

Page 3, line 9, replace "seven" with "three"

Page 3, line 9, replace "fifty" with "seventy-five"

Page 3, line 18, replace "two" with "one"

Page 3, line 18, replace "fifty" with "twenty-five"

Page 3, remove lines 21 through 31

Page 4, remove lines 1 through 24

Page 4, line 25, replace "e." with "c."

Page 4, line 26, overstrike "one" and insert immediately thereafter "two"

Page 4, line 26, after the semicolon insert "and"

Page 4, remove lines 27 through 30

Page 4, overstrike line 31

Page 5, line 1, replace "g." with "d."

Page 5, line 1, remove "If there are no remaining"

Page 5, remove lines 2 through 6

Page 5, line 11, overstrike "the next"

Page 5, line 11, replace "four" with "all annual revenue exceeding five"

Page 5, line 11, overstrike "seventy-five" and insert immediately thereafter "twenty-five"

Page 5, line 12, overstrike "c. Of the next"

Page 5, line 12, remove "three"

Page 5, line 12, overstrike "million dollars, fifty percent is allocated to the county."

Page 5, line 13, overstrike "d. Of"

Page 5, line 13, remove "all remaining annual revenue"

Page 5, line 13, overstrike ", twenty-five"

Page 5, overstrike line 14

Page 6, line 3, replace "credited" with "distributed"

Page 6, line 3, replace "county" with "state"

Page 6, line 4, replace "Sixty" with "Sixty-five"

Page 7, line 25, overstrike "Twenty" and insert immediately thereafter "Fifteen"

Page 8, line 7, replace "Five" with "Two and one-half"

Page 8, line 9, replace the first "county" with "state"

Page 8, line 11, replace the second "county" with "state"

Page 8, line 14, after "to" insert "the county treasurer for subsequent allocation to"

Page 8, line 19, remove "if"

Page 8, remove line 20

Page 8, line 21, remove "funds on hand or"

Page 8, remove lines 23 through 30

Page 9, replace lines 1 through 16 with:

"e. Ten percent must be deposited in the oil-producing counties infrastructure enhancement fund in the state treasury."

Page 9, line 19, replace "credited" with "distributed"

Page 9, line 19, replace the second "county" with "state"

Page 9, line 25, replace "county" with "state"

Page 9, line 28, replace the second "county" with "state"

Page 9, line 30, replace "to" with "among"

Page 9, line 30, after "districts" insert "in the county"

Page 12, line 31, replace "\$150,000" with "\$120,000"

Page 13, line 5, remove **"STATE TREASURER - STRATEGIC INVESTMENT AND"**

Page 13, line 6, replace **"IMPROVEMENTS"** with **"DEPARTMENT OF TRANSPORTATION - OIL-PRODUCING COUNTIES INFRASTRUCTURE ENHANCEMENT"**

Page 13, line 6, remove "strategic investment"

Page 13, line 7, replace "and improvements" with "oil-producing counties infrastructure enhancement"

Page 13, line 8, replace "\$190,000,000" with "\$60,000,000"

Page 13, line 8, replace "state treasurer" with "department of transportation"

Page 13, line 9, after "allocation" insert "as provided in this section"

Page 13, line 9, after "counties" insert "that received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, 2012"

Page 13, line 9, replace "period" with "biennium"

Page 13, line 9, replace "May" with "July"

Page 13, line 10, remove "The amounts available for allocation under this section must be allocated"

Page 13, replace lines 11 through 20 with:

- "1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads needed to support oil and gas production and distribution in North Dakota.
 - a. Funding allocations to counties are to be made by the department of transportation based on data supplied by the upper great plains transportation institute.
 - b. Counties identified in the data supplied by the upper great plains transportation institute which received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 for the state fiscal year ending June 30, 2012, are eligible for this funding.
2. Each county requesting funding under this section for county roads shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads within the county.
 - b. The plan must be based on data supplied by the upper great plains transportation institute, actual road conditions, and integration with state highway and other county road projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO)

pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].

- d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved roadway projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township road rehabilitation and reconstruction projects.
7. The recipient 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.
8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
9. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section."

Page 13, remove lines 21 through 31

Page 14, remove lines 1 and 2

Page 14, line 6, replace "period" with "biennium"

Page 14, line 7, replace "May" with "July"

Page 14, line 8, replace "on or before May 1," with "in July"

Page 14, line 8, remove the second comma

Page 14, line 8, remove "1,"

Page 14, line 18, remove "if that township has"

Page 14, line 19, remove "uncommitted reserve funds on hand exceeding \$100,000 or"

Page 14, line 26, replace "for" with "during"

Page 14, remove lines 27 through 31

Page 15, remove lines 1 through 5

Page 15, remove lines 22 through 31

Page 16, replace lines 1 through 27 with:

"SECTION 9. APPROPRIATION - TRANSFER - GENERAL FUND TO OIL AND GAS IMPACT GRANT FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$65,000,000, which the office of management and budget shall transfer to the oil and gas impact grant fund, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section is considered one-time funding."

