

2009 SENATE TRANSPORTATION

SB 2241

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2241

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: January 29, 2009

Recorder Job Number: 8113

Committee Clerk Signature

Judy Hauge

Senator Lee opened the hearing on SB 2241 relating to the fee for an overwidth vehicle or load.

Senator Olafson testified in support of SB 2241. He said that this bill makes a simple change in the way in which annual overwidth permits are accessed. The purpose of the bill is to lower the fee from five hundred dollars per calendar year to one hundred dollars per year. He said this would bring us closer to the states around us: SD charges \$60, MN charges \$120, and Iowa is \$25. He said in fairness to the people that do business in ND transporting these types of loads, we need to bring the fees more closely in line to our neighboring states. He gave the committee information on how many annual permits have been sold. In 2008 there were only 2 annual permits sold. Day trips there have been 24,000 in 2008. He expressed his concern for the work load of day trip permits for the office. The permit is \$20/trip. Senator Olafson addressed the fiscal note. He believes that based on his information and the lack of people buying annual permits at the present cost he believes at the lower cost more people will buy the permits and his assumptions is that there will not be a loss of revenue. He said he had no way to prove this but it is his assumption.

Senator Potter said the only person that is going to buy the permit is the one who has calculated that they will save money. On that assumption the fiscal note should be higher.

Senator Olafson said that there were many not buying permits and that is the wild card.

Senator Nodland said that he knows that is true that people are taking a chance and not buying the permits. Lowering the price of the permit would encourage the contractors to obey the law. Particularly benefit to the smaller contractors.

Senator Olafson said he would agree with that. The greatest value will be to the small contractor.

Senator Lee said that we saw this bill last session, and asked where we started at before the conference committee ended up at \$500.

Senator Olafson said one hundred dollars/permit.

Tom Balzer ND Motor Carriers Association testified in support of SB 2241. He stated that it would save their members cost. He is sure that if the cost is reduced there will be more permits sold. Also in the Department of Transportation highway budget they are asking for an additional person for their over dimensional division which they need because there work load is dramatic and it is growing. This bill is a resource saving move by the state. This will reduce the day trip permits substantially.

Senator Nodland asked if he thought there were people not buying the permit and taking the risk.

Balzer said he believed that we could find that in all industry.

Sandy Clark, NDFB testified in support of SB 2241.

No opposing testimony.

Closed the hearing on SB 2241.

Senator Nodland moved a Do Pass on SB 2241.

Senator Fiebiger seconded.

Roll call vote: 5-0-1

Senator Potter was testifying in another committee but he voted when he came back. Final vote was 6-0-0.

Senator Nodland will carry the bill.

FISCAL NOTE
Requested by Legislative Council
01/20/2009

Bill/Resolution No.: SB 2241

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$80,000)		(\$80,000)
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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 reduces the fee for an over-width vehicle or load that is fourteen feet six inches or less from \$500 per year to \$100 per year. The existing annual permit and associated fee was established in 2007. This will result in reduced revenue for the State Highway Fund.

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.*

The current permit and revenue structure has been in place for the 2007-2009 biennium. The permits have been slow taking off. In 2007, 2 permits were sold. In 2008, 41 permits were sold. It is expected that 100 permits will be sold in 2009. 100 permits at \$500/permit would raise \$50,000/year(100,000/biennium). Reducing the fee to \$100/year would reduce the revenue to \$10,000/year(\$20,000/biennium). There is an associated loss of single trip permit revenue but it is not tracked by the Highway patrol- permit section.

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.*

Under the current law, 100 permits at \$500 per permit would generate \$50,000 /year (\$100,000/biennium).

Under the proposed law, 100 permits at \$100 per permit would generate \$10,000/year (\$20,000/biennium).

The revenue reduction would be \$40,000/year (80,000/biennium)

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:	Brad Darr	Agency:	NDDOT
Phone Number:	328-4443	Date Prepared:	01/22/2009

Date: 1-29-09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2241

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Other
and referred to appropriate

Motion Made By Senator Nodland Seconded By Senator Fiebiger

Senator	Yes	No	Senator	Yes	No
Chairman Senator Gary Lee	✓		Senator Tom Fiebiger	✓	
Senator George Nodland	✓		Senator Richard Marcellais	✓	
Senator Dave Nething	✓		Senator Tracy Potter	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Nodland

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

REPORT OF STANDING COMMITTEE

SB 2241: Transportation Committee (Sen. G. Lee, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2241 was rereferred to the Appropriations Committee.

