

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2103**

Introduced by

Senators Armstrong, Rust, Poolman

Representatives Louser, Schatz, Thoreson

1 A BILL for an Act to provide an appropriation to the state treasurer for allocations to counties,
2 cities, and townships; to provide appropriations to the department of transportation for
3 distributions to counties and for state highway projects; to provide for a transfer; to provide for a
4 report to the budget section; to provide an exemption; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION - STATE TREASURER - STRATEGIC INVESTMENT AND**
7 **IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment
8 and improvements fund in the state treasury, not otherwise appropriated, the sum of
9 \$298,000,000, or so much of the sum as may be necessary, to the state treasurer for the
10 purpose of distributions and allocations, as soon as possible, to counties, cities, and townships,
11 for the period beginning with the effective date of this Act, and ending June 30, 2015.

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

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

- 1 b. \$21,400,000 among the eligible incorporated cities in the county that received the
- 2 second highest total allocation;
- 3 c. \$21,400,000 among the eligible incorporated cities in the county that received the
- 4 third highest total allocation;
- 5 d. \$14,300,000 among the eligible incorporated cities in the county that received the
- 6 fourth highest total allocation;
- 7 e. \$9,300,000 among the eligible incorporated cities in the county that received the
- 8 fifth highest total allocation;
- 9 f. \$8,600,000 among the eligible incorporated cities in the county that received the
- 10 sixth highest total allocation;
- 11 g. \$8,600,000 among the eligible incorporated cities in the county that received the
- 12 seventh highest total allocation;
- 13 h. \$7,100,000 among the eligible incorporated cities in the county that received the
- 14 eighth highest total allocation;
- 15 i. \$700,000 among the eligible incorporated cities in the county that received the
- 16 ninth highest total allocation; and
- 17 j. \$5,000,000 among the eligible incorporated cities in the county that received the
- 18 tenth highest total allocation.
- 19 2. The state treasurer shall distribute \$16,000,000 to non-oil-producing counties for the
- 20 benefit of the organized and unorganized townships within each non-oil-producing
- 21 county. The distribution to each non-oil-producing county must provide for an
- 22 allocation of \$10,000 to each organized and unorganized township within the county.
- 23 The amount allocated to organized townships under this subsection must be paid by
- 24 the county treasurer to each organized township. The amount allocated to
- 25 unorganized townships under this subsection must be credited by the county treasurer
- 26 to a special fund for unorganized township roads. The distributions under this
- 27 subsection must be used for the maintenance and improvement of township paved
- 28 and unpaved roads and bridges. For purposes of this subsection, a "non-oil-producing
- 29 county" means a county that received no allocation of funding or a total allocation
- 30 under subsection 2 of section 57-51-15 of less than \$5,000,000 for formula allocation
- 31 year 2014.

- 1 3. a. The state treasurer shall distribute \$10,000,000 to eligible incorporated cities in
2 eligible counties based on the population of each eligible incorporated city
3 according to the last official decennial federal census. The distribution to each
4 eligible incorporated city in an eligible county must be proportional to each
5 eligible incorporated city's population relative to the combined total population for
6 all the eligible incorporated cities under this subsection. The distributions must
7 exclude the following:
- 8 (1) Incorporated cities with a population of fewer than fifty and hub cities as
9 defined under section 57-51-01.
- 10 (2) Incorporated cities in a county that received the thirteenth highest amount of
11 allocations under subsection 2 of section 57-51-15 for formula allocation
12 year 2014 with populations as follows:
- 13 (a) Fewer than seventy;
- 14 (b) Between eighty-five and one hundred eighty-five; or
- 15 (c) Between five hundred and six hundred.
- 16 (3) Incorporated cities in a county that received the fifth highest total payments
17 under section 57-39.2-26.1 for distributions in state fiscal year 2014 with
18 populations as follows:
- 19 (a) Fewer than three hundred; or
- 20 (b) More than nine hundred.
- 21 b. For purposes of this subsection, an "eligible county" means:
- 22 (1) A county that received an allocation under subsection 2 of section 57-51-15
23 of more than \$100,000 but less than \$5,000,000 for formula allocation year
24 2014;
- 25 (2) A county that received an allocation under subsection 2 of section 57-51-15
26 of less than \$50,000 for formula allocation year 2014;
- 27 (3) A county that received the fifth highest total payments under section
28 57-39.2-26.1 for distributions in state fiscal year 2014;
- 29 (4) A county that received the thirty-seventh highest total payments under
30 section 57-39.2-26.1 for distributions in state fiscal year 2014; or

1 (5) A county that received the forty-third highest total payments under section
2 57-39.2-26.1 for distributions in state fiscal year 2014.

