

2011 HOUSE TRANSPORTATION

HB 1191

# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Transportation Committee Fort Totten Room, State Capitol

HB 1191  
01/21/2011  
Job # 13220

☐ Conference Committee

Committee Clerk Signature

*Janette Cook*

### Explanation or reason for introduction of bill/resolution:

This is a bill attempting to allow permanent trailer permits as well as the annual permits for semi-trailers; and to provide for application.

### Minutes:

Attachment #1

**Tom Balzer, North Dakota Motor Carriers Association**, testified in support of HB 1191 and provided prepared testimony. See attachment #1.

**Representative Delmore:** Right now, can I shop around and decide where I want to register my trailer?

**Tom Balzer:** No, you have to have a registered business with an address in another state.

**Representative Delmore:** Can't I get an address in any state that I want?

**Tom Balzer:** You would have to apply to get a registration and pay a fee.

**Vice Chairman Weiler:** Could Midwest Motor Express, for example, go to South Dakota and register all of its trailers for \$10 each?

**Tom Balzer:** Yes, they could.

**Representative Owens:** Are we making a distinction between the different types of trailers?

**Tom Balzer:** Currently, there are three different types of trailers. My intent was to only include semi-trailers, not snow mobile trailers, horse trailers, camper trailers, etc. We are working with the Department of Transportation to make clarifications in that area.

**Tom Balzer:** (inaudible)

**Chairman Ruby:** (inaudible)

**Tom Balzer:** (inaudible)

**Representative Owens:** You said that the tag is forever, so, how will the state know how many trailers we have?

**Tom Balzer:** The intent is that the plates are non-transferable, so they will stay with the trailer until it is no longer used. There is no requirement to have those plates turned in when a trailer is retired, so I suppose the state will not know how many trailers are licensed at any one time.

**Wally Keller, President of Jobbers Moving and Storage:** As a business owner, I want to do business in my home state. We opened a business in Aberdeen, SD in 2001. We toyed with transferring our licenses to South Dakota and have been working with Tom to get this law in North Dakota. Simple math tells me as business owner, that even though I only have 30 trailers in ten years it costs me \$300, but in North Dakota at \$20 a year it is \$6000. My trailers will be licensed one time next year; hopefully it will be in North Dakota not South Dakota. One of the members had a question as to how easy it is to get representation in South Dakota, it is \$45 to have a registered agent and have a registered address in South Dakota. Even though North Dakota is growing, small businesses are not necessarily growing. We have to look at how to best utilize our dollars.

**Representative Heller:** Is there a number on a trailer that ties a plate to a trailer?

**Wally Keller:** The trailers have serial numbers.

**John Sullivan, SulliVans Portable Storage:** I am here to encourage you to give HB 1191 a DO PASS recommendation. My fleet currently consists of 111 semi-trailers which are currently located all over the state of North Dakota. A number of my trailers do not leave the yard for months and then perhaps across town for a storage situation and back to the yard. Other vans are or will be traveling our state highways and located just about anywhere in the state. For example, four vans will be loaded with flood relief supplies in February by the North Dakota Health Department for the eastern counties and moved to Fargo and Grand Forks. I currently pay \$20 per van per year to license my fleet. That is whether or not they leave the confines of my yard. I would jump at the chance to license my fleet with a one-time plate fee. A number of my vans are rented in October by the Wal-marts in the state for the Christmas season and early spring product arrivals. The rule is that the tabs have to be placed on the plates by January 1<sup>st</sup>. That isn't possible with the number of vans that I have around the state. I have to wait until I get there to get them, or they come back to the yard. They may be gone for more than six months of the year because of the storage situation. Again, I urge you to give HB 1191 a DO PASS recommendation.

**There was no further support for HB 1191.**

**There was no opposition to HB 1191.**

**Chairman Ruby:** Is there neutral testimony on HB 1191?

**Linda Butts, Deputy Director for Driver and Vehicle Services:** Basically we concur with this bill, but have found some additional problems that need to be fixed. If you would give us the luxury of a little bit of time, we would appreciate that. If you have any specific questions on the program, I have with us today Frank La Qua, North Dakota Department of Transportation, who handles all of the licensing issues.

