

UNIFORM TRUCK PERMITTING STUDY TRANSPORTATION COMMITTEE SUMMARY

UNIFORM TRUCK PERMITTING STUDY

Section 5 of 2015 House Bill No. 1377 directed the Legislative Management to study truck permitting systems in oil- and gas-producing counties. The study was to include a review of the North Dakota Association of Oil and Gas Producing Counties' (NDAOGPC) uniform county truck permit program, including the system's integration with the Highway Patrol's online electronic truck permitting and routing system and the communications between county representatives and industry representatives regarding road conditions. The study evaluated the appropriateness of additional fees assessed by the board of county commissioners and other local authorities to the oil and gas industry, related to additional road permitting fees and it analyzed other relevant data regarding uniform truck permitting fees and procedures. The study included input from representatives of the North Dakota Petroleum Council, representatives of NDAOGPC, and other interested persons. Section 6 of House Bill No. 1377 placed a moratorium on additional fees for use of county roads so that the board of county commissioners and other local authorities having control of roads could not impose any additional fees for the use of county roads, except the fees established in the NDAOGPC's uniform county truck permit program, unless an operator, company, or individual requested and agreed to pay the additional fees. However, the board of county commissioners and other local authorities could issue penalties to operators, companies, or individuals who violated posted road restrictions during the 2015-17 biennium.

Testimony and Discussion

The committee learned the North Dakota Uniform County Truck Permit System is a program governed by the Executive Board and Truck Permit Committee of NDAOGPC. The North Dakota Association of the Oil and Gas Producing Counties reported that the following 17 counties participate in the permit system--Adams, Billings, Bottineau, Bowman, Burke, Divide, Dunn, Golden Valley, Hettinger, McKenzie, McLean, Mountrail, Renville, Slope, Stark, Ward, and Williams. The committee learned the permit system has been in place since 1984, which began as a self-permitting system and has expanded to an e-permit type system. The North Dakota Association of the Oil and Gas Producing Counties reported that its system currently shares common information with the Highway Patrol's e-permitting system and the state system includes a link to the uniform county truck permitting system. The North Dakota Association of the Oil and Gas Producing Counties also informed the committee that permit requesters can also enter the state permit number into its uniform county truck permit system and the common information will be populated from the state permit system. The committee received a fee schedule ([appendix](#)) from NDAOGPC.

The committee learned of the following fees charged within the permitting system:

- Drilling rig move permit cost is \$500 in to site and \$500 out of site (the drilling rig is also subject to oversize and overweight permit fees);
- Xcess permit assesses a ton per mile fee on loads over 150,000 pounds gross vehicle weight (GVW) at a rate of \$5 per ton per mile over 150,000 pounds GVW;
- Restricted road e-permit for all restricted county roads of members at \$5 per ton per mile over the restricted GVW, plus \$1 per ton per mile for each axle over the restricted axle weight; and
- Maintenance fee of \$4 per permit.

The committee learned that in the past 5 years, the number of North Dakota e-permitting permits have increased by approximately 50,000 permits per year and 97 percent of all permits are initiated and purchased online, of which 87 percent of the routed oversize or overweight permits are issued without Highway Patrol involvement through the e-permit system for state highways. The committee received testimony from the Highway Patrol indicating the current e-permit system can be modified to incorporate county permitting by utilizing the existing infrastructure and the preliminary estimates of the cost to expand the current e-permit system to include county permits is \$2.8 million, excluding county costs. The Highway Patrol explained that counties would pay the state for the use of the system and the enhanced system would need to designate fee collections by county. The committee learned that currently each e-permit includes a \$15 service fee, which is applied to routable permits only and in fiscal year 2014 the motor carrier electronic permit transaction fund collected \$3.4 million in service fees. The committee learned the motor carrier electronic permit transaction fund is designated for the maintenance and operation of the e-permit system. The committee learned that the majority of the comments from the transportation industry are positive regarding the e-permit system and the Highway Patrol has increased training for the transportation industry to improve e-permit applications and the customers' familiarity with the system.

The committee received testimony from the North Dakota Petroleum Council on behalf of the transportation industry in oil-producing counties regarding townships and counties imposing permitting requirements during the freeze/thaw cycle that are beyond the uniform truck permitting system developed by the NDAOGPC. The committee learned the lack of consistency among counties has increased and as a result increased the amount of time companies spend applying for county and township permits.

The committee received testimony from the North Dakota Motor Carriers Association regarding the transportation industry's support of a single point access system for permitting and the implementation of a maximum fee for overweight vehicles.

The committee received testimony from the North Dakota Association of Counties regarding its support of addressing counties' needs for a dynamic overload permit process to meet counties' changing load limits.

Deposit of Overweight Violation Fees Bill Draft

The committee considered a bill draft to remove the sunset clause on North Dakota Century Code Section 39-12-20 relating to proceeds of sale for overweight violation fees. Section 39-12-20 currently provides that the proceeds of sale for a violation that did not occur on an interstate or a state highway, the amount of charges assessed under Section 39-12-17 is appropriated on a continuing basis and must be deposited in the general fund in the jurisdiction in which the violation occurred and must be used for the support of the road system of that jurisdiction. If the section is allowed to expire on June 30, 2017, the proceeds relating to a violation that did not occur on an interstate or a state highway will be deposited into the state highway fund. The committee learned the state constitution requires criminal fines for overweight violations to be used for the benefit of common schools, regardless of where the violation occurs and the bill draft only affects the civil penalty associated with the violation. The committee learned the 2013 legislative session fiscal note indicated a loss of revenue to the state in the amount of \$1,260,000 as a result of allowing these proceeds to be provided to the jurisdiction in which the violation occurred.

Recommendations

The committee recommends bill draft [\[17.0033.01000\]](#) to change the deposit of overweight violation fees allowing the civil portion of the penalty to be deposited with the jurisdiction of the road in which the violation occurred.

ATTACH:1