

2011 SENATE TRANSPORTATION

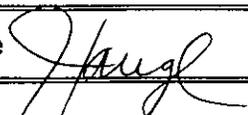
SB 2308

2011 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

SB 2308
February 3, 2011
13927

Conference Committee

Committee Clerk Signature 

Explanation or reason for introduction of bill/resolution:

The industry asked for this bill. It establishes a fund for the Highway Patrol to establish and operate an online permitting and routing system.

Minutes:

One attachment

Senator G. Lee opened the hearing on SB 2308 relating to special permits for oversize and overweight vehicles and a motor carrier electronic permit transaction fund.

Senator Stenehjem, District #30, introduced SB 2308. He said there is a tremendous amount of truck traffic, particularly in the western part of ND. It is creating a backlog of paperwork and logistics as these truck drivers and transport companies have to for and obtain a permit. This bill will allow the Highway Patrol to establish an on-line permit system. They could handle it themselves or they could contract out with a third party. There is a \$15 fee but that is only for electronically filing the permit. The second part is setting up a revolving fund that will allow the Highway Patrol to use the dollars collected from the permit fee to continue providing that electronic permit.

Senator Oehlke asked if the Highway Patrol contracts the service out, does the fifteen dollars cover the transaction.

Senator Stenehjem answered that the fifteen dollars should cover the cost of using the third party. He said that is why we would have the revolving account so we could pay the bill on it.

Senator Lee asked if the oversize annual permit is affected with this bill.

Senator Stenehjem replied no. This would not change the process of how past permits were obtained, it would just add the online option for the special permits for oversize and overweight vehicles. As for the annual permits, he deferred that question to the Highway Patrol.

Tom Balzer, Executive Vice President of the North Dakota Motor Carriers Association testified in support of SB 2308. Written testimony #1

Senator Lee asked who has the responsibility of keeping the routing system up.

Mr. Balzer replied that the Transportation Department has system in place but there is some work to be done in getting bridge specs up to date. The Department of Transportation ultimately puts their stamp on which routes are acceptable for which load restrictions.

Senator Nodland asked if this was just state and federal highway systems.

Mr. Balzer answered that right now this is just the state and federal system for permitting. He said there are some counties that do overweight permits and there are some that don't. He said that there is a possibility that counties could contract with the same companies if they choose to go that way.

Senator Lee asked how much this will actually help the western part of the state if it only affects state and federal roads.

Mr. Balzer said that it would greatly increase their ability to get the loads moved. They are traveling on many state and federal funded roads.

Russ Hanson, Associated General Contractors of North Dakota testified in support of SB 2308. They are on board with the Motor Carriers and echo Tom Balzer's testimony.

No opposing testimony.

Senator Lee asked Colonel Prochniak to explain the fiscal note.

Colonel Prochniak, North Dakota Highway Patrol, explained the fiscal note. The NDHP concurs with North Dakota Motor Carriers Association for online permitting and the contents of this bill.

Senator Mathern asked why we couldn't do this on our own.

Colonel Prochniak said they have made strides when it comes to electronic permits but the second issue is routing and that information is hard to get.

Discussion followed on the use of government versus private vendors.

Senator Sitte was concerned with the immediate need for this and she expressed that they might want to amend in an emergency clause.

Senator Lee asked if INT permits or Interstate permits are affected by the changes in this bill.

Colonel Prochniak said they are not included in this permit fee.

Senator Lee asked if this system was going to take them more time.

Colonel Prochniak answered that there would be a learning curve. It will be a new program and they are going to have to interface with programs from other states. He said they were going to be very reliant on DOT for bridge information and construction information to keep very current.

Senator Lee closed the hearing on SB 2308.

Senator Mathern moved Do Pass.

Senator Nodland seconded the motion.

Discussion followed on the need for an emergency clause.

Senator Mathern withdrew his motion.

Senator Nodland withdrew his second.

Senator Sitte moved adoption of the Sitte amendment.

Senator Nodland seconded the motion.

Roll call vote 6-0-0. **Amendment adopted.**

Senator Mathern moved a **Do Pass as Amended and Rerefer to Appropriations..**

Senator Nodland seconded the motion.

Roll call vote 6-0-0. **Motion passed.**

Carrier is **Senator G. Lee.**

FISCAL NOTE
 Requested by Legislative Council
 04/07/2011

Amendment to: Engrossed
 SB 2308

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$900,000	\$0	\$1,800,000
Expenditures	\$0	\$0	\$0	\$2,660,000	\$0	\$548,000
Appropriations	\$0	\$0	\$0	\$2,560,000	\$0	\$2,560,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Although the NDHP currently operates an online electronic permit system, it does not have automated routing capabilities. The \$15 fee assessment for each permit transaction would be used to maintain the current application and to prepare it for procurement of an automated routing module.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

4/7/11 - The amendment creating section 4 of the bill has no fiscal impact. The previous Fiscal Note already includes estimated ITD project management costs of \$100,000; and since the overall project costs are expected to exceed \$250,000, large project oversight is already required.

Section 1 of the measure requires assessment of a \$15 fee for every online permit issued. Based on committee discussion, it is assumed the fee would pertain to permits involving a routing component. Section 2 creates the motor carrier electronic permit transaction fund. The NDHP's existing permit system would be enhanced with additional features to provide for procurement of a module for automated routing. Including both NDHP and NDDOT direct costs for the 2011-2013 biennium, estimates range from \$2,094,000 to \$2,660,000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

An estimate of 120,000 permits involving a routing component are expected to be sold during the 2011-2013 biennium. Transaction fees collected for each permit issued would be deposited in the motor carrier electronic permit transaction fund. If implementation of the \$15 transaction fee could begin in July 2012, an estimated \$900,000 could be collected. Another \$1,800,000 is estimated to be collected during the 2013-2015 biennium. These estimated collections are not included in the executive budget.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Total expenditures are estimated to range from \$2,094,000 to \$2,660,000 depending on procurement results.

