

FISCAL NOTE
Requested by Legislative Council
02/01/2019

Amendment to: SB 2244

- 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				\$5,500,000		\$5,500,000
Expenditures						
Appropriations						

- 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).*

This bill as amended increases a variety of driver's license related fees.

- 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.*

As amended, the sections of this bill increase a number of driver's license related fees. The estimated revenue that would be generated by these increases is \$5.5 million per biennium.

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.*

The provisions of this bill as amended will generate an estimated \$5.5 million of additional revenue per biennium. This revenue would be deposited into the State Highway Fund.

- 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.*

Expenditure impacts are estimated to be very minimal.

- 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.*

There should be no impact on appropriations.

Name: Glenn Jackson

Agency: NDDOT

Telephone: 328-4792

Date Prepared: 02/01/2019

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Bill/Resolution No.: SB 2244

- 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				\$9,400,000		\$9,400,000
Expenditures						
Appropriations						

- 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).*

This bill increases a variety of driver's license related fees.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The sections of this bill increase a number of driver's license related fees. The estimated revenue that would be generated by these increases is \$9.4 million per biennium.

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.*

The provisions of this bill will generate an estimated \$9.4 million of additional revenue per biennium. This revenue would be deposited into the State Highway Fund.

- 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.*

Expenditure impacts are estimated to be very minimal.

- 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.*

There should be no impact on appropriations.

Name: Glenn Jackson

Agency: NDDOT

Telephone: 328-4792

Date Prepared: 01/16/2019

2019 SENATE TRANSPORTATION

SB 2244

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB 2244
1/24/2019
31374

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to driver's license fees.

Minutes:

4 Attachment

Senator Dwyer, District 47: Shared **Attachments #1** and **#2** for information with his testimony.

Chairman Rust: You said North Dakota will be \$14 billion short is that by the year 2036, is that what you said?

Senator Dwyer: Yes.

Arik Spencer, President & CEO Greater North Dakota Chamber: We typically don't get up in favor of fee increases, but we also acknowledge that, as Senator Dwyer said, the driver's license office and license plates have been subsidized but the highway trust fund of North Dakota and gas tax for many years. So we do think it's appropriate the legislature take a look at these fees. Whether the dollar amount indicated in the bill are the appropriate amounts. Whether it's going too far too fast, obviously that's a policy decision you'll have to make. But, we do think it's appropriate that this question be asked right now.

Donnell Preskey, North Dakota Association of Counties: See **Attachment #3** for testimony.

Scott Rising, Soybean Growers Association: The reality is a dozen years ago, the commodity groups, both ag and energy; prompted the initial Upper Great Plains looks at long term needs. It's critical to this state's economy to have solid safe transportation corridors, roads and bridges. Right now we've made really reasonable progress over a long period of time and we need to continue that. The importance of this bill is exactly as described, right now we're taking money out of that road and bridge scenario to pay for driver's licenses. The short version of it is I want you out of that pot. We can afford over a six-year period what Senator Dwyer is suggesting for driver's licenses. The Upper Great Plains Transportation Institute has done a large amount of work to make sure that you and us know the consumption factor. I've tried to call it depreciation, I've tried to call it all kinds

of things. But the one that seems to stick is quite frankly we consume those roads, we consume those bridges and we're barely able to meet federal match stuff from the budget stuff I've seen this year. That's what got us into this problem. So we have to spend the road money on the roads and pay for our own licenses and tabs and all that stuff.

Savannah Schmidt, for Russ Hanson, Associated General Contractors of North Dakota: See **Attachment #4** for testimony.

Cal Klewin, Executive Director, Theodore Roosevelt Expressway Association: We stand in support of any adjustments to make sure that transportation is adequately funded. We stand at the national level; we understand that the gas tax there hasn't been raised since 1993. Our state tax, those types of things, those fees I think have to follow with what goes on to improve our transportation system throughout the state of North Dakota. So we stand in support of any fee adjustments to make cash flow and make surface transportation safe and efficient.

Chairman Rust: How do we answer constituents who see collections at the state level going up and everything is going up, then all of a sudden they see an increase in their fees. How would you tell me to answer the people back home that would wonder why if the state is taking in more dollars, why are we increasing fees?

Mr. Klewin: I try to do that when we talk about, like as I addressed you earlier, we support an increase in gas tax on the federal level. When you take and add; I ask how people how many gallons of gas they buy per year and then estimated \$2000. Back to the quick math I think we figured out it would cost you about \$400 a year to drive every federal highway annually, for what we pay in federal gas tax, those type of math things. Some of the things that I've talked about; and I know we're not talking about gas tax here. But, infrastructure has to be paid for. Somehow we have to do it, we can't let things fall apart. That's just the way we feel about it, and how do we answer that? Locally if you want to say is there a pothole in front of your house, or why is the road so rough or why are the shoulders are so narrow on a major transportation system, we want to improve that to the modern freight and passengers that are traveling that infrastructure. I think most of the time when I've talked to people about what they pay, I just said; look at the pump. That's what you're paying for roads. If you look at it in South Dakota, you look at it in Nebraska, or Texas their state tax is posted and the federal tax has not moved. So that's another issue, but we support that federal gas tax moving up.

Senator Clemens: When did we change the duration of a driver's license to 6 years?

Dr. Glenn Jackson, Director, Driver's License Division, North Dakota Department of Transportation: I believe it was 2013 also the fee was \$10 at that time. We changed the fee to \$15 at that time.

Senator Dwyer: One thing you could explain better than I did was the mainframe switch over issue, so everybody understands that.

Dr. Jackson: Right now we are on a mainframe that runs off a language called COBOL a very difficult and expensive platform to operate from. So we hope to be able to transition to

a modern platform this year. That will cost quite a few millions of dollars. There's also a bill on the House side for us to move towards a mobile driver's license which also will cost several million dollars. As we upgrade our technology to the point of being able to deliver services in such a way as to reduce the amount of visits people have to make to come to an office, we should then reduce costs long term. In the mean time it takes an investment to be able to acquire these technologies to provide those services. In our funding mechanism we included the cost of these technologies and our cost estimate. So if it comes out of the SIF or if it comes out of the highway funds, that's how we planned for it.

Senator Bakke: What does it cost the state to give me my driver's license?

Dr. Jackson: That's an interesting question, and it's difficult to provide you that number. The reason it is so difficult, is because I look at the entire division's budget and we do more things than just issue licenses. There are so many things we do, that's why we looked at; the chart you have, you see that it shows the total variance per item and it is -\$8.41 or -\$7.42. That is per item we issue. Now, we issue driver's licenses, we issue suspension letters, we issue other documents to people, identification cards etc. So we issue a lot of items and if you look at the totality of the budget we're taking a significant loss over all of the items that we issue.

Senator Bakke: That's basically what I was trying to get at, is what you're telling us is that we are operating at a loss when we are providing the service of a driver's license.

Dr. Jackson: That is correct and that money comes out of the highway fund to cover our costs.

Senator Bakke: Are we also operating at a loss as far as vehicle registrations.

Dr. Jackson: It's not so much that we operate at a loss, rather the cost of providing the service comes out of the highway tax distribution fund. So there's no separate fee that pays for vehicle registration costs, it just is taken out of the highway tax distribution fund and that's roughly \$20 million per biennium, roughly.

Chairman Rust: Do you know if we have ever broken even or made money on issuing of driver's license or those fees?

Dr. Jackson: I would assume back in 1987 when the fees were established we were fairly well level. But, with inflation over that period of time we've just fallen further and further behind. But we've always taken money out of the highways, just take it off the highways just to pay for the services.

Chairman Rust: There is no recommendation coming out of the Executive Branch for an increase in these fees is there?

Dr. Jackson: Not that I'm aware of.

Chairman Rust: Closed hearing on SB 2244.

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB 2244
1/24/2019
31413

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to driver's license fees.

Minutes:

1 Attachment

Chairman Rust: I have passed out a sheet comparing what is and what is proposed. Senator Dwyer if I have made any mistakes please let me know. See **Attachment #1** for information.

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB 2244
1/25/2019
31484

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to driver's license fees.

Minutes:

1 Attachment

Chairman Rust: See **Attachment #1**. I see this as a bill about fees. It addresses things ranging from a non-driver photo ID to an accident report. I took the time to run through it. I had our intern check my figures. Maybe this isn't everything that's in the bill, and if it's not Senator Dwyer certainly you can let me know. I'm going to give you my opinion, this is just me talking, I do not have anybody telling me anything. Having served in the House of Representatives, and looking at fees that go from \$15 to \$40 or \$50 to \$150 it's going to be a tough sell over there folks. In fact, I would say it's going to be dead on arrival. That's just my own personal opinion. I personally don't know that I can support going more than a 100% increase, because I think even that's going to be a tough sell. Any other thoughts about the fees? Does anybody else have any other thoughts before some amendments get drawn up?

Senator Clemens: I thought about some of this too, and I haven't been thinking just about fees. This is kind of for any future work we're doing. I think we have to be a little careful about giving exemptions and then raising fees. It's kind of contradictory. I know some people feel they need exemptions but whenever we give an exemption we're going to be asking somebody else to pay for it. That comment aside, I thought some of these fees were pretty high increases.

Senator Bakke: The exemptions we were making were on their vehicle registration and their taxes not necessarily their fees for their actual operation of the vehicle. I do agree maybe some of them are too high. But also, 30-years?

Chairman Rust: I commend Senator Dwyer for bringing this up, because it needs to be talked about. Understand I'm not trying to shoot down something. I was just informed the inflation rate from 1987 to 2018 is 121%.

Senator Dwyer: The Great Plains Transportation Institute provided information saying that in 20-years if North Dakota doesn't do something our roads are going to be in disrepair. We're going to be \$14 billion dollars short, or about \$1B per biennium. The highway department

gets about \$1.2B total from the highway gas distribution fund and federal funds for all of their programs. I understand that there might not be a great likelihood of the fees that are proposed in this bill passing the House. One of the thought processes is "well you better start high and hope you get somewhere." There are two schools of thought on that, you start too high and it gets killed, or you start high and you get something you can live with. But, we're the Transportation Policy Committee, we know that we have an issue and we have several bills that are going to take a comprehensive look at our transportation system. We have this bill, which is license fees, we have SB 2288 which is the gas tax, we have HB 1066 which is the Prairie Dog Bill; which is going to help counties and cities particularly with their infrastructure. we've got SB 2275 which was explained by Karlene is the bonding bill of Senator Wardner's and then we've got SB 2268 which is the bill we just heard. So we do have a comprehensive set of proposals to address this issue that we have with our transportation system. I for one, want to pass on to my next generations the same quality of transportation that I have. Specifically, we're not just talking about commerce and economic growth, we're talking about safety, if you travel the road between Watford City and Williston there were people getting killed practically every two months.

