

FISCAL NOTE
Requested by Legislative Council
01/07/2019

Bill/Resolution No.: HB 1291

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$20,000		
Appropriations				\$20,000		

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

HB 1291 would replace the recurring multi-year trailer registration fee due every six years by replacing it with a one-time fee of \$120 for a permanent trailer registration fee with an option for a prorated registration credit.

- 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.*

HB 1291 would replace the recurring multi-year trailer registration fee due every six years by replacing it with a one-time fee of \$120 for a permanent trailer registration fee with an option for a prorated registration credit. This bill would also require a one-time programming cost of \$20,000.

We cannot reliably quantify the fiscal impacts of this bill as we have no way to determine how many persons may take advantage of the provisions of this bill.

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.*

We cannot reliably quantify the revenue impacts of this bill as we have no way to determine how many persons may take advantage of the provisions of this bill.

- 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.*

NDDOT Motor Vehicle Division will incur one-time costs of approximately \$20,000 for computer programming costs.

- 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.*

NDDOT Motor Vehicle Division will incur additional one-time costs of approximately \$20,000 for computer programming. These additional costs were not included in NDDOT's appropriation request for the 2019-2021 biennium.

Name: Lindi Michlitsch

Agency: NDDOT

Telephone: 328-2734

Date Prepared: 01/14/2019

2019 HOUSE TRANSPORTATION

HB 1291

2019 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1291
1/17/2019
#30967

- Subcommittee
 Conference Committee

Committee Clerk: Jeanette Cook

Explanation or reason for introduction of bill/resolution:

A BILL relating to semitrailer and farm trailer plates; and to provide for application.

Minutes:

Attachment 1-3

Chairman Ruby opened the hearing on HB 1291.

Rep. Corey Mock, District 18, spoke to introduce HB 1291 and provided written testimony. See attachment #1. (10:00)

Representative Kading: Would you open this group to include dump trailers, trailers that contractors use, or even boat trailers?

Rep. Corey Mock: I would defer to North Dakota Motor Carriers and Department of Transportation to make sure that the expansion of the permanent plate is consistent in Code. Also, that we are not creating any additional work for them. Part of the fiscal note is to go in and recode the system so there is the permanent plate option. I would be open to considering it.

Representative Owens: Transfer ability of a permanent plate, is it transferable?

Rep. Corey Mock: I understand the process like this. If I am purchasing a commercial trailer from you, once I assume ownership of it and obtain the title, I need to have it registered with the Department of Transportation. Then I would have to purchase annual (now) or in this case permanent plates. That would not transfer. If you have a permanent registration, I would not inherit your permanent registration. I would have the option of paying \$20 a year fee, or pay \$120 for a permanent plate.

Representative Owens: If I get my permanent plate, but then buy a new trailer. Is the plate transferable to my new one or do I have to buy a new permanent plate for my new trailer?

Rep. Corey Mock: You would not be able to transfer your registration to your next trailer.

Chairman Ruby: In Section I you are removing Subsection 2. The new Subsection 2 still references the six-year option. Is the intent that people would still be able to utilize that?

Rep. Corey Mock: The new Subsection 2 (Subsection 3 in current Code) would only apply to fleet trailers.

Stockman's Association and Farmer's Union both support this measure.

Mike Gerhart, Executive Vice President of the North Dakota Motor Carriers' Association, spoke in support of HB 1291 and provided written testimony. See attachment #2. (22:35)

Representative Grueneich: Will the permanent registration be \$120?

Mike Gerhart: Yes, that is correct.

Representative Grueneich: As I look at our bordering states, it seems like our rates would still be less than competitive. Why did you choose \$120?

Mike Gerhart: When we worked with Motor Vehicle, that was the amount we agreed upon. From an industry prospective we don't want to outprice ourselves, but it is not so much about the money as it is about the convenience of being able to license your trailer here permanently. Then you don't have to worry about tracking it down when the tags get expired.

Chairman Ruby: Could you explain the advantage of the fleet plate and the cost?

Mike Gerhart: I would have to defer to Motor Vehicle. I know it was left out because it is in a different structure.

Chairman Ruby: Did you do any analysis of loses versus gains?

Mike Gerhart: The best that I could come up with is the survey that I took. There are a lot of unknowns. How many will leave the state if this doesn't pass? How many will come back if it does? I do know that being competitive is important. (Referred to survey in testimony.)

Representative Grueneich: How open is the Motor Carriers Industry to broaden this out to utility trailers?

Mike Gerhart: I would like to see what the numbers would be on a fiscal note. In North Dakota registering a boat trailer is optional. I'm not sure about broadening it.

Chairman Ruby: I put in a bill like this several sessions ago, and there was opposition to adding all trailers. There were problems with the definitions.

Mike Gerhart: This includes all semi-trailers.

Chairman Ruby: Is this mainly commercially owned trailers? Would a fifth-wheel trailer hauling an excavator, over 10,000 pounds, that is privately owned, qualify?

Mike Gerhart: It would qualify.

Representative Paur: Is a goose-neck trailer that sits in a pickup box covered under this?

Mike Gerhart: A fifth-wheel trailer would fall under the definition of a semi-trailer, except if it is a RV.

There was no further testimony in support of HB 1291.

There was no testimony in opposition to HB 1291.

Lindi Michlitsch, Motor Vehicle Division Director of the North Dakota Department of Transportation, spoke in a neutral capacity on HB 1291. She provided written testimony. See attachment #3. (35:02)

We had about 1,600 that were registered as fleet trailers

Chairman Ruby: What is the cost of the fleet trailers?