Based on preliminary information, a breakdown of NDHP costs are as follows: Enhancement of the current NDHP permits system to include procurement of a module for automated routing is estimated to cost \$1,294,000: \$100,000 ITD Project Management; \$300,000 to vendor for Core System; \$140,000 to vendor for Permit Administration; \$350,000 to vendor for Routing, Bridge Analysis, and Restriction Management Software; \$230,000 to ITD for Converting the Receipt System from Powerbuilder to .Net; \$100,000 for Interfaces to Existing E-Permits System; \$74,000 for one year of routing module maintenance. Rough estimates of ongoing maintenance of all other components of the permits system is \$400,000 biennially.

A estimate of NDDOT cost is \$800,000 to hire a vendor to get NDDOT data compatible for use in routing and permitting vehicles electronically.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The measure creates a motor carrier electronic permit transaction fund and provides for a continuing appropriation. An amendment provides for a line of credit not to exceed \$2,560,000 from the Bank of ND until June 30, 2015. The assumption is that total costs of this project for both NDHP and NDDOT may be paid from the line of credit and this credit line would be paid back from the electronic permit transaction fund.

Name:	James Prochniak	Agency:	Highway Patrol
Phone Number:	328-2455	Date Prepared:	04/07/2011

FISCAL NOTE
 Requested by Legislative Council
 03/28/2011

Amendment to: Engrossed
 SB 2308

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$900,000	\$0	\$1,800,000
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Appropriations	\$0	\$0	\$0	\$2,560,000	\$0	\$2,560,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of the measure requires assessment of a \$15 fee for every online permit issued. Based on committee discussion, it is assumed the fee would pertain to permits involving a routing component. Section 2 creates the motor carrier electronic permit transaction fund. The NDHP's existing permit system would be enhanced with additional features to provide for procurement of a module for automated routing. Including both NDHP and NDDOT direct costs for the 2011-2013 biennium, estimates range from \$2,094,000 to \$2,660,000.

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B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Total expenditures are estimated to range from \$2,094,000 to \$2,660,000 depending on procurement results.

Based on preliminary information, a breakdown of NDHP costs are as follows: Enhancement of the current NDHP permits system to include procurement of a module for automated routing is estimated to cost \$1,294,000: \$100,000

ITD Project Management; \$300,000 to vendor for Core System; \$140,000 to vendor for Permit Administration; \$350,000 to vendor for Routing, Bridge Analysis, and Restriction Management Software; \$230,000 to ITD for Converting the Receipt System from Powerbuilder to .Net; \$100,000 for Interfaces to Existing E-Permits System; \$74,000 for one year of routing module maintenance. Rough estimates of ongoing maintenance of all other components of the permits system is \$400,000 biennially.

A estimate of NDDOT cost is \$800,000 to hire a vendor to get NDDOT data compatible for use in routing and permitting vehicles electronically.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The measure creates a motor carrier electronic permit transaction fund and provides for a continuing appropriation. An amendment provides for a line of credit not to exceed \$2,560,000 from the Bank of ND until June 30, 2015. The assumption is that total costs of this project for both NDHP and NDDOT may be paid from the line of credit and this credit line would be paid back from the electronic permit transaction fund.

Name:	James J. Prochniak	Agency:	Highway Patrol
Phone Number:	328-2455	Date Prepared:	03/29/2011

FISCAL NOTE
 Requested by Legislative Council
 02/07/2011

Amendment to: SB 2308

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$2,640,000		\$2,640,000
Expenditures				\$1,760,000		\$548,000
Appropriations				\$2,640,000		\$2,640,000

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Although the NDHP currently operates an online electronic permit system, it does not have automated routing capabilities. The \$15 fee assessment for each permit transaction would be used to maintain the current application and to prepare it for procurement of an automated routing module.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

2/10/11 - The amendment is not expected to change the fiscal impact.

Section 1 of the measure requires assessment of a \$15 fee for every online permit issued. Each permit is considered a separate transaction. Section 2 creates the motor carrier electronic permit transaction fund. Our current permit system would be enhanced with additional features to provide for procurement of a module for automated routing. Costs for the 2011-2013 biennium are estimated to range from \$1,194,000 to \$1,760,000.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

An estimate of 176,000 permits are expected to be sold during the 2011-2013 biennium. Transaction fees collected for each permit issued would be deposited in the motor carrier electronic permit transaction fund. Collections for the 2011-2013 biennium at a transaction fee of \$15 for each permit are estimated at \$2,640,000. Due to the estimated excess revenues created at \$15 for each permit, the transaction fee could be reduced to \$10 which should provide for the estimated expenditures of \$1,760,000. These estimated collections are not included in the executive budget.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures may range from \$1,194,000 to \$1,760,000 depending on procurement results. Based on information available at this time, a breakdown of the \$1,194,000 estimate for enhancement of the current NDHP permits system to include the procurement of a module for automated routing is as follows: \$300,000 Core System; \$140,000 Permit

Administration; \$350,000 Software for Routing, Bridge Analysis, Restriction Management; \$230,000 Convert Receipt System from Powerbuilder to .Net; \$100,000 Interfaces to Existing E-Permits System; \$74,000 1 year of Routing Software Maintenance. Estimated ongoing maintenance of all other components of the permits system is \$400,000 biennially.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The measure creates a motor carrier electronic permit transaction fund and provides for a continuing appropriation.

Name:	James Prochniak	Agency:	Highway Patrol
Phone Number:	328-2455	Date Prepared:	02/10/2011

FISCAL NOTE

Requested by Legislative Council
01/25/2011

Bill/Resolution No.: SB 2308

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$2,640,000		\$2,640,000
Expenditures				\$1,760,000		\$548,000
Appropriations				\$2,640,000		\$2,640,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

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B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of the measure requires assessment of a \$15 fee for every online permit issued. Each permit is considered a separate transaction. Section 2 creates the motor carrier electronic permit transaction fund. Our current permit system would be enhanced with additional features to provide for procurement of a module for automated routing. Costs for the 2011-2013 biennium are estimated to range from \$1,194,000 to \$1,760,000.