Senator Patten: McKenzie County had the highest death rate in the state from highway deaths.

Senator Dwyer: Now, since there is a four lane road between Watford City and Williston that death rate has declined, dramatically. I think as a Transportation Committee, as a policy committee, we have to say that we can't just ignore the problems that exist because we have made a commitment in our campaign, say. That we would never support any kind of increase in fees or taxes or anything like that. One thing that's great about North Dakota is, both sides of the isle are pretty conservative and we have to balance our budget. We do have a serious problem and I think we have a great chance because everybody's kind of recognizing it. I think we have a chance to have comprehensive proposals to do all of these things and in 20-years we'll be better off.

Senator Patten: I just wanted to pass on Senator Cook's philosophy in case none of you are aware of it. His belief is, keep your taxes low and keep them broad-based, and you're better off in the long haul.

Chairman Rust: I can tell you that the House essentially looks at a fee as a tax; they will blast it as a tax. When I look at something over a 100% increase I worry about it not even getting through the Senate, much less getting over to the House.

Senator Patten: The 121% is kind of an indicator of where we potentially should be. Maybe have a conversation with House Transportation to see how they would look at fees like this? See if they would come back and say we're going to kill the bill if it's this high, or if they would look at an amendment. My concern is if we leave it the way that it is and it gets over there and they just kill it. Instead of saying, I think there's a different number that we're comfortable with. I want to do something on this.

Senator Bakke: I think the ones you're probably having heart burn over are the \$15 fees that are going to \$40 and \$50 and the \$50 fees to the \$150. Am I correct, are those the one giving you the most heartburn?

Chairman Rust: I probably would have limited to no more than a 100% increase, and I may bring in an amendment to that effect. I wanted to warn you I was going to bring in an amendment. I think it's time to raise the fees, but I don't want it to be so high that it gets killed in the Senate or it gets laughed at when it comes to the House and then they kill it.

Senator Dwyer: I think I would support that. I'm not stuck on these numbers, by any means.

Chairman Rust: I also wanted you to know when I bring that amendment, I haven't talked to leadership. It's not coming from the top down, it's me; so if you want to kill it you can do that.

Senator Bakke: I will say when I was talking to some people in my caucus and I said \$15 to \$40, a couple of them went, whoa that's quite a jump. So even there I was hearing some of that. I said, do you realize this has been thirty years. So maybe your amendments of bringing it down, just a little bit might be appropriate. But, we can't let them continue to hold these fees where they are and operate at a loss that's absolutely ridiculous.

Senator Clemens: I find it interesting, and I'm not saying I wouldn't support some increase, but why the Department of Transportation hasn't been requesting increases. I mean if they're falling behind, they've let this go for 30-years and evidently it's been fairly easy for them to just pull it out of other funds. Because if the licensing division had to be self-sustaining I'm pretty sure they would have been asking for fee increases. If we're going to be going to the public and asking for increases, which we may have to do. Then I think we're going to really have to be watching where the rest of this Executive Budget is going to. Because we have money in the Legacy Fund and I think we better be very conscious of how we're spending that.

Chairman Rust: The Department of Transportation has come to us and they left this room with their tail between their legs. Because when an agency requests an increase in fees, it's almost always looked at dimly by a lot of people; even though it's legitimate. So they have kind of taken the position of having somebody else ask as opposed to them asking. The other part is you have to remember, we have an executive budget that was presented to us and I believe the words were that we are going to do this without increasing taxes. Now if that comes from the Governor who's the Executive Branch and in charge of the Department of Transportation who's part of the Executive Branch. What do you think the Executive Director of the Department of Transportation is going to say? I think the Governor's wrong and I think you should increase fees? I don't think so. He works for him; he's appointed by him; I think that's probably the reason why we don't get it from them.

Senator Dwyer: There was an interim committee this last time and they recommended that the executive budget include this increase but the Governor chose not to.

2019 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB 2244
1/31/2019
31887

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Liz Stenehjem

Explanation or reason for introduction of bill/resolution:

A bill relating to driver's license fees.

Minutes:

3 Attachments

Chairman Rust: Opened discussion on SB 2244. Handed out **Attachments #1-3.**

Senator Dwyer: I move these Amendments.

Senator Bakke: I second.

Roll Call Vote Taken: Motion Passes

Chairman Rust: If you look at this (**Attachment #3**); I should have pointed out, if you look at the revenue; the revenue at the top of the page brings in about \$5M which is really close to what they're losing. That was the idea behind doubling the amount of the fees, to kind of get that department to break even. If it costs them this much to administer, then you would hope they'd take in enough to pay for themselves. Otherwise they're taking from some other place.

Senator Dwyer: I move a **DO PASS As Amended**

Senator Bakke: I Second

Roll Call Vote Taken: Passed 6-0-0

Carrier: Dwyer

January 29, 2019

SL
1001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2244

Page 1, line 18, replace "twenty" with "ten"

Page 1, line 19, replace "forty" with "thirty"

Page 1, line 20, replace "fifty" with "thirty"

Page 2, line 2, replace "forty" with "thirty"

Page 2, line 3, replace "fifty" with "thirty"

Page 2, line 4, "remove "one hundred"

Page 2, line 4, overstrike "fifty" and insert immediately thereafter "one hundred"

Page 2, line 9, remove "one hundred"

Page 2, line 9, overstrike "fifty" and insert immediately thereafter "one hundred"

Page 2, line 12, replace "ten" with "five"

Page 2, line 14, replace "ten" with "six"

Renumber accordingly

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO: 2244**

Senate Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 19.0962.01001

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			Senator Bakke		
Senator Clemens - Vice Chairman					
Senator Dwyer					
Senator Fors					
Senator Patten					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote Taken: Motion Passed

Date: 1/31/19
Roll Call Vote # 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO: 2244

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 Sen Dwyer Seconded By Sen Bakke

Senators	Yes	No	Senators	Yes	No
Senator Rust - Chairman	<u>X</u>		Senator Bakke	<u>X</u>	
Senator Clemens - Vice Chairman	<u>X</u>				
Senator Dwyer	<u>X</u>				
Senator Fors	<u>X</u>				
Senator Patten	<u>X</u>				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen Dwyer

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

REPORT OF STANDING COMMITTEE

SB 2244: Transportation Committee (Sen. Rust, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2244 was placed on the Sixth order on the calendar.

Page 1, line 18, replace "twenty" with "ten"

Page 1, line 19, replace "forty" with "thirty"

Page 1, line 20, replace "fifty" with "thirty"

Page 2, line 2, replace "forty" with "thirty"

Page 2, line 3, replace "fifty" with "thirty"

Page 2, line 4, "remove one hundred"

Page 2, line 4, overstrike "fifty" and insert immediately thereafter "one hundred"

Page 2, line 9, remove "one hundred"

Page 2, line 9, overstrike "fifty" and insert immediately thereafter "one hundred"

Page 2, line 12, replace "ten" with "five"

Page 2, line 14, replace "ten" with "six"

Renumber accordingly

2019 HOUSE TRANSPORTATION

SB 2244

2019 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee Fort Totten Room, State Capitol

SB 2244
2/28/2019
#33022

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Jeanette Cook

Explanation or reason for introduction of bill/resolution:

A BILL relating to driver's license fees.

Minutes:

Attachment #1

Chairman Ruby opened the hearing on SB 2244.

Senator Mike Dwyer, District 47, spoke to introduce, explain, and support SB 2244. Written testimony was provided. See attachment #1. The purpose of the bill is to make our Driver's License Division whole, so that that division is collecting the revenue equal to what it costs. That will allow us to not have to divert \$5 million per biennium from our road fund into the Driver's License Division. These fees are in several different section, so now they would all be brought into this one section and taken out of the others.

8:00

Russ Hanson, Associated General Contractors, spoke to support SB 2244. We were surprised last session when we learned that the fees weren't covering the cost of the Driver's License Division and the Road Fund was subsidizing it. We would be glad to see it break even, so the Highway Funds can be utilized for the roads. It has been a long time since the fees have been raised.

Linda Svihovec, North Dakota Association of Counties, spoke in support SB 2244 and would support your consideration of looking at registration fees as well to help fund the Highway Distribution Fund.

There was no further support for SB 2244.
There was no opposition on SB 2244.

Representative Hanson moved a DO PASS on SB 2244.
Representative Grueneich seconded the motion.

Representative Kading: I think a fee is a tax. We are increasing taxes \$5 million a biennium. A fee based tax that is applied to a service is generally a good thing, but according to other testimony we've heard this session, we are one of the top taxed states per capita in the country.

Representative Hanson: I often hear people talk about running our government as a business. If we are going to offer a service, and there is an opportunity to break even on that service, it makes sense to do so.

Vice Chairman Rick C. Becker: I would generally agree with that if the rest of government was being run like a business. I would also note that I would have more consideration for the concern of this money going to cover road fees, if we were equally worried about the \$400 million that is subsidizing Ethanol unconstitutionally. Additionally, the concerns with regard to the transportation study that says we need to come up with \$21 Billion. What this would cover over that period of time is twenty-one hundredths of 1% of the cost that we are short for the transportation study. That being the balancer is really a moot point. I will be opposing this.

Chairman Ruby: I know that this was a conversation last session, and it was something that Appropriations almost did because the cost of licenses are not being covered by the fees.

A voice vote was taken on SB 2244: Aye 9 Nay 3 Absent 2
The motion carried.
Representative Owens will carry SB 2244.