2009 SENATE APPROPRIATIONS

SB 2241

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2241

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: February 5, 2009

Recorder Job Number: 8733

Committee Clerk Signature

Minutes:

Chairman Holmberg called the committee hearing back to order at 9:00 am in regards to SB 2241 relating to the fee for an over width vehicle or load.

Senator Curtis Olafson, District 10, introduced the bill. The bill relates to wide load permits.

Prior to the 2007 session there was no annual permit for transporting wide loads, that bill was

introduced at \$100 and the transportation department changed it to \$500 which is how it passed. This bill will reduce the fee to back down to \$100. The fee in South Dakota is \$60,

Minnesota is \$120, Iowa is \$25. To become more consistent with surrounding states, the

\$100 fee is appropriate. They sold 2 permits in 2007 and 41 in 2008 and the fiscal note is

calculated on the assumption that they will sell 100 permits. In the real world, when you have the fee at more reasonable level, we will sell more permits.

Senator Seymour asked if one did buy a \$500 permit, what kind of profit did they make.

Senator Olafson said there isn't a definitive answer. If you don't have the annual permit, you have to fill out a \$20 trip permit every time you move a load. It is cumbersome and takes extra time to process.

Chairman Holmberg said we will hear the bill and then ask the DOT subcommittee if they have any problems with passing the bill.

Tom Blazar, ND Motor Carriers, testified in favor of the bill. He commented on permits sold in Fargo. A lot of equipment and agriculture haulers run in many states and don't understand the difference when there is not impact to the roadway. The two permits sold in 2007 were purchased by DMI industries in Fargo. Because of the cost, they changed their logistics scheme so they only ran one truck in North Dakota. A lot of haulers would buy them if they cost \$100 because it would be a time saver and they would be able to haul any load at any time.

Chairman Holmberg asked if wind towers are over-width.

Tom Blazar said the towers are over-width, the blades are not. The maximum capped width is 14 ½ feet.

Grant Levi, Deputy Director, ND Department of Transportation, appeared to answer questions.

Senator Kilzer asked the reason to increase it to \$500.

Grant Levi said last session we made assumptions on the fiscal impact of adding a permit and committee felt they had to raise the fee. It is extremely difficult to write a fiscal note in these situations.

Senator Warner asked if there any normal agriculture applications.

Grant Levi said there are exemptions and some are set up for agriculture.

Senator Warner said \$500 seems modest, it is equivalent to a tank of fuel, these are companies that specialize in that kind of movement.

Grant Levi said it is anything that exceeds 8 feet in length (or 10 feet for construction equipment). It may not be a major cost, but we're not consistent with other states.

Senator Wardner said this bill doesn't affect the DOT budget. It is a stand alone.

Grant Levi said the State Highway Patrol issues permits and revenue becomes part of highway funds.

Senator Krebsbach asked if the permits are going in the oil area of the state. They did not consider raising the single trip – just left it at \$20.

Grant Levi said that is correct on the \$20 fee, with the energy boom there have been a lot of permits issued, he does not have the number.

Senator Mathern asked how you decide what to support and not to support which results in impact in your budget. Do you go by dollar amount?

Grant Levi said the decision is made in a meeting with our director based on what they felt was the real fiscal impact of the bill. We didn't have much confidence in the assumptions for this bill.

Senator Mathern said we can't trust your fiscal notes? Sometimes you guess?

Grant Levi said we do our best to prepare the fiscal notes. We will appear before you like we are today and tell you we had to make some assumptions and we'll trust your judgment as well.

Senator Mathern said wouldn't your fiscal note reflect your knowledge that this information is correct.

Grant Levi said we did change the fiscal note and took past history into account, assuming numbers would go up. There are many factors that go into that, the oil industry is not operating today the way it was 6 months ago, it is an assumption and we are acknowledging it. Some fiscal notes have direct impact on highway distribution fund and we can tell you assuredly what that impact will be.