Lindi Michlitsch: A fleet trailer is \$120 for six years. What is different with a fleet trailer, is that they get a six-year plate that expires in 2021, but they pay annually. These are companies that do the same with their trucks. The plate is prorated, depending on when it is purchased.

Chairman Ruby: What does it cost to print the decals? They won't have to be printed every year.

Lindi Michlitsch: I don't know for sure. It was very minimal.

Representative Jones: Does the fleet permit allow the trucks to leave the state?

Lindi Michlitsch: Yes, it does.

Chairman Ruby: We had questions about the definitions of the trailer. Could you answer them?

Lindi Michlitsch: When we register a trailer we ask the type, but leave it up to the owner. The only difference is a travel trailer because the \$20 isn't prorated. The utility trailers are separate as well.

Chairman Ruby: Does a gooseneck qualify for this, whether it is commercial or private?

Lindi Michlitsch: Yes.

There was no further neutral testimony on HB 1291.

The hearing on HB 1291 was closed.

**Representative Owens moved a DO PASS on HB 1291.
Representative Grueneich seconded the motion.**

Representative Kading: Should we consider including the private individual with utility trailers?

Chairman Ruby: They probably wouldn't want to do that because people don't own numerous utility trailers, so that this would be a benefit. I also think they change hands more often, so it wouldn't be as much of a benefit as well.

**A roll call vote was taken on HB 1291: Yea 12 Nay 0 Absent 2
The motion carried.
Representative Paulson will carry HB 1291.**

Date: 1-17-19
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1291**

House 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 Owens Seconded By Coruenich

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN RUBY	X		REP LAURIEBETH HAGER	X	
VICE CHAIR BECKER	X		REP KARLA ROSE HANSON	X	
REP JIM GRUENEICH	X		REP MARVIN NELSON	A	
REP TERRY JONES	X				
REP TOM KADING	X				
REP EMILY O'BRIEN	X				
REP MARK OWENS	X				
REP BOB PAULSON	X				
REP GARY PAUR	X				
REP ROBIN WEISZ	A				
REP GREG WESTLIND	X				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Paulson

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

REPORT OF STANDING COMMITTEE

HB 1291: Transportation Committee (Rep. D. Ruby, Chairman) recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1291 was placed on the Eleventh order on the calendar.

2019 SENATE TRANSPORTATION

HB 1291

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

HB 1291
3/8/2019
33434

- Subcommittee
 Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to semitrailer and farm trailer plates; and to provide for application.

Minutes:

4 Attachments

Representative Corey Mock, District 18, Grand Forks: Please see **Attachment #1** for testimony and more information.

Chairman Rust: If I had a trailer, in other words what I could do is even though I live in North Dakota I could send an application to Idaho, register that trailer and get a license plate?

Representative Mock: You sure can. Neither you nor the trailer ever even has to set foot in the state of Idaho.

Lindi Michlitsch, Director, Motor Vehicle Division, North Dakota Department of Transportation: Please see **Attachment #2** for testimony.

Senator Dwyer: So the \$20,000 fiscal note is for programing and you don't know if there will be an impact plus or minus if this passes?

Ms Michlitsch: That is correct. The \$20,000 is just to update our system to allow for this permanent trailer and to allow for the credit. We don't know what the revenue as far as the registration piece would be. It all depends on how often somebody trades their trailers and I think the Motor Carriers Association will give you some examples of that. But, as long as they own that trailer; and if it's the companies they usually rotate their stock (I don't know if stock is the right word) but their trailers, probably every six to ten years.

Senator Patten: I'm assuming this would also include stock trailers for farms, like the gooseneck type, or not?

Ms Michlitsch: The bill outlines farm trailers and semi-trailers. So a stock trailer could essentially be, because that's part of the farming operations. But it wouldn't

Senator Dwyer: So any trailer that's used on a farm a bumper pull trailer that might be 16 feet long that's used for hauling lawnmowers or four-wheelers or skid steers, would that apply as a farm trailer?

Ms Michlitsch: If the owner is letting us know that it is being used in their farming operations, then we can register it as a permanent trailer.

Chairman Rust: Farm trailers and semi-trailers. Semi-trailers owned by any company qualify? You've got a small company that has four trailers, those qualify?

Ms Michlitsch: That is correct.

Chairman Rust: Personal, corporate or otherwise?

Ms Michlitsch: Right now in our system a trailer is a trailer. So we have to leave it up to the owner to let us know how they are intending to use it so we know how to adequately register it. So if we know that it's like a flatbed car trailer that is not included. We know that based on the use type in our system. So there has to be a conversation with that owner when they come in they register. Once it's in our system and we know, ok it's a flatbed then we know it wouldn't qualify for this. For that type of trailer.

Chairman Rust: So at the time that this trailer; farm trailer or semi-trailer is being registered obviously there must be an application that asks those questions?

Ms Michlitsch: That is correct.

Mike Gerhart, Executive Vice President, North Dakota Motor Carriers Association (NDMCA): Please see **Attachment #3** for testimony and additional information.

Chairman Rust: You said that fourteen of those respondents said that they would bring their business back to North Dakota, how many trailers was that?

Mr. Gerhart: Almost eight hundred, seven hundred seventy-two. That's when they bring new trailers online. Because they've already paid for those lifetime registrations out of state, but when they bring new trailers online they would license there trailers back in North Dakota.

Julie Ellingson, North Dakota Stockmen's Association: Please see **Attachment #4** for testimony.

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

HB 1291
3/8/2019
33435

- Subcommittee
 Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to semitrailer and farm trailer plates; and to provide for application.

Minutes:

No Attachments

Senator Dwyer: I move a Do Pass.

Senator Bakke: I Second the Motion.