Page 16, remove lines 30 and 31

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1358 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
State Treasurer				
Total all funds	\$0	\$198,760,000	(\$190,000,000)	\$8,760,000
Less estimated income	0	190,000,000	(190,000,000)	0
General fund	\$0	\$8,760,000	\$0	\$8,760,000
Department of Trust Lands				
Total all funds	\$0	\$5,000,000	\$65,000,000	\$70,000,000
Less estimated income	0	5,000,000	0	5,000,000
General fund	\$0	\$0	\$65,000,000	\$65,000,000
State Department of Health				
Total all funds	\$0	\$6,250,000	(\$6,250,000)	\$0
Less estimated income	0	0	0	0
General fund	\$0	\$6,250,000	(\$6,250,000)	\$0
Department of Human Services				
Total all funds	\$0	\$10,000,000	(\$10,000,000)	\$0
Less estimated income	0	10,000,000	(10,000,000)	0
General fund	\$0	\$0	\$0	\$0
Job Service North Dakota				
Total all funds	\$0	\$150,000	(\$30,000)	\$120,000
Less estimated income	0	0	0	0
General fund	\$0	\$150,000	(\$30,000)	\$120,000
Department of Commerce				
Total all funds	\$0	\$6,000,000	(\$6,000,000)	\$0
Less estimated income	0	6,000,000	(6,000,000)	0
General fund	\$0	\$0	\$0	\$0
Department of Transportation				
Total all funds	\$0	\$150,000,000	(\$90,000,000)	\$60,000,000
Less estimated income	0	0	60,000,000	60,000,000
General fund	\$0	\$150,000,000	(\$150,000,000)	\$0
Bill total				
Total all funds	\$0	\$376,160,000	(\$237,280,000)	\$138,880,000
Less estimated income	0	211,000,000	(146,000,000)	65,000,000
General fund	\$0	\$165,160,000	(\$91,280,000)	\$73,880,000

House Bill No. 1358 - State Treasurer - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Oil-producing county allocations		\$190,000,000	(\$190,000,000)	
Township transportation grants		8,760,000		8,760,000
Total all funds	\$0	\$198,760,000	(\$190,000,000)	\$8,760,000
Less estimated income	0	190,000,000	(190,000,000)	0
General fund	\$0	\$8,760,000	\$0	\$8,760,000
FTE	0.00	0.00	0.00	0.00

Department No. 120 - State Treasurer - Detail of Senate Changes

	Removes Funding for Oil-Producing Counties ¹	Total Senate Changes
Oil-producing county allocations	(\$190,000,000)	(\$190,000,000)
Township transportation grants		
Total all funds	(\$190,000,000)	(\$190,000,000)
Less estimated income	(190,000,000)	(190,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$190 million from the strategic investment and improvements fund for allocation among oil-producing counties is removed. The House version provided \$190 million.

House Bill No. 1358 - Department of Trust Lands - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
New oil-producing county grants		\$5,000,000		\$5,000,000
Additional oil impact grants			65,000,000	65,000,000
Total all funds	\$0	\$5,000,000	\$65,000,000	\$70,000,000
Less estimated income	0	5,000,000	0	5,000,000
General fund	\$0	\$0	\$65,000,000	\$65,000,000
FTE	0.00	0.00	0.00	0.00

Department No. 226 - Department of Trust Lands - Detail of Senate Changes

	Adds a Transfer for Oil Impact Grants ¹	Total Senate Changes
New oil-producing county grants		
Additional oil impact grants	65,000,000	65,000,000
Total all funds	\$65,000,000	\$65,000,000
Less estimated income	0	0
General fund	\$65,000,000	\$65,000,000
FTE	0.00	0.00

¹ This amendment adds a transfer of \$65 million from the general fund to the oil and gas impact grant fund to provide additional funding for oil impact grants.

House Bill No. 1358 - State Department of Health - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Emergency medical services allocations		\$6,250,000	(\$6,250,000)	
Total all funds	\$0	\$6,250,000	(\$6,250,000)	\$0
Less estimated income	0	0	0	0
General fund	\$0	\$6,250,000	(\$6,250,000)	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 301 - State Department of Health - Detail of Senate Changes

	Removes Funding for Emergency Medical Services ¹	Total Senate Changes
Emergency medical services allocations	(\$6,250,000)	(\$6,250,000)
Total all funds	(\$6,250,000)	(\$6,250,000)
Less estimated income	0	0
General fund	(\$6,250,000)	(\$6,250,000)
FTE	0.00	0.00

¹ This amendment removes funding of \$6.25 million from the general fund for allocations to emergency medical services providers in counties that received less than \$5 million in annual oil tax allocations. The House version provided \$6.25 million.

House Bill No. 1358 - Department of Human Services - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Critical access hospital grants		\$10,000,000	(\$10,000,000)	
Total all funds	\$0	\$10,000,000	(\$10,000,000)	\$0
Less estimated income	0	10,000,000	(10,000,000)	0
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Senate Changes

	Removes Funding for Grants to Critical Access Hospitals ¹	Total Senate Changes
Critical access hospital grants	(\$10,000,000)	(\$10,000,000)
Total all funds	(\$10,000,000)	(\$10,000,000)
Less estimated income	(10,000,000)	(10,000,000)

General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$10 million from the strategic investment and improvements fund for grants to critical access hospitals in oil-producing counties is removed. The House version provided \$10 million.