**Representative Gruchalla:** I noticed that there is not fiscal note on this, but there was testimony that we are going to lower the income by 35,000 less registrations per year. So, there would be a reduction in work load.

**Frank LaQua, North Dakota Motor Vehicle Division:** There will be a reduction in work load and in revenue. There may be a spike in revenue to start with if we go to people paying \$50 for a permanent tag instead of the \$20 annual. The revenue situation will depend on what trailers we include in this bill. That is where we can work with the North Dakota Motor Carriers Association. Our system does not allow us to know how many are semi-trailers and how many are not. This bill may get amended quite a bit.

**Vice Chairman Weiler:** Approximately, how many full time equivalents are devoted to the task of registration on a yearly basis.

**Frank LaQua:** We have two different sections with two different computer programs. I work with commercial motor vehicles. We have seven people. We also have the base state registration: cars, pickups and trailers. I think that there are twenty to thirty that process registrations. I'm not sure.

**Vice Chairman Weiler:** But is that just the registrations that we are talking about here, the semi-trailers?

**Frank LaQua:** They do all registrations, not just the trailer registrations.

**Vice Chairman Weiler:** If this law passes and there is a onetime fee, obviously there is a lesser need for staffing going forward. I wanted to know if you have a ballpark figure as to how many people that might be?

**Frank LaQua:** When we come back with the amendments for this bill, maybe that would be a better time to address that.

**Chairman Ruby:** We will hold this bill to give the Department of Transportation some time to work on it. We will need to identify which trailers and find out a way to do that without adding something major. Linda, is it easier to put a different letter on these rather than the T when they are first renewed?

**Linda Butts:** We can look at that, but there would be a cost to changing those out. It is something we can consider in the fiscal note, if you would like.

**Chairman Ruby:** We would put that cost into the fee.

The hearing was closed on the hearing for HB 1191.

# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Transportation Committee Fort Totten Room, State Capitol

HB 1191  
02/03/2011  
Job #13949

☐ Conference Committee

Committee Clerk Signature

*Jeannette Cook*

### Minutes:

**Chairman Ruby** brought HB 1191 before the committee.

**Tom Balzer** provided a new amendment and explained the changes. See attachment #1. He commented that his people will just be glad to have this as an option. A fiscal note will be reissued. On the fiscal note the first biennium will be an actual gain. The second biennium will be a loss that we all expect as part of that process.

**Chairman Ruby:** I did request a memo. We understand that there will be a reduction of revenue. We have to decide if we want 50% of something or 100 % of nothing. If we don't make a change, many trucking companies will go to another state and license their trucks for life.

**Tom Balzer:** I had a conversation with a major trucking company in Fargo that said he needs to set up a location in South Dakota, so I can take advantage of this. We settled on \$50 because when we talk about transferring titles to different states and getting licensed in that state to do business, it would just be easier to do it here. The owners would rather just write a check.

**Representative R. Kelsch:** In order for them to set up an address in South Dakota, do they just have to get a PO box or do they have to have a physical address?

**Tom Balzer:** They can get a PO box, but in order for them to transfer a title to a business entity, the business entity has to be licensed in the state by the Secretary of State.

**Representative Louser:** I just had a discussion with someone who is moving from South Dakota to North Dakota and has three semis. What is the difference in cost to register a semi-truck in North Dakota versus South Dakota?

**Tom Balzer:** The registration process for trucks is extremely convoluted in that it depends on if you are running multiple states and the percentage of miles that you run. What you pay is prorated depending on the states that you run in. If you are just running in-state, then you obviously just pay full in-state. North Dakota and South Dakota are fairly similar. The last number that I saw from the American Trucking Association to register a truck in this state, runs about \$5000 a year. In South Dakota it is about \$4500. That would be all the fees that you pay with gas tax and registration fees. It depends on weight.

**Chairman Ruby:** The federal heavy vehicle use fee is the same in every state.

**Representative Weisz:** What if you lose your plate?

**Tom Balzer:** Department of Transportation said that it would just be the five dollar fee, just like it is normally if you lose a plate.