Date: 2-28-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE

ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2244

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 Hanson Seconded By Grueneich

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	X	
REP TERRY JONES	X				
REP TOM KADING		X			
REP EMILY O'BRIEN	A				
REP MARK OWENS	X				
REP BOB PAULSON		X			
REP GARY PAUR	A				
REP ROBIN WEISZ	X				
REP GREG WESTLIND	X				

Total (Yes) 9 No 3

Absent 2

Floor Assignment Owens

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

REPORT OF STANDING COMMITTEE

SB 2244, as engrossed: Transportation Committee (Rep. D. Ruby, Chairman)
recommends **DO PASS** (9 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING).
Engrossed SB 2244 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

SB 2244

Assessment of ND County and Local Road Needs, 2017-2036

This effort responds to the North Dakota Legislature's request for a study of the transportation infrastructure needs of all county, township, and tribal roads and bridges in the state. The document is in final draft form and is awaiting final presentation to the North Dakota Legislature. The prior draft version was posted for comment from August 30, 2016 to November 1, 2016. An overview of the draft document was also presented at five regional meetings in September and October. Comments were taken at those meetings. Infrastructure needs are estimated using the most current crop and oil production forecasts, traffic estimates, and roadway condition data. Agricultural and oil-related traffic is modeled in detail at the sub-county level. Oil-related traffic is predicted for individual spacing units, whereas agricultural production is estimated at the township level.

Related Links

- [Introduction](#)
- [Physical Road Testing](#)

- [View the Final Report](#)
- [County Road Needs Study Survey Responses](#) (PDF, 60868K)

Local Road Needs Regional Input Meetings

- [Overview of Infrastructure Needs: North Dakota's County, Township, & Tribal Roads & Bridges 2017-2036](#)
- [NDDOT presentation on Rural Road Funding](#) (PDF, 193K)
- [NDDOT TRansportation Innovation Program - TRIP](#)

Maps

- Statewide Interactive Maps
 - [Needs Study Viewer, 2017-2036 Study](#) — [Navigation Help](#) (PDF, 244K)
 - [GRIT Data Viewer](#) — [Navigation Help](#) (PDF, 751K)
- Downloadable Maps (DRAFT)
 - [Bridge Total Cost Map](#) (PDF, 614K)
 - [Grand Total Map](#) (PDF, 546K)
 - [Improvements by Year Map](#) (PDF, 665K)
 - [Pavement Conditions Map](#) (PDF, 665K)
 - [Structural Number Map](#) (PDF, 663K)
 - [Subgrade Modulus Map](#) (PDF, 687K)

Presentations

- Presentation to the ND Legislative Transportation Committee on Sept. 28, 2016: [Infrastructure Needs: North Dakota's County, Township, & Tribal Roads & Bridges 2017-2036](#)
- Presentation to Interim Transportation Committee of the ND Legislature on November 12, 2015: [Status of 2015-16 County and Township Road and Bridge Investment Needs Study](#)
- Presentation to county leaders (county engineer, road superintendent or auditor) on September 23, 2015: [How-To Webinar: Needs Study Survey](#)
- Presentation to the Interim Transportation Committee of the ND Legislature on August 20, 2015: [Status of 2015-16 County and Township Road and Bridge Investment Needs](#)

2013-2015 Project Files

- Final Report: [Study of County and Local Roadway Needs: 2013-2015](#)
- [View Supplemental Information](#)

Transportation Infrastructure Needs in North Dakota: 2016-35

State Highway and Bridge Infrastructure Needs

State System

Infrastructure Needs

Study Sponsor: North Dakota
Department of Transportation

Study Year: 2016

Conducted by Upper Great
Plains Transportation Institute

Year	Road Needs (\$million)	Improved Miles	Bridge Needs (\$million)	Total (\$million)
2016-17	\$1,182	696	\$287	\$1,469
2018-19	\$1,182	696	\$41	\$1,233
2020-21	\$777	665	\$41	\$818
2022-23	\$777	665	\$41	\$818
2024-25	\$746	614	\$42	\$788
2026-35	\$4,978	3,189	\$181	\$5,159
Truck Harmonization				\$761
2016-35	\$9,642		\$1,395	\$11,037

Transportation Infrastructure Needs in North Dakota: 2016-35

County and Township Road Needs

County and Township Road Needs

Study Sponsor: North Dakota
Legislature

Study Year: 2016

Conducted by Upper Great
Plains Transportation Institute

Year	Gravel (\$million)	Paved (\$million)	Bridges (\$million)	Total
2016-17	\$645	\$296	\$87	\$1,028
2018-19	\$607	\$299	\$87	\$993
2020-21	\$660	\$278	\$87	\$1,025
2022-23	\$661	\$237	\$87	\$985
2024-25	\$603	\$233	\$90	\$926
2026-35	\$2,916	\$921	\$11	\$3,848
2016-35	\$6,091	\$2,265	\$449	\$8,805

Transportation Infrastructure Needs in North Dakota: 2016-35

Urban Road Needs

Urban Road Needs

Study Sponsor: North Dakota
Department of Transportation,
North Dakota League of Cities

Study Year: 2016

Conducted by Upper Great
Plains Transportation Institute

Year	Roads (\$million)	Bridges (\$million)	Total (\$million)
2016-17	\$141	\$8	\$149
2018-19	\$97	\$8	\$105
2020-21	\$80	\$8	\$88
2022-23	\$70	\$8	\$78
2024-25	\$43	\$8	\$51
2026-35	\$171	\$2	\$173
2016-35	\$601	\$42	\$643

Transportation Infrastructure Needs in North Dakota: 2016-35

Transit Needs

Transit Needs

Study Sponsor: North Dakota
Department of Transportation

Study Year: 2014

Conducted by Upper Great
Plains Transportation Institute –
Small Urban and Rural Transit
Center

Year	Operating Cost (\$million)	Vehicle Cost (\$million)	Total (\$million)
2016-17	\$55	\$17	\$72
2018-19	\$57	\$9	\$66
2020-21	\$59	\$10	\$69
2022-23	\$60	\$10	\$70
2024-25	\$61	\$11	\$72
2026-35	\$314	\$55	\$369
2016-35	\$606	\$113	\$718

Transportation Infrastructure Needs in North Dakota: 2016-35

Transportation Infrastructure Needs For All Jurisdictions

Transportation Infrastructure Needs All Jurisdictions

Total funding needs for
transportation in North Dakota

Year	State (\$million)	County and Twp (\$mllion)	Urban (\$million)	Transit (\$million)	Total (\$million)
2016-17	\$1,469	\$1,028	\$149	\$72	\$2,717
2018-19	\$1,223	\$993	\$105	\$66	\$2,388
2020-21	\$818	\$1,025	\$88	\$69	\$2,000
2022-23	\$818	\$985	\$78	\$70	\$1,951
2024-25	\$788	\$926	\$51	\$72	\$1,837
2026-35	\$5,159	\$3,848	\$173	\$369	\$9,549
Harmonization	\$761				\$761
2016-35	\$11,037	\$8,805	\$643	\$718	\$21,202

Federal Gas Tax: Significant Loss of Purchasing Power

Sample of Nominal Price Changes Relative to Federal Gas Tax

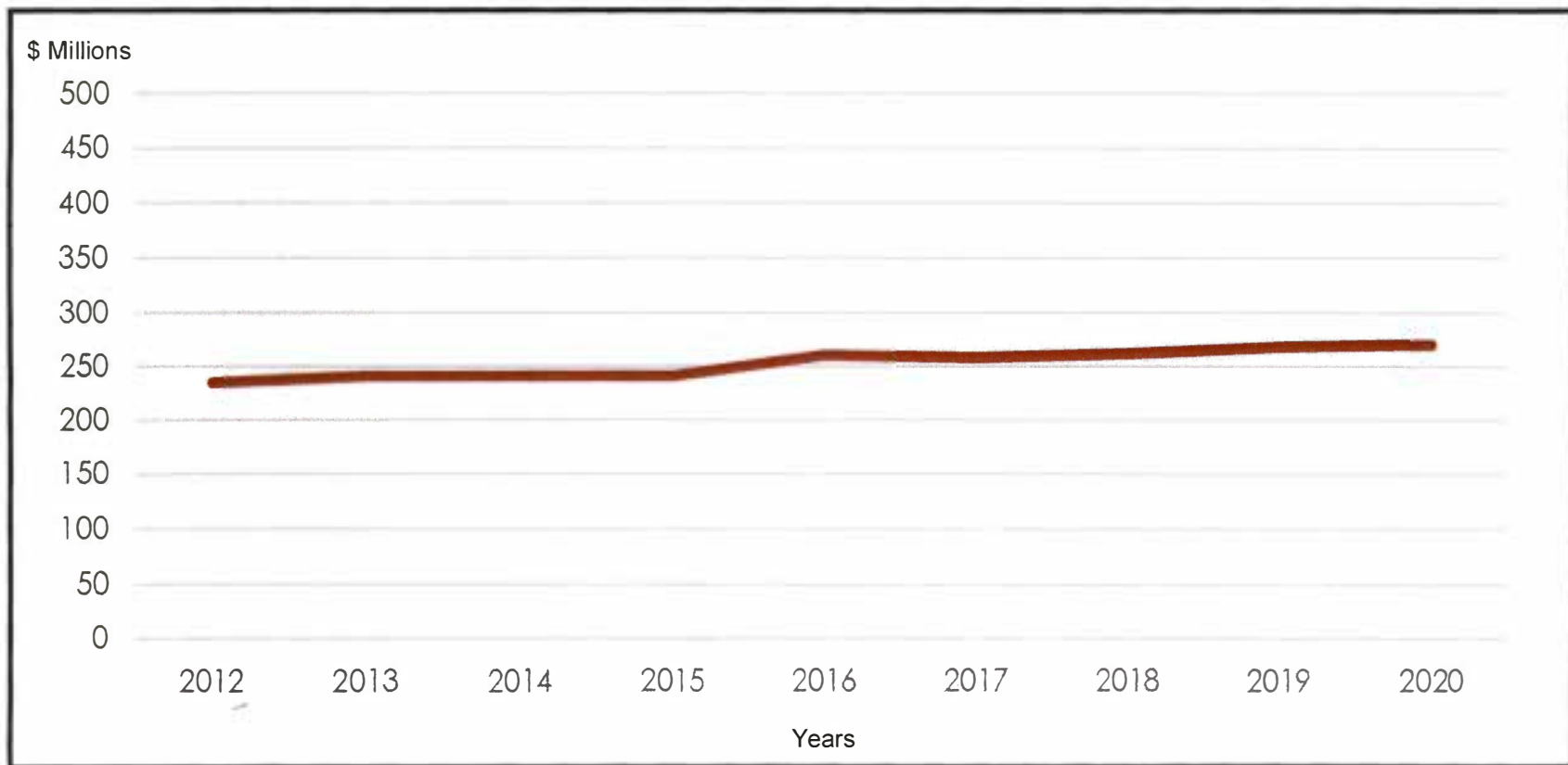
Item	Description	1993	2015	Percent Change
College Tuition	Average Tuition & Fees at Public 4-year Universities	\$ 1,908	\$ 9,145	379%
Healthcare	National Expenditure Per Capita	\$ 3,402	\$ 9,523	180%
House	Median New Home Price	\$118,000	\$292,000	147%
Gas	Per Gallon	\$ 1.08	\$ 2.56	137%
Beef	Per Pound of Ground Beef	\$ 1.97	\$ 4.38	122%
Movie Ticket	Average Ticket Price	\$ 4.14	\$ 8.43	104%
Bread	Per Pound of White Bread	\$ 0.75	\$ 1.48	98%
Income	National Median Household	\$ 31,241	\$ 56,516	81%
Stamp	One First-Class Stamp	\$ 0.29	\$ 0.49	69%
Car	Average New Car	\$ 16,871	\$ 25,487	51%
Federal Gas Tax	Per Gallon	\$ 0.18	\$ 0.18	0%

