

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1252

2007 HOUSE TRANSPORTATION

HB 1252

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1252

House Transportation Committee

Check here for Conference Committee

Hearing Date: 01-19-2007

Recorder Job Number: 1438

Committee Clerk Signature 

Minutes:

Chairman Weisz opened the hearing on HB 1252. All Representatives were present.

HB 1252 relates to intrastate commercial farm vehicles.

Rep. Kempenich introduced the bill.

Rep. Kempenich: The bill is to try to figure out a way to legitimize something with farm vehicles that are doing commercial operations. This was an idea I had here after that last failed attempt. This would be an in between dollar wise and plus it puts a limit on who would be driving, limiting it to family members of someone doing commercial work. It doesn't limit distance, that doesn't seem to effect most operations anyways. It starts at seventy-two thousand pounds because I wanted to stay away from triple axels and tandem trucks and stuff like that. It's been something that is an issue. Commercial drivers approach me every year to do something about this? Highway patrol really doesn't enforce what we have right now, so I thought of this as middle ground for commercial farm vehicles.

Chairman Weisz: Currently the farm plates, you don't need a CDL. Would you need one for this?

Rep. Kempenich: No. You are not required on farm haul to run a log book but if you are out, you need a commercial insurance policy.

Rep. Delmore: What would be the difference as far the vehicle inspection and those types of things?

Rep. Kempenich: They probably don't target farm trucks. There really is no difference between a prorated truck and a farm truck they might let you by once in a while.

Rep. Delmore: Even if they are hauling for hire for another farmer they would not need a CDL?

Rep. Kempenich: If I was a farmer that was letting a sixteen or eighteen year olds, I would be a little nervous. Right now, even if you farm, if you are outside your general area, you need a medical card anyway, so you are already falling under some of those areas, even with farm plates. If you were going to have your hired man run this then you would run into some issues and those issues are once you start commercial operations you got to carry workers compensation and then your insurance issues become a lot more complicated on it too. What I was looking at a lot of times in the winter this is what they do to bring in some extra money and stuff. You are having operations that are going and hauling one hundred and five thousand and going across the state and stuff and they are doing it now and I am just trying to legitimize it.

Rep. Ruby: Right now farm vehicles are exempt on doing their own work, but if they decide to do some hauling for somebody else, at this time, legally they are supposed to then have a CDL if they are being paid to do that, they also have to raise the fees to match the commercial minimum wage. So basically this allows them to still have to get the CDL to do this kind of hauling but they get it a lower rate on their hauling fee. Don't you think that puts the usual truckers at somewhat of a disadvantage?

Rep. Kempenich: In a way. There is nobody regulating what they charge. This is just an in between as far as registration goes and think it's basically somewhere around nine hundred

dollars and this drops it down about half way in between. That isn't the impact of what goes into a rate. Your insurance and stuff like that goes in as much as anything and what you are going to be charging. My guess is they are going to be charging within a dime or two per mile of somebody that is trying to make a living at it. The biggest problem you run into here is enforcing this. There is no proof of who you are hauling for.

Rep. Gruchalla: I know some of the farmers in our area have six to ten semis. In essence they could put these on the road hauling grain and they would be able to haul at a cheaper rate?

Rep. Kempenich: Well, if they have ten family members that can drive them, yes they would.

Rep. Gruchalla: Only restricted to family members to drive?

Rep. Kempenich: If they are hiring people this would not apply.

There was no further support for the bill. The chairman allowed for opposition to HB 1252 at this time.

Tom Baulzer, North Dakota Motor Carriers Assoc. spoke in opposition to the bill.

Baulzer: We have some concerns about this bill. We believe that the level of bureaucracy on to what is there currently, it's pretty straight and narrow. If someone called our office and asked if they need a commercial license or can they run on the farm license. We simply ask them if they are in the process of this transaction and they say yes, then they need a commercial and they say no they need a farm license. Then we ask if only a family member is going to be driving the vehicle and adds a whole other level there. We also believe it will add more confusion, right now the highway patrol has a lot on their plate and this would add to it. The other concern that we have is a housekeeping bill. If you take a look at the fee schedules that are out there, for a seventy four thousand pound vehicle, under AG they are paying three seventy nine and under this bill they are paying five eighty six which is a two hundred dollar increase. To get a commercial license, they have to pay another four hundred dollars on this.

This could have a very dramatic impact on folks as well. One other issue that we have is that they can go out and start marketing themselves. We have many carriers out there that run a commercial operation and it specifically deals with agriculture hauling and this could allow a family farm to run a few trucks and compete with the industry. The insurance side will have a dramatic impact on them. We are trying to find out if they have an Ag commercial policy. Right now they either have the farm policy or the commercial policy. We like the process the way it is.