**Representative R. Kelsch** moved the amendment.

**Representative Delmore** seconded the motion.

**A voice vote was taken. The motion carried.**

**Representative R. Kelsch** moved a DO PASS as amended on HB 1191.

**Representative Delmore** seconded the motion.

**A roll call vote was taken. Aye 14 Nay 0 Absent 0**

**Representative Weisz** will carry HB 1191.

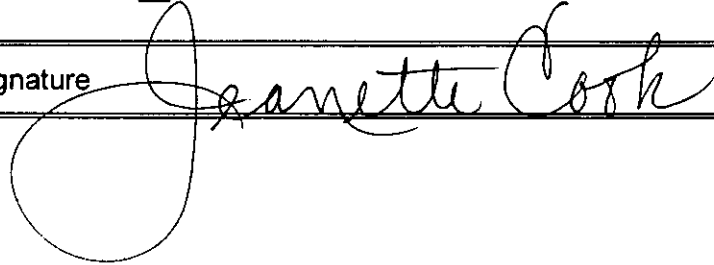
# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Transportation Committee Fort Totten Room, State Capitol

HB 1191  
02/10/2011  
Job # 14385

☐ Conference Committee

Committee Clerk Signature



### Minutes:

**Chairman Ruby** brought HB 1191 back to the committee for reconsideration. He explained that there were some mistakes in the amendments that need to be changed.

**Representative R. Kelsch** moved the motion to reconsider HB 1191.

**Representative Vigesaa** seconded the motion.

**A voice vote was taken and carried. (Vote sheet #1)**

**Linda Butts:** We had some concerns about the refund portion of this bill. We had attorneys draft replacement language for that section. This would address all the situations that we might have to deal with in a refund situation.

**Linda Butts** read the new amendment and provided a copy for the Intern. She suggested using the amendment as a solution. She stated that she will get the fiscal note for the bill as soon as they get the amendments.

**Chairman Ruby:** These amendments will be added to the amendments that I previously mentioned.

**Representative Vigesaa** moved the amendments. (Vote sheet #2)

**Representative Gruchalla** seconded the amendments.

**A voice vote was taken and carried.**

**Representative Vigesaa** moved a DO PASS on HB 1191 as amended.

**Representative Delmore** seconded the amendment.

**The motion carried.**

**Representative Weisz** will carry HB 1191.

**FISCAL NOTE**  
Requested by Legislative Council  
02/15/2011

Amendment to: Reengrossed  
HB 1191

**1A. 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.*

|                | 2009-2011 Biennium |             | 2011-2013 Biennium |             | 2013-2015 Biennium |             |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
|                | General Fund       | Other Funds | General Fund       | Other Funds | General Fund       | Other Funds |
| Revenues       |                    |             |                    | \$480,831   |                    | (\$887,574) |
| Expenditures   |                    |             |                    | \$292,784   |                    |             |
| Appropriations |                    |             |                    | \$292,784   |                    |             |

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

| 2009-2011 Biennium |        |                  | 2011-2013 Biennium |          |                  | 2013-2015 Biennium |             |                  |
|--------------------|--------|------------------|--------------------|----------|------------------|--------------------|-------------|------------------|
| Counties           | Cities | School Districts | Counties           | Cities   | School Districts | Counties           | Cities      | School Districts |
|                    |        |                  | \$65,955           | \$39,880 |                  | (\$311,303)        | (\$188,230) |                  |

**2A. 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 would replace the current single and multi-year registration provisions for semi-trailers with a single, lifetime registration fee.

**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.*

This bill as amended would result in a first biennium net gain in revenues due to the conversion of all currently registered (single year and multi-year registration) trailers to the new, lifetime registration program. Each subsequent biennium would realize a net revenue loss in comparison to revenues generated under current law.

The net semi-trailer registration revenues are deposited in the Highway Tax Distribution Fund (HTDF) and subsequently distributed to various entities. Therefore, the revenue and expenditure impacts resulting from this bill will affect the following entities:

Counties (21.5%)  
Cities (13%)  
Townships (2.7%)  
Public Transportation (1.5%)  
NDDOT (61.3%)

**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.*

\*\*\*ADDITIONAL NET REVENUES GENERATED - 1ST BIENNIUM\*\*\*

**2011-2013 REVENUES THAT WOULD BE GENERATED UNDER PROPOSED LAW:**

The first biennium revenues under the new law from currently registered trailers would be approximately \$2,064,900 (41,298 trailers X \$50 fee).



