

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/19/2015**

Amendment to: SB 2255

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

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

This bill makes changes to the laws pertaining to common household goods carriers.

- 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.*

This bill should not have a material fiscal impact.

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.*

- 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.*

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

**Name:** Linda Sitz

**Agency:** NDDOT

**Telephone:** 328-1986

**Date Prepared:** 01/20/2015

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/19/2015**

Bill/Resolution No.: SB 2255

- 1 A. **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.*

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	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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Counties			
Cities			
School Districts			
Townships			

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

This bill makes changes to the laws pertaining to common household goods carriers.

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This bill should not have a material fiscal impact.

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.*

- 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.*

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

**Name:** Linda Sitz

**Agency:** NDDOT

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**Date Prepared:** 01/20/2015

**2015 SENATE TRANSPORTATION**

**SB 2255**

# 2015 SENATE STANDING COMMITTEE MINUTES

**Transportation Committee**  
Lewis and Clark Room, State Capitol

SB 2255  
1/29/2015  
Recording job number 22784

Subcommittee

Conference Committee

Committee Clerk Signature

*Doris E. Perez*

## **Explanation or reason for introduction of bill/resolution:**

To amend and reenact subsection 1 of section 39-31-03, sections 39-31-04, 39-31-06, 39-31-11, 39-31-12, 39-31-13, and 39-31-14 of the North Dakota Century Code, relating to common household goods carriers; and to repeal sections 39-31-05, 39-31-07, 39-31-08, 39-31-09, and 39-31-10 of the North Dakota Century Code, relating to common household goods carriers.

Attachments: 2

## **Minutes**

**Chairman Oehlke** opened the hearing on SB 2255, absent **Senators Rust** and **Axness** momentarily absent, **Senator Campbell** absent.

**Vice Chairman Casper** co-sponsor, this bill will make the regulating of common goods carriers (movers of household goods) more efficient. We are allowing the other transportation companies to comment on whether or not someone should be licensed. We are streamlining that process while maintaining good standards. This will not affect the companies in metropolitan areas (0:00-1:11)

**Arik Spencer**, Executive Vice President, North Dakota Motor Carriers Association, this bill updates the application process by which commercial carriers can apply for a certificate of public convenience and necessity. See attachment #1 highlighting the changes this bill proposes. See attachment #2, a copy of the Century Code, Chapter 39-31 regulating common household goods carriers, in which proposed language is underlined and the old language is overstruck. Urges do pass. (1:12- 4:53)

**Chairman Oehlke** why if the apply thru the Secretary of State they have to apply thru DOT (Department of Transportation)?

**Arik Spencer**: when the application goes to DOT they have to show they are registered with the Secretary of State and have a workers compensation certificate. This is an application process that DOT manages and for whatever reason these companies have been regulated for years so there is a lot of separate legislation that affects only them. We are trying to make this easier. (4:60-5:33)

Senate Transportation Committee  
SB 2255  
1/29/2015  
Page 2

No additional testimony in favor, against or neutral. Hearing closed.

**Senator Axness moved: do pass**

**Senator Sinner seconded the motion**

No further discussion

**Roll call vote: YES 5 NO 0 ABSENT 1**

**Carrier Vice Chairman Casper**

**2015 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 SB BILL NO.2255**

Senate \_\_\_\_\_ **TRANSPORTATION** \_\_\_\_\_ Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Senator Axness    Seconded By Senator Sinner

<b>Senators</b>	<b>Yes</b>	<b>No</b>	<b>Senators</b>	<b>Yes</b>	<b>No</b>
Chairman Oehlke	x		Senator Axness	x	
Vice Chairman Casper	x		Senator Sinner	x	
Senator Campbell	abs				
Senator Rust	x				

Total (Yes) \_\_\_\_\_ 5 \_\_\_\_\_ No \_\_\_\_\_ 0 \_\_\_\_\_

Absent \_\_\_\_\_ 1 \_\_\_\_\_

Floor Assignment Vice Chairman Casper

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

**REPORT OF STANDING COMMITTEE**

**SB 2255: Transportation Committee (Sen. Oehlke, Chairman)** recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2255 was placed on the Eleventh order on the calendar.