Rep. Price: Can you explain the difference in insurance between hauling your own load and hauling for hire?

Baulzer: As I understand it if you are hauling your own load that the insurance company will be under Ag.

Chairman Weisz, seeing no further opposition, closed the hearing. No action was taken at this time.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1252

House Transportation Committee

Check here for Conference Committee

Hearing Date: 01-25-2007

Recorder Job Number: 1960

Committee Clerk Signature

Lisa M Thomas

Minutes:

Chairman Weisz allowed committee discussion on HB 1252. Representative Kelsch was absent. HB 1252 relates to intrastate commercial vehicles.

Rep. Delmore: I think that registration on the special plates is really would be very confusing. I think that the point was made that where do you stop? Like somebody that is independently and invading somebody else's? To make something legal that they are already doing that is illegal just to franchise someone else, doesn't seem like a very good idea to me.

Rep. Thorpe: My question would be, is there any reason other than the commercial haulers, farm programs are stealing business from?

Chairman Weisz: Not sure how to answer, there is no question that there are people that have farm plates that are hauling that shouldn't be. It happens. This bill was intended to address people that haul part time, do some for their neighbors, or whatever. Technically, by law, they should have a full commercial plate. So the attempt was, can we find a middle ground so they don't have to spend so much and they can be legal. The Motor Carriers opposed this bill just because of the confusion they thought it would bring.

Rep. Thorpe: The reason I ask is because the operators I have out on my farm, they have semis with commercial licenses, with double and triple axel trucks with a farm license on, I don't know.....

Rep. Ruby: Right now, if you have somebody that you are moving some grain for, you are trading work, you are exempt, if you are taking money and charging and have employees, and then you are supposed to pay workers comp. unemployment and all of that. Once you go to this distinction, that may also happen again when you have trusted farm employee and the farmer may ask him to run over and haul for this guy and he's probably okay on that, but didn't realize that the employee isn't doing labor for himself, he is probably subject to all of those other requirements. I understand why they wanted to do this and have somewhat legitimacy to what they are doing already, but on the other hand, it does infringe on competition with carriers of higher standards.

Rep. Dosch: I would echo the comments of Rep. Delmore and Rep. Ruby that it does cause some confusion and there are employment issues. There are also insurance issues as well. It's a farm policy or commercial policy and nothing in between. The cost of the additional insurance, I think to protect them when they are hauling would far outweigh the cost of giving up their commercial policy. I think there is a lot of confusion this will cause.

Rep. Vigesaa: I think that there is going to be two to three hundred dollar fee increase to go to the next level, there will be a certain percentage of the people who are just going to keep doing it the way they are now, even though there is a class for them. I don't know how many folks will actually make the step up to the next level to be legal.

Rep. Thorpe moved a DO NOT PASS. Rep. Myxter seconded.

Roll Call Vote: 11 yes. 1 no. 1 absent.

Carrier: Rep. Ruby

FISCAL NOTE
 Requested by Legislative Council
 01/10/2007

Bill/Resolution No.: HB 1252

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 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.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 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).*

This bill will create a new class of vehicle registration, "Intrastate Commercial Farm Vehicles."

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.*

There would be a minor one time cost to develop and create a new class within the system. However, revenue increase or loss is not determinable, as some current commercial trucks will shift to this category resulting in a reduction of revenue, and some current farm trucks will shift, resulting in an increase of revenue. There is no adequate means to effectively evaluate the percentages of movement that may occur. Therefore, we cannot determine the total fiscal impact of this proposal.

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 is also included in the executive budget or relates to a continuing appropriation.*

Name:	Lorrie Pavlicek	Agency:	NDDOT
Phone Number:	328-2725	Date Prepared:	01/13/2007

Date: 1-25-07
 Roll Call Vote #: 1252

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. _____

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Thorpe Seconded By Myxter

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz		✓	Rep. Delmore	✓	
Vice Chairman Ruby	✓		Rep. Gruchalla	✓	
Rep. Dosch	✓		Rep. Myxter	✓	
Rep. Kelsch	A		Rep. Schmidt	✓	
Rep. Owens	✓		Rep. Thorpe	✓	
Rep. Price	✓				
Rep. Sukut	✓				
Rep. Vigesaa	✓				

Total Yes 11 No 1

Absent 1

Floor Assignment Ruby

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

REPORT OF STANDING COMMITTEE (410)
January 26, 2007 2:10 p.m.

Module No: HR-18-1376
Carrier: Ruby
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1252: Transportation Committee (Rep. Welsz, Chairman) recommends DO NOT PASS
(11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1252 was placed on the
Eleventh order on the calendar.