

FISCAL NOTE
Requested by Legislative Council
01/09/2017

Revised
 Bill/Resolution No.: HB 1184

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$1,250,000		\$14,590,816
Appropriations				\$1,250,000		\$14,590,816

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 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 would increase the speed limit on highways throughout the state.

- 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.*

Sections 1, 2, and 3 pertain to the penalties for speeding violations. Section 4 raises the speed limit on highways.

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 provide a revenue impact as we have no reliable method to determine what affect the provisions of this bill may have on speeding violations.

- 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.*

The initial fiscal impact of this bill results from the need to change the speed limit signs on affected highways; the estimated cost for this initial change is \$1,250,000.

After the initial impact, as NDDOT reconstructs the ND highway system or makes major improvements, we must follow the standards set out in the AASHTO Green book on Geometric design as well as other nationally recognized manuals. Consequently, there are horizontal and vertical curves that will need to be reshaped, interchange ramps and acceleration or deceleration lanes that need to be lengthened, areas of guardrail that need to be extended, box culverts and pipes that need to be lengthened, and center bridge piers that need to be protected. As a result, during several subsequent bienniums, NDDOT will realize very significant increases in expenditures comparable to those indicated in section 1A for the 2019-2021 biennium.

- 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 has not included the initial costs in the 17-19 biennium budget request.

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Agency: ND Dept of Transportation

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Date Prepared: 01/19/2017

2017 HOUSE TRANSPORTATION

HB 1184

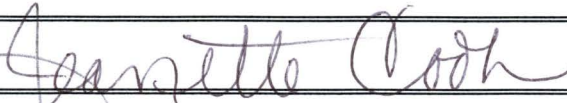
2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1184
1/26/2017
#27463

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to statutory fees, entries against driving record, and speed limitations; and to provide a penalty.

Minutes:

Attachments # 1 - 3

Chairman Ruby brought HB 1184 before the committee.

Representative Koppelman, District 16, spoke to introduce and support HB 1184 and provided written testimony. See attachment #1, pages 1-5. Page 5 shows a map of the maximum speed limit in each state.

Representative Nelson: Why have a speed limit?

Representative Koppelman: That would be a better question to ask Montana, and why they had to change from not having a speed limit. I have not done research on that and don't think I can give you a good answer to that question.

Representative Nelson: The law now says we should drive for the conditions. After a storm there are literally hundreds of cars in the ditch. It is very difficult for law enforcement to pick up people now for not driving safely for the conditions. Too many people are already driving too fast for conditions, so now they will drive 80. How is that situation going to be affected by your bill?

Representative Koppelman: I am a person that will drive according to the conditions. I think the comfort that people feel is according to their experience level. I don't feel that the accidents after a storm are because of the speed limits, but because of people's inexperience with those conditions. If you look at statistics of accidents in the past year, the number of accidents because of distracted driving are at an all-time high. Speed is not causing an increase in accidents.

Representative Westlind: Did you examine the fiscal note on this bill?

Representative Koppelman: Yes, I did. I visited with the Department of Transportation and asked some questions. I wanted to know where the cost was in the \$1.25 million. About \$75,000 of the money comes from the four-lane highways. The state two-lane highways were a little over a million dollars. I asked what the effect of implementation on the state highways would be. My original intent was to raise all of the speed limits by 5 mph, and then reuse signs. If we could reuse signs and reduce the cost by 1/3, it might be worth the effort. The other thing I found out was that on an average, the Department of Transportation was expecting this to cost \$500 per sign to change them. The signs only cost \$60 per sign, but a lot of the cost is labor. I wanted to know why the labor would be so much. Maybe the Department of Transportation can answer that question. There are good questions to be asked on the fiscal note.

Chairman Ruby: For 70 mph highways and the interstate highways, we now have a \$5.00 per mile speeding fine. This would make the 70mph speed limit road get a reduction in their speed limit fines. Was that your intent?

Representative Koppelman: It was not my intent. I would be open to an amendment to fix that. I was not intending to change the structure of anything.

Chairman Ruby: Once you are over 16+ mph over the speed limit on those roads, it looks like it probably is a higher fine than it is now.

Representative Koppelman: It was not my intent to change the fee structure for speeding fines.

Representative Paur: Is your intent to reduce the number of stops and fines that the citizens would have to pay?