New trailer registration revenues each biennium would be approximately \$340,000 (3,400 trailers/year X 2 years in biennium X \$50 fee).

Approximately 581 of the existing registrations are for trailers registered under the current multi-year provisions. These trailers would be entitled to a refund of unexpired registration fees at the time of conversion to the new registration provisions. This would result in a total refund of approximately \$17,430.

Total revenues that would be generated during the 2011-2013 biennium under the new proposal = \$2,387,470  
( $\$2,064,900 + \$340,000 - \$17,430$ )

#### 2011 -2013 REVENUES THAT WOULD BE GENERATED UNDER EXISTING LAW:

Averaged biennial revenues generated under current law for single and multi-year registered trailers = 41,298 trailers X \$20 fee X 2 years in biennium = \$1,651,920. Note: the multi-year registrations generate \$120 every six years. For purposes of this analysis, the multi-year structure is averaged at \$20 per year.

New trailer revenues during the biennium would be approximately \$136,000 (3,400 trailers/year X 2 years in biennium X \$20 fee).

Total revenues that would be generated during the 2011-2013 biennium under the existing law = \$1,651,920 + \$136,000 = \$1,787,920.

#### GROSS REVENUE GAIN DURING THE FIRST BIENNIUM:

Total revenues that would be generated during the 2011-2013 biennium under the new proposal less total revenues that would be generated during the 2011-2013 biennium under the existing law = \$599,550 ( $\$2,387,470 - \$1,787,920$ ).

#### NET DISTRIBUTED REVENUE GAIN DURING THE FIRST BIENNIUM

The additional expenses resulting from the proposed legislation (as identified in part 3 B below) must be deducted from the gross proceeds for the HTDF. This results in a net figure which will distribute through the Highway Tax Distribution Fund. Accordingly, the net HTDF revenues (for the first biennium) and related distribution are computed as follows: \$599,550 additional gross revenue for HTDF - \$292,784 additional costs incurred by NDDOT to issue and administer the provisions of this bill = \$306,766 net proceeds available for distribution through the HTDF.

Distribution of net revenue gain through the HTDF - \$306,766:

Counties (21.5%) = \$65,955

Cities (13%) = \$39,880

Townships (2.7%) = \$8,283

Public Transportation (1.5%) = \$4,601

NDDOT (61.3%) = \$188,047

#### TOTAL 1ST BIENNIUM REVENUES SHOWN IN PART 1A ABOVE:

\$188,047 (NDDOT HTDF fund distribution) + \$292,784 (revenue to NDDOT to cover design, production, issuance, and administration costs) = \$480,831

#### TOTAL 1ST BIENNIUM REVENUES SHOWN IN PART 1B ABOVE:

\$65,955 = Counties share of HTDF

\$39,880 = Cities share of HTDF

#### \*\*\*NET REVENUE LOSS - 2013-2015 AND EACH SUBSEQUENT BIENNIUM\*\*\*

#### BIENNIAL REVENUES GENERATED UNDER CURRENT LAW

Biennial revenues generated under current law for currently registered single and multi-year registered trailers = 41,298 trailers X \$20 fee X 2 years in biennium = \$1,651,920. Note: the multi-year registrations generate \$120 every six years. For purposes of this analysis, the multi-year structure is averaged at \$20 per year.

New trailer revenues during the biennium would be approximately \$136,000 (3,400 trailers/year X 2 years in biennium X \$20 fee).