Senator Fors: Am I understanding this right, it's for 6-years for \$120?

Chairman Rust: Currently

Senator Fors: So what would prevent you from licensing it in Idaho for \$99 forever?

Chairman Rust: Well, that's what is happening now. So what they want to do here is to give you a permanent, not having to be relicensed again for \$120. It would still be cheaper in Idaho.

Senator Fors: For the lifetime?

Chairman Rust: For the lifetime, as long as you own the trailer. As soon as you pass that trailer on to somebody else or sell it, then that person would have to buy a new license. So we're still allowing the \$20 annual but replacing the multi-year, 6-year for \$120 with a permanent \$120 license.

Roll Call Vote Taken

6-0-0 Do Pass

Carrier: Senator Fors

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO: HB 1291**

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 Dwyer Seconded By Senator Bakke

Senators	Yes	No	Senators	Yes	No
Senator Rust - Chairman	X		Senator Bakke	X	
Senator Clemens - Vice Chairman	X				
Senator Dwyer	X				
Senator Fors	X				
Senator Patten	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Fors

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

REPORT OF STANDING COMMITTEE

HB 1291: Transportation Committee (Sen. Rust, Chairman) recommends **DO PASS**
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1291 was placed on the
Fourteenth order on the calendar.

2019 TESTIMONY

HB 1291

NORTH DAKOTA HOUSE OF REPRESENTATIVES



STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Corey Mock

District 18
P.O. Box 12542
Grand Forks, ND 58208-2542
C: 701-732-0085
crmock@nd.gov

COMMITTEES:
Appropriations

HB 1291
1-17-19
#1
p.1

To: Chairman Dan Ruby and Esteemed Members of the House Transportation Committee

Date: January 17, 2019

Support Testimony for HB 1291

On May 17, 2018, I was fortunate to attend the North Dakota Motor Carriers Association Leadership Convention in Fargo. Representatives from the Motor Carriers Association are here today, but as a fellow legislator I'd highly encourage you to attend this annual convention in the future if your schedule allows. In addition to training and meetings, the convention features:

- ND Truck Driving Championships
- Educational and training sessions
- Emerging technology displays and demonstrations
- Safety Awards, including
- Recognition of the ND Trooper of the Year in conjunction with the ND Highway Patrol.

Many legislators are unaware of this recognition, but it's important to note that this highly coveted and distinguished honor is more than a plaque and a handshake. Next time you drive by the trooper with "Trooper of the Year" stamped on the quarter panel of their patrol car, know that you're sharing the road with one of North Dakota's finest.

Motor carriers are the backbone of our state's economy. Everything from drilling rigs and wind blades down to groceries and Amazon packages are shipped across the state thanks to the men and women who work long hours along our open roads.

At last year's convention I enjoyed hours of conversation with dispatchers, operators, and support staff, all in an effort to better understand the challenges their industry is facing. Which is what brings me before you today.

The most requested need identified by motor carriers was permanent registrations for commercial trailers. North Dakota is in a minority of states without an option to purchase a permanent or lifetime commercial trailer license.

Under current law, a commercial or farm trailer can be registered annually (\$20) or with multi-year plates which can last up to 6 years (up to \$120.) HB 1291 as drafted will eliminate the multi-year option for non-fleet trailers and replace it with a permanent trailer registration for the same price.

North Dakota Motor Carriers Association will be testifying shortly after me and can speak more to industry trends, but in our work we discovered that North Dakota is increasingly competing with other states for trailer registrations, with Idaho, Maine, Indiana, and Oklahoma as some of the states drawing the most attention.

Attached to my testimony is a fact sheet from the Idaho Transportation Department explaining the registration process. If you have a copy of the trailer's title and \$106, you can purchase a permanent commercial trailer plate in a matter of minutes. Within a few days you'll receive your license plate and registration card, both valid for as long as you own the trailer.

No two states are the same, but at least 30 states offer permanent license plates that make our annual and multi-year registration options less attractive with each passing year.

I'll walk you through the bill briefly before we entertain questions, most of which can be best answered by those testifying after me.

Section 1 eliminates subsection 2 of NDCC 39-04-12, which is the current language for multi-year commercial and farm trailers. Subsection 1 (annual registrations) and subsection 3 (multi-year registrations for fleet trailers) remain unchanged.

Representatives from NDDOT are present and can answer technical questions about multi-year registrations for fleet trailers, but we are leaving this section alone because of how fleet registrations are paid.

Section 2 cleans up language to align with the new subsection 1 (b), which requires a commercial or farm trailer to be registered with DOT either annually or permanently.

Section 3 creates the permanent trailer registration license, which is only valid as long as the trailer is operational and owned by the same titleholder. If trailer ownership is transferred, the new titleholder will have the option to purchase a permanent plate or register the trailer annually. This section also places the price of each registration option in code: \$20 for annual registration (current law) and \$120 for permanent registration (same price as current multi-year registrations and set at this level at the request of DOT.)

Section 4 states the law takes effect on August 1, 2019 for the 2020 vehicle registration year. It also states that anyone holding a multi-year registration -- which expire at the end of 2021 -- may receive a credit for their unused portion if they elect to obtain a permanent registration. Registration fees for 2019 cannot be credited, which means the largest credit a person may receive is \$40 per multi-year registration.

Thank you again for your consideration of HB 1291. Based on the input from motor carriers, this is one piece of legislation that will have a substantial impact on the industry and likely lead to many trailers with out-of-state registrations returning home in the coming years.

State Registration Fees for Commercial Semitrailers
Effective January 1, 2013 (rounded to whole dollars)
Note that not every state offers an annual registration for a semitrailer.