Representative Koppelman: In simple terms, yes. My goal is that we state what we mean on the sign. If we want an eighty mph speed limit, then that is what we put on the sign. I think the end result would be to reduce the amount of fines. The policy should be what is stated on the signs.

24:00

There was no further support for HB 1184.

Gene LaDoucer, AAA-The Auto Club Group, spoke in opposition to HB 1184. Written testimony was provided. See attachment #2.

28:00

Representative Nelson: You testified that we are driving past our headlights already. Did you get any information on how changing the speed by 5 mph will change the stopping distance?

Gene LaDoucer: I know of studies that have been conducted, but I don't have that information with me. An increase in speed will decrease the reaction time and increase the stopping time. A crash with a higher speed limit will cause a more serious crash than one at

a lower speed, like 5 mph slower. A speed of 5 mph for a human weighing 200 pounds equates to a force of about 1000 pounds of additional force.

Representative Jones: Do you know if the increase in crashes that were studied were caused by speed or just associated with the speed limit during the time of the studies?

Gene LaDoucer: The number of crashes came from a study that went back to 1993 and tracked the increases in accidents for each 5 mph increment in speed. They factored out any other factors that could have contributed to those crashes. They determined it was the speed itself that was contributing to the crashes. During that time frame the number of crashes has come down across the United States, but they found that if the speed limits wouldn't have increased during that time, we would have seen an even further decline in the number of traffic deaths.

There was no further testimony in opposition to HB 1184.

Ron Henke, Deputy Director for Engineering for the North Dakota Department of Transportation, spoke in a neutral capacity on HB 1184. He provided written testimony, see attachment #3. He also discussed the fiscal note.

Ron Henke: The Department provided two numbers on the fiscal note. One is the immediate costs; the costs to replace the signs. It is not only to replace the signs, but to add extra added posts and signs where needed. We did use a cost of \$500 per sign. Our team went back and used the average bid prices that we would see from a contractor to install a sign. In most cases we might use our maintenance forces if we can.

The other number we provided was for the projects that would be coming up in 2018 and 2019 in our project plan. We put \$14.6 million dollars in there. Speed is one of the factors that we use with the national standards to design our roadways. There are features such as: the length of a guard rail, the stopping site distance for vertical curves (that would need adjustment), horizontal curves, and clear zones get wider. Those things would all be in the \$14.6 million. You will likely see something close to the \$14.6 million every two years as we reconstruct projects and have to get to a national standard.

Representative Weisz: The information was provided that 25% of fatalities in crashes were due to speed. Can you tell us what the other factors were?

Ron Henke: The North Dakota Transportation Handbook, page 28, identifies the fatalities there. 43.2% are alcohol related, 60.9% of the individuals that were killed were not wearing seatbelts, 32.4% involve too much speed for the conditions that are out there.

Representative Schobinger: What would the fine have to be for zero tolerance, 1 mph over the speed limit, to make up for the difference in the fiscal note?

Ron Henke: I don't know.

Chairman Ruby: The number in fines might be less, but those dollars go to the Common Schools Trust Fund, which would not be part of the fiscal note. It is not relevant to this bill.

Ron Henke: Yes, that is right.

Chairman Ruby: Did you have to go through all of the adjustments, such as guardrails, when we changed the interstate speed from 70 to 75?

Ron Henke: Yes, that is correct. As we reconstruct the projects over time, we update the standards. The additional cost would be for the projects that we already have set up (in STIP) for next biennium. We would go back and add the cost for the changes made because of the speed change and add it to the project's cost. This is just the additional costs, not the price of the total project.

Question irrelevant to current bill.

Representative Jones: What percentage of people travel over the 80 mph?

Tom Iverson, North Dakota Highway Patrol: I could get the exact number. I can tell you that now 85% of the traffic is traveling at 79 mph or less. We also know that the discrepancy in speed is what often causes accidents. By increasing the speed limit, many motorists would be traveling faster, and the commercial vehicles would be traveling slower, causing more of a disparaging factor.

Representative Jones: Most people get a speed where they are comfortable at and will not travel faster than that.

Tom Iverson: I agree. Our internal policy is that we give a warning for 1-4 mph over the speed limit. So, we wouldn't even give a citation until you get to an 80 mph mark. Many personal thresholds might be even higher than that.

Representative Nelson: Do we still have a 40 mph minimum on the interstate? Do you know how many accidents are between farm implements and other drivers?