Senator Krebsbach asked what is the revenue from single permits. How does the \$20 compare with other states and how long has it been in effect?

Grant Levi said he doesn't know but could get the information.

Chairman Holmberg asked him to get information to subcommittee.

Chairman Holmberg closed the hearing on SB 2241.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2241

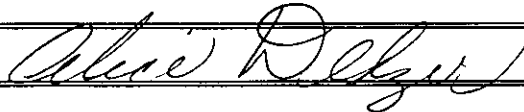
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 2-10-09

Recorder Job Number: 9094

Committee Clerk Signature



Minutes:

Chairman Holmberg opened discussion on SB 2241 discussing over width vehicle permits.

Senator Wardner indicated this bill has gone through the subcommittee for DOT and everyone is good with leaving the fee where it is including DOT and the sponsor. They are confident this is fair and it will work.

Senator Mathern questioned if there is still an option for an annual fee.

Senator Wardner stated you can get it.

Senator Fischer indicated this bill was introduced last session (20.27) and the DOT couldn't get a handle on it which is why it is back here now.

Senator Wardner moved a DO PASS on SB 2241; Senator Seymour seconded. The motion carried and the bill will be carried by Senator Nodland.

Date: 2/10/09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2241

Senate _____ Committee _____

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass

Motion Made By Wardner Seconded By Seymour

Representatives	Yes	No	Representatives	Yes	No
Senator Wardner	✓		Senator Robinson	✓	
Senator Fischer	✓		Senator Lindaas A	✓	
V. Chair Bowman	✓		Senator Warner A	✓	
Senator Krebsbach	✓		Senator Krauter	✓	
Senator Christmann	✓		Senator Seymour	✓	
Chairman Holmberg	✓		Senator Mather	✓	
Senator Kilzer	✓				
V. Chair Grindberg	✓				

Total Yes 12 No 0

Absent 2

Floor Assignment Back to Transp. Committee Rolland

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

SB
on 2385
minutes

REPORT OF STANDING COMMITTEE

SB 2241: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS
(12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2241 was placed on the
Eleventh order on the calendar.

2009 HOUSE TRANSPORTATION

SB 2241

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2241

House Transportation Committee

Check here for Conference Committee

Hearing Date: 03/05/09

Recorder Job Number: 10332

Committee Clerk Signature

Jeanette Cook

Minutes:

Tom Balzer, North Dakota Motor Carriers Association, testified in support of SB 2241.

See attachment #1. He clarified that this is just for a standard over width fee. It would not cover hauling wind towers, mobile homes, or things like that. It would include things like bales of hay or combines. It does not impact the condition of the road because it is only over width. It is a convenience factor for all groups that use over width permits, and it will bring North Dakota into line with surrounding states.

Representative R. Kelsch: According to the fiscal note it says that we will be losing money. But, the way you are telling it, it sounds like everyone will want to purchase these. Under the fiscal note they have listed about 100 permits. What do you estimate the number of permits would actually be?

Tom Balzer: I can't even make an educated guess. We called the other states, and they don't even keep track of the number of permits that they sell, because they sell so many. They sell a lot. I would defer to the DOT as to how they came up with the fiscal note.

Representative Weiler: Did you say that we changed this in 2007 to \$500?

Tom Balzer: In 2007 the bill established an annual option rather than a per trip permit.

Mr. Balzer explained that it is difficult to determine how many trips are actually being driven, especially with the annual option. Many of that are over width are also overweight, so that requires a different permit as well.

There was general discussion about the overweight fees.

Chairman Ruby questioned why they didn't use \$250 to keep it consistent with an annual overweight fee.

Tom Balzer: The thought was, when looking at the fees from other states, the \$250 was still so far off. Also, over width is not associated with greater damage to the roads.

Darcy Rosendahl answered questions from the committee on behalf of the DOT.

Representative Weisz: Is there any way that we can track the number of movement with an annual permit?

Darcy Rosendahl: Yes, that is my understanding from dealing with the Highway Patrol.

The only way would be a self tracking form that they would have to send in at the end of the year.

Chairman Ruby: The reduction in \$80,00 on the fiscal note, is that projected from what you perceive you would be getting in the number of permits with the current fee compared to the new fee? This isn't \$800, 000 less than what you get this current biennium, correct?