Sources: Bureau of Labor Statistics, Centers for Medicare & Medicaid Services, College Board, Federal Reserve Bank of St. Louis, Oak Ridge National Laboratory, U.S. Census Bureau, U.S. Energy Information Agency, U.S. Postal Service

North Dakota's Federal Funding For Transportation

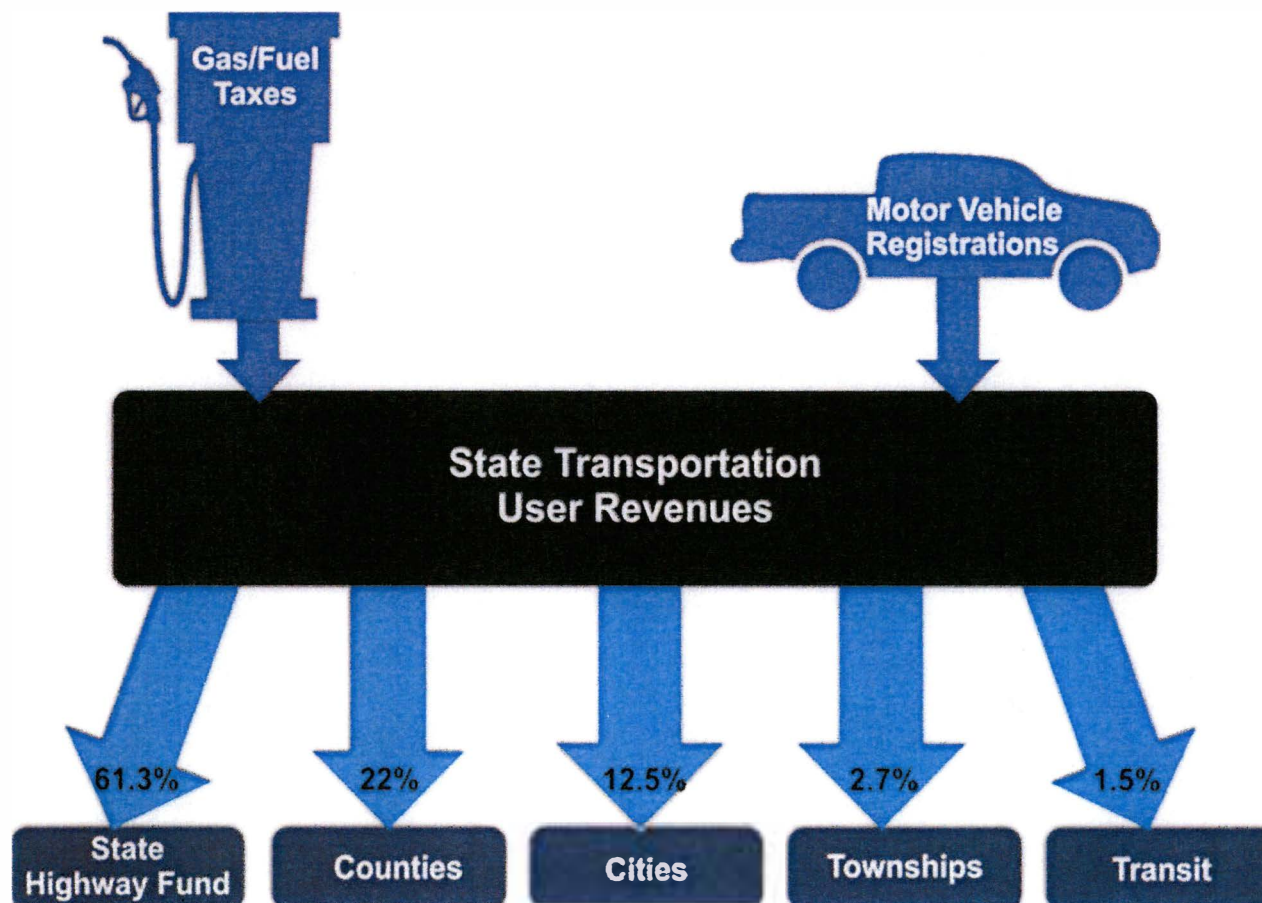
During the last decade, North Dakota's level of federal highway funding has remained relatively constant and it is expected that our annual funding level will continue to remain flat with little or no growth through the end of the current authorization act (2020).

The chart below shows funding NDDOT received from the Federal Highway Trust Fund over the past few years.



State Funded Sources of Transportation Revenue

The largest source of state transportation revenue comes from Highway Tax Distribution Funds = derived from state fuel taxes and motor vehicle registrations.



86061111/1/24/19 2# 11111111

Budget Estimate Fee Increase: (40)

Actual 2015, and projected 2017 and beyond biennium revenue versus cost variance per transaction				
Items	2015 Biennium	2017 Biennium Projection	2019 Biennium Projection	2021 Biennium Projection
Total Costs	(\$13,658,897.47)	(\$14,951,180.77)	(\$29,535,933.08)	(\$20,876,651.74)
Total Revenue	\$8,763,230.00	\$10,027,673.37	\$25,009,874.67	\$25,009,874.67
Total Variance Per Item	(\$8.41)	(\$7.42)	(\$6.90)	\$6.30
Revenue as excess deposited in HTF				\$4,133,222.93

Average Cost Based on Years of License:

Type	Non-Commercial			Commercial		
State	License	Duration	Annual Fee	License	Duration	Annual Fee
ND	\$15.00	6	\$2.50	\$15.00	4	\$3.75
ND NEW	\$40.00	6	\$6.66	\$50.00	4	\$12.50
MN	\$25.25	4	\$6.31	\$44.25	4	\$11.06
WI	\$34.00	8	\$4.25	\$74.00	8	\$9.25
SD	\$28.00	5	\$5.60	\$33.00	5	\$6.60
NE	\$26.50	5	\$5.30	\$26.50	5	\$5.30
IA	\$32.00	8	\$4.00	\$64.00	8	\$8.00
MT	\$42.00	8	\$5.25	\$42.00	8	\$5.25
ID	\$55.00	8	\$6.88	\$40.00	4	\$10.00
AVG*	\$32.22	6.5	\$5.01	\$42.34	5.75	\$7.40

*New ND not included in averages

Average Fees, National:

Current Survey Data	Data Available	National Average	SD/MT/WY/MN Avg	Current ND Fee	Proposed ND Fee
Driver Record fee	43	8	6	3	
Certified Record Fee	45	10	8	25	
Driver License Fee	48	31	34	15	40
CDL License Fee	45	55	44	15	50
Written Test Fee DL	22	12	19	5	5
Written Test Fee CDL	24	22	10	5	5
Skill Test Fee DL	17	16	24	5	10
Skill Test Fee CDL	25	47	63	5	20

1/24/19
SB 2244 #2
pg 9

Budget Estimate Fee Increase: (40)

Actual 2015, and projected 2017 and beyond biennium revenue versus cost variance per transaction				
Items	2015 Biennium	2017 Biennium Projection	2019 Biennium Projection	2021 Biennium Projection
Total Costs	(\$13,658,897.47)	(\$14,951,180.77)	(\$17,035,93.08)	(\$17,376,651.74)
Total Revenue	\$8,763,230.00	\$10,027,673.37	\$25,904,023.67	\$25,904,023.67
Total Variance Per Item	(\$8.41)	(\$7.42)	\$13.42	\$11.64
Revenue as excess deposited in HTF			\$7,633,222.93	

Average Cost Based on Years of License:

Type	Non-Commercial			Commercial		
State	License	Duration	Annual Fee	License	Duration	Annual Fee
ND	\$15.00	6	\$2.50	\$15.00	4	\$3.75
ND NEW	\$40.00	6	\$6.66	\$50.00	4	\$12.50
MN	\$25.25	4	\$6.31	\$44.25	4	\$11.06
WI	\$34.00	8	\$4.25	\$74.00	8	\$9.25
SD	\$28.00	5	\$5.60	\$33.00	5	\$6.60
NE	\$26.50	5	\$5.30	\$26.50	5	\$5.30
IA	\$32.00	8	\$4.00	\$64.00	8	\$8.00
MT	\$42.00	8	\$5.25	\$42.00	8	\$5.25
ID	\$55.00	8	\$6.88	\$40.00	4	\$10.00
AVG*	\$32.22	6.5	\$5.01	\$42.34	5.75	\$7.40

*New ND not included in averages

Average Fees, National:

Current Survey Data	Data Available	National Average	SD/MT/WY/MN Avg	Current ND Fee	Proposed ND Fee
Driver License Fee	48	31	34	15	40
CDL License Fee	45	55	44	15	50
Written Test Fee DL	22	12	19	5	5
Written Test Fee CDL	24	22	10	5	5
Skill Test Fee DL	17	16	24	5	10
Skill Test Fee CDL	25	47	63	5	20

1/24/19
 582244 #2
 pg 10

Testimony Prepared for the
Senate Transportation

January 23, 2019

By: Donnell Preskey, NDACo



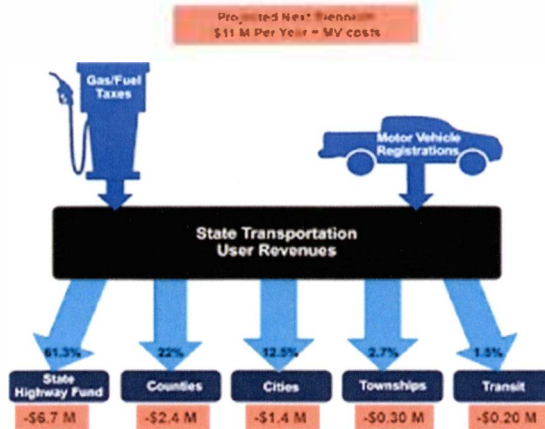
RE: Support for SB 2244 Increasing Driver's License Fees

Good morning Chairman Rust and committee members. I'm Donnell Preskey, with the North Dakota Association of Counties. We stand in support of SB 2244, increasing driver's license fees.