Tom Iverson: There is no minimum speed. I could find that number of accidents and get it to the committee. It will be a low number because of the low number of implements of husbandry that are out there.

There was no further testimony on HB 1184.
The hearing was closed on HB 1184.

2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1184-2
1/26/2017
#27464

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Janette Cook

Explanation or reason for introduction of bill/resolution:

A bill relating to statutory fees, entries against driving record, and speed limitations; and to provide a penalty.

Minutes:

Chairman Ruby brought HB 1184 back before the committee. It raises the speed limits 5 mph. It has a massive fiscal note.

Vice Chairman Rick C. Becker: The bill sponsor would like to add a possible amendment to exclude the two-lane highways. He indicated that it would bring the fiscal note down to \$225,000.

Representative Dobervich: I am in favor of raising the speed limits, especially on the interstates. But, I would like to say that our speeding fines are not a deterrent, they are a nuisance. In other states I use my cruise control, so that I don't get a fine. I am not going to vote for the bill because I feel that we should be increasing our fines at the same time, and adding seat belts as a primary offense. We should put some other safety factors in place.

Representative Paur: The amendment would be lowering the fees for this biennium, but the \$14 million for the next biennium would still be there.

Vice Chairman Rick C. Becker: I understand that by removing the two-lane highways, that takes out the sign language for the vast majority of road miles.

Representative Paur: But it doesn't take out all of the changes in guard rails and such, to meet federal requirements on future projects for the biennium.

Representative Owens: It wouldn't remain at \$14 million because that includes all of the changes that would have to be done on the two-lane highways and county roads. It would reduce the cost.

Chairman Ruby: Should we allow the bill sponsor a chance to add some amendments?

Representative Anderson: I am not in favor of the bill at all.

Representative Westlind moved a DO NOT PASS on HB 1184.
Representative Anderson seconded the motion.

Chairman Ruby: I do see the reasoning to having 80 mph on the interstates. They are controlled access. On the other roads it may be more concerning. The speed limit fees would have to be adjusted. I am going to support the motion.

Representative Owens: I agree that our fines are not a deterrent. I will support the motion just because I support the interstate increasing, not the entire state.

Representative Jones: Most of my constituents are fine on interstate, but they are concerned about the speed on the two-lane highways being raised.

A roll call vote was taken. Aye 14 Nay 0 Absent 0
The motion carried.
Representative Westlind will carry HB 1184.

Date: 1-26-17
Roll Call Vote #: 7

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1184**

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 Westlind Seconded By Anderson

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby	✓		Rep. Gretchen Dobervich	✓	
Vice Chair. Rick C. Becker	✓		Rep. Marvin Nelson	✓	
Rep. Bert Anderson	✓				
Rep. Jim Grueneich	✓				
Rep. Terry Jones	✓				
Rep. Emily O'Brien	✓				
Rep. Mark Owens	✓				
Rep. Gary Paur	✓				
Rep. Randy Schobinger	✓				
Rep. Gary Sukut	✓				
Rep. Robin Weisz	✓				
Rep. Greg Westlind	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Westlind

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

REPORT OF STANDING COMMITTEE

HB 1184: Transportation Committee (Rep. D. Ruby, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1184 was placed on the Eleventh order on the calendar.

2017 TESTIMONY

HB 1184

HB 1184

Mr. Chairman and members of the House Transportation Committee, my name is Rep. Ben Koppelman from West Fargo, and I represent District 16.

I am here to introduce HB 1184, which would raise the speed limits on Interstates from 75 to 80 MPH, state and US divided 4-lane highways from 70 to 75 MPH and state 2-lane highways from 65 to 70 MPH. This bill is not intended to change any speeding fines. It will continue to allow the cities located along these corridors to continue to control the speed as they pass through the towns and cities of our Great State. It is my intention that this bill would not interfere with the DOT's ability to reduce speeds in areas of highly dangerous highway on a case by case basis if there is not a reasonable way to make it safe at the full speed limit.

Six of our neighboring states already have interstate speeds of 80 MPH, and they are all contiguous to each other as they are to us. These states are SD, MT, WY, ID, UT, and NV. Texas has highways at 80 MPH and some at 85 MPH.