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B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures may range from \$1,194,000 to \$1,760,000 depending on procurement results. Based on information available at this time, a breakdown of the \$1,194,000 estimate for enhancement of the current NDHP permits system to include the procurement of a module for automated routing is as follows: \$300,000 Core System; \$140,000 Permit Administration; \$350,000 Software for Routing, Bridge Analysis, Restriction Management; \$230,000 Convert Receipt System from Powerbuilder to .Net; \$100,000 Interfaces to Existing E-Permits System; \$74,000 1 year of Routing

Software Maintenance. Estimated ongoing maintenance of all other components of the permits system is \$400,000 biennially.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The measure creates a motor carrier electronic permit transaction fund and provides for a continuing appropriation.

Name:	James Prochniak	Agency:	Highway Patrol
Phone Number:	328-2455	Date Prepared:	01/28/2011

Date: 2-2-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2308

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number ditte amendment

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Sitte Seconded By Senator Nodland

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator Tim Mathern	✓	
Vice Chairman Dave Oehlke	✓				
Senator Dave Nething	✓				
Senator George Nodland	✓				
Senator Margaret Sitte	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-3-11
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2308

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number Site amendment

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Mathern Seconded By Senator Nodland

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator Tim Mathern	✓	
Vice Chairman Dave Oehlke	✓				
Senator Dave Nething	✓				
Senator George Nodland	✓				
Senator Margaret Sitte	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator G. Lee

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2308: Transportation Committee (Sen. G. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2308 was placed on the Sixth order on the calendar.

Page 1, line 4, remove "and"

Page 1, line 4, after "appropriation" insert "; and to declare an emergency"

Page 1, after line 23, insert:

"SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

2011 SENATE APPROPRIATIONS

SB 2308

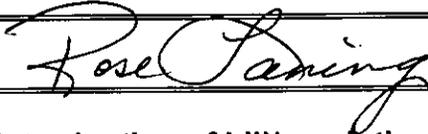
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2308
February 11, 2011
Job # 14413

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to special permits for oversize and overweight vehicles and a motor carrier electronic permit transaction fund.

Minutes:

See attached testimony # 1.

Chairman Holmberg called the committee hearing to order on

Senator Bob Stenehjem, State Senator, District 30 **Bill Sponsor**

This bill appropriates money from the state treasury for the Highway Patrol to establish and operate an online permitting and routing system. Presently, there is a big bottleneck of being able to get the permits out and issued because you presently have to find a Highway Patrolman to give you the routing for that permit. This bill proposes to set up a system to electronically do all the permits and issue a route. It is a voluntary system. Each permit would cost an additional \$15.00 because they are doing it electronically. The industry would still have all the avenues open to them and they can still acquire a permit just as they are today and not pay the \$15.00. There is a large demand for this as the fiscal note comes out to be \$2.6M and it's estimated that 176,000 permits would be issued under this system.

Senator Robinson asked why there are two separate fiscal notes.

Chairman Holmberg: There is a phrase in there, "The amendments are not expected to change the fiscal impact." They re-look at them.

Tom Balzer , Executive Vice President, ND Motor Carriers Association
Testified in favor of SB 2308 - Testimony attached - # 1

Reading from testimony -

Senator Bowman asked what will be the difference between what this bill is this is going to do versus what we already do in the oil field where they can get their permits before they ever come into the state online. In McKenzie County, they sell a lot of oversize and overweight vehicle permits.

Tom Balzer: This is going to upgrade the permitting system. It's a very comprehensive system; you go in and put down what your weights are, how they are distributed out on the axles. The system will not only kick you back a permit, but it will also kick you back a route. If there is any construction that can't handle wide loads, any load restrictions that are on specific roads, it will navigate that vehicle electronically around there, so DOT has complete control of what loads go on what roads. If there is a bridge that doesn't conform, they can route them completely around. One of the frustrations now in the process is that we have to go in, say we're going to take this route and all we get is a yes or no answer. This will tell the industry this is what your route is going to be.

Senator Wanzek: I was assuming that this would speed up the process, have less delays or be more efficient?

Tom Balzer: This is why we are pushing for it. Right now, especially for heavy loads, there are a lot of hands that have to touch that sheet of paper before they get approval. This will clean that up and you can get a permit back in 2 minutes.

Senator O'Connell: Will this eliminate the self-issuing permits that we carry?

Tom Balzer: It will not. This is a completely optional program. We wanted to make sure the self-issue part was still included in that.

Chairman Holmberg closed the hearing on SB 2308 and entertained a motion.

Senator Grindberg moved Do Pass on SB 2308.
Senator O'Connell seconded the motion.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

The bill goes back to Transportation and Senator Gary Lee will carry the bill

Date: 2-11-11
 Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 208

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Grindberg Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Gary Lee transportation Com

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2308, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2308 was placed on the Eleventh order on the calendar.

1

**TESTIMONY
SENATE BILL 2308
APPROPRIATIONS COMMITTEE
FEBRUARY 11, 2011**

Mr. Chairman and members of the Senate Appropriations committee my name is Tom Balzer, executive vice president of the North Dakota Motor Carriers Association. I am here this morning to testify in support of Senate Bill 2308.

SB 2308 is a straight forward bill. It establishes a fund the state treasury for the Highway Patrol to establish and operate an online permitting and routing system. This is funded by fees paid by the industry, \$15 per transaction, and allows them to contract with a third party vendor to provide the service.

This will provide better service to the industries of the state, reduce the work load of the already overworked Highway Patrol Permitting Section, and allow DOT to better manage the flow of over-dimensional loads in the state.

This system will better serve not only the trucking industry but also the agriculture, wind energy, oil, manufacturing and construction industries.