**2015 HOUSE TRANSPORTATION**

**SB 2255**

# 2015 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee  
Fort Totten Room, State Capitol

SB 2255  
3/13/2015  
#24816

Subcommittee  
Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A bill relating to common household goods carriers.

## Minutes:

Attachment #1

**Chairman Dan Ruby** opened the hearing on SB 2255.

**Arik Spencer, Executive Vice President of the North Dakota Motor Carriers Association**, spoke to support SB 2255. Written testimony was provided. See attachment #1.

**Representative Ben Hanson:** On Line 16 Page 1 there is a reference to tariffs that is being repealed. What would that be in reference to?

**Arik Spencer:** There used to be a motor carrier tariff. It was governed by the Public Service Commission. All of the carriers in the state had to file their rates, and they couldn't change from those. That was repealed some time ago. It was not changed in this section of Code, and we felt that it needed to be updated.

**Representative Marvin Nelson:** The proof of registration with the Secretary of State that would be required, what do they register as?

**Arik Spencer:** They just have to file with the Secretary of State as a business entity doing business in the state. It is just a general business registration.

**Representative Gary Paur:** Do you have any idea of the history of requiring hearings? It seems unreasonable.

**Arik Spencer:** I don't know why that was added. In our opinion it is a fairly protectionist provision of law. Based on free market competition, we think that if someone wants to try, they may succeed or fail.

**Vice Chairman Lisa Meier:** Would this apply to a furniture store moving furniture as well, or is it just for moving companies?

**Arik Spencer:** I don't believe that it would be for furniture stores; it would only be for moving companies. In federal law there have been special requirements when you enter someone's home, and you are transporting their personal goods from one location to another. The state had a chapter related to that, but it only affects goods transferred from one location in North Dakota to another location in North Dakota.

**Representative Robin Weisz:** Is there any reason that we need this section at all?

**Arik Spencer:** I don't know, but I also don't know the consequences if we were repeal it.

**Chairman Dan Ruby:** I am certainly in favor of the bill, and getting rid of a bunch of onerous regulation.

**Arik Spencer:** I could check and see what the consequences of getting rid of the whole section would be. The language in here was specifically worked out among the people that regulate. They wanted these changes.

**Chairman Dan Ruby:** The fact that there was a public comment period, and then the Department of Transportation didn't have the ability to deny based on that information doesn't seem to make sense.

**Arik Spencer:** I agree, and what is being struck out in 39-31-08 talks about the factors to be considered. When I visited with the Department of Transportation and the Motor Carriers' Service division, I asked how they made the decision. They told me that there are really no criteria in the law, so they just approve every one. Would you like me to check on the consequences?

**Chairman Dan Ruby:** Yes, there might be some, and it would be good to know.

There was no further support on SB 2255.  
There was no opposition to SB 2255.

The hearing on SB 2255 was closed.

**Arik Spencer:** One of the comments made by the household carriers is that with the number of people coming into North Dakota, they were hearing reports of less than reputable companies coming in and stealing some property. That is one of the reasons that they wanted to make sure that the companies that were carrying household goods were registering with the Secretary of State. But, we all know that if people want to break the law, they probably wouldn't apply for a certificate of Public Convenience and Necessity anyway.

**Rep. Mark Owens:** This whole section was put in in 1995. I will just go upstairs and ask them why.

**Representative Rick C. Becker:** Rep. Mark Owens, could you also ask them what other certificates of Pubic Convenience and Necessity are required in all areas?

Misc. discussion.

**Representative Gary Paur:** Arik, are there any federal regulations of household carriers that are outside of the standard trucking regulations?

**Arik Spencer:** Yes, there are. When you apply for your interstate authority to cross state lines, you have to declare the types of commodities that you are going to be moving or what motor carrier activity you are going to engage in. The mover of household goods is one of those things. You are regulated by the federal government. Their regulation ends when you are solely moving items within the boundaries of the state because then it is not interstate commerce. So, North Dakota has its own regulations in that case.

There was no further discussion on SB 2255.