Driver's license fees have been static since 1987. Combined, driver's license fees and registration fees at their current level cost the state \$2.45 million a year. There is no need or logic for the state to be losing money on these services. During interim the NDDOT presented examples of how the fees can be adjusted to allow for the fees to be revenue neutral. For example, a \$26 increase for a Class D license (the most popular license) would cover the cost to break even. This would be a total cost of \$41 every six years. We believe citizens of North Dakota would not object to these small increases in order to keep the state whole, there is no need for the state to be losing money on the issuance of driver's license.

The fees generated through driver's license operations are deposited into the State Highway Fund; accordingly for every dollar of costs incurred in excess of revenues generated, there is one dollar less that is available to spend on transportation by NDDOT.

Highway Tax Distribution Fund



In recognition that registration fees are also losing money for the state, we would encourage legislation to examine those fees as well. Every dollar of cost incurred by Motor Vehicle Registration is one dollar that does not go into the Highway Tax Distribution Fund and is

therefore not available to fund transportation. The chart shows Highway Distribution Fund Allocations with the numbers in red illustrating how each area loses funding to cover costs totaling \$11 million per year next biennium which is the amount the state is away from breaking even each year. To adjust the registration fees so they are revenue neutral, a \$10 increase would be necessary.

As you can see by the chart, a proposal to adjust fees to cover costs for motor vehicle to make them revenue neutral, would result in counties alone seeing an increase of \$2.4 million in transportation funds.

Testimony SB 2244
Senate Transportation Committee
January 24, 2019

SAVANNAH SCHMIDT

Mr. Chairman and members of the Senate Transportation committee, my name is Russ Hanson of the Associated General Contractors of North Dakota. AGC of ND is a 400 member association which has been in existence since 1951. Our membership consists of all aspects of commercial construction - highway contractors, vertical contractors, civil/heavy, specialty contractors, subcontractors as well as material and equipment suppliers.

I appreciate the opportunity to present this testimony in support of SB 2244 and apologize for not being personally present for the committee hearing today due to a conflict. However, should the committee have questions; I'd be available to address them during a committee work session.

SB 2244 provides much needed state resources to augment the transportation funding which is essentially, once again, the federal program (plus state match) for the ND DOT after several biennium of one time state funding. A transportation needs study indicate North Dakota transportation funding has a \$14.6 billion funding gap over the next 20 years with \$25.6 billion in needs versus \$10 billion in revenue with the current funding level. SB 2244 is step in the right direction to provide much needed resources for transportation funding.

With the current federal transportation act expiring in 2020, there is much uncertainty of the next federal highway program, how it will be funded, and at what level. North Dakota is highly dependent on federal funding for our highway program with an 81% dependence on federal funding compared to a nationwide average of other states of 43% reliance on federal funding. SB 2244 shrinks the gap on federal reliance albeit slightly.

Thanks for the opportunity to comment on SB 2244 and we respectfully request the committee issue a Do Pass Recommendation. Again, I apologize for not being personally present today but will be available to the committee at its convenience upon my return.

SB 2244 #1 Pg 1
1/24/19

SB 2244

		Current	Proposed SB 2244
a.	Non-driver photo ID		
	< 18 years old	\$8	\$10
	>18 years old	\$8	\$0
b.	No change		
c.	Initial, class change, renewal permits		\$20
d.	Ability testing operator's license		
	Non-commercial	\$5	\$10
	Commercial	\$5	\$20
e.	Applications operator license		
	Non-commercial	\$15	\$40
	Commercial	\$15	\$50
f.	No change		
g.	Substitutes non-driver ID or license	\$8	\$10
	Name change	\$3	\$5
h.	Operator's license		
	Non-commercial	\$15	\$40
	Commercial		\$50
i.	Reinstate after suspension	\$50	\$150
j.	Reinstate after revocation	\$50	\$150
k.	Commercial license endorsement (each)	\$3	\$10
l.	Driver's record for employer		\$5
m.	Operating record abstracts, clearance, data		\$10
n.	Accident report		
	W/ law enforcement opinion	\$5	\$10
	W/o law enforcement opinion	\$2	\$5
	Non-resident Commercial license	\$20	

From: Michlitsch, Lindi J. ljmichlitsch@nd.gov
Subject: Requested Information from Motor Vehicle
Date: Jan 24, 2019 at 4:18:40 PM
To: Rust, David S. drust@nd.gov

Good afternoon, Senator Rust,

Thank you for allowing me to provide information to you today. Per the committee hearing this morning, I am still working on some answers for you. However, it costs approximately \$20 million per biennium to operate Motor Vehicle.

Since most of the fees collected by Motor vehicle are deposited into the Highway Tax Distribution fund, it is tough to determine the amount that comes just from vehicle registrations. However, we will see if we can provide you some data sometime tomorrow. I hope that works all right with your schedule.

Please let me know if you have any other questions. Thanks!

Lindi J Michlitsch
Director, Motor Vehicle Division
North Dakota Dept. of Transportation
Office: (701) 328-2734
ljmichlitsch@nd.gov



January 29, 2019

SB2244 #1
1/31/19 pg1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2244

Page 1, line 18, replace "twenty" with "ten"

Page 1, line 19, replace "forty" with "thirty"

Page 1, line 20, replace "fifty" with "thirty"

Page 2, line 2, replace "forty" with "thirty"

Page 2, line 3, replace "fifty" with "thirty"

Page 2, line 4, overstrike "fifty"

Page 2, line 9, overstrike "fifty"

Page 2, line 12, replace "ten" with "five"

Page 2, line 14, replace "ten" with "six"

Renumber accordingly

Sixty-sixth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2244

Introduced by

Senators Dwyer, Bakke, G. Lee, Sorvaag

Representatives Nathe, Zubke

1 A BILL for an Act to amend and reenact section 39-06-49, subsection 1 of section 39-06.2-07,
2 subsection 2 of section 39-06.2-08, subdivision c of subsection 3 of section 39-06.2-09,
3 sections 39-06.2-09.1, 39-06.2-13.1, and 39-06.2-19, subsections 5 and 6 of section 39-08-13,
4 and subsection 3 of section 39-16-03 of the North Dakota Century Code, relating to driver's
5 license fees.

6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. AMENDMENT.** Section 39-06-49 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **39-06-49. Fees - Deposit in state highway fund.**

- 10 1. All money received under this chapter must be paid monthly into the highway fund in
11 the state treasury.
- 12 2. The fee for:
 - 13 a. An application for a nondriver photo identification card is ~~eighteen~~ dollars for
14 applicants under the age of eighteen, otherwise there is no fee.
 - 15 b. Written testing for an application for an operator's license is five dollars.
 - 16 c. Initial, class change, and renewal permits is twenty dollars.
 - 17 d. Actual ability testing for an application for ~~ana noncommercial~~ operator's license
18 is ~~five~~ten dollars, and a commercial operator's license is ~~twenty~~ten dollars.
 - 19 e. An application for ~~ana noncommercial~~ operator's license is ~~fifteen~~forty
20 dollars and a commercial operator's license is ~~fifty~~thirty dollars.
 - 21 e.f. An application for a motorized bicycle operator's permit is ten dollars.
 - 22 f.g. A substitute nondriver identification card or operator's license is ~~eighteen~~
23 unless the substitute is for erroneous information due to a change in name or
24 address, then the fee is ~~three~~five dollars.

- 1 g. An
- 2 h. A noncommercial operator's license renewal is ~~fifteen~~fortythirty dollars, and a
- 3 commercial operator's license renewal is ~~fifty~~thirty dollars.
- 4 h.i. Reinstatement after suspension is one hundred ~~fifty~~ dollars unless the
- 5 suspension was the result of a suspension under subsection 3, 4, or 6 of section
- 6 39-06-03 or subdivision b of subsection 1 of section 39-06-32, then the fee is
- 7 twenty five dollars, or unless the suspension was a result of a violation under
- 8 section 39-08-01 or chapter 39-20, then the fee is one hundred dollars.
- 9 i.j. Reinstatement after revocation is one hundred ~~fifty~~ dollars, unless the revocation
- 10 was imposed for a violation of subsection 6 of section 39-06-17 or section
- 11 39-06-31, 39-06-43, or 39-20-04, then the fee is one hundred dollars.
- 12 k. A commercial license endorsement is ~~ten~~five dollars for each endorsement.
- 13 l. The driving record for an employer of a commercial license holder is five dollars.
- 14 m. Operating record abstracts, records of clearance, or other record data are ~~ten~~six
- 15 dollars per record.
- 16 n. An accident report provided with the law enforcement officer's opinion is ten
- 17 dollars and is five dollars without the opinion.
- 18 3. Any application for which there is a fee must be accompanied by the proper fee.
- 19 4. The department shall provide a biennial report to the legislative assembly on the
- 20 revenues collected, funds expended, and balance of the state highway fund.

21 **SECTION 2. AMENDMENT.** Subsection 1 of section 39-06.2-07 of the North Dakota

22 Century Code is amended and reenacted as follows:

- 23 1. An individual may not be issued a commercial driver's license unless that individual is
- 24 a resident of this state; has passed a knowledge and skills test that may include a
- 25 skills test administered by another state or skills test results electronically submitted by
- 26 another state, for driving a commercial motor vehicle which complies with minimum
- 27 federal standards established by federal regulations enumerated in 49 CFR part 383,
- 28 subparts G and H; and has satisfied all other requirements of state and federal law,
- 29 including the Commercial Motor Vehicle Safety Act. The tests must be prescribed and
- 30 conducted by the director. The applicant shall pay the fee listed in section
- 31 ~~39-06.2-19~~39-06-49 for each of the tests.