This is a change the industry has asked for and is more than willing to pay for.

We ask that you give SB 2308 favorable consideration and a DO PASS recommendation.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

2011 HOUSE TRANSPORTATION

SB 2308

2011 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

SB 2308
03/03/2011
Job # 14914

Conference Committee

Committee Clerk Signature *Jeanette Cook*

Explanation or reason for introduction of bill/resolution:

SB 2308 is a bill relating to special permits for oversize and overweight vehicles and a motor carrier electronic permit transaction fund; to provide for a continuing appropriation; and to declare an emergency.

Minutes:

Attachment # 1

Senator Bob Stenehjem, spoke to introduce and support SB 2308. He explained that the bill was submitted on behalf of the Motor Carriers. It stems from some of the congestion that is happening in the trucking industry, especially in western North Dakota. In that area there are many rigs that are overweight and over width, and they have problems getting the routing on their permits. Currently they can electronically get a self issuing permit, but they need to get the road routing. This bill would set up a system that the carriers could electronically get the routing through the Highway Patrol or a third party vendor. This would save time in getting the routing, rather than having to go to Bismarck or somewhere else. The intent is that people that want the electronic routing on their permit will pay the \$15 fee. The people that get a permit in the way that it is currently done will not be charged the extra \$15 fee. The \$15 is a fee paid for the convenience of not having to run around and manually get the routing.

Senator Bob Stenehjem: This has a large fiscal note. I am not sure if that is all of the permits that they give or just the new electronic permits. This may be done with a third party vendor, or the Highway Patrol can look at it and do it if they see fit.

Representative R. Kelsch: Do you think the reason that the revenues are so high is that they are basing their assumption on the fact that all of the permits are going to be electronic? Maybe a more realistic number would be one half or one third of that?

Senator Stenehjem: I am only guessing. I think the number would be somewhat less than what you see in the fiscal note. A carrier can already go online and get a permit and are not charged extra. If they need the routing part, this bill would allow them to get it by paying the \$15. We don't want to disrupt what is already happening.

Tom Balzer, North Dakota Motor Carriers, spoke to support SB 2308 and provided written testimony. See attachment #1.

Tom Balzer: Representative R. Kelsch is correct in assuming that the fiscal note is based off of 96,000 permits, which is the total number of permits sold in a year. Of those permits about two thirds are self issued permits. It was not our intention to have those self issued permits included in this fee. The intent was a pay to play scenario. If someone wanted to use the system and save time, they would and then pay the fee. One group would use the system, and another group would probably still come into the office. We have had discussions with the Highway Patrol about an appropriate fix. We would like some time for amendments.

Representative Weisz: After looking at the fiscal note and based on your numbers, to be self sustaining the fee would have to be \$30. Is the industry willing to pay that?

Tom Balzer: Yes, we would. The convenience is worth it. The question is how we will go about doing it. In South Dakota where they have this system, they can get a permit in a matter of minutes.

Representative Weisz: It would appear after the initial cost of setup, the fee could be reduced. If the cost of \$1.8 million is correct, then to pay up front for all the programming, it would have to start with a \$30 fee.

Tom Balzer: That is a discussion that we have had today. Is it appropriate to put a sunset on it? Is it appropriate to reduce the fee after the initial cost? What is that appropriate level?

Chairman Ruby: This is just the routing that we are talking about. Are there permits that don't need the maps?

Tom Balzer: The way the process works now with a super-load or a highly permitted load that needs special routing, the company needs to present to the Highway Patrol and the Department of Transportation their proposed route. They will get approval or denial of that route. If they get a denial, they have to come back with a different route. That can go on until they find the correct combination. In this process the person would go into the system and type in their weights, and the system would route them. So, within a minute or two, the person would not only have their permits, but it would also tell you where you could go or couldn't go. It would give the Highway Patrol and the Department of Transportation more control over what roads are allowable for what loads. If there is a problem area on a road, that section can be shut off immediately. The process will be greatly streamlined. Since there is already an online system in place, we wondered if it is possible to just add the routing. The system for the routing is a married system, so both the permitting and the routing come together. We don't know if the current online system can continue to exist in addition to this.

Chairman Ruby: Apparently there are some permits that do not need maps. Is that correct?

Tom Balzer: There are certain permits, that have to be issued because the load is over the allowable weight but not up to the maximum weights, that can be issued without routing.

Chairman Ruby: But, this would charge those permits the \$15 fee as the bill is worded right now?

Tom Balzer: We are not sure if that is the number.

Representative Delmore: How many other states do a similar version of this, and how many third party vendors are there to provide the mapping?

Tom Balzer: There are at least four companies that I know of that do this. I don't know the number of states for sure, but there is a vast majority. South Dakota, Minnesota, and Montana have the systems in place.

Representative Delmore: Is the program in South Dakota viable, and do they have any economic concerns?

Tom Balzer: This issue was brought forth by a member of ours who is enamored with the South Dakota system. It is economically viable and is one that is a great service to the industry. South Dakota is the one we used as a model for this system.

Representative Onstad: When they apply for a permit, how long is the permit good for? If they are not able to move the load at that time, would they have to reapply, and would it cost another \$15 fee?

Tom Balzer: I would defer to the Highway Patrol to answer that question. I believe there is a fifteen day window on the permit validity.

Representative Gruchalla: How much is South Dakota charging per transaction?

Tom Balzer: North Dakota is unique in that we charge a flat rate. South Dakota actually purchased their system, and they have all the fee increase in house built into their permitting fees. This system would be different. It would be hard to compare the two.

Russ Hanson, Associated General Contractors of North Dakota, spoke to support SB 2308. His association has worked closely with the North Dakota Motor Carriers on this bill, and is supportive of an effort to add this additional option to speed up the process of getting the routing.

Tyler Rupp, North Dakota Petroleum Council, spoke to support SB 2308. He stated that this bill is nice because it creates an option instead of mandating fee increases

There was no further support for SB 2308.
There was no opposition for SB 2308.