House Bill No. 1358 - Job Service North Dakota - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Employment data updates		\$150,000	(\$30,000)	\$120,000
Total all funds	\$0	\$150,000	(\$30,000)	\$120,000
Less estimated income	0	0	0	0
General fund	\$0	\$150,000	(\$30,000)	\$120,000
FTE	0.00	0.00	0.00	0.00

Department No. 380 - Job Service North Dakota - Detail of Senate Changes

	Reduces Funding for Data Collection ¹	Total Senate Changes
Employment data updates	(\$30,000)	(\$30,000)
Total all funds	(\$30,000)	(\$30,000)
Less estimated income	0	0
General fund	(\$30,000)	(\$30,000)
FTE	0.00	0.00

¹ Funding to Job Service North Dakota for data collection is reduced by \$30,000, from \$150,000 to \$120,000. The House version provided \$150,000.

House Bill No. 1358 - Department of Commerce - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Nursing home grants		\$6,000,000	(\$6,000,000)	
Total all funds	\$0	\$6,000,000	(\$6,000,000)	\$0
Less estimated income	0	6,000,000	(6,000,000)	0
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 601 - Department of Commerce - Detail of Senate Changes

	Removes Funding for Nursing Home Grants ¹	Total Senate Changes
Nursing home grants	(\$6,000,000)	(\$6,000,000)
Total all funds	(\$6,000,000)	(\$6,000,000)
Less estimated income	(6,000,000)	(6,000,000)

General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment removes funding of \$6 million from the strategic investment and improvements fund for grants to nursing homes, basic care facilities, and providers serving individuals with developmental disabilities in oil-producing counties. The House version provided \$6 million.

House Bill No. 1358 - Department of Transportation - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
County transportation allocations		\$150,000,000	(\$150,000,000)	
Oil-producing county infrastructure			60,000,000	60,000,000
Total all funds	\$0	\$150,000,000	(\$90,000,000)	\$60,000,000
Less estimated income	0	0	60,000,000	60,000,000
General fund	\$0	\$150,000,000	(\$150,000,000)	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 801 - Department of Transportation - Detail of Senate Changes

	Removes Funding in Non-Oil-Producing Counties ¹	Adds Funding for Oil-Producing County Infrastructure ²	Total Senate Changes
County transportation allocations	(\$150,000,000)		(\$150,000,000)
Oil-producing county infrastructure		60,000,000	60,000,000
Total all funds	(\$150,000,000)	\$60,000,000	(\$90,000,000)
Less estimated income	0	60,000,000	60,000,000
General fund	(\$150,000,000)	\$0	(\$150,000,000)
FTE	0.00	0.00	0.00

¹ This amendment removes \$150 million of funding from the general fund for allocation among counties that received less than \$5 million in annual oil tax allocations. The House version provided \$150 million.

² This amendment adds \$60 million of funding from the oil-producing counties infrastructure enhancement fund to the Department of Transportation for allocation among counties that received \$5 million or more in oil tax allocations during fiscal year 2012.

This amendment also:

- Removes a section to create an emergency medical service and fire protection district funding committee.
- Adds a section to include mineral revenue in the baseline funding for the calculation of state aid paid to schools.

- Changes the amounts allocated from the 1 percent of the 5 percent oil tax collections:
 - Reduces the allocation to hub cities based on each full or partial percentage point of employment in mining by \$375,000, from \$750,000 to \$375,000.
 - Reduces the allocation to hub city school districts based on each full or partial percentage point of employment in mining by \$125, 000, from \$250,000 to \$125,000.
 - Increases the allocation to the oil and gas impact grant fund by \$100 million, from \$150 million to \$250 million.
- Changes the amounts allocated to counties from the 4 percent of the 5 percent oil tax collections to provide 25 percent of all revenue above \$5 million to the counties. The House version provided multiple thresholds with varying percentages.
- Changes the percentage allocations for counties that receive more than \$5 million in annual oil tax allocations:
 - Increases from 60 percent to 65 percent for the county general fund.
 - Decreases from 20 percent to 15 percent for cities.
 - Decreases from 5 percent to 2.5 percent for school districts.
 - Retains the 7.5 percent to organized and unorganized townships.
 - Removes three separate 2.5 percent allocations to sheriff's departments, emergency medical service providers, and fire protection districts.
 - Adds a 10 percent allocation to a newly created oil-producing counties infrastructure enhancement fund for distribution among oil-producing counties for infrastructure projects.
- Adds new requirements to the appropriation for road projects to provide Department of Transportation oversight and to ensure the construction of high quality roads.
- Changes the dates for the appropriations and removes a section providing an emergency clause.
- Provides a technical correction to the effective date section.
- Removes a section providing legislative intent.