

MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

1405

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Dennis Halliwell
Operator's Signature

10/3/03
Date

2003 HOUSE TRANSPORTATION

HB 1405

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1405

House Transportation Committee

Conference Committee

Hearing Date February 6, 2003

Tape Number	Side A	Side B	Meter #
1	x		6.9 to 20.9
Committee Clerk Signature <i>Laura Zink</i>			

Minutes:

Rep. Weisz, Chairman opened the hearing on HB 1405, a bill for an Act to amend and reenact subsection 1 of section 24-02-03.3 of the North Dakota Century Code, relating to vehicles under the control of the central vehicle management system.

Rep. Eckre: Id from Wahpeton and represents District 25 in southeast North Dakota. I am passing out some amendments to this. My local college as well as state agencies are currently paying up to a dollar per mile for maintenance vehicles used on the campus -- the yearly usage for a lot of these vehicles varies considerably --- based on the respective trade or the supervisor responsibility. Many of these vehicles do not exceed the proposed 2000 miles annual exemption annually or travel more than thirty miles from the facility. There are numerous examples of new vehicles putting on considerably less than 200 miles per year and are used only on campus grounds. The cost of these almost new vehicles is obviously putting an upward pressure on the overall cost of the management fleet. HB 1405 will allow the campus to management to fleet

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Dorinda Halverson
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Bill/Resolution Number HB 1405
Hearing Date February 6, 2003

much more efficiently. The maintenance guys came to him stating they knew how to save the state some money. We could use older pickup to deliver supplies, toilet paper, etc. and plumbing supplies and tools in -- now the electricians and plumbers have new pickups to do these things. The mandatory use of the state fleet vehicles is costing these colleges and agencies money. As in the private sector individuals and businesses don't have all new vehicles in their fleets.

Rep. Weisz, Chairman : I understand that this provision is optional.

Rep. Eckre: That is correct.

There was no further support for the bill.

Opposition:

Paul Feyereisen: State Fleet Services Director, ND DOT appeared in opposition of HB 1405. A copy of his written testimony is attached.

Rep. Weisz, Chairman (15.1) Using your example 2 you would be better off without those 4 vehicles in the fleet -- is looks like you lost money on those 4 vehicles.

Paul Feyereisen: Yes from strictly a financial standpoint but the cost as little as it is still there for the state what ever it is.

Rep. Dosch: Please explain the states rental rate system -- does the state own the vehicles and rent them out to the universities?

Paul Feyereisen: State the State does own the vehicles and then explained the rental rate procedures .

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Demetrius Hallworth
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Bill/Resolution Number HB 1405
Hearing Date February 6, 2003

Rep. Dosch : What I don't understand here -- is the state replacing those vehicles in the fleet every so often then? It seems to me that if you have a very low mileage vehicle and it is not used very much -- it could be used by the university for 15 years and still be plenty adequate.

Paul Feyereisen: the vehicles we are talking about here are what we call facilities vehicles -- we have 12 year life for those vehicles -- that is our projected life -- we do buy the replacement vehicles very cheaply -- they are stripped down models --- no radios, no air, etc. For example a pickup they may list out with the retail equipment at \$15 -18, 000 we get the stripped models for \$12,000 but if we go out -- to search for used vehicles which we have done -- when they are equipped with air, radios, electric windows or whatever they have on them besides in most cases a lot of miles they are still more expensive on the lots than what we pay for the new ones.

In many cases there is not many to choose from on North Dakota lots and when they go out of state and transport them in it costs more.

Rep. Dosch: But couldn't they just buy those from you and put them in their fleet? --- that is at the end of their useful life or isn't that allowed?

Paul Feyereisen: Yes that is correct -- the law would not allow them to buy that vehicle -- separately and independently as all the state vehicle must be under our management.

Rep. Weisz, Chairman: If this bill would pass they could get into the auction -- when you sell that 12 year old vehicle -- and purge that from your system?

Paul Feyereisen: Yes, if they found the price reasonable.

Rep. Ruby: (19.9) In your example 2 -- you show 4 trucks here -- operating only 4 hours in one year -- what kind of trucks are those?

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Hearing Date February 6, 2003

Paul Feyereisen: 2 of them were -- well obviously we did show the extremes -- 2 of the trucks are down in Hettinger -- and they had a gross drought -- one was a feed wagon and the other was a farm assist truck. The other two were personnel lift trucks -- one at Towner where they strip pine cones and I don't recall the other one. There are vehicles in our state fleet which are very specialized and can not be used for other purposes -- used only a few times a year and it does cost we know that.

There being no further testimony for or against HB 1405 , the Chairman closed the hearing on HB 1405.

End (21.4).

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1405b

House Transportation Committee

Conference Committee

Hearing Date February 7, 2003

Tape Number	Side A	Side B	Meter #
2	x		2.7 to 9.4
Committee Clerk Signature <i>Lauren S. Fink</i>			

Minutes:

Discussion for Action: Chairman Weisz for the committees information he explained the amendments which were added --- were incorrect --- it instead of changing it from 3500 miles it was supposed to change it to \$2000. This LC number ending in .01010 -- it was handed out by Rep. Eckre --- when he testified. What it should say -- looking at the original bill "of a state entity" -- not the Board of Higher Education.; and -- then ---" Which will not cost over \$2000"; and, "will not be driven beyond 30 miles from the facility to which the vehicle is assigned"

Rep. Headland moved to approve the amendments. Rep. Delomore seconded the motion.

Motion carried on a voice vote.

Rep. Delmore moved a 'Do Pass as Amended' motion for HB 1405. Rep. Price seconded the motion. On a roll vote the motion carried 13 Ayes 0 Nays 0 Absent.

Rep. Schmidt was designated to carry HB 1405 on the Floor.

End of Record (9.4)

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FISCAL NOTE
 Requested by Legislative Council
 02/12/2003

Amendment to: HB 1405

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

This bill provides that entities having State Fleet vehicles valued less than \$2,000 that are not driven beyond 30 miles from their assigned facility can be exempted from inclusion in the fleet.

While it is impossible to accurately assess the fiscal impact of this bill at this time, we can provide some general fiscal information that may be informative.

We estimate approximately 62 units in the fleet would meet the \$2,000 value criteria in the coming biennium. We don't know how many of these vehicles would meet the 30 mile criteria and be requested for exclusion from the fleet, thus we cannot accurately determine the fiscal impact. However, we do know that if a majority of those vehicles were removed from the fleet, the remaining vehicles in the affected groups would have to continue to absorb all of the fixed costs and remaining vehicle replacement costs that have not yet been fully amortized. As a result, the current rates for those groups would likely be negatively impacted, which could result in higher per mile costs to the remaining user agencies.

Regarding the agencies that choose to remove vehicles from the fleet, it is possible they may experience increased costs per mile in some cases.

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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive

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budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Shannon Sauer	Agency:	NDDOT
Phone Number:	328-4375	Date Prepared:	02/14/2003

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