Representative Weisz: Colonel Prochniack, (Highway Patrol) is the estimate on the fiscal note of 176,000 permits all online permits?

Colonel Prochniack: That would be *all* permits.

Representative Weisz: In Section I it says a \$15 fee for every online permit issued. It appears the math is based on 176,000 x 15. I would like to clarify that.

Colonel Prochniack: We are trying to base that off of our permit numbers as it relates to a transaction fee. Even though that line specifies online permits, we are going with total transactions, and we were including all transactions to come up with that number.

Representative Weisz: Do you know how many online permits are issued?

Colonel Prochniack: Our online system was issued in its present form in early March. So, we don't really have the information.

Chairman Ruby: You used a worst case scenario that every permit is going to be issued online and need mapping?

Colonel Prochniack: When we prepared this we were asked that scenario. We felt that it was easier to come with the total potential, and then if it is less it would be good.

Representative Frantsvog: If someone wants a permit whether it is online or in the office, the process is the same. Is that correct?

Colonel Prochniack: Yes, it is. We would like to get everything to an online system.

Vice Chairman Weiler: We are taking about a potentially \$15 fee for just the permits that access the mapping, is that correct?

Colonel Prochniack: This would be for any online permit and/or mapping. That is how we assumed our information for the fiscal note, not just the routing portion.

Vice Chairman Weiler: In earlier testimony someone stated that the fee would just be for the ones that need the routing. I think that is where the confusion is. It was stated that if someone wanted to use it, they could use it. If they didn't want to they wouldn't have to. Is that accurate?

Colonel Prochniack: When we put this together, it included *both* the permitting and the routing.

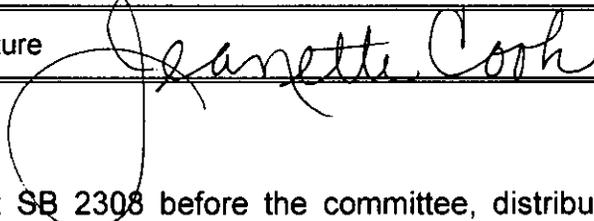
There was not further testimony on SB 2308.
The hearing was closed on SB 2308.

2011 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

SB 2308
03/24/2011
Job # 15977

Conference Committee

Committee Clerk Signature 

Minutes:

Chairman Ruby brought SB 2308 before the committee, distributed and explained the amendments. See attachment #1. He explained that Rep. Delzer said that this would not need to go to appropriations, but there would be need for a spending authority. He explained that we would be giving them the ability to get this line of credit. The authority would be put on when they did their budget.

Vice Chairman Weiler: Would the fee that is going to be charged for this to pay for the system, then be reduced when the system is paid for?

Chairman Ruby: Inaudible.... that they would need to administer, and if you look at the fiscal note, the ongoing maintenance would be the \$548,000. That could be a different number by the end of 2015. In addition, they are still going to be paying for the system through the 2013/2015 biennium.

Vice Chairman Weiler: Does the amount of the fee change, or is it still \$15.00?

Chairman Ruby: It is still \$15.00.

Representative R. Kelsch moved the amendments.

Representative Weisz seconded the motion.

A voice vote was taken. The motion carried.

Representative Weisz: The fiscal note made the assumption that ALL permits would be tacked on for the \$15. I assume that is not correct. I would have a problem with that, since that would mean \$5.00 self-issuance permits are all of the sudden going to \$20.00. In the language of the bill it seems to imply that it is only if you utilize the online electronic system.

Chairman Ruby: The discussion was that quite a few of the self-issuance permits also require routing.

Representative Weisz: They can't if it is self-issuance. There would be no way to route them.

Chairman Ruby: Where does the \$5.00 go that they put in?

Representative Weisz: The Highway Distribution Fund. The bill seems to imply that you pay the \$15.00 if you use the electronic permit system, but the fiscal note is definitely based on every permit. Two-thirds are self issue. I think this is a good bill, but would like to be clear that they are not charging the extra \$15.00 for every permit. I would like to see all the permits go electronic eventually.

Chairman Ruby: They may be able to get the system up and running in less than a year.

Representative Weisz moved a DO PASS as amended on SB 2308.

Representative R. Kelsch seconded the motion.

A roll call vote was taken. Aye 12 Nay 0 Absent 2

The motion carried.

Representative Gruchalla will carry SB 2308.

VK
3/24/11

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2308

Page 1, line 1, replace the second "and" with a comma

Page 1, line 2, after "39-12-02" insert ", and a new section to chapter 39-12"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 4, after "fund" insert ", and a line of credit"

Page 1, after line 23, insert:

"SECTION 3. A new section to chapter 39-12 of the North Dakota Century Code is created and enacted as follows:

Bank of North Dakota - Line of credit.

The Bank of North Dakota shall extend a line of credit not to exceed two million five hundred sixty thousand dollars to the highway patrol until June 30, 2015, to establish an online electronic permit system. The highway patrol may access this line of credit and shall repay the line of credit with funds in the motor carrier electronic permit transaction fund."