HB 291
 1-17-19
 # 1
 P. 4

<u>State</u>	<u>Annual Fee</u>	<u>Fee for Permanent Plate</u>
Alabama	\$ 20	\$ 60
Alaska		20
Arizona		245
Arkansas	20	65
California	10 – 5 years	75
Colorado	8 plus property tax	120
Connecticut	40	
Delaware	40	
D.C.	431	
Florida	14	68
Georgia	12	
Hawaii	(split fee)	
Idaho	15	105
Illinois		19
Indiana	6	82
Iowa	30	
Kansas	45	
Kentucky	20	107
Louisiana	10	70
Maine	20	80 – 25 years
Maryland	77 – 2 years	
Massachusetts	300 – 5 years	
Michigan		300
Minnesota		13
Mississippi		65
Missouri	8 – 1 year; 23 – 3 years	53
Montana		148
Nebraska	1	6 – 2 ann. renewal
Nevada	24	116
New Hampshire	24	
New Jersey	32 – 1 year; 86 – 4 years	
New Mexico		13
New York	29	86 – 6 years
North Carolina	19	75
North Dakota	20	
Ohio	25	400
Oklahoma		40 – 4 ann. renewal
Oregon		10
Pennsylvania	27	135
Rhode Island	12 – 1 year; 50 – 5 years	80 – 8 years
South Carolina	20	87
South Dakota		10
Tennessee		75
Texas	15	
Utah	31	130
Vermont	49 – 1 year; 96 – 2 years	
Virginia	40	100
Washington	34	
West Virginia		51
Wisconsin		50
Wyoming	6 plus property tax	

Motor Carrier Services Web Page

New Permanent Trailer Plates

HB1291
1-17-19
#1
p.5**FACT SHEET**

Permanent trailer registrations and plates are available to both Idaho-based and non-Idaho-based trailers.

REQUIREMENTS:**Idaho based registrants:**

- The trailer must belong to an Idaho resident or business.
- The trailer must be titled in Idaho before plates and credentials can be issued.
- A 45 day temporary registration may be issued if a valid bill-of-sale is presented along with payment of all registration fees. Credentials will be issued when an application for title has been issued.

Non-Idaho based registrants:

- May purchase the North America Permanent Trailer Plate and will not be required to title the trailer(s) in Idaho.
- Proof of valid title in the registrants name from the base jurisdiction must be provided in the form of a copy of the title or official record of the title at the time of application.
- Trailers not titled in Idaho are subject to periodic verification of ownership in order to maintain trailer registration active status.

Fees:

- \$99 registration fee
- \$4 administrative fee
- \$3 license plate fee
- Optional \$18 Temporary Vehicle Clearance fee (TVC)

Permanent trailer registrations purchased on or after July 1, 2009 are not transferable from one trailer to another. Permanent trailer registrations that were purchased prior to July 1, 2009 will continue to be transferable from one trailer to another for the same owner, within the same ITD account.

Business Logo Plate Option

A "business logo" plate is available as well, however in addition to the regular permanent trailer registration fees there will be "up front" programming costs that will have to be paid by the business for which the logo plate is produced. These plates will require design and production time for each business applicant and will be manufactured after the request is made and approved by the department.



Idaho North America Permanent Trailer Plate Application

36 (Rev. 07-17)
 HB1291
 1-17-19
 #1
 p.6

Motor Carrier Services ▪ PO Box 34 ▪ Boise, ID 83731-0034
 Phone: (208) 334-8611 ▪ Fax: (208) 334-2006 ▪ E-Mail: cvs@itd.idaho.gov ▪ Web Sites: dmv.idaho.gov ▪ trucking.idaho.gov

1. Applicant Information (required)

Idaho Account Number	Taxpayer Identification Number	U.S. DOT Number	Application Effective Date	Contact Name
Registrant Name (Legal or Legal & DBA)				Phone
Business Address	City	State	Zip	Fax
Mailing Address (if different from above)	City	State	Zip	E-Mail Address

2. Trailer Information (If the request is sent via e-mail, you may indicate "see attached" in this section and include a spreadsheet listing the trailer information)

Base Juris.	Unit Number	Trailer Year	Trailer Make	Complete Vehicle Identification Number	Trailer Type	Titled Owner's Name	Title Number

Requirements

- Trailers must be for commercial/business use.
- Non-Idaho based companies are not required to title the trailer(s) in Idaho. A copy of the title or official record of title is required. Periodic verification of ownership will occur in order to maintain trailer registration's active status.
- Idaho-based companies must have Idaho title.
- Permanent trailer plates purchased on or after July 1, 2009 are not transferable.
- Registration fees are not refundable.

Permanent trailer plates can be manufactured to display your business logo. A one-time set-up fee is assessed to cover the development costs. Contact Motor Carrier Services for details.

Registration Fees @ \$99 each	\$
Plate Fees @ \$3.75 each	\$
Administration Fees @ \$4.00 each	\$
Temporary Vehicle Clearance (TVC) Fees (optional) @ \$18.00 each	\$
Total Fees Due	\$

Payment accepted by MasterCard or VISA with a 2% service fee or check payable to State of Idaho. If the request is submitted via e-mail or fax, an invoice will be issued for the total fees due.

Applicant's Signature Confirming Ownership of the Trailer(s)	Date

HB 1291
1-17-19
#2
P.1

**TESTIMONY
HOUSE BILL 1291
TRANSPORTATION COMMITTEE
JANUARY 17, 2019**

Mr. Chairman and members of the House Transportation committee my name is Mike Gerhart, Executive Vice President of the North Dakota Motor Carriers Association (NDMCA). I am here this morning to testify in support of House Bill 1291.