Many would say that the average speed across the state is 3-7 MPH over the speed limit based on their experience, with a few bad actors driving 10 MPH or more over the limit. The prevailing speed is about 80 MPH. This I believe is based on two factors. One is the drivers comfort driving at that speed, and the other is the grace period that law enforcement has chosen to allow over the speed limit.

Studies have shown that as speed limits increase, drivers do not necessarily increase their speed by the same amount. For example, back when Interstate speed limits were 55 MPH, it was not uncommon to have drivers going 10-15 MPH over the limit, whereas now 5 MPH over is more common.

Some have criticized this proposal by saying, 'Everyone is already driving 5 MPH over the speed limit on these highways, why should we raise the limit? Is it that you want to drive 85 on the interstate?' To those questions I respond with this: As members of the legislative branch, it is our responsibility to set policy, and it is the responsibility of the executive branch to decide how to execute that policy. Now, I am not here to criticize the Highway Patrol or other law enforcement, but rather to recognize the separation of powers in our government. Therefore, it is my contention that since it appears that the roads continue to be safe with a prevailing speed of 5 MPH over the limit now that we should raise the limits to that point, and let the administrative branch decide if they think there should be any grace to those limits based on safety and other factors.

The Federal Highway Administration, the National Cooperative Highway Research Program and the Institute of Transportation Engineers all recommend using the 85% rule to determine speed limits. That rule states that if more than 85% of the regular traffic drives above the **posted** speed limit, then steps should be taken to raise the limit. In my experience, the speed limits on these highways, especially the state and US four-lane highways and interstates, is already 5 MPH over the limit (80 MPH on the interstates and 75 MPH on the state and US divided highways). **People drive the speed that they feel safe and comfortable at, not the speed limit.** Why does the 85% rule work? Raising the limit causes the slower traffic to move up to the prevailing speed and brings a more uniform traffic flow.

A study in Utah following their increase to 80 MPH found a 20% reduction in the number of people driving more than 80 MPH. The study showed that in some

places the average speed increased 2 MPH and in another area it went down 2 MPH. The overall effect was no change in the average speed. Utah is now looking at increases in the speed limits on their rural roads.

People will argue that everyone will just drive 85 on the Interstates, but the violation statistics show that that just hasn't happened. If we use our sister state of SD as an example, before the change in interstate speed limit from 75 to 80 MPH, there was an average of 2,800 speeding violations per month. After the change, that number dropped to 20 per month. At an average of \$50 per ticket- that is a reduction of \$1.68M in fines to \$12K. SD residents are now saving \$1.67M per year. In ND, we issued 4,400 tickets per month in 2016- half again more than SD did prior to their 80 MPH change. There is no doubt that the taxpayers of ND will see some additional upfront costs to implement the new speed limits, but I believe with the cost of fewer traffic stops and less fines paid, the citizens of ND will realize a net benefit from this change.

Mr. Chairman and members of the committee, this bill will save our citizens time and money. It will not result in an increase in our prevailing speed and it is not likely to change our traffic accident statistics related to speed. It does have the potential of reducing the number of traffic stops each year which would reduce the safety risk to our law enforcement. I respectfully request a Do-Pass from the committee, and would be happy to try and answer any questions.