Renumber accordingly

Date: 3-24-11

Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2308

House TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By R. Kelsch Seconded By R. Weisz

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby			Representative Delmore		
Vice Chairman Weiler			Representative Gruchalla		
Representative Frantsvog			Representative Hogan		
Representative Heller			Representative Onstad		
Representative R. Kelsch					
Representative Louser					
Representative Owens					
Representative Sukut					
Representative Vigasaa					
Representative Weisz					

Roll Call Vote Motion Carried

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3-24-11

Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2308

House TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Weisz Seconded By R. Kelsch

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby	X		Representative Delmore	X	
Vice Chairman Weiler	X		Representative Gruchalla	X	
Representative Frantsvog	A		Representative Hogan	X	
Representative Heller	X		Representative Onstad	X	
Representative R. Kelsch	X				
Representative Louser	X				
Representative Owens	A				
Representative Sukut	X				
Representative Vigesaa	X				
Representative Weisz	X				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Gruchalla

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2308, as engrossed: Transportation Committee (Rep. Ruby, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2308 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the second "and" with a comma

Page 1, line 2, after "39-12-02" insert ", and a new section to chapter 39-12"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 4, after "fund" insert ", and a line of credit"

Page 1, after line 23, insert:

"SECTION 3. A new section to chapter 39-12 of the North Dakota Century Code is created and enacted as follows:

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Re-number accordingly

2011 HOUSE APPROPRIATIONS

SB 2308

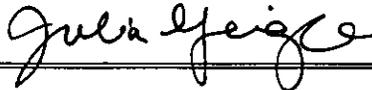
2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

SB 2308
3/30/11
16172

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new subdivision to subsection 3 of section 39-12-02, a new subsection to section 39-12-02, and a new section to chapter 39-12 of the North Dakota Century Code, relating to special permits for oversize and overweight vehicles, a motor carrier electronic permit transaction fund, and a line of credit; to provide for a continuing appropriation; and to declare an emergency.

Minutes:

Chairman Delzer: Opened discussion on SB 2308.

Representative Dan Ruby, District 38: This bill allows for some electronic mapping within the electronic permit process that DOT and the highway patrol does for overweight and overwidth loads. Right now they can go online and get a permit, but a lot of it's done right at one of the offices. Basically, the highway patrol manually goes through four or five different maps to see if the load is overweight; which roads can this load go on; which roads are engineered heavy enough for these loads; if they go into an area with county roads, what permits do they need for that; if it's an oversize load, will there be any overpasses they need to be careful of. The truckers tell them where they're starting from and where their destination is, and how they intend to get there; if that works, they'll approve it; if not, they give them alternative routes. Some states have put in electronic routing, it's all online. The trucking industry would really like ND to have that and they're willing to pay for it. This bill puts a \$15 fee for those permits. The Fiscal Note estimates that all permits would be subject to that fee, however, there are some self-issue permits, agriculture related or an oversize load manufacturing company that transports loads back and forth to the same route have a self permitting book and they just write out the permits themselves and forward the money in. Those are not being mapped; our intent is not to affect those at this time. We also wouldn't be adding the \$15 fee until the system was up and going and the truckers had the benefit of having the online mapping to give them almost instantaneous approval of certain routes that they'd be allowed to use for transporting their oversize or overweight loads. We put an amendment on that would allow for a line of credit through Bank of North Dakota for the amount they would need to get it all generated; use IT and get all the systems up to speed. To do this, they have to improve their existing permitting software and contract with a vendor to purchase the routing system. There's also some information that has to merge with DOT. DOT had put \$800,000 price on contracting with a vendor to get their system to meet up with the highway patrol's.

Basically that is the total amount in that line of credit with the Bank of ND. We sun-setted that too; we put the time that the fee would be charged and they had the authority to spend that line of credit through 2015. It would come back before the legislature and give us a cost of ongoing maintenance and renewals of the software.

Chairman Delzer: Your expectation is that the fees will remain the same, going the same place they currently are, until the system's up. At that time, you will add \$15 to repay the line of credit. The regular money will go the same place as currently it's going.

Representative Ruby: Yes. The actual fees for the permits (whether it's overweight or overwidth) already goes into the common schools trust fund – wait, it actually goes into the state distribution fund and that won't change. Right now, there is no cost for the permits that they do. This \$15 fee will be a new fee that they have no problem paying if they can get this service. Even if it's ongoing they don't mind if the revenue is generated after the cost was taken care of, that's a decision that future legislators can make.

Chairman Delzer: The line of credit is here and correct and we don't have DOT or Highway Patrol right now. I've asked Council for an amendment that would give authority for highway patrol and DOT to spend the money.

Representative Ruby: Correct, after we had it out, DOT told us they didn't have the authority to spend. Highway patrol never got back to us on that. I would assume they would need the authority as well within their budget.

Chairman Delzer: I don't have those amendments yet, but we have asked for them. It would be just limited to adding this amount to those budgets and it would be directed strictly for this bill.

Representative Skarphol: Obviously this has come up in the legislative session so this \$2.5M IT projects not included in the rankings and citec. How much input has ITD had into the potential cost of this? Was there any discussion about that link?

Representative Ruby: They didn't come into our committee at all on the costs of that. Over lunch break, highway patrol went over the whole process and how they would implement and to the processing of the permits. There was no individual discussion. There was a sheet handed out that had a breakdown of all the different enhancements they would need to the system. I don't know if that was their own information or they got that from ITD.

Chairman Delzer: I did have a discussion with the head of ITD and asked them to check with highway patrol and DOT on how this would go forward. They did have some conversations. They said that one of the concerns they had was there would be ITD oversight. I was told that this will fall into a large IT project zone so they will have oversight on it.

Representative Ruby: There was another option offered by DOT, and that was to have a vendor create and implement the whole system, and we would contract with them and they would get the fees, in perpetuity. Instead, it was decided maybe the state should purchase, develop and maintain the system from here on out.

Representative Skarphol: There's probably no entity in state government that has had more difficulty with IT projects and transportation, being the highway patrol or DOT, thus my reservation. This is one of those projects that don't go through the prioritization process. It gets added and we sometimes end up having difficulty with it and discuss the cost of IT. I have a lot of respect for the head of IT and I'd hope that everything is in proper order. However, sometimes it's best to verify. I hope we don't act on this bill until we get an opportunity to have discussion about whether or not there is some needed language to ensure that this thing is properly pre-planned and that we don't hire a vendor that can't deliver and go through a long turmoil over it.

Representative Ruby: I think that's prudent.

Chairman Delzer: We can hold this until at least Friday.

Representative Dahl: this \$15 fee that's paid for the permit, how long is it valid?