Currently, commercial carriers who are based in North Dakota have three options to register their semi-trailers:

- Annual registration through NDDOT for \$20.00.
- Multi-year registration through NDDOT which is \$120.00 for six years or prorated depending on the year of purchase.
- Register their semi-trailers out of state where permanent registration is available.

House Bill 1291 replaces the multi-year registration with a permanent registration option for both semi-trailers and farm licensed trailers. This legislation benefits the trucking industry as well as the state of North Dakota in the following ways:

- HB 1291 provides North Dakota carriers a competitive choice which will help keep registration fees from leaving our state. This will also provide North Dakota carriers who are currently licensed in another state a competitive option to license future semi-trailers in North Dakota.
 - NDMCA surveyed member companies
 - 64 respondents with 6136 semi-trailers
 - Fleet size ranged from 1 – 1600 semi-trailers
 - 18 respondents have 859 semi-trailers registered outside of North Dakota
- HB 1291 provides efficiencies for both the trucking industry and NDDOT:
 - It eliminates the challenge of getting semi-trailer registrations updated upon expiration for carriers who haul loads outside of North Dakota for an extended period.
 - It will provide efficiencies with NDDOT staff's workload.

In closing, the NDMCA represents approximately 250 companies across North Dakota. Many of these companies are family owned and have been doing business in North Dakota for decades. The size of these companies and what they haul varies, however, this legislation is important to all of them. It provides North Dakota trucking companies a choice that is competitive with other states.

I ask that you give HB 1291 favorable consideration and a DO PASS recommendation. Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

State Registration Fees for Commercial Semitrailers

Effective January 1, 2013 (rounded to whole dollars)

Note that not every state offers an annual registration for a semitrailer.

HB1291
1-17-19
#2
p.2

<u>State</u>	<u>Annual Fee</u>	<u>Fee for Permanent Plate</u>
Alabama	\$ 20	\$ 60
Alaska		20
Arizona		245
Arkansas	20	65
California	10 – 5 years	75
Colorado	8 plus property tax	120
Connecticut	40	
Delaware	40	
D.C.	431	
Florida	14	68
Georgia	12	
Hawaii	(split fee)	
Idaho	15	105
Illinois		19
Indiana	6	82
Iowa	30	
Kansas	45	
Kentucky	20	107
Louisiana	10	70
Maine	20	80 – 25 years
Maryland	77 – 2 years	
Massachusetts	300 – 5 years	
Michigan		300
Minnesota		13
Mississippi		65
Missouri	8 – 1 year; 23 – 3 years	53
Montana		148
Nebraska	1	6 – 2 ann. renewal
Nevada	24	116
New Hampshire	24	
New Jersey	32 – 1 year; 86 – 4 years	
New Mexico		13
New York	29	86 – 6 years
North Carolina	19	75
North Dakota	20	
Ohio	25	400
Oklahoma		40 – 4 ann. renewal
Oregon		10
Pennsylvania	27	135
Rhode Island	12 – 1 year; 50 – 5 years	80 – 8 years
South Carolina	20	87
South Dakota		10
Tennessee		75
Texas	15	
Utah	31	130
Vermont	49 – 1 year; 96 – 2 years	
Virginia	40	100
Washington	34	
West Virginia		51
Wisconsin		50
Wyoming	6 plus property tax	

p.3

North Dakota

TRUCKING FAST FACTS



TRUCKING DRIVES THE ECONOMY

CAREERS

28,820

Trucking industry jobs
in North Dakota (2017)



That's **1 in 12** jobs in the state

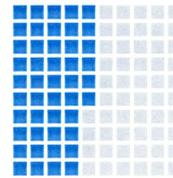


SMALL BUSINESS EMPHASIS



Trucking companies located in North Dakota (2017). Primarily small, locally owned businesses, these companies are served by a wide range of supporting businesses.

TRANSPORTING THE ESSENTIALS



46.4%

of North Dakota communities depend exclusively on trucks to move their goods.



Percent of total manufactured tonnage transported by trucks in the state. That's **42,393 tons per day.** (2012)

COMPETITIVE WAGES

- Total trucking industry wages paid in North Dakota in 2017 exceeded **\$1.4 billion**, with an average annual trucking industry salary of **\$48,718**.
- Heavy and tractor-trailer truck drivers held **11,000** jobs with an average annual salary of **\$53,020** (U.S. Bureau of Labor Statistics, May 2018).

SAFETY MATTERS

SAFETY FIRST

North Dakota Motor Carriers Association members put safety first through:

- Improved driver training
- Investment in advanced safety technologies
- Active participation in industry safety initiatives at the local, state and national levels

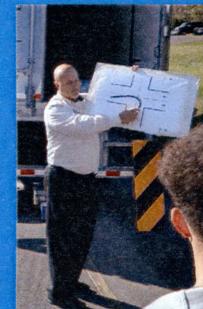
CONTINUALLY IMPROVING

2016 fatal crash rate per 100 million Vehicle Miles Traveled (VMT):



71% The amount by which the U.S. large truck fatal crash rate has dropped between 1975 and 2016.

COMMITMENT TO SHARING THE ROAD



The **Share the Road** program sends a team of professional truck drivers to communities around the country to teach car drivers about truck blind spots, stopping distances and how to merge safely around large trucks, all designed to reduce the number of car-truck accidents.

P. 4

North Dakota

TRUCKING FAST FACTS

\$ TRUCKING PAYS THE FREIGHT

THE INDUSTRY

\$202 million

Amount the trucking industry in North Dakota paid approximately in federal and state roadway taxes (2016).

The industry paid **54%** of all taxes owed by North Dakota motorists ...