1 **SECTION 3. AMENDMENT.** Subsection 2 of section 39-06.2-08 of the North Dakota
2 Century Code is amended and reenacted as follows:

3 2. The application must be accompanied by an application fee listed in section
4 ~~39-06.2-19~~39-06-49. The application must contain any other information as the
5 director may require to improve identity security. The director shall require an applicant
6 for a commercial license or commercial learner's permit to provide documentary
7 evidence that confirms to the satisfaction of the director the true identity, date of birth,
8 and legal presence of the applicant and provide a social security card or other
9 satisfactory evidence of a social security number and proof of residence address, if not
10 previously provided or if there are changes to the information already on file.

11 **SECTION 4. AMENDMENT.** Subdivision c of subsection 3 of section 39-06.2-09 of the
12 North Dakota Century Code is amended and reenacted as follows:

13 c. Other restrictions may be placed upon a commercial driver's license, under
14 section 39-06-17. The applicant shall pay a fee listed in section
15 ~~39-06.2-19~~39-06-49 for each endorsement.

16 **SECTION 5. AMENDMENT.** Section 39-06.2-09.1 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **39-06.2-09.1. Nondomiciled commercial license.**

19 1. The department may issue a nondomiciled commercial driver's license to an applicant
20 who does not present a social security card as required by section 39-06.2-08 but who
21 otherwise meets the requirements for a nondomiciled commercial driver's license. A
22 license issued under this subsection is valid only during the period of time of the
23 applicant's authorized stay in the United States. The license may be renewed only
24 upon presentation of valid documentary evidence that the status has been extended.
25 The department shall renew without a skills or knowledge test a nondomiciled
26 commercial license that has been expired for a duration not longer than one year.

27 2. The fee for a nondomiciled commercial driver's license is listed in section
28 ~~39-06.2-19~~39-06-49.

29 **SECTION 6. AMENDMENT.** Section 39-06.2-13.1 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **39-06.2-13.1. Driving record information to be provided.**

2 Notwithstanding any other provision of law and upon payment of a fee listed in section
3 ~~39-06.2-13~~39-06-49, the director shall provide full information regarding the driving record of an
4 individual who has been issued a commercial driver's license to an employer or to a prospective
5 employer if the individual has given written consent to the prospective employer for this
6 information.

7 **SECTION 7. AMENDMENT.** Section 39-06.2-19 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **39-06.2-19. Fees - Deposit in highway fund.**

- 10 1. All money received under this chapter must be paid monthly to the highway fund in the
11 state treasury.
- 12 2. ~~The fee for:~~
- 13 a. ~~A commercial driver's license test is five dollars.~~
- 14 b. ~~An application for a commercial driver's license or permit is fifteen dollars.~~
- 15 c. ~~Each endorsement is three dollars.~~
- 16 d. ~~A nonresident commercial driver's license is twenty dollars.~~
- 17 e. ~~The driving record for an employer or prospective employer is three dollars.~~ Fees
18 must be assessed in accordance with section 39-06-49.

19 **SECTION 8. AMENDMENT.** Subsections 5 and 6 of section 39-08-13 of the North Dakota
20 Century Code are amended and reenacted as follows:

- 21 5. Upon affirmation by a party to the accident, a party's legal representative, or the
22 insurer of any party to the accident that the investigating officer's opinion is material to
23 a determination of liability and upon payment of at the fee of five dollars listed in section
24 39-06-49, the director or investigating agency shall release a completed copy of the
25 investigating officer's opinion to the entity requesting the information. The request
26 must be made on an appropriate form approved by the director.
- 27 6. Upon request of any person and upon payment of at the fee of two dollars listed in
28 section 39-06-49, the director or the law enforcement agency may furnish to a
29 requester a copy of that portion of an investigating officer's accident report which does
30 not disclose the opinion of the reporting officer or contain any exempt information that

1 may not be disclosed, if the report shows that the accident is one for which a driver is
2 required to file a report under section 39-08-09.

3 **SECTION 9. AMENDMENT.** Subsection 3 of section 39-16-03 of the North Dakota Century
4 Code is amended and reenacted as follows:

5 3. AThe fee of three dollars listed under section 39-06-49 must be paid for each abstract
6 of any operating record, ~~operating record~~, complete operating record, or record of
7 clearance. A reasonable fee must be paid for each source document. The director may
8 not assess a fee to a law enforcement agency, a judicial officer, or another licensing
9 jurisdiction. The director shall send an additional copy of the abstract, source
10 document if requested in aggregate form, or record of clearance to the driver whose
11 record was requested, accompanied by a statement identifying the person making the
12 request, identifying the person for whom or which the request is made, identifying the
13 intended recipient of the record, and providing the reason for the request. An
14 additional copy of the abstract or record of clearance may not be sent to a driver if the
15 request for the record was made by the federal bureau of investigation or the United
16 States central intelligence agency, or agents, or by any law enforcement agency or
17 judicial officer.

				\$7,832,086			\$13,333,306	\$5,501,220	
		6 Year Average	Current Fee	Revenue	New Fee	Increase Amount	Revenue	Variance	Type
Non-CDL	Permits Initial	28420	\$15	\$426,305	\$20	\$5	\$568,407	\$142,102	Permits Initial
Non-CDL	Permits Class Change	5272	\$15	\$79,080	\$20	\$5	\$105,440	\$26,360	Permits Class Change
Non-CDL	Permits Dup / Temp O/S	182	\$3	\$547	\$5	\$2	\$912	\$365	Permits Dup / Temp O/S
Non-CDL	Permits Dup / Temp O/S	5615	\$8	\$44,920	\$10	\$2	\$56,150	\$11,230	Permits Dup / Temp O/S
Non-CDL	License	42475	\$15	\$637,120	\$30	\$15	\$1,274,240	\$637,120	License
Non-CDL	License	4766	\$50	\$238,300	\$50	\$0	\$238,300	\$0	License
Non-CDL	Duplicate License	36236	\$3	\$108,709	\$5	\$2	\$181,182	\$72,473	Duplicate License
Non-CDL	Duplicate License	67430	\$8	\$539,440	\$10	\$2	\$674,300	\$134,860	Duplicate License
Non-CDL	Renewal License	141629	\$15	\$2,124,440	\$30	\$15	\$4,248,880	\$2,124,440	Renewal License
Non-CDL	Renewal License	1129	\$50	\$56,450	\$50	\$0	\$56,450	\$0	Renewal License
ALL	Identification Card	19772	\$0	\$0	\$0	\$0	\$0	\$0	Identification Card
ALL	Identification Card	18572	\$8	\$148,576	\$10	\$2	\$185,720	\$37,144	Identification Card
ALL	Officer Reports	3762	\$2	\$7,523	\$5	\$3	\$18,808	\$11,285	Officer Reports
ALL	Officer Reports	3692	\$5	\$18,458	\$10	\$5	\$36,917	\$18,458	Officer Reports
ALL	Reinstatements	17054	\$50	\$852,683	\$100	\$50	\$1,705,367	\$852,683	Reinstatements
ALL	Reinstatements	10990	\$100	\$1,099,000	\$150	\$50	\$1,648,500	\$549,500	Reinstatements
ALL	Driver Abstracts	32899	\$3	\$98,697	\$6	\$3	\$197,394	\$98,697	Driver Abstracts
ALL	Driver Abstracts	1	\$25	\$17	\$25	\$0	\$17	\$0	Driver Abstracts
CDL	Permits Initial	2180	\$15	\$32,705	\$20	\$5	\$43,607	\$10,902	Permits Initial
CDL	Permits Class Change	5552	\$15	\$83,285	\$20	\$5	\$111,047	\$27,762	Permits Class Change
CDL	Permits Dup	34	\$3	\$101	\$5	\$2	\$168	\$67	Permits Dup
CDL	Permits Dup	470	\$8	\$3,763	\$10	\$2	\$4,703	\$941	Permits Dup
CDL	License	5231	\$15	\$78,470	\$30	\$15	\$156,940	\$78,470	License
CDL	License	385	\$20	\$7,707	\$30	\$10	\$11,560	\$3,853	License
CDL	Duplicate License	4564	\$3	\$13,692	\$5	\$2	\$22,820	\$9,128	Duplicate License
CDL	Duplicate License	10928	\$8	\$87,427	\$10	\$2	\$109,283	\$21,857	Duplicate License
CDL	Renewal License	22081	\$15	\$331,220	\$30	\$15	\$662,440	\$331,220	Renewal License
CDL	Renewal License	4	\$20	\$80	\$30	\$10	\$120	\$40	Renewal License
CDL	Permit Renewal	66	\$20	\$1,327	\$20	\$0	\$1,327	\$0	Permit Renewal
ALL	Written Tests	74618	\$5	\$373,090	\$5	\$0	\$373,090	\$0	Written Tests
ALL	Road Tests non-commercial	6488	\$5	\$32,440	\$10	\$5	\$64,880	\$32,440	Road Tests
CDL	Road Tests commercial	38089	\$5	\$190,443	\$10	\$5	\$380,887	\$190,443	Road Tests
ALL	Endorsement Fee	38690	\$3	\$116,071	\$5	\$2	\$193,452	\$77,381	Endorsement Fee

SB2244 #3
1/31/19 291

HOUSE TRANSPORTATION COMMITTEE
SENATE BILL 2244, FEBRUARY 28
SENATOR MIKE DWYER, DISTRICT 47

HB 2244
2-28-19
#1
p.1

OUR ROAD AND BRIDGE INFRASTRUCTURE NEEDS SOME HELP.

106 BILLION IS SHIPPED TO AND FROM NORTH DAKOTA EACH YEAR ON OUR ROADS. THIS SUPPORTS OUR INDUSTRIES OF AGRICULTURE, ENERGY, TOURISM, AND MANUFACTURING.

THE UPPER GREAT PLAINS TRANSPORTATION INSTITUTE REPORT THAT WE WILL BE SHORT 14.6 BILLION DOLLARS BY THE YEAR 2035 IF WE EXPECT TO KEEP OUR ROAD AND BRIDGE INFRASTRUCTURE IN THE SAME SHAPE IT IS TODAY.