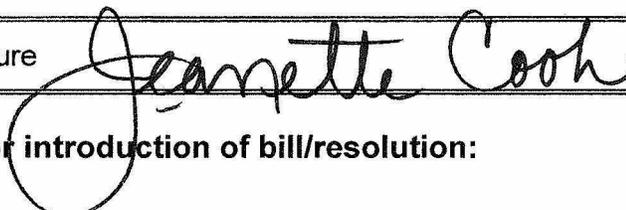
# 2015 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee  
Fort Totten Room, State Capitol

SB 2255  
3/19/2015  
#25119

Subcommittee  
Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A bill relating to common household goods carriers.

## Minutes:

**Chairman Dan Ruby** brought SB 2255 back before the committee.

**Chairman Dan Ruby:** We held this bill over, and Rep. Mark Owens checked on some information for us. The bill improved and reduced some of the regulation for the common carriers (truckers that haul furniture and personal household items). They have been regulated at a different level than the regular motor carriers for many years. This bill deals with intrastate only.

**Rep. Mark Owens:** One of the issues that we heard during the hearing was that there have been incidences of moving companies bringing things to the oil area, and items had been stolen. That didn't seem logical to me because that would be interstate which this law doesn't affect. The point was that the movers come up, and then they stay here and operate inside the state. We wondered if we really need this regulation, and why not just let free market operate. The representative went back to his members and asked them some questions. He explained that they (instate household carriers) appreciate limiting regulations on them, but they do feel some regulation for the people that they haul goods for is important. They believe that they have it amended now in a way they feel comfortable with. Basically, the industry would like these regulations.

**Representative Lois Delmore:** It will also repeal some things that we want to get out of Code. That tariff part has been out since 1996, and it is still listed in current law. I think there is merit in the bill and passing it out.

**Representative Ben Hanson:** When the tariff code was taken out why didn't they take it out in all places?

**Chairman Dan Ruby:** It was something that they missed.

**Representative Rick C. Becker:** My concern is the Certificate of Public Convenience and Necessity. Did Rep. Mark Owens have the opportunity to find out how many others there are?

**Rep. Mark Owens:** I did ask where else that is referenced in Code, but I haven't gotten an answer.

**Representative Rick C. Becker:** My concern is that the Certificate of Public Convenience and Necessity is completely epithetical to anything resembling free market. That certificate does not in and of itself prevent less than good neighbor activity from these carriers. It is a request from the government to be able to conduct and create a business. Naturally, the people in that business are going to be for it because they are already in the business, and it helps keep competition down. The fact that the people in that business are in favor of the regulation holds absolutely no standing for me whatsoever in the decision of whether or not to pass this bill. I would like to continue the discussion when we have more information.

**Chairman Dan Ruby:** The reason that they put that portion in and had the certificate in is because it removed the language on line 11 about "after notice to and opportunity for comment by all interested parties...". It basically gave the competition the ability to comment whether or not the new business was necessary or needed. There were really no teeth in it, but it allowed them to comment. That was a good thing to remove. We can wait and act after we have more information.

**Rep. Mark Owens:** I shared with you what the industry told me, but I didn't expect us to act on it today until we get the rest of the information.

**Chairman Dan Ruby:** We will wait then.

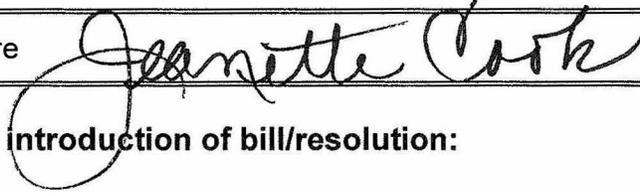
# 2015 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee  
Fort Totten Room, State Capitol

SB 2255  
3/20/2015  
SB 25209

Subcommittee  
Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A bill relating to common household goods carriers.

## Minutes:

**Chairman Dan Ruby** brought SB 2255 before the committee. The bill was reviewed.

**Rep. Mark Owens:** It seems like the Certificate of Convenience is only in this section of law. (convenience **NOT** conveyance) We need to verify that, but I think that is correct.

**Chairman Dan Ruby:** The term isn't new, Page 2 Line 16, "Every household goods carrier operating in the state when applying for a Certificate of Public Convenience and Necessity ..."

**Rep. Mark Owens:** The original bill said shall pay a fee of \$100, but there is no annual fee.

**Chairman Dan Ruby:** Arik, could you explain any of this?

**Arik Spencer, North Dakota Motor Carriers:** The \$100 filing fee is still in place for the initial application. There was never a renewal cost. The renewal cost that is proposed in the bill is something that the Department of Transportation wanted to offset their time in terms of getting a copy of the liability insurance on an annual basis.