... despite trucks representing only **21%** of vehicle miles traveled in the state.



INDIVIDUAL COMPANIES

As of April 2018, a typical five-axle tractor-semitrailer combination paid:

\$4,698 state highway user fees and taxes + **\$8,906** federal highway user fees and taxes

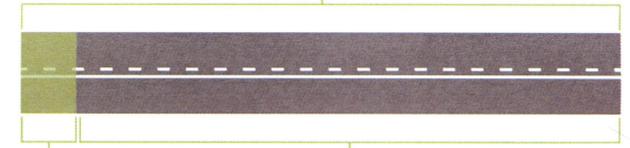
These taxes were over and above the typical taxes paid by businesses in North Dakota.



ROADWAY USE

87,397

Miles of public roads in North Dakota (2016).



2.0 billion Miles driven by trucks on public roads

9.7 billion Miles driven by all motorists on public roads

TRUCKS DELIVER A CLEANER TOMORROW

EMISSIONS

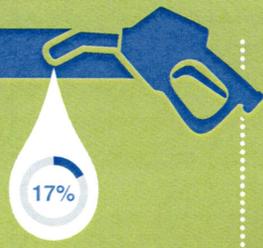
Through advancements in engine technology and fuel refinements:

- ✓ New diesel truck engines produce **98%** fewer particulate matter (PM) and nitrogen oxides (NOx) emissions than a similar engine manufactured prior to 1990.
- ✓ Sulfur emissions from diesel engines have also been reduced by **97%** since 1999.

FUEL CONSUMPTION

The trucking industry continues to improve energy and environmental efficiency even while increasing the number of miles driven. In 2016:

- Trucks accounted for just **17%** of the total highway transportation fuel consumed.
- Trucks consumed **100 billion** fewer gallons of fuel than passenger vehicles in the U.S.



PARTNERSHIPS



Through the **U.S. Environmental Protection Agency's (EPA) SmartWay Transport Partnership**, the trucking industry is working with government and businesses to quantify greenhouse gas emissions and take steps to reduce them.

HB1291
1-17-19
#3

HOUSE TRANSPORTATION COMMITTEE

Date: January 17, 2019 at 9:00 a.m.

**North Dakota Department of Transportation
Lindi Michlitsch, Motor Vehicle Division Director**

House Bill 1291

Good morning, Mr. Chairman and members of the committee. I am Lindi Michlitsch, Motor Vehicle Division Director at the North Dakota Department of Transportation. Thank you for giving me the opportunity to present information to you today.

This bill proposes to amend section 39-04-12 by offering a permanent registration option for trailers and discontinuing the current 6-year registration option for trailers. The annual registration option remains unchanged by this bill.

The impact of HB 1291 is difficult to determine, as it is dependent on the number of trailer owners that opt for a permanent registration versus the current 6-year registration and annual registration options. As of December 31, 2018, there were approximately 4,600 of trailers registered with the 6-year option and approximately 176,000 of trailers registered with the annual option.

Short-term impacts would be system programming and plate costs. Long term, a high number of trailers opting for permanent registration could lead to decreased labor costs related to renewal processing.

There is a fiscal note attached to this bill.

Thank you, Mr. Chairman, I would be happy to answer any questions.



NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Corey Mock

District 18
P.O. Box 12542
Grand Forks, ND 58208-2542

C: 701-732-0085
crmoc@nd.gov

COMMITTEES:
Appropriations

To: Chairman David Rust and Esteemed Members of the Senate Transportation Committee

Date: March 8, 2019

Support Testimony for HB 1291

On May 17, 2018, I was fortunate to attend the North Dakota Motor Carriers Association Leadership Convention in Fargo. Representatives from the Motor Carriers Association are here today, but as a fellow legislator I'd highly encourage you to attend this annual convention in the future if your schedule allows. In addition to training and meetings, the convention features:

- ND Truck Driving Championships
- Educational and training sessions
- Emerging technology displays and demonstrations
- Safety Awards, including
- Recognition of the ND Trooper of the Year in conjunction with the ND Highway Patrol.

Many legislators are unaware of this recognition, but it's important to note that this highly coveted and distinguished honor is more than a plaque and a handshake. Next time you drive by the trooper with "Trooper of the Year" stamped on the quarter panel of their patrol car, you'll know you're sharing the road with one of North Dakota's finest.

Motor carriers are the backbone of our state's economy. Everything from drilling rigs and wind blades down to groceries and Amazon packages are shipped across the state thanks to the men and women who work long hours along our open roads.

At last year's convention I enjoyed hours of conversation with dispatchers, operators, and support staff, all in an effort to better understand the challenges their industry is facing. Which is why I am before you today.

The most requested need identified by motor carriers was permanent registrations for commercial trailers. North Dakota is in a minority of states without an option to purchase a permanent or lifetime commercial trailer license.

Under current law, a commercial or farm trailer can be registered annually (\$20) or with multi-year plates which can last up to 6 years (up to \$120.) HB 1291 as drafted will eliminate the multi-year option for non-fleet trailers and replace it with a permanent trailer registration for the same price.

North Dakota Motor Carriers Association will be testifying shortly after me and can speak more to industry trends, but in our work we discovered that North Dakota is increasingly competing with other states for trailer registrations, with Idaho, Maine, Indiana, and Oklahoma as some of the states drawing the most attention.

Attached to my testimony is a fact sheet from the Idaho Transportation Department explaining the registration process. If you have a copy of the trailer's title and \$106, you can purchase a permanent commercial trailer plate in a matter of minutes. Within a few days you'll receive your license plate and registration card, both valid for as long as you own the trailer.

No two states are the same, but at least 30 states offer permanent license plates that make our annual and multi-year registration options less attractive with each passing year.