Total registration revenues that would be generated under existing law = \$1,787,920 (\$1,651,920 + \$136,000)

**BIENNIAL REVENUES GENERATED UNDER PROPOSED LAW**

Biennial revenues that would be generated under the proposed law for bienniums subsequent to 2011-2013 = \$340,000 (3,400 new trailer registrations per year X 2 years X \$50 registration fee)

**NET REVENUE LOSS AND DISTRIBUTION**

Net revenue loss for 2013-2015 and each subsequent biennium: \$340,000 revenue generated under new proposal - \$1,787,920 revenues that would have been generated under existing law = \$1,447,920 net revenue loss

Distribution of net revenue loss through the HTDF - (\$1,447,920):

Counties (21.5%) = (\$311,303)

Cities (13%) = (\$188,230)

Townships (2.7%) = (\$39,094)

Public Transportation (1.5%) = (\$21,719)

NDDOT (61.3%) = (\$887,574)

**TOTAL 2ND BIENNIUM REVENUE LOSS SHOWN IN PART 1A ABOVE:**

\$(887,574) - NDDOT HTDF fund distribution

**TOTAL 2ND BIENNIUM REVENUES SHOWN IN PART 1B ABOVE:**

(\$311,303) = Counties share of HTDF

(\$188,230) = Cities share of HTDF

**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.*

**2011-2013 BIENNIUM ADDITIONAL EXPENDITURES THAT WOULD RESULT FROM PROPOSED LEGISLATION:**

License plate design costs - \$1,500

Plate production, administration, and distribution costs - 41,298 existing trailers X \$6.69 cost = \$276,284

IT programming cost - \$15,000

Total 2011 - 2013 additional expenditures that would result from proposed legislation = \$292,784 (\$1,500 + \$276,284 + \$15,000)

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

NDDOT would require an addition to its appropriation in the amount of \$292,784 for the 2011-2013 biennium to carry out the provisions of this measure.

|                      |                  |                       |            |
|----------------------|------------------|-----------------------|------------|
| <b>Name:</b>         | Shannon L. Sauer | <b>Agency:</b>        | NDDOT      |
| <b>Phone Number:</b> | 328-4375         | <b>Date Prepared:</b> | 02/15/2011 |

# FISCAL NOTE

Requested by Legislative Council  
02/08/2011

Amendment to: HB 1191

**1A. 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.*

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| Revenues       |                    |             |                    | \$480,831   |                    | (\$887,574) |
| Expenditures   |                    |             |                    | \$292,784   |                    |             |
| Appropriations |                    |             |                    | \$292,784   |                    |             |

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

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|--------------------|--------|------------------|--------------------|----------|------------------|--------------------|-------------|------------------|
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|                    |        |                  | \$65,955           | \$39,880 |                  | (\$311,303)        | (\$188,230) |                  |

**2A. 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 replace the current single and multi-year registration provisions for semi-trailers with a single, lifetime registration fee.

**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.*

This bill would result in a first biennium net gain in revenues due to the conversion of all currently registered (single year and multi-year registration) trailers to the new, lifetime registration program. Each subsequent biennium would realize a net revenue loss in comparison to revenues generated under current law.

The net semi-trailer registration revenues are deposited in the Highway Tax Distribution Fund (HTDF) and subsequently distributed to various entities. Therefore, the revenue and expenditure impacts resulting from this bill will affect the following entities:

Counties (21.5%)  
Cities (13%)  
Townships (2.7%)  
Public Transportation (1.5%)  
NDDOT (61.3%)

**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.*

\*\*\*ADDITIONAL NET REVENUES GENERATED - 1ST BIENNIUM\*\*\*

2011-2013 REVENUES THAT WOULD BE GENERATED UNDER PROPOSED LAW:

The first biennium revenues under the new law from currently registered trailers would be approximately \$2,064,900 (41,298 trailers X \$50 fee).

New trailer registration revenues each biennium would be approximately \$340,000 (3,400 trailers/year X 2 years in biennium X \$50 fee).

Approximately 581 of the existing registrations are for trailers registered under the current multi-year provisions.

These trailers would be entitled to a refund of unexpired registration fees at the time of conversion to the new registration provisions. This would result in a total refund of approximately \$17,430.

Total revenues that would be generated during the 2011-2013 biennium under the new proposal = \$2,387,470  
(\$2,064,900 + \$340,000 - \$17,430)

**2011 -2013 REVENUES THAT WOULD BE GENERATED UNDER EXISTING LAW:**

Averaged biennial revenues generated under current law for single and multi-year registered trailers = 41,298 trailers X \$20 fee X 2 years in biennium = \$1,651,920. Note: the multi-year registrations generate \$120 every six years. For purposes of this analysis, the multi-year structure is averaged at \$20 per year.