**Vice Chairman Lisa Meier:** Are you talking about the Secretary of State's Office wanted a \$35 annual fee?

**Arik Spencer:** No, in current law once they do their initial filing and receive their certificate, one of the conditions is that they maintain liability insurance that would cover the loss of personal possessions. The problem is that a carrier might have it at the time of filing, but there has been no authority for the Department of Transportation to ever check back in with these folks. So, we don't know if some of the people that have a Certificate of Public Convenience and Necessity have maintained appropriate insurance. The goal with this is to ensure that they continue to be a viable business, and they have insurance to cover

people's important possessions. The Department of Transportation wanted \$35 to do that. The \$35 to us can stay or can go. We would prefer that it wasn't there, but it isn't a big enough issue for us to oppose it.

**Vice Chairman Lisa Meier:** Who would the \$35 be paid to?

**Arik Spencer:** It would be paid to the Department of Transportation.

**Representative Robin Weisz:** How many are filing?

**Arik Spencer:** About 80 are on file with the Department of Transportation. Since I have started with NDMC there have been four new applications. I would imagine that the actual number of moving companies is between 30 and 40 at the most. I would defer to the Department of Transportation for the fiscal note.

Discussion on fiscal note.

**Representative Rick C. Becker:** The Certificate of Public Convenience and Necessity, essentially all of the teeth in it have been removed over the years. It was a gatekeeper, and those things have been taken out. I would be fine with all of the consumer protections that you want if it were just called Household Goods Carrier Certificate. I would like to see us get away from anything related to having to prove to some government body that you are allowed to start a business. The concept is crazy to me.

**Arik Spencer:** We have no problem with calling it something else. Our main goals in this are to remove the most onerous provisions that are in current law to something more common sense. So, if a person has done some basic things, they would have an opportunity to get a permit without having to subject themselves to public scrutiny from all of the competitors. It could be called a Household Goods Business License. We are also concerned about the consumer protections.

**Chairman Dan Ruby:** Representative Rick C. Becker, are you satisfied that this is just referred to as something else that is not giving the government the pleasure of serving the public?

**Representative Rick C. Becker:** There are two issues. One is my concern for the concept, which I really dislike. If we change the name, even if it seems superficial, I think that it is good, and we get away from the concept. The aspect of the fees and amount is separate and deserves its own discussion.

**Rep. Mark Owens:** I think that I understand what happened. The federal government deregulated a large portion of the motor carrier law at some point before 1995, with the exception of household goods movements. Therefore, there was a bill put in to eliminate all of the state motor carrier regulations. (SB 2258) In light of that, Rep. Tim brought this bill to re-regulate the household goods. He was trying to stay at the same level as the federal government had been. The Department of Transportation was against it. There were a number of people against it: PSC and insurance companies, but the movers were for it. That is the history.

**Representative Lois Delmore:** They maybe want this because it provides protection from the public.

**Representative Chris Olson:** It certainly did provide protection for them, it protected them from competition. That is part of what this bill is repealing, those sections of the Code would have required any new movers coming into the industry to get permission from the other movers.

**Arik Spencer:** We received two applications this week from the Department of Transportation. They sent them to all the moving companies in the state. We do agree that it is not a good business environment when you have to subject yourself to that kind of scrutiny from your competitors.

**Chairman Dan Ruby:** Do we have a suggestion of language?

**Representative Rick C. Becker:** Change it to *Household Goods Carrier Permit*.

**Representative Gary Paur:** On Page 2 Line 19-20, if putting that in has no fiscal impact, why don't we remove it or cut it back to \$10?

**Chairman Dan Ruby:** Arik, what does the Department of Transportation have to do to issue the permit?

**Arik Spencer:** The initial application will change in the respect that when you receive a copy of the general liability insurance and a copy of your proof of registration from the Secretary of State's Office, they (Department of Transportation) would file that and add to a spreadsheet. The new work would come through the annual submission of insurance. That is where they indicated that there would be additional work to manage that process and perhaps mail out a reminder to motor carriers. When we proposed this to the Department of Transportation originally, we did not include any filing fee. They proposed a \$100 annual filing fee, and we compromised down to \$35. We didn't feel that it was an unreasonable amount of money.