I'll walk you through the bill briefly before we entertain questions, most of which can be best answered by those testifying after me.

Section 1 eliminates subsection 2 of NDCC 39-04-12, which is the current language for multi-year commercial and farm trailers. Subsection 1 (annual registrations) and subsection 3 (multi-year registrations for fleet trailers) remain unchanged.

Representatives from NDDOT are present and can answer technical questions about multi-year registrations for fleet trailers, but we are leaving this section alone because of how fleet registrations are paid.

Section 2 cleans up language to align with the new subsection 1 (b), which requires a commercial or farm trailer to be registered with DOT either annually or permanently.

Section 3 creates the permanent trailer registration license, which is only valid as long as the trailer is operational and owned by the same titleholder. If trailer ownership is transferred, the new titleholder will have the option to purchase a permanent plate or register the trailer annually. This section also places the price of each registration option in code: \$20 for annual registration (current law) and \$120 for permanent registration (same price as current multi-year registrations and set at this level at the request of DOT.)

Section 4 states the law takes effect on August 1, 2019 for the 2020 vehicle registration year. It also states that anyone holding a multi-year registration -- which expire at the end of 2021 -- may receive a credit for their unused portion if they elect to obtain a permanent registration. Registration fees for 2019 cannot be credited, which means the largest credit a person may receive is \$40 per multi-year registration.

Thank you again for your consideration of HB 1291. Based on the input from motor carriers, this is one piece of legislation that will have a substantial impact on the industry and likely lead to many trailers with out-of-state registrations returning home in the coming years.

State Registration Fees for Commercial Semitrailers

Effective January 1, 2013 (rounded to whole dollars)

Note that not every state offers an annual registration for a semitrailer.

<u>State</u>	<u>Annual Fee</u>	<u>Fee for Permanent Plate</u>
Alabama	\$ 20	\$ 60
Alaska		20
Arizona		245
Arkansas	20	65
California	10 – 5 years	75
Colorado	8 plus property tax	120
Connecticut	40	
Delaware	40	
D.C.	431	
Florida	14	68
Georgia	12	
Hawaii	(split fee)	
Idaho	15	105
Illinois		19
Indiana	6	82
Iowa	30	
Kansas	45	
Kentucky	20	107
Louisiana	10	70
Maine	20	80 – 25 years
Maryland	77 – 2 years	
Massachusetts	300 – 5 years	
Michigan		300
Minnesota		13
Mississippi		65
Missouri	8 – 1 year; 23 – 3 years	53
Montana		148
Nebraska	1	6 – 2 ann. renewal
Nevada	24	116
New Hampshire	24	
New Jersey	32 – 1 year; 86 – 4 years	
New Mexico		13
New York	29	86 – 6 years
North Carolina	19	75
North Dakota	20	
Ohio	25	400
Oklahoma		40 – 4 ann. renewal
Oregon		10
Pennsylvania	27	135
Rhode Island	12 – 1 year; 50 – 5 years	80 – 8 years
South Carolina	20	87
South Dakota		10
Tennessee		75
Texas	15	
Utah	31	130
Vermont	49 – 1 year; 96 – 2 years	
Virginia	40	100
Washington	34	
West Virginia		51
Wisconsin		50
Wyoming	6 plus property tax	

Motor Carrier Services Web Page

New Permanent Trailer Plates

FACT SHEET

Permanent trailer registrations and plates are available to both Idaho-based and non-Idaho-based trailers.

REQUIREMENTS:**Idaho based registrants:**

- The trailer must belong to an Idaho resident or business.
- The trailer must be titled in Idaho before plates and credentials can be issued.
- A 45 day temporary registration may be issued if a valid bill-of-sale is presented along with payment of all registration fees. Credentials will be issued when an application for title has been issued.

Non-Idaho based registrants:

- May purchase the North America Permanent Trailer Plate and will not be required to title the trailer(s) in Idaho.
- Proof of valid title in the registrants name from the base jurisdiction must be provided in the form of a copy of the title or official record of the title at the time of application.
- Trailers not titled in Idaho are subject to periodic verification of ownership in order to maintain trailer registration active status.

Fees:

- \$99 registration fee
- \$4 administrative fee
- \$3 license plate fee
- Optional \$18 Temporary Vehicle Clearance fee (TVC)

Permanent trailer registrations purchased on or after July 1, 2009 are not transferable from one trailer to another. Permanent trailer registrations that were purchased prior to July 1, 2009 will continue to be transferable from one trailer to another for the same owner, within the same ITD account.

Business Logo Plate Option

A "business logo" plate is available as well, however in addition to the regular permanent trailer registration fees there will be "up front" programming costs that will have to be paid by the business for which the logo plate is produced. These plates will require design and production time for each business applicant and will be manufactured after the request is made and approved by the department.

Idaho North America Permanent Trailer Plate Application

Motor Carrier Services ■ PO Box 34 ■ Boise, ID 83731-0034

Phone: (208) 334-8611 ■ Fax: (208) 334-2006 ■ E-Mail: cvs@itd.idaho.gov ■ Web Sites: dmv.idaho.gov ■ trucking.idaho.gov

Your Safety • Your Mobility
Your Economic Opportunity

HB 1291 #1
 3/18/19 P96

1. Applicant Information (required)

Idaho Account Number	Taxpayer Identification Number	U.S. DOT Number	Application Effective Date		Contact Name
Registrant Name (Legal or Legal & DBA)					Phone
Business Address		City	State	Zip	Fax
Mailing Address (if different from above)		City	State	Zip	E-Mail Address

2. Trailer Information (If the request is sent via e-mail, you may indicate "see attached" in this section and include a spreadsheet listing the trailer information)

Base Juris.	Unit Number	Trailer Year	Trailer Make	Complete Vehicle Identification Number	Trailer Type	Titled Owner's Name	Title Number

Requirements

- Trailers must be for commercial/business use.
- Non-Idaho based companies are not required to title the trailer(s) in Idaho. A copy of the title or official record of title is required. Periodic verification of ownership will occur in order to maintain trailer registration's active status.
- Idaho-based companies must have Idaho title.
- Permanent trailer plates purchased on or after July 1, 2009 are not transferable.
- Registration fees are not refundable.