New trailer revenues during the biennium would be approximately \$136,000 (3,400 trailers/year X 2 years in biennium X \$20 fee).

Total revenues that would be generated during the 2011-2013 biennium under the existing law = \$1,651,920 + \$136,000 = \$1,787,920.

**GROSS REVENUE GAIN DURING THE FIRST BIENNIUM:**

Total revenues that would be generated during the 2011-2013 biennium under the new proposal less total revenues that would be generated during the 2011-2013 biennium under the existing law = \$599,550 (\$2,387,470-\$1,787,920).

**NET DISTRIBUTED REVENUE GAIN DURING THE FIRST BIENNIUM**

The additional expenses resulting from the proposed legislation (as identified in part 3 B below) must be deducted from the gross proceeds for the HTDF. This results in a net figure which will distribute through the Highway Tax Distribution Fund. Accordingly, the net HTDF revenues (for the first biennium) and related distribution are computed as follows: \$599,550 additional gross revenue for HTDF - \$292,784 additional costs incurred by NDDOT to issue and administer the provisions of this bill = \$306,766 net proceeds available for distribution through the HTDF.

Distribution of net revenue gain through the HTDF - \$306,766:

Counties (21.5%) = \$65,955

Cities (13%) = \$39,880

Townships (2.7%) = \$8,283

Public Transportation (1.5%) = \$4,601

NDDOT (61.3%) = \$188,047

**TOTAL 1ST BIENNIUM REVENUES SHOWN IN PART 1A ABOVE:**

\$188,047 (NDDOT HTDF fund distribution) + \$292,784 (revenue to NDDOT to cover design, production, issuance, and administration costs) = \$480,831

**TOTAL 1ST BIENNIUM REVENUES SHOWN IN PART 1B ABOVE:**

\$65,955 = Counties share of HTDF

\$39,880 = Cities share of HTDF

**\*\*\*NET REVENUE LOSS - 2013-2015 AND EACH SUBSEQUENT BIENNIUM\*\*\***

**BIENNIAL REVENUES GENERATED UNDER CURRENT LAW**

Biennial revenues generated under current law for currently registered single and multi-year registered trailers = 41,298 trailers X \$20 fee X 2 years in biennium = \$1,651,920. Note: the multi-year registrations generate \$120 every six years. For purposes of this analysis, the multi-year structure is averaged at \$20 per year.

New trailer revenues during the biennium would be approximately \$136,000 (3,400 trailers/year X 2 years in biennium X \$20 fee).

Total registration revenues that would be generated under existing law = \$1,787,920 (\$1,651,920 + \$136,000)

#### BIENNIAL REVENUES GENERATED UNDER PROPOSED LAW

Biennial revenues that would be generated under the proposed law for bienniums subsequent to 2011-2013 = \$340,000 (3,400 new trailer registrations per year X 2 years X \$50 registration fee)

#### NET REVENUE LOSS AND DISTRIBUTION

Net revenue loss for 2013-2015 and each subsequent biennium: \$340,000 revenue generated under new proposal - \$1,787,920 revenues that would have been generated under existing law = \$1,447,920 net revenue loss

Distribution of net revenue loss through the HTDF - (\$1,447,920):

Counties (21.5%) = (\$311,303)

Cities (13%) = (\$188,230)

Townships (2.7%) = (\$39,094)

Public Transportation (1.5%) = (\$21,719)

NDDOT (61.3%) = (\$887,574)

#### TOTAL 2ND BIENNIUM REVENUE LOSS SHOWN IN PART 1A ABOVE:

\$(887,574) - NDDOT HTDF fund distribution

#### TOTAL 2ND BIENNIUM REVENUES SHOWN IN PART 1B ABOVE:

(\$311,303) = Counties share of HTDF

(\$188,230) = Cities share of HTDF

**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.*

#### 2011-2013 BIENNIUM ADDITIONAL EXPENDITURES THAT WOULD RESULT FROM PROPOSED LEGISLATION:

License plate design costs - \$1,500

Plate production, administration, and distribution costs - 41,298 existing trailers X \$6.69 cost = \$276,284