Representative Ruby: It is basically per trip. Each time they come in, they have to reapply. They get approval for one stretch. These are big semi loads generally and it's per trip.

Due to no further questions for Representative Ruby, **Chairman Delzer** closed hearing on SB 2308.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

SB 2308
4/4/2011
16316

Conference Committee

Committee Clerk Signature

Julia Eyrigle

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new subdivision to subsection 3 of section 39-12-02, a new subsection to section 39-12-02, and a new section to chapter 39-12 of the North Dakota Century Code, relating to special permits for oversize and overweight vehicles, a motor carrier electronic permit transaction fund, and a line of credit; to provide for a continuing appropriation; and to declare an emergency.

Minutes:

Chairman Delzer opened hearing on SB 2308 and directed committee's attention to **amendment .02003**. We were concerned about there being an appropriation authority for highway patrol and DOT to deal with this borrowing authority that they have. I've gotten a couple of different things from DOT. Representative Ruby had \$800,000. I got one at \$435,400 and I got another from them saying the highway patrol would do it all. I'm not exactly sure where we need to be on that. The \$435 would be DOT authority for the highway patrol, electronic permitting, system. I would guess that we could probably go without that and see what happens. This bill will probably go to conference too as we've changed it quite a bit from what the Senate did. The one that Rep. Skarphol put out, we need to look pretty hard at.

Representative Skarphol: after we discussed this in committee, I discussed this with ITD. They had no part in the planning of this. With a project of this magnitude, it's obviously what's considered a large project in state govt, I thought it was important that they be involved. The amendment says that ITD shall be involved in the study and planning of the motor carrier electronic permit project so that there is at least a link to ensure that what's being done is compatible with what's out there. I also had an amendment prepared for the Office of Management and Budget budget to make the same requirement of any state agency large projects so that we ensure, that in the future, this doesn't happen. The governor has expressed his satisfaction with both ideas. I would move **amendment .02004**.

Vice Chairman Kempenich: Second

Representative Nelson: Isn't there any kind of a requirement now that when an IT project is planned, that they go to the ITD division.

Representative Skarphol: Obviously not. This one came late enough in the session, they decided to introduce it without an involvement from ITD. This has not been through the citank ranking at all. It was just something that kind of came up and the dept brought forward.

Chairman Delzer: Once it was funded like this, it would have to go through IT to be worked on, but for the initial request for it, would not be done.

Vice Chairman Kempenich: I attended the hearing the policy committee had on this. It was in October when this came forward so the budgets were already set. An ITD rep was present but it was more in a supporting role. It might have been highway patrol's IT person. They need to have eyes on it. Bently is the name of the company that they are working through. It is a permitting system. South Dakota and Nebraska have something similar and they are looking at having something similar so they can file in their own state. The DOT is in the process of getting their GIS stuff. It's something that we are going to have to do with the amount of loads and weights that we have coming up from different parts of the country.

Chairman Delzer: I think this is something we should probably put on. We expect them to work closely with ITD because there are some good people there that can help a project like this. In the bill, the motor carriers that buy the permits will be paying the cost of redoing this. When the cost goes away, then the price of that permit will go back down to its current level. Further discussion on the motion to amend with .02004? Seeing none, we'll take a voice vote. **Voice vote carries motion to adopt amendment .02004.**

Does amendment .02003 give appropriation authority to the highway patrol which they do not currently have as well as the DOT?

Allen Knudson, Legislative Council: In the bill, there was a continuing appropriation for the highway patrol. Whatever funds that they would generate from this new system, they can spend. This does appropriate the money to DOT (\$435,000).

Chairman Delzer: That is currently in the bill the way it sits.

Knudson: Yes, the continuing appropriation is; for the highway patrol, but not the DOT.

Chairman Delzer: so if we need something with the DOT, they'll have to come forward and ask for it. It up to you, committee, about putting amendment .02003 on here, but I don't know if we need to. The last one I got said that it was all going to be done through the highway patrol.

Vice Chairman Kempenich: That's the way it was talked about in the policy committee. I move Do Pass as Amended for SB 2308.

Representative Skarphol: Second.

Chairman Delzer: Discussion?

Representative Bellew: The section that says 'the Bank of ND shall extend the line of credit' is gone now?

Chairman Delzer: No, that is still in there for the \$2.5M.

Vice Chairman Kempenich: The reason is that the ND motor carriers were the ones doing the legwork on this. Bently is run out of Denver, CO, but they were going to charge a fairly healthy fee on top of this too. It was well over \$3M and it just didn't make any sense to pay an outside entity. We might as well pay our own interest on it and we buy the product. It was a concern that this thing get rolled out right which is beneficial that IT has oversight. It'll be the first year of operation and there is going to be some maintenance fees (user fees) coming with this anyways. The patrol is getting the system, but that Bently company will be somewhat involved in it to.

Chairman Delzer: The reason for the line of credit it they didn't want to start charging the fees until the service is available. They needed to be able to fund it, so you borrow the money. Instead of using general fund money, they'll borrow it from the Bank of North Dakota. Then they'll get the fees to repay it. Further discussion on the motion for a Do Pass as amended? If not, the clerk will call the roll.

Roll call vote taken on a Do Pass as Amended for SB 2308, resulting in 20 yes, 0 no, 1 absent, thus motion carried. Representative Brandenburg was assigned as the carrier of the bill.

Chairman Delzer: Representative Brandenburg, what you can do is explain our changes and then if you way, you can pass it on back to the policy carrier which was Representative Gruchalla, but I would recommend you pass it on to Representative Ruby as the chairman of the committee. He can designate who he wants to carry it. You can certainly cover the policy as well, if you so choose.

Representative Brandenburg: I will visit with Representative Ruby and let him know too.

Chairman Delzer closed hearing on SB 2308.

