

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Bill/Resolution No.: HB 1326

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 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).*

This bill requires a vehicle with a registered gross weight exceeding 20,000 lbs used to haul soil, sand, rocks, rock chips, or gravel to be covered to keep load within or on the vehicle, unless owned or operated by the state or a political subdivision.

- 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.*

Since the state and political subdivisions are exempt from this provision, there is no reportable fiscal impact.

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

Name: Shannon L. Sauer

Agency: NDDOT

Telephone: 328-4375

Date Prepared: 01/19/2015

2015 HOUSE TRANSPORTATION

HB 1326

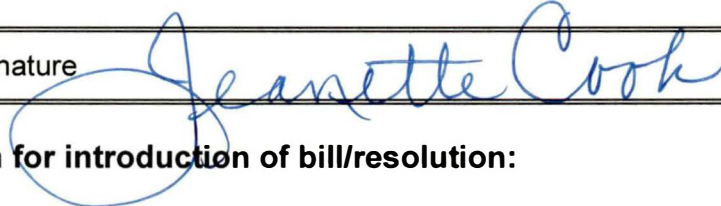
2015 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1326
1/23/2015
#22459

Subcommittee
Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to covering a load in a vehicle and fee for a violation.

Minutes:

Attachments #1 and 2

Chairman Dan Ruby opened the hearing on HB 1326.

Representative Jay Siebel, District 33, spoke to introduce and support HB 1326 which he is bringing on behalf of constituents. He explained that the bill will require anyone hauling soil, sand, rock, rock chips or gravel to securely cover the load to keep the contents within or on the vehicle. He stated that the people in his area are sick of getting rock chips when meeting a vehicle who is hauling aggregate. The fee for the violation will be \$100. It also states that the any vehicle owned by the state or a political subdivision would be exempt.

Representative Rick C. Becker: Why are you exempting the state and political subdivisions vehicles?

Representative Jay Siebel: I know that this issue has been before you the last four sessions, and I have heard that it has been defeated because the Department of Transportation came out against it because of fiscal notes. The Department of Transportation vehicles mainly carry sand, and that isn't our biggest concern. Rocks and gravel are the biggest concerns in our area.

Representative Rick C. Becker: Would you be open to make an amendment which would strike the portion that says state and political subdivision vehicles and also strike sand?

Representative Jay Siebel: Sure.

Chairman Dan Ruby: We have seen this before. If we don't exempt the political subdivisions, we get a good fiscal note. If we do exempt them, we get the question you just had. It is a policy decision whether we say we need to have those types of loads covered no matter what the cost. Then everyone will have to bear the cost. Is that your position?

Representative Jay Siebel: My position **would be** that I would like to see all of the loads covered.

Representative Chris Olson: Do you have any idea of how the fiscal note would change if we strike sand from the requirement?

Representative Jay Siebel: I would not know that.

Chairman Dan Ruby: It is already a requirement that anyone hauling anything should secure their load. Is that correct?

Representative Jay Siebel: That is how I interpret the law, but I know in our area it is not being enforced like that.

Representative Marvin Nelson: Do you think it would be a possibility that if we put an effective date sometime in the future, it would give everyone enough notice to get the tarps purchased and on the trucks. It would avoid the harsh thing in the law. Do you think that might work?

Representative Jay Siebel: I think that might be a good approach. If you pass this bill, then it probably won't be back again next session.

Chairman Dan Ruby: As far as a timeline, the law wouldn't go into effect until August 1st, so there would be time for that type of notification.

There was no further support for HB 1326.

(8:20)

Arik Spencer, Executive Vice President of the North Dakota Motor Carriers Association, spoke to oppose HB 1326. See attachment #1. He urges a DO NOT PASS on HB 1326.

Representative Marvin Nelson: If I am driving a flatbed, and there are loose rocks on the flatbed, am I in violation?

Arik Spencer: I don't know the answer to that. It depends on if that is your load.

Russ Hanson, Associated General Contractors of North Dakota, spoke in opposition to HB 1326. See attachment # 2.

There was no further opposition to HB 1326.
The hearing was closed on HB 1326.