**Chairman Dan Ruby:** If it is done annually, I don't have a problem with the fee. Otherwise, it will be the rest of taxpayers that have to pay for it.

**Representative Rick C. Becker moved amendments for SB 2255.  
Vice Chairman Lisa Meier seconded the motion.**

**A voice vote was taken. The motion carried. (Vote 1)**

**Representative Chris Olson moved a DO PASS as amended on SB 2255.  
Representative Lois Delmore seconded the motion.**

**A roll call vote was taken: Aye 10 Nay 2 Absent 2  
The motion carried. (Vote 2)**

**Representative Rick C. Becker will carry SB 2255.**

March 20, 2015

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3-20-15  
182

PROPOSED AMENDMENTS TO SENATE BILL NO. 2255

Page 1, line 9, overstrike "the certificate"

Page 1, line 9, after "er" insert "a household goods carrier"

Page 1, line 9, remove the overstrike over "permit"

Page 1, line 21, overstrike "**Certificate of public convenience - "**

Page 1, line 21, after "**Temporary**" insert "**Household goods carrier**"

Page 1, line 22, remove the overstrike over "**permit** -"

Page 1, line 24, overstrike "certificate of public convenience and necessity" and insert immediately thereafter "household goods carrier permit"

Page 2, line 4, replace "certificate of public convenience and necessity" with "household goods carrier permit"

Page 2, line 8, overstrike "**Certificates - "**

Page 2, line 8, remove the overstrike over "**Permits** -"

Page 2, line 9, overstrike "Certificates"

Page 2, line 9, after "and" insert "Household goods carrier"

Page 2, line 9, remove the overstrike over "permits"

Page 2, line 9, remove "of public convenience and necessity"

Page 2, line 10, overstrike "certificates"

Page 2, line 11, remove the overstrike over "permits"

Page 2, line 16, overstrike "certificate of"

Page 2, line 17, overstrike "public convenience and necessity"

Page 2, line 17, after "er" insert "household goods carrier"

Page 2, line 17, remove the overstrike over "permit"

Page 2, line 18, overstrike "certificate of public convenience and"

Page 2, line 19, overstrike "necessity" and insert immediately thereafter "household goods carrier permit"

Page 2, line 19, remove "certificate of public"

Page 2, line 20, replace "convenience and necessity" with "household goods carrier permit"

Page 2, line 23, overstrike "**certificate**"

Page 2, line 23, remove the overstrike over "**permit**"

Page 2, line 24, overstrike "certificate"

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Page 2, line 24, after "or" insert "household goods carrier"

Page 2, line 24, remove the overstrike over "permit"

Page 2, line 29, overstrike "certificate" and insert immediately thereafter "household goods carrier permit"

Page 3, line 5, overstrike the first "certificate" and insert immediately thereafter "permit"

Page 3, line 5, overstrike the second "certificate" and insert immediately thereafter "permit"

Renumber accordingly

**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2255**

House Transportation Committee

Subcommittee

Amendment LC# or Description: 15.0847.02001

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Rick C. Becker    Seconded By Vice Chairman Lisa Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby			Rep. Delmore		
Vice Chairman Meier			Rep. Hanson		
Rep. Rick Becker			Rep. Nelson		
Rep. Frantzvog					
Rep. Hawken					
Rep. Olson					
Rep. Owens					
Rep. Paur					
Rep. Schatz			<b>VOICE VOTE</b>		
Rep. Sukut			<b>MOTION CARRIED</b>		
Rep. Weisz					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Strike: all instances of "certificate of public convenience and necessity"

Replace with: "Household Goods Carrier Permit"

**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2255**

House Transportation Committee

Subcommittee

Amendment LC# or Description: 15.0847.02001

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Chris Olson Seconded By Representative Lois Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby	X		Rep. Delmore	X	
Vice Chairman Meier	X		Rep. Hanson	X	
Rep. Rick Becker	X		Rep. Nelson	X	
Rep. Frantzvog	A				
Rep. Hawken	A				
Rep. Olson	X				
Rep. Owens		X			
Rep. Paur	X				
Rep. Schatz	X				
Rep. Sukut	X				
Rep. Weisz		X			

Total (Yes) 10 No 2

Absent 2

Floor Assignment Representative Rick C. Becker

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

**REPORT OF STANDING COMMITTEE**

**SB 2255: Transportation Committee (Rep. Ruby, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). SB 2255 was placed on the Sixth order on the calendar.