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

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

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

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

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

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

15 b. For purposes of this section, "distributions in state fiscal year 2014" means
16 payments to counties under section 57-39.2-26.1 for the period beginning August
17 1, 2013, and ending July 31, 2014.

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

22 **SECTION 2. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - STRATEGIC**
23 **INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION - REPORT TO BUDGET**

24 **SECTION.** There is appropriated out of any moneys in the strategic investment and
25 improvements fund in the state treasury, not otherwise appropriated, the sum of \$352,000,000,
26 or so much of the sum as may be necessary, to the department of transportation for the purpose
27 of distributions to counties for road and bridge infrastructure needs, for the period beginning
28 with the effective date of this Act, and ending June 30, 2017.

29 1. The department of transportation shall distribute \$240,000,000 to oil-producing
30 counties based on the most recent data compiled by the upper great plains
31 transportation institute regarding North Dakota's county, township, and tribal road and

1 bridge infrastructure needs. The distribution to each oil-producing county must be
2 proportional to each oil-producing county's total estimated road and bridge investment
3 needs for the years 2015 to 2034, identified by the upper great plains transportation
4 institute relative to the combined total estimated road and bridge investment needs for
5 the years 2015 to 2034, identified by the upper great plains transportation institute of
6 all the eligible oil-producing counties under this subsection. Each county's total
7 estimated road and bridge investment needs include unpaved and paved road and
8 bridge needs. For purposes of this section, "oil-producing counties" means the ten
9 counties that received the highest total allocations under subsection 2 of section
10 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014.

11 2. The department of transportation shall distribute \$112,000,000 to non-oil-producing
12 counties based on county major collector roadway miles, as defined by the department
13 of transportation. The distribution to each non-oil-producing county must be
14 proportional to each non-oil-producing county's total county major collector roadway
15 miles relative to the combined total of county major collector roadway miles of all the
16 eligible non-oil-producing counties under this subsection. For purposes of this section,
17 "non-oil-producing counties" means the forty-three counties that received no allocation
18 of funding or a total allocation under subsection 2 of section 57-51-15 of less than
19 \$5,000,000 for the period beginning September 1, 2013, and ending August 31, 2014.

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

- 1 (1) Roadways and bridges must provide continuity and connectivity to efficiently
2 integrate and improve major paved and unpaved corridors within the county
3 and across county borders.
- 4 (2) Projects must be consistent with the upper great plains transportation
5 institute's estimated road and bridge investment needs for the years 2015 to
6 2034 and other planning studies.
- 7 (3) Upon completion of a major roadway construction or reconstruction project,
8 the roadway segment must be posted at a legal load limit of 105,500
9 pounds [47853.995 kilograms].
- 10 (4) Design speed on the roadway must be at least 55 miles per hour [88.51
11 kilometers per hour], unless the department of transportation provides an
12 exemption.
- 13 (5) Projects must comply with the American association of state highway
14 transportation officials pavement design procedures and standards
15 developed by the department of transportation in conjunction with the local
16 jurisdiction.
- 17 (6) Bridges must be designed to meet an HL 93 loading.
- 18 b. The department of transportation, in consultation with the county, may approve
19 the plan or approve the plan with amendments. Upon approval of the plan, the
20 department of transportation shall transfer to the county the approved funding for
21 engineering and plan development costs. Upon execution of a construction
22 contract by the county, the department of transportation shall transfer to the
23 county the approved funding for county and township rehabilitation and
24 reconstruction projects. Counties shall report to the department of transportation
25 upon awarding of each contract and upon completion of each project in a manner
26 prescribed by the department.
- 27 c. Funding provided under this section may be used for construction, engineering,
28 and plan development costs, but may not be used for routine maintenance.
29 Funding provided under this section may be applied to engineering, design, and
30 construction costs incurred on related projects as of January 1, 2015. Section
31 54-44.1-11 does not apply to funding under this section. Any funds not spent by

1 June 30, 2017, must be continued into the biennium beginning July 1, 2017, and
2 ending June 30, 2019, and may be expended only for the purposes authorized by
3 this section. The funding provided in this section is considered a one-time funding
4 item.

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

9 **SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
10 **HIGHWAY FUND.** The director of the office of management and budget shall transfer the sum
11 of \$450,000,000 from the strategic investment and improvements fund to the highway fund
12 during the period beginning with the effective date of this Act, and ending June 30, 2015. Of the
13 \$450,000,000, the office of management and budget shall transfer \$200,000,000 within one
14 month of the effective date of this Act and shall transfer \$250,000,000 at the end of the 2013-15
15 biennium.

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

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