Permanent trailer plates can be manufactured to display your business logo. A one-time set-up fee is assessed to cover the development costs. Contact Motor Carrier Services for details.

Registration Fees @ \$99 each	\$
Plate Fees @ \$3.75 each	\$
Administration Fees @ \$4.00 each	\$
Temporary Vehicle Clearance (TVC) Fees (optional) @ \$18.00 each	\$
Total Fees Due	\$

Payment accepted by MasterCard or VISA with a 2% service fee or check payable to State of Idaho. If the request is submitted via e-mail or fax, an invoice will be issued for the total fees due.

Applicant's Signature Confirming Ownership of the Trailer(s)	Date

SENATE TRANSPORTATION COMMITTEE
March 8, 2019 at 9:30 a.m. – Lewis and Clark

North Dakota Department of Transportation
Lindi Michlitsch, Motor Vehicle Division Director

House Bill 1291

Good morning, Mr. Chairman and members of the committee. I am Lindi Michlitsch, Motor Vehicle Division Director at the North Dakota Department of Transportation (NDDOT). I am here to discuss HB 1291 and NDDOT supports this bill.

This bill proposes to amend section 39-04-12 by offering a nontransferable permanent registration option for trailers and discontinue the current 6-year registration option for trailers. The current 6-year (multi-year) trailer plate allows trailer owners to register their trailer for up to a 6-year period for \$120. A plate is issued at time of registration with an expiration date of December 2021. All of these plates expire at the same time and registration is prorated based on when the trailer is first registered. The expiration date is printed on the plate eliminating the need for yearly decals. The annual registration option remains unchanged by this bill. The permanent trailer plate would be similar to the 6-year plate and would not require the owner to get a new plate every 6 years. The registration and plate are valid for as long as the ownership does not change for this trailer.

The impact of HB 1291 is difficult to determine, as it is dependent on the number of trailer owners that opt for a permanent registration versus the current 6-year registration and annual registration options. As of December 31, 2018, there were approximately 4,600 of trailers registered with the 6-year option and approximately 176,000 of trailers registered with the annual option.

There is a fiscal note attached to this bill.

Thank you, Mr. Chairman, I would be happy to answer any questions.

TESTIMONY
HOUSE BILL 1291
SENATE TRANSPORTATION COMMITTEE
MARCH 8, 2019

Mr. Chairman and members of the Senate Transportation Committee my name is Mike Gerhart, Executive Vice President of the North Dakota Motor Carriers Association (NDMCA). I am here this morning to testify in support of House Bill 1291.

Currently, commercial carriers who are based in North Dakota have three options to register their semi-trailers:

- Annual registration through NDDOT for \$20.00.
- Multi-year registration through NDDOT which is \$120.00 for six years or prorated depending on the year of purchase.
- Register their semi-trailers out of state where permanent registration is available. (**over 30 states**)

House Bill 1291 replaces the multi-year registration with a permanent registration option for both semi-trailers and farm licensed trailers. This legislation benefits the trucking industry as well as the state of North Dakota in the following ways:

- HB 1291 provides North Dakota carriers a competitive choice which will help keep registration fees from leaving our state. This also provides North Dakota carriers who are currently registered in another state a competitive option to register future semi-trailers in North Dakota.
 - NDMCA surveyed member companies
 - 64 respondents with 6136 semi-trailers. (**over 3300 companies in ND**)
 - Fleet size ranged from 1 – 1600 semi-trailers.
 - 18 respondents have 859 semi-trailers registered outside of North Dakota.

- HB 1291 provides efficiencies for both the trucking industry and NDDOT:
 - It eliminates the challenge of getting semi-trailer registrations updated prior to expiration for carriers who haul loads outside of North Dakota.
 - It will provide efficiencies with NDDOT staff's workload.

In closing, the NDMCA represents approximately 250 companies across North Dakota. Many of these companies are family owned and have been doing business in North Dakota for decades. The size of these companies and what they haul varies, however, this legislation is important to all of them. It provides North Dakota trucking companies a choice that is competitive with other states.

I ask that you give HB 1291 favorable consideration and a DO PASS recommendation.

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

North Dakota Stockmen's Association
Testimony to the Senate Transportation Committee on HB 1291
March 8, 2019

Good morning, Chairman Rust and Senate Transportation Committee members. For the record, my name is Julie Ellingson and I represent the North Dakota Stockmen's Association, an 89-year-old beef cattle trade organization representing 3,000 North Dakota cattle-ranching families.

We appear here in support of HB 1291, which would create a permanent trailer registration option. As livestock owners, most North Dakota Stockmen's Association members own at least one trailer, and they would be positively impacted by this bill. It would give them another option for trailer registration, as well as save time and the hassle of going through the registration process year after year if they didn't want to. Instead, they could pay the fee and be done for as long as they own the trailer.

We understand that having this permanent registration option may also return some trailers to North Dakota's registry because their owners may be registering their trailers in other states because they have this longer option.

For these reasons, we support HB 1291 and respectfully ask for your do-pass recommendation on it.