ND Speeding Violations

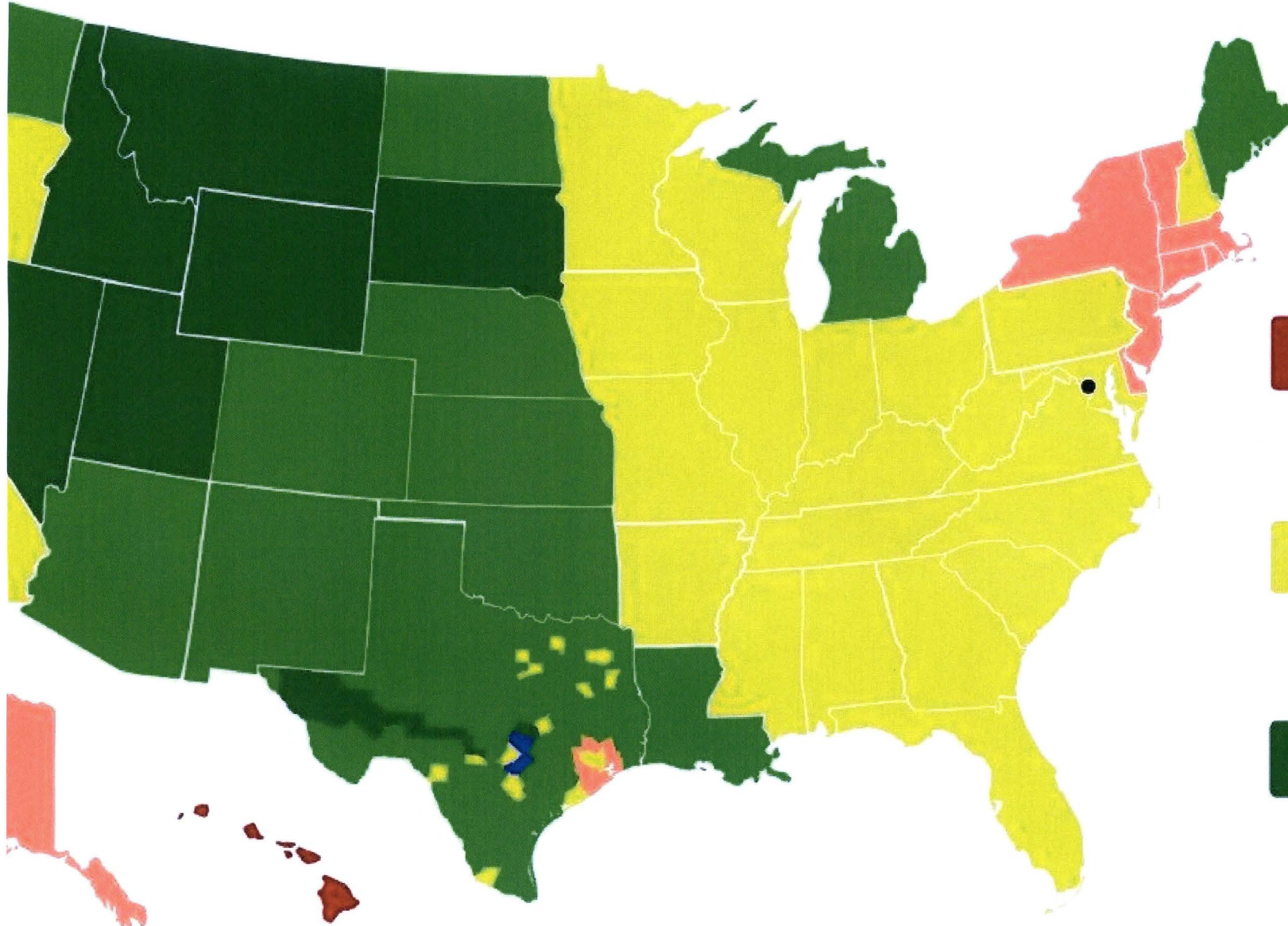
2012: 58,496

2013: 54,705

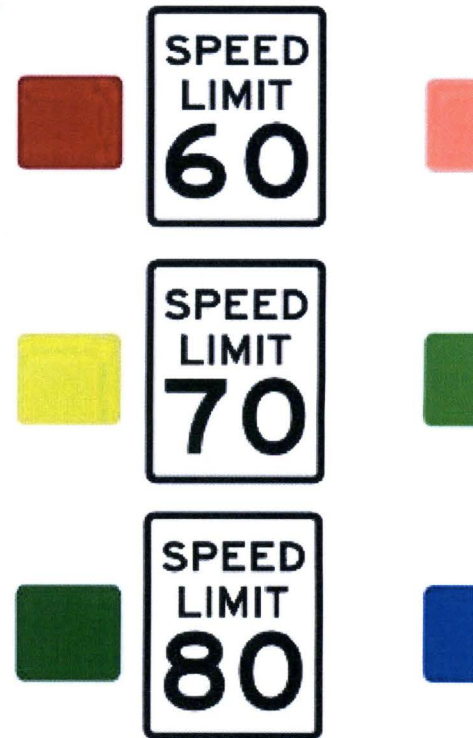
2014: 56,723

2015: 55,913

2016: 52,892



Maximum Speed
in the United S



HB 1184
1-26-17
#2

Testimony in Opposition of HB 1184
House Transportation Committee – Jan. 26, 2017
Gene LaDoucer, AAA-The Auto Club Group

Good morning, Chairman Ruby and members of the committee. My name is Gene LaDoucer, and I represent AAA, North America's largest motoring and leisure travel organization.