IT programming cost - \$15,000

Total 2011 - 2013 additional expenditures that would result from proposed legislation = \$292,784 (\$1,500 + \$276,284 + \$15,000)

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

NDDOT would require an addition to its appropriation in the amount of \$292,784 for the 2011-2013 to carry out the provisions of this measure.

|               |                  |                |            |
|---------------|------------------|----------------|------------|
| Name:         | Shannon L. Sauer | Agency:        | NDDOT      |
| Phone Number: | 328-4375         | Date Prepared: | 02/08/2011 |

1.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1191

Page 1, line 1, after "39-04-12" insert ", 39-04-18 and subsection 4 of section 39-04-19"

Page 2, after line 8, replace the remainder of the bill with:

**"SECTION 2. AMENDMENT.** Section 39-04-18 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-18. Motor vehicles exempt from registration fees - Reciprocal use of state highways by foreign licensed motor vehicles.**

1. Except as provided in this section, every motor vehicle as defined in section 39-01-01, trailer ~~or semitrailer designed to be towed by a truck or truck tractor,~~ and farm trailer operated or intended to be operated upon any highway, road, or street in this state must be registered annually with the department, except that semitrailers must be registered permanently by the department. Any vehicle being operated on highways, roads, or streets of this state must display license plates as furnished by the department upon payment of the fees prescribed in this chapter.

**SECTION 3. AMENDMENT.** Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

4. Every trailer, ~~semitrailer,~~ and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate. Every semitrailer required to be registered under this chapter must be furnished permanent registration plates upon the payment of a registration fee of fifty dollars. The registration is valid until ownership of the semitrailer is transferred, assigned, or if the semitrailer is destroyed or otherwise completely removed from the service of the owner.

**SECTION 4. APPLICATION.** Newly registered semitrailers on or after August 1, 2011, shall pay fees provided in section 1 of this Bill. Semitrailers currently registered on August 1, 2011 will renew registration on Dec. 31, 2011 and pay fees provided in section 1 of this Bill. Refunds allowed only for currently licensed multi-year semitrailers plates which will be converted to permanent semitrailer plates on Dec. 31, 2011.

amendment

February 04, 2011

112  
2/4/11  
1082

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1191

Page 1, line 1, after "39-04-12" insert ", subsection 1 of section 39-04-18, and subsection 4 of section 39-04-19"

Page 2, line 9, remove the overstrike over "~~The department may provide to an owner of a fleet of one hundred or more vehicles~~"

Page 2, remove the overstrike over lines 10 through 14

Page 2, line 15, remove the overstrike over "valid."

Page 2, line 15, remove "The department shall provide to an owner of a semitrailer number plates that are"

Page 2, replace lines 16 through 18 with:

**"SECTION 2. AMENDMENT.** Subsection 1 of section 39-04-18 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as provided in this section, every motor vehicle as defined in section 39-01-01, ~~trailer or semitrailer designed to be towed by a truck or truck tractor,~~ and farm trailer operated or intended to be operated upon any highway, road, or street in this state must be registered annually with the department, except that semitrailers must be registered permanently by the department. Any vehicle being operated on highways, roads, or streets of this state must display license plates as furnished by the department upon payment of the fees prescribed in this chapter.

Upon satisfactory proof to the department that a motor vehicle owned by a resident of this state was not used upon any of the highways of this state in any one or more years, the motor vehicle may be registered upon payment of the registration fee for the current year.

Any resident of the state of North Dakota, serving in the armed forces of the United States for a period of time greater than one year, may relicense any motor vehicle owned by the veteran without paying any fee or penalties for the intervening years when the vehicle was not licensed, providing the veteran shows by suitable affidavit that the vehicle was not in use during any year in which it was not licensed. The vehicle must be licensed for the license fee applicable to the month of the year in which application for license is made.