Page 1, line 9, overstrike "the certificate"

Page 1, line 9, after "or" insert "a household goods carrier"

Page 1, line 9, remove the overstrike over "permit"

Page 1, line 21, overstrike "**Certificate of public convenience -** "

Page 1, line 21, after "**Temporary**" insert "**Household goods carrier**"

Page 1, line 22, remove the overstrike over "**permit**"

Page 1, line 24, overstrike "certificate of public convenience and necessity" and insert immediately thereafter "household goods carrier permit"

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Page 2, line 9, after "and" insert "Household goods carrier"

Page 2, line 9, remove the overstrike over "permits"

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Page 2, line 10, overstrike "certificates"

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Page 2, line 19, overstrike "necessity" and insert immediately thereafter "household goods carrier permit"

Page 2, line 19, remove "certificate of public"

Page 2, line 20, replace "convenience and necessity" with "household goods carrier permit"

Page 2, line 23, overstrike "**certificate**"

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Page 2, line 24, after "er" insert "household goods carrier"

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Page 2, line 29, overstrike "certificate" and insert immediately thereafter "household goods carrier permit"

Page 3, line 5, overstrike the first "certificate" and insert immediately thereafter "permit"

Page 3, line 5, overstrike the second "certificate" and insert immediately thereafter "permit"

Renumber accordingly

**2015 TESTIMONY**

**SB 2255**

WT #1-1

1/29/15

**TESTIMONY  
SENATE BILL 2255  
SENATE TRANSPORTATION COMMITTEE**

Mr. Chairman and members of the Senate Transportation Committee my name is Arik Spencer, executive vice president of the North Dakota Motor Carriers Association. I am here this morning to testify in support of Senate Bill 2255.

SB 2255 updates the application process by which commercial carrier can apply for a certificate of public conveyance and necessity. This certificate is needed to become a common household goods carrier in this state.

Specifically, SB 2255

- Removes references to the motor carrier tariff which was repealed in 1996.
- Requires that applicants have registered with the secretary of state, pay workers compensation insurance, or if they have no employees provide an affidavit of non-employment.
- Requires certificate holders to provide a copy of their general liability insurance one a year so that DOT can verify that the carrier has not went out of business, something they cannot do now.
- Removes the requirement that public comment be solicited from the North Dakota Motor Carriers Association and that written testimony be considered as part of the application. Two requirements that were related to the tariff and that are no longer needed.

We ask that you give SB 2255 favorable consideration and a DO PASS recommendation.

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

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1/29/15  
SB 2255

**CHAPTER 39-31  
COMMON HOUSEHOLD GOODS CARRIERS**

**39-31-01. Common household goods carrier defined.**

In this chapter, unless the context otherwise requires, "common household goods carrier" means any person that holds oneself out to the public as willing to undertake for hire to transport by motor vehicle from place to place the household goods of others who may choose to employ that person.

**39-31-02. Application of chapter to intrastate commerce.**

This chapter applies to persons and motor vehicles engaged in intrastate commerce only to the extent permitted by the constitution and laws of the United States and this state.

**39-31-03. Carriers must operate in accordance with law and rules.**

It is unlawful for any common household goods carrier to transport persons or property for hire unless:

1. The carrier has obtained the certificate or permit required by this chapter; and
2. The carrier complies with this chapter and any applicable rules adopted by the department.

**39-31-04. Regulation of common household goods carriers by the department.**

The department may regulate common motor carriers of household goods except for transportation provided wholly within a city in this state or within a distance beyond the corporate limits of a city as determined by the department and:

1. ~~May require the filing of tariffs and schedules; and~~
2. ~~shall supervise the relations between common household goods carriers and the public to comply with the provisions of this chapter.~~

**~~39-31-05. Household goods carriers – Transportation of commodities.~~**

~~A carrier may specify, by tariff publication, the quantity or quantities of commodities the carrier is obliged to transport.~~

**39-31-06. Household goods carrier - Certificate of public convenience – ~~Temporary permit - Application.~~**

No common household goods carrier may operate within this state without having obtained from the department a certificate of public convenience and necessity. An application must be upon the form prescribed by the department. The application must contain: a financial statement, proof of registration with the secretary of state, and either proof of workers compensation insurance coverage or an affidavit of non-employment.