Representative Rick C. Becker moved a DO NOT PASS on HB 1326.
Vice Chairman Lisa Meier seconded the motion.

A roll call vote was taken: Aye 12 Nay 1 Absent 1
The motion carried.

House Transportation Committee

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Representative Lois Delmore will carry HB 1326.

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1326**

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 Representative Rick C. Becker Seconded By Vice Chairman Lisa Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby	X		Rep. Delmore	X	
Vice Chairman Meier	X		Rep. Hanson		X
Rep. Rick Becker	X		Rep. Nelson	X	
Rep. Frantzvog	X				
Rep. Hawken	A				
Rep. Olson	X				
Rep. Owens	X				
Rep. Paur	X				
Rep. Schatz	X				
Rep. Sukut	X				
Rep. Weisz	X				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Representative Lois Delmore

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

REPORT OF STANDING COMMITTEE

HB 1326: Transportation Committee (Rep. Ruby, Chairman) recommends DO NOT PASS (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1326 was placed on the Eleventh order on the calendar.

2015 TESTIMONY

HB 1326

HB 1326
1-23-15

1

**TESTIMONY
HOUSE BILL 1326
HOUSE TRANSPORTATION COMMITTEE**

Mr. Chairman and members of the House Transportation Committee my name is Arik Spencer, executive vice president of the North Dakota Motor Carriers Association. I am here this morning to testify in opposition of House Bill 1326.

We have several concerns with HB 1326. First, this bill will do little to prevent damage to vehicles from rocks and gravel as gravel is part of the sub-base of a road, road shoulders and is obviously on gravel roads which is included in the definition of a highway. When gravel falls from a vehicle, it often times is a result of loading, when gravel or other material falls on surfaces outside the vehicles box such as the bumper. Gravel can also come loose from the belly dump or from a trucks tires.

Our second concern is the requirement to cover loads of rock without specifying the size of the rock. As this bill is written loads of large rock or boulders would need to be covered which is not reasonable.

Our third and major concern is cost. The average cost of a tarp is around \$3,300. This is why DOT expressed concern over last session's version of this bill as their cost to comply would have been over \$1.3 million. This bill excludes the state and political subdivisions from this requirement and is essentially saying tarping isn't good for government but is good for businesses which will pay millions to comply with these new regulations without truly fixing the issue.

We ask that you give HB 1326 a DO NOT PASS recommendation.

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

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1 of 2

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Testimony HB 1326
House Transportation Committee
January 23, 2015

Mr. Chairman and members of the House Transportation committee, my name is Russ Hanson of the Associated General Contractors of North Dakota. AGC of ND is a 500 member association which has been in existence since 1951. Our membership consists of all aspects of commercial construction - highway contractors, vertical contractors, specialty contractors, subcontractors as well as material and equipment suppliers.

The AGC of ND is opposed to HB 1326 which is the same position we've had on similar bills introduced the past several legislative sessions. While damage to vehicles, particularly windshields is frustrating, we don't believe a tarping mandate will solve the problem. Current law states "no vehicle may be driven on any highway unless it is so constructed or loaded as to prevent its contents from dropping, sifting, leaking, or otherwise escaping therefrom". If a vehicle violates this, they can be cited.

If HB 1326 is enacted it will have a cost to business which will be passed on as an overall cost of doing business. In inquiring with some of our members, \$2,500 is a common number given as an approximation for tarp cost. Depending upon the size of the business's fleet, would determine the overall cost. One of our members indicated they'd need to cover 294 trucks which would equate to over \$700,000.

I previously stated HB 1326 would be a cost to business purposefully as this bill exempts government from this mandate. If the Legislature believes this bill will solve a problem (again, we do not), it ought to enact the policy uniformly to anyone hauling the material stated in this bill.

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2 of 2

I inquired with my AGC colleagues from our neighboring states regarding their respective policies regarding this issue. Their policies are the same now as I reported in 2013. Minnesota has a tarping requirement while Montana and South Dakota do not.

For these reasons, we respectfully request a Do Not Pass recommendation on HB 1326. Thanks for the opportunity to testify. I will be happy to attempt to address any questions