Darcy Rosendahl: That is correct. It is just projecting 100 permits a year times the \$500 fee versus the \$100 fee times 100 permits.

Representative Griffin: When coming up with the fiscal note, was there any analysis of the number that are buying one day permits?

Darcy Rosendahl: No, we didn't go in and check the individual permits.

Chairman Ruby: Do these dollars go into the Highway Distribution Fund?

Darcy Rosendahl: Yes, they go into our fund.

Representative Weisz: From your perspective would there be a way to somehow break up that permit for the higher users versus the lesser users?

Darcy Rosendahl: Are you asking for something like a two stage permit? I don't know, right off the bat. It would take some research.

Representative Weiler: Referring to the chart that Tom Balzer handed out earlier showing fees for other states, do they also have single trip permits?

Tom Balzer: Yes, they do, but they would just rather sell the annual permit and be done with it.

There was no further testimony on SB 2241.

The hearing was closed on SB 2241.

The committee held the bill.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2241

House Transportation Committee

Check here for Conference Committee

Hearing Date: 03/06/09

Recorder Job Number: 10352

Committee Clerk Signature

Jeanette Cook

Minutes:

Chairman Ruby brought SB 2241 up for consideration before the committee.

A short discussion was held in review of the testimony.

Representative Delmore commented that it is clear that our fees our way higher than any other states.

Representative R. Kelsch moved a **Do Pass** on SB 2241.

Representative Gruchalla seconded the motion.

A roll call vote was taken. **Aye 13 Nay 0 Absent 1**

The motion passed.

Representative Gruchalla will carry SB 2241.

Date: 3/6/09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2241

House TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass Don't Pass Amended

Motion Made By Kelsch Seconded By Gruchalla

Representatives	Yes	No	Representatives	Yes	No
Representative Ruby - Chairman	✓		Representative Delmore	✓	
Rep. Weiler - Vice Chairman	✓		Representative Griffin	✓	
Representative Frantsvog	✓		Representative Gruchalla	✓	
Representative Heller	✓		Representative Potter	✓	
Representative R. Kelsch	✓		Representative Schmidt	✓	
Representative Sukut	✓		Representative Thorpe	✓	
Representative Vigesaa	✓				
Representative Weisz	A				

Total Yes 13 No 0

Absent 1

Bill Carrier Gruchalla

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

REPORT OF STANDING COMMITTEE (410)
March 6, 2009 1:27 p.m.

Module No: HR-41-4231
Carrier: Gruchalla
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2241: Transportation Committee (Rep. Ruby, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2241 was placed on the
Fourteenth order on the calendar.

2009 TESTIMONY

SB 2241

Attachment #1

**TESTIMONY
SENATE BILL 2241
TRANSPORTATION COMMITTEE
MARCH 5, 2009**

Mr. Chairman and members of the House Transportation Committee my name is Tom Balzer, managing director of the North Dakota Motor Carriers Association. I am here this afternoon to testify in support of Senate Bill 2241.

During the 2007 Session you passed Senate Bill 2406 which allowed for annual over width permits to issued at the cost of \$500 per year. During the first year of the sale of these permits the Highway Patrol sold 2 and last year sold 43.

We believe that passage of Senate Bill 2241 would accomplish two objectives; first, it would bring us more in line with our surrounding states.

- South Dakota - \$60.00 per year
- Montana - \$75.00 per year
- Minnesota - \$120.00 per year
- Iowa - \$25.00 per year

Second, this would allow for more efficient in the Highway Patrol permitting office. This office has to handle each one of these requests for each trip on a one way basis. Allowing for the annual permit would reduce the workload of over 35,000 permits per year of which a little less than half are over width movements.

We do not believe the fiscal impact will be significant because by reducing the cost you will increase the number of these permits sold for various reasons, including convenience, compliance, and logistical efficiencies.

This bill will not only benefit trucking, but also agriculture, constructing, oil, manufacturing and energy development, without any additional damage to our infrastructure.

Mr. Chairman, this concludes my testimony, I ask for your DO PASS recommendation and would be happy to answer any questions the committee members may have.