VK
4/5/11

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2308

In addition to the amendments adopted by the House as printed on page 1138 of the House Journal, Engrossed Senate Bill No. 2308 is further amended as follows:

Page 1, after line 23, insert:

"SECTION 4. PROJECT PLANNING AND IMPLEMENTATION. The highway patrol shall involve the information technology department in the study and planning of the motor carrier electronic permit project, for the biennium beginning July 1, 2011, and ending June 30, 2013. The highway patrol shall include representatives of the information technology department on the project team responsible for the study and planning of the project and receive approval from the information technology department prior to proceeding with any study recommendations relating to the project."

Renumber accordingly

Date: 4/4
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2308

House Appropriations Committee

Legislative Council Amendment Number .02004

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Skarphol Seconded By Rep. Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glasheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

voice vote carries

Date: 4/4
 Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2308

House Appropriations Committee

Legislative Council Amendment Number 02004

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Kempenich Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Bellew	X		Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein					
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 20 No 0

Absent 1

Floor Assignment Rep. Brandenburg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2308, as engrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2308, as amended, was placed on the Sixth order on the calendar.

In addition to the amendments adopted by the House as printed on page 1138 of the House Journal, Engrossed Senate Bill No. 2308 is further amended as follows:

Page 1, after line 23, insert:

"SECTION 4. PROJECT PLANNING AND IMPLEMENTATION. The highway patrol shall involve the information technology department in the study and planning of the motor carrier electronic permit project, for the biennium beginning July 1, 2011, and ending June 30, 2013. The highway patrol shall include representatives of the information technology department on the project team responsible for the study and planning of the project and receive approval from the information technology department prior to proceeding with any study recommendations relating to the project."

Renumber accordingly

2011 SENATE TRANSPORTATION

CONFERENCE COMMITTEE

SB 2308

2011 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

SB 2308
April 12, 2011
16498

Conference Committee

Gauge

Minutes:

Senator G. Lee opened the hearing on SB 2308. He asked the House members to explain the changes they made.

Representative Ruby addressed the House amendments and explained why the line of credit was added to the bill. He added that the appropriations committee added the language to work with ITD and make sure that this is a system that the state owns. He said that there would be maintenance costs and explained the sunset clause. He said that by the end of 2013 we should have the system paid for and it was the general consensus that the fees that would be charged for the permits would be covering that cost.

He stated that they tried to find a way to fund it without having to find the dollars in appropriation bills or make a department fund it with existing dollars. We had to fund it to get it up and going and then charge the service.

Representative Gruchalla said that this was a creative way to get the program moving right away.

Senator Mathern moved the Senate accede to House amendments.

Senator Nodland seconded the motion.

Roll call vote: 6-0-0. **Motion passed.**

Senator Lee is the carrier.

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Transportation

Bill/Resolution No. SB 2308 as (re) engrossed

Date: 4-12-11

Roll Call Vote #: 6-0-0

- Action Taken**
- SENATE accede to House amendments
 - SENATE accede to House amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) 1222 - 1222

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) SB 2308 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Mather Seconded by: Senator Nodland

Senators			Yes	No		Representatives			Yes	No
<u>Senator G. Lee</u>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<u>Rep. Ruby</u>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
<u>Senator Nodland</u>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<u>Rep. Owens</u>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
<u>Senator Mather</u>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<u>Rep. Marchello</u>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

Vote Count: Yes 6 No 0 Absent _____

Senate Carrier Senator G. Lee House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

SB 2308, as engrossed: Your conference committee (Sens. G. Lee, Nodland, Mathern and Reps. Ruby, Owens, Gruchalla) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1222 and place SB 2308 on the Seventh order.

Engrossed SB 2308 was placed on the Seventh order of business on the calendar.

2011 TESTIMONY

SB 2308

**TESTIMONY
SENATE BILL 2308
TRANSPORATION COMMITTEE
FEBRUARY 3, 2011**

Mr. Chairman and members of the Senate Transportation committee my name is Tom Balzer, executive vice president of the North Dakota Motor Carriers Association. I am here this morning to testify in support of Senate Bill 2308.

SB 2308 is a straight forward bill. It establishes a fund the state treasury for the Highway Patrol to establish and operate an online permitting and routing system. This is funded by fees paid by the industry, \$15 per transaction, and allows them to contract with a third party vendor to provide the service.

This will provide better service to the industries of the state, reduce the work load of the already overworked Highway Patrol Permitting Section, and allow DOT to better manage the flow of over-dimensional loads in the state.

This system will better serve not only the trucking industry but also the agriculture, wind energy, oil, manufacturing and construction industries.

This is a change the industry has asked for and is more than willing to pay for.

We ask that you give SB 2308 favorable consideration and a DO PASS recommendation.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

**TESTIMONY
SENATE BILL 2308
TRANSPORTATION COMMITTEE
MARCH 3, 2011**

Mr. Chairman and members of the House Transportation committee my name is Tom Balzer, executive vice president of the North Dakota Motor Carriers Association. I am here this morning to testify in support of Senate Bill 2308.

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This will provide better service to the industries of the state, reduce the work load of the already overworked Highway Patrol Permitting Section, and allow DOT to better manage the flow of over-dimensional loads in the state.

This system will better serve not only the trucking industry but also the agriculture, wind energy, oil, manufacturing and construction industries.

This is a change the industry has asked for and is more than willing to pay for.

We ask that you give SB 2308 favorable consideration and a DO PASS recommendation.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2308

In addition to the amendments adopted by the House as printed on page 1138 of the House Journal, Engrossed Senate Bill No. 2308 is further amended as follows:

Page 1, line 4, after "fund" insert "; to provide an appropriation"

Page 1, line 4, after "appropriation" insert "; to provide an expiration date"

Page 1, after line 23, insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the motor carrier electronic permit transaction fund in the state treasury, not otherwise appropriated, the sum of \$435,400, or so much of the sum as may be necessary, to the department of transportation for the purpose of integrating department information into the highway patrol electronic permitting system, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. EXPIRATION DATE. This Act is effective through June 30, 2015, and after that date is ineffective."

Renumber accordingly