IF YOU RECALL, A RECENT STUDY ADDRESSED OUR INFRASTRUCTURE CONDITION. ACCORDING TO THE STUDY, THE MILES OF STATE ROADS WHICH ARE CURRENTLY IN POOR CONDITION WILL DOUBLE BETWEEN 2018 AND 2021 IF WE DON'T TAKE SOME ACTION. MORE ALARMING, 14% OF OUR 4377 BRIDGES ARE STRUCTURALLY DEFICIENT.

NORTH DAKOTA IS CURRENTLY 81% DEPENDENT ON FEDERAL FUNDING FOR OUR ROADS AND HIGHWAYS. THE AVERAGE OF OTHER STATES IS 43%. THIS MAKES IT VERY DIFFICULT FOR NORTH DAKOTA TO SEEK ADDITIONAL FEDERAL HIGHWAY GRANTS.

WHAT DOES THIS TALK ABOUT OUR ROADS HAVE TO DO WITH DRIVERS LICENSE FEES?

CURRENTLY, OUR DRIVERS LICENSE REVENUES GENERATE 10 MILLION PER BIENNIUM, AND THE COST OF OUR DRIVERS LICENSE DIVISION IS 15 MILLION. THIS SHORTAGE IS SUBSIDIZED BY OUR ROAD FUNDS. IN OTHER WORDS, 5 MILLION THAT SHOULD GO FOR OUR STATE AND LOCAL ROADS MUST BE DIVERTED TO DRIVERS LICENSE COSTS.

WE HAVE ALMOST 600,000 DRIVERS LICENSES IN OUR STATE. WE HAVE ABOUT 1.1 MILLION REGISTERED VEHICLES. OUR ROADS SUPPORT AGRICULTURE, COMMERCE, ENERGY, TOURISM, AND MANUFACTURING. QUALITY ROADS ARE ALSO NECESSARY FOR SAFETY.

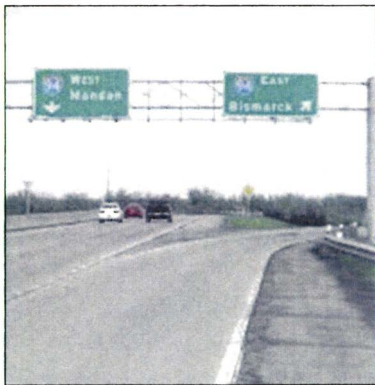
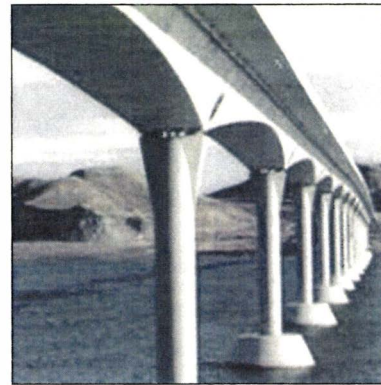
WE HAVE NOT RAISED OUR DRIVERS LICENSE FEES FOR 32 YEARS, SINCE 1887. AGAIN, OUR CURRENT DRIVERS LICENSE FEES REQUIRE THAT WE TRANSFER 5 MILLION PER BIENNIUM FROM OUR HIGHWAY FUNDS TO OUR DRIVERS LICENSE DIVISION TO SUBSIDIZE THE SHORTAGE. THIS BILL WILL ALLOW OUR ROAD FUNDS TO BE USED FOR ROADS.

MR CHAIRMAN, OUR CURRENT FEE STRUCTURE FOR DRIVERS LICENSES IS NEITHER GOOD GOVERNMENT NOR GOOD BUSINESS. I ASK FOR YOUR SUPPORT OF SENATE BILL 2244. THANK YOU.

HB 2244
2-28-19
#1
p.2

NORTH DAKOTA SYMPOSIUM ON TRANSPORTATION FUNDING

by the Upper Great Plains Transportation Institute
for the North Dakota Department of Transportation



JUNE 2018

HB 2244
2-28-19
#1
P.3

Transportation Infrastructure Needs in North Dakota: 2016-35

Transportation Infrastructure Needs For All Jurisdictions

Transportation Infrastructure Needs All Jurisdictions Total funding needs for transportation in North Dakota	Year	State (\$million)	County and Twp (\$million)	Urban (\$million)	Transit (\$million)	Total (\$million)
	2016-17	\$1,469	\$1,028	\$149	\$72	\$2,717
	2018-19	\$1,223	\$993	\$105	\$66	\$2,388
	2020-21	\$818	\$1,025	\$88	\$69	\$2,000
	2022-23	\$818	\$985	\$78	\$70	\$1,951
	2024-25	\$788	\$926	\$51	\$72	\$1,837
	2026-35	\$5,159	\$3,848	\$173	\$369	\$9,549
	Harmonization	\$761				\$761
	2016-35	\$11,037	\$8,805	\$643	\$718	\$21,202

HB2244
2-28-19
#1
P.4

REPORT CARD FOR
NORTH DAKOTA'S
INFRASTRUCTURE

2019



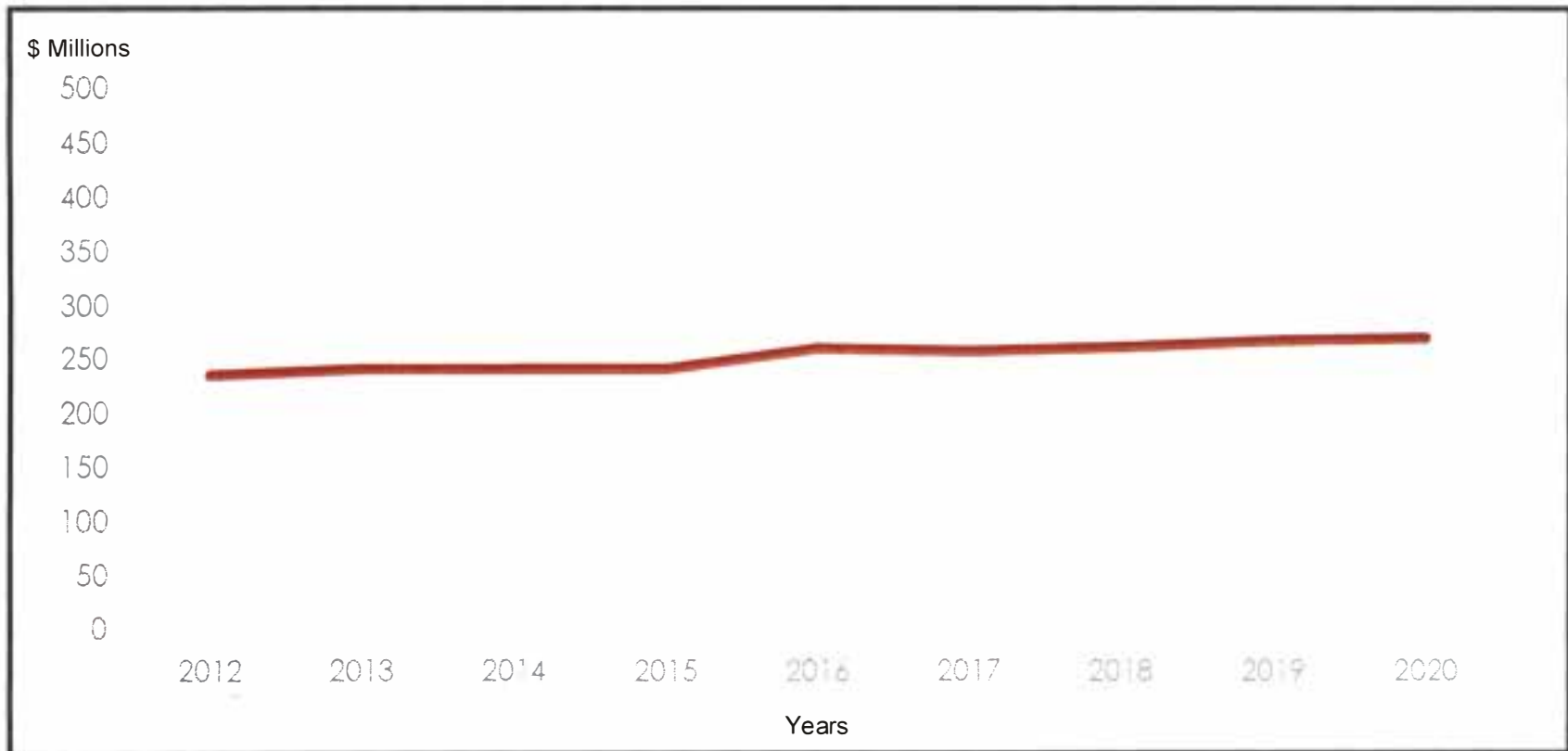
North Dakota Section of the American Society of Civil Engineers
INFRASTRUCTUREREPORTCARD.ORG/NORTH-DAKOTA