While AAA is not philosophically opposed to raising a given speed limit, we have reservations regarding the proposal to increase the limits on interstate and state highways in North Dakota as proposed in HB 1184. It is our view that maximum speed limits should be established with the goals of improving mobility, respect for the law and most importantly, motorist safety. Factors such as prevailing speeds determined by engineering measurements; collision history; and roadside development characteristics must be considered. And while it is true today's vehicles are safer, it can be argued that those driving them are not. Impairment, distractions, aggression, not using seat belts and exceeding the speed limit, among others, all contribute to an unacceptable level of death and injury on our roads.

In forming your decision on HB 1184, AAA asks you consider the following:

- Raising speed limits leads to more deaths. Research shows that as speeds go up, so do fatal crashes. A 2016 study by the Insurance Institute for Highway Safety found that during a 20-year period (1993-2013) each 5 mph increase in the maximum state speed limit was associated with an 8-percent increase in fatality rates on interstates and freeways and a 4-percent increase on other roads.
- Not all vehicles, nor individuals driving them, can safely travel at the current speed limit. Raising the speed limit will increase closing speeds and reduce reaction time. A larger difference in speed between vehicles is related to higher crash rates.
- North Dakota currently has one of the highest traffic-related death rates in the country. Increasing the speed limit will not save lives. Since 2010, speeding has been cited as a factor in a quarter of all fatal crashes in North Dakota. Driving too fast for conditions was cited in another 10 percent of fatal crashes. As a result, speeding is a priority emphasis area in the Strategic Highway Safety Plan, which has established a goal of moving toward zero deaths on North Dakota Roads.
- A higher speed limit will likely have a disproportionately negative impact on young, inexperienced drivers. From 2011-2015, teen drivers (age 14-17) in North Dakota were three to four times more likely to be involved in a crash where speed or driving too fast for conditions was cited as a contributing factor than older drivers. This goes hand-in-hand with inexperience and not understanding when conditions warrant a slower speed.
- Speeds are already exceeding the capabilities of vehicle headlights. Recent AAA test results found that even with the most advanced headlight systems under ideal weather conditions, the ability to see an object in the roadway at night is reduced by as much as 60 percent when compared to driving in daylight. On high beam, headlights provide adequate lighting for maximum speeds of 48 mph to 55 mph.

AAA appreciates the fact that increasing the speed limit is a popular idea. While many drivers may favor increasing the speed limits, it is unlikely that any family is willing to sacrifice the life of a family member for the sake of the increase. Only after a thorough review of all factors related to the safety of road users should a speed limit increase be considered. Until that time, Mr. Chairman, AAA stands opposed to increasing speed limits as proposed in HB 1184.

HB 1184
1-26-17
#3

HOUSE TRANSPORTATION COMMITTEE
January 26, 2017 – 9:00 a.m. – Fort Totten Room

North Dakota Department of Transportation
Ron Henke, P.E., Deputy Director for Engineering

HB 1184

Good morning Mr. Chairman and members of the committee. I'm Ron Henke, Deputy Director for Engineering for the North Dakota Department of Transportation (DOT). I'm here today to provide some information on how this bill would impact State Highway projects and what we found in research.

The proposed bill, as we understand it, would change the posted speed limit on all State highways by increasing the current posted speed limits by 5 mph. As we design roadways, there are many factors that are taken into account and speed is one of them. The Department of Transportation follows national design standards when reconstructing highways, and many of the features that are incorporated into roadway projects are impacted by the posted speed limit.

We thought it would be important to share with you what we believe are the fiscal impacts associated with the change in speed limit.

- There would be an immediate investment of approximately \$1,250,000 needed to change the speed limit signs.
- We also believe we would see a biennial increase of approximately \$14.6 million in cost to major projects. This is based on the projects that we have scheduled for construction in 2018 and 2019, a two-year period.
- The long term investment cost to bring the entire system up to the proposed new speed limit will occur over many years and one would anticipate a cost similar in nature to the estimated amount for the project scheduled in 2018 and 2019 construction seasons.

We also want to share that our research did not find any publication that specifically evaluates the impact to crashes for the states that have increased Interstate speeds. However, we did find that the Insurance Institute on Highway Safety Study in April 2016 - reported that a 5 mph increase in speed limit is associated with an 8 percent increase in fatality rates on Interstates.

This concludes my testimony and I am available to answer questions the committee may have. Thank You.