The department shall deny issuing a certificate of public conveyance and necessity if the applicant submits and incomplete application.

**~~39-31-07. Notice of opportunity for comment on application.~~**

~~Upon the filing of an application for a certificate of public convenience and necessity or permit, the department shall mail notice of opportunity for comment to the North Dakota motor carriers association and may send notice to appropriate news media.~~

**~~39-31-08. Factors to be considered by department in granting certificate.~~**

~~Before granting a certificate to a common household goods carrier, the department shall take into consideration the fitness and ability of the applicant to provide service and any other information the department determines appropriate.~~

**~~39-31-09. Testimony – Issuance of certificate of permit – Conditions.~~**

~~A party opposing an application may offer written testimony if that party filed a protest within twenty days of receipt of the notice. The protest must state the objection. Based upon the evidence, the department may grant or deny, in whole or in part, the certificate or permit requested.~~

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1/29/15

SB2255

**39-31-10. Reasonable rates to be made by household goods carriers.**

All charges by a common household goods carrier must be reasonable and may not be unlawfully discriminatory. A carrier shall operate at the rate set in its tariff and may not refund in any manner. The use of a tariff bureau to promulgate and file a proposed tariff creates no presumption that the carrier using the bureau is violating the Constitution of North Dakota. Rate reductions may be filed with the department effective on one or more day's notice. The department has the right to suspend rate reductions within thirty days of filing.

**39-31-11. Certificates - Permits - Duration - Transfer.**

Certificates and permits of public convenience and necessity issued to carriers by the department under this chapter remain in force subject to this chapter. Those certificates ~~or permits~~ are transferable only upon approval by the department, ~~after notice to and opportunity for comment by all interested parties.~~

**39-31-12. Fees - Household goods carrier.**

Every household goods carrier operating in this state, when applying for a certificate of public convenience and necessity ~~or permit~~, shall pay a fee of one hundred dollars. The nonrefundable fee for an application for transfer of a certificate of public convenience and necessity is one hundred dollars. The annual filing fee for maintaining a certificate of public convenience and necessity is thirty five dollars.

**39-31-13. Regulations furnished to holder of certificate ~~or permit~~.**

The department shall mail each holder of a certificate ~~or permit~~ under this chapter the rules the department adopts to implement this chapter.

**39-31-14. Insurance required of carrier - Liability of insurer.**

The department, before granting a certificate to any common motor carrier, shall require the owner or operator to procure public liability insurance. The conditions of the liability insurance must guarantee the payment of any loss or damage to property or on account of the death or injury to any person resulting from the negligence of the carrier. The carrier shall file the insurance policy with the department and the policy must be kept in full force. The carrier must provide proof the policy is in full effect annually in a form prescribed by the department. Upon failure of a carrier to maintain insurance required by this section, the department shall cancel the certificate. A certificate of any company authorized to write liability or property damage insurance in the state, in a form approved by the department and certifying that there is in effect a liability insurance policy required by this section, may be filed instead of the policy.

**39-31-15. Deposit of fees.**

The department shall deposit monthly all fees collected under this chapter in the highway fund in the state treasury.

**39-31-16. Enforcement of chapter.**

Any law enforcement officer may make an arrest for any violation of this chapter, and the state's attorney of the county in which the offense was committed shall prosecute the offender. The highway patrol shall enforce this chapter in any part of the state. Upon written request of the department or the highway patrol, the attorney general shall prosecute or assist in the prosecution of any person alleged to have violated this chapter or any rule adopted to implement this chapter.

**39-31-17. Penalty.**

Any person who willfully violates this chapter, or any order or rule issued or adopted under this chapter, is guilty of an infraction.

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**TESTIMONY OF ARIK SPENCER  
SENATE BILL 2255  
HOUSE TRANSPORTATION COMMITTEE**

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