HB 2244 #1
2-28-19 p.5

North Dakota's Federal Funding For Transportation

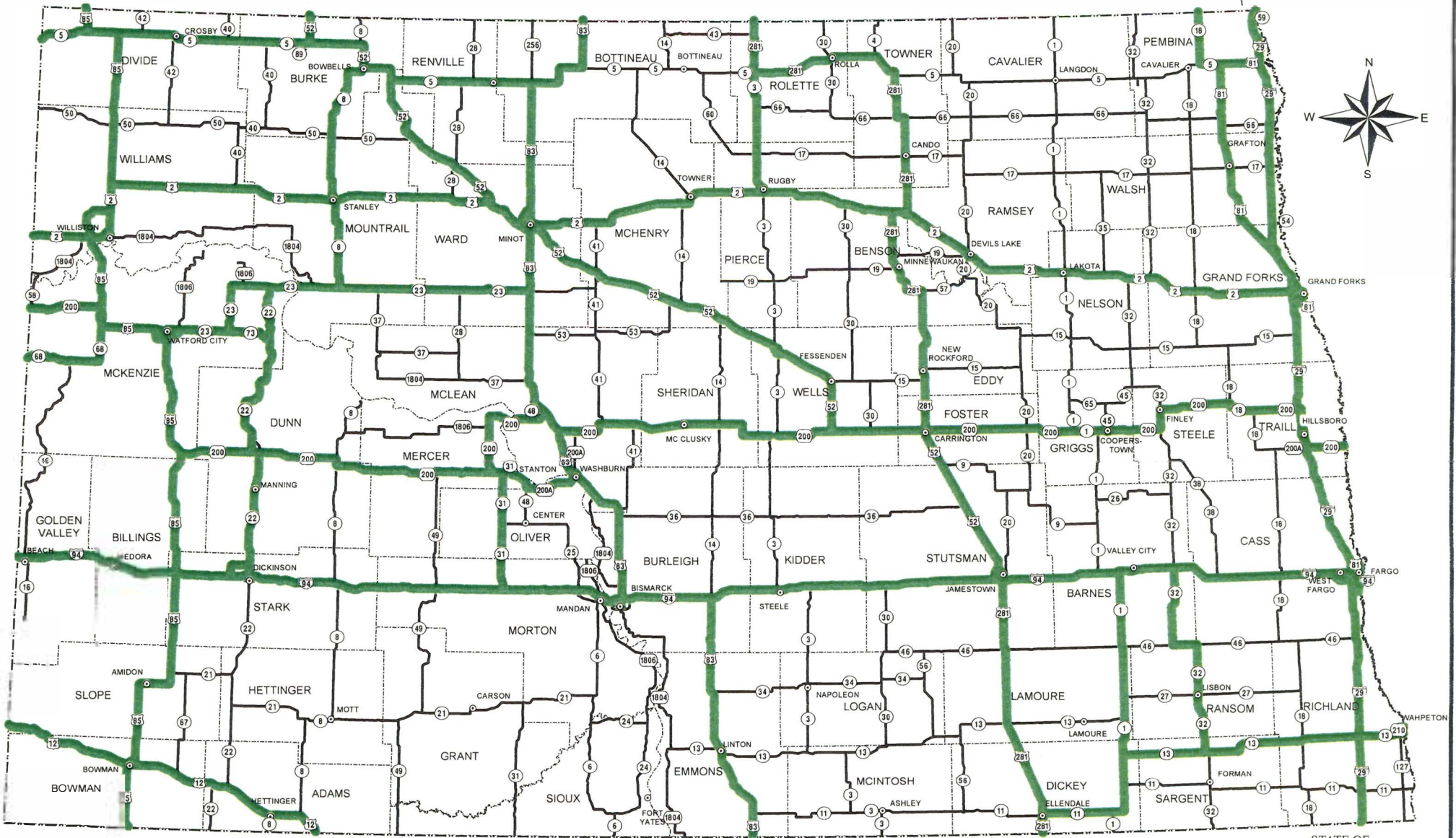
During the last decade, North Dakota's level of federal highway funding has remained relatively constant and it is expected that our annual funding level will continue to remain flat with little or no growth through the end of the current authorization act (2020).

The chart below shows funding NDDOT received from the Federal Highway Trust Fund over the past few years.



PROPOSED CORRIDORS OF COMMERCE

HB2244
2-28-19
#1 p. 6



STATE OF
NORTH DAKOTA

Notice of Disclaimer
The North Dakota Department of Transportation (NDDOT) makes this map available on an "as is" basis as a public service. Under no circumstances does NDDOT warrant or certify the information to be free of errors or deficiencies of any kind. NDDOT specifically disclaims all warranties, express or implied, including but not limited to the warranties of merchantability and fitness for a particular purpose.

F:\PLANNING\Steve_Nelson\MXDS\2016\NMFT_OPTION4onecolor2019.mxd

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
PLANNING / ASSET MANAGEMENT DIVISION

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

2019

HB 2244 #1
2-28-19
p.7

				\$7,832,086			\$13,333,306	\$5,501,220	
		6 Year Average	Current Fee	Revenue	New Fee	Increase Amount	Revenue	Variance	Type
Non-CDL	Permits Initial	28420	\$15	\$426,305	\$20	\$5	\$568,407	\$142,102	Permits Initial
Non-CDL	Permits Class Change	5272	\$15	\$79,080	\$20	\$5	\$105,440	\$26,360	Permits Class Change
Non-CDL	Permits Dup / Temp O/S	182	\$3	\$547	\$5	\$2	\$912	\$365	Permits Dup / Temp O/S
Non-CDL	Permits Dup / Temp O/S	5615	\$8	\$44,920	\$10	\$2	\$56,150	\$11,230	Permits Dup / Temp O/S
Non-CDL	License	42475	\$15	\$637,120	\$30	\$15	\$1,274,240	\$637,120	License
Non-CDL	License	4766	\$50	\$238,300	\$50	\$0	\$238,300	\$0	License
Non-CDL	Duplicate License	36236	\$3	\$108,709	\$5	\$2	\$181,182	\$72,473	Duplicate License
Non-CDL	Duplicate License	67430	\$8	\$539,440	\$10	\$2	\$674,300	\$134,860	Duplicate License
Non-CDL	Renewal License	141629	\$15	\$2,124,440	\$30	\$15	\$4,248,880	\$2,124,440	Renewal License
Non-CDL	Renewal License	1129	\$50	\$56,450	\$50	\$0	\$56,450	\$0	Renewal License
ALL	Identification Card	19772	\$0	\$0	\$0	\$0	\$0	\$0	Identification Card
ALL	Identification Card	18572	\$8	\$148,576	\$10	\$2	\$185,720	\$37,144	Identification Card
ALL	Officer Reports	3762	\$2	\$7,523	\$5	\$3	\$18,808	\$11,285	Officer Reports
ALL	Officer Reports	3692	\$5	\$18,458	\$10	\$5	\$36,917	\$18,458	Officer Reports
ALL	Reinstatements	17054	\$50	\$852,683	\$100	\$50	\$1,705,367	\$852,683	Reinstatements
ALL	Reinstatements	10990	\$100	\$1,099,000	\$150	\$50	\$1,648,500	\$549,500	Reinstatements
ALL	Driver Abstracts	32899	\$3	\$98,697	\$6	\$3	\$197,394	\$98,697	Driver Abstracts
ALL	Driver Abstracts	1	\$25	\$17	\$25	\$0	\$17	\$0	Driver Abstracts
CDL	Permits Initial	2180	\$15	\$32,705	\$20	\$5	\$43,607	\$10,902	Permits Initial
CDL	Permits Class Change	5552	\$15	\$83,285	\$20	\$5	\$111,047	\$27,762	Permits Class Change
CDL	Permits Dup	34	\$3	\$101	\$5	\$2	\$168	\$67	Permits Dup
CDL	Permits Dup	470	\$8	\$3,763	\$10	\$2	\$4,703	\$941	Permits Dup
CDL	License	5231	\$15	\$78,470	\$30	\$15	\$156,940	\$78,470	License
CDL	License	385	\$20	\$7,707	\$30	\$10	\$11,560	\$3,853	License
CDL	Duplicate License	4564	\$3	\$13,692	\$5	\$2	\$22,820	\$9,128	Duplicate License
CDL	Duplicate License	10928	\$8	\$87,427	\$10	\$2	\$109,283	\$21,857	Duplicate License
CDL	Renewal License	22081	\$15	\$331,220	\$30	\$15	\$662,440	\$331,220	Renewal License
CDL	Renewal License	4	\$20	\$80	\$30	\$10	\$120	\$40	Renewal License
CDL	Permit Renewal	66	\$20	\$1,327	\$20	\$0	\$1,327	\$0	Permit Renewal
ALL	Written Tests	74618	\$5	\$373,090	\$5	\$0	\$373,090	\$0	Written Tests
ALL	Road Tests non-commercial	6488	\$5	\$32,440	\$10	\$5	\$64,880	\$32,440	Road Tests
CDL	Road Tests commercial	38089	\$5	\$190,443	\$10	\$5	\$380,887	\$190,443	Road Tests
ALL	Endorsement Fee	38690	\$3	\$116,071	\$5	\$2	\$193,452	\$77,381	Endorsement Fee

HB 2244
2-28-19
#1 p.8

Driver's License Fees				
Overview	Description	A periodic fee imposed on licensed drivers when obtaining or renewing a driver's license.		
	Current Use	All states charge fees for driver's licenses. Fee revenues are used to offset the physical identification card and processing. Additional fees are charged for permits and testing.		
	Peer States	State	License Fee	Duration of License Annual Average Fee
		ND	\$15	4-6 years \$2.50-\$3.75
		MN	\$25.25	4 years \$6.31
Overview		WI	\$34.00	8 years \$4.25
		SD	\$28.00	5 years \$5.60
		NE	\$21.50	4 years \$5.38
		IA	\$4/year	5-8 years \$4.00
		MT	\$40.50	8 years \$5.06
Overview		ID	\$30.00	4 years \$7.50
	Geographic Scope	Statewide		
Viability	Revenue Potential	Ø	Low: As of 2016, there were 555,935 licensed drivers in North Dakota	
	Implementation Complexity	+	Minimal: Driver's license fees are currently collected by the state. A change to the current rate could be implemented easily from a technical and administrative standpoint.	
	Public Awareness (perception)	+	In use: All drivers pay license fees.	
Sustainability	Increases in Fuel Economy/Alternative Fuels	-	Fuel efficiency and vehicle technology have no direct relationship with driver's license fees.	
	Fuel Price Volatility	Ø	Fuel prices have no direct relationship with driver's license fees.	

(+) Positive/High (-) Negative/Low (Ø) Neutral

HB2244
2-28-19
#1 p.9

	Reinstatement Fees	Reason
North Dakota	\$100	Alcohol
	\$50	Non-alcohol
	\$25	Medical
Minnesota	\$680	Alcohol
	\$30	Non-alcohol Revocation
Montana	\$200	Alcohol
	\$100	Non-alcohol
Texas	\$1,000	Alcohol - 1st Offense
	\$1,500	Alcohol - 2nd Offense
	\$2,000	Alcohol - .16% or greater
	\$250	Financial Responsibility Suspension
	\$100	No Drivers License
South Dakota	\$175	Alcohol
	\$200	Vehicular Battery/Homicide
	\$50	Court Ordered Suspensions
Nebraska	\$125	Point Suspensions
	\$125	IC Alcohol Suspensions
	\$50	Accident Related
	\$50	Fail to Pay Citation
Iowa		Mandatory Civil Penalty in Addition to other Reinstatement fees ranging from \$20-\$50
	\$200	
Missouri	\$20 - \$400	No Insurance Suspensions
	\$25	Alcohol Related
	\$20	Most Non-alcohol Suspensions
Wisconsin	\$200	Alcohol Related
	\$50	Other
	\$50	Accident Suspensions
Wyoming	\$50	Alcohol & Financial Responsibility
	\$5	Non-payment of Child Support