**SECTION 3. AMENDMENT.** Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

4. Every trailer, ~~semitrailer,~~ and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the



request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate. Every semitrailer required to be registered under this chapter must be furnished permanent registration plates upon the payment of a registration fee of fifty dollars. The registration is valid until ownership of the semitrailer is transferred, assigned, or if the semitrailer is destroyed or otherwise completely removed from the service of the owner."

Page 2, line 19, remove "Semitrailers that have valid registration maintained for the"

Page 2, replace lines 20 through 24 with "An owner of a semitrailer newly registered after August 1, 2011, shall pay the fees provided in section 3 of this Act. The owner of a currently registered semitrailer on August 1, 2011, shall renew registration and pay the fees provided in section 3 of this Act before January 1, 2012, and may receive a reduction in the fee and, notwithstanding any other provision of law, a refund of previously paid unused registration fees."

Renumber accordingly

Date: 2-3-11Roll Call Vote #: 2

## 2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1191House TRANSPORTATION Committee☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment☐ Rerefer to Appropriations ☐ ReconsiderMotion Made By P. Kelsch Seconded By Delmore

| Representatives          | Yes | No | Representatives          | Yes | No |
|--------------------------|-----|----|--------------------------|-----|----|
| Chairman Ruby            | X   |    | Representative Delmore   | X   |    |
| Vice Chairman Weiler     | X   |    | Representative Gruchalla | X   |    |
| Representative Frantsvog | X   |    | Representative Hogan     | X   |    |
| Representative Heller    | X   |    | Representative Onstad    | X   |    |
| Representative R. Kelsch | X   |    |                          |     |    |
| Representative Louser    | X   |    |                          |     |    |
| Representative Owens     | X   |    |                          |     |    |
| Representative Sukut     | X   |    |                          |     |    |
| Representative Vigasaa   | X   |    |                          |     |    |
| Representative Weisz     | X   |    |                          |     |    |
|                          |     |    |                          |     |    |
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Total (Yes) 14 No 0Absent 0Floor Assignment Weisz

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

Date:

2/10/11

Roll Call Vote #:

1

## 2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO.

1191House TRANSPORTATION

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken

☐

Do Pass

☐

Do Not Pass

☐

Amended

☐

Adopt Amendment

☐

Rerefer to Appropriations

☒

Reconsider

Motion Made By

R Kelsch

Seconded By

Vigesaa

| Representatives          | Yes | No | Representatives          | Yes | No |
|--------------------------|-----|----|--------------------------|-----|----|
| Chairman Ruby            |     |    | Representative Delmore   |     |    |
| Vice Chairman Weiler     |     |    | Representative Gruchalla |     |    |
| Representative Frantsvog |     |    | Representative Hogan     |     |    |
| Representative Heller    |     |    | Representative Onstad    |     |    |
| Representative R. Kelsch |     |    |                          |     |    |
| Representative Louser    |     |    |                          |     |    |
| Representative Owens     |     |    |                          |     |    |
| Representative Sukut     |     |    |                          |     |    |
| Representative Vigasaa   |     |    |                          |     |    |
| Representative Weisz     |     |    |                          |     |    |
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Total (Yes) \_\_\_\_\_

No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date: 2/10/11  
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1191

House TRANSPORTATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Vigessa Seconded By Gruchalla

| Representatives          | Yes | No | Representatives          | Yes | No |
|--------------------------|-----|----|--------------------------|-----|----|
| Chairman Ruby            |     |    | Representative Delmore   |     |    |
| Vice Chairman Weiler     |     |    | Representative Gruchalla |     |    |
| Representative Frantsvog |     |    | Representative Hogan     |     |    |
| Representative Heller    |     |    | Representative Onstad    |     |    |
| Representative R. Kelsch |     |    |                          |     |    |
| Representative Louser    |     |    |                          |     |    |
| Representative Owens     |     |    |                          |     |    |
| Representative Sukut     |     |    |                          |     |    |
| Representative Vigessaa  |     |    |                          |     |    |
| Representative Weisz     |     |    |                          |     |    |
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Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*Linda Butts - DOT  
was amended.*

February 10, 2011

V/K  
2/11/11

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1191

Page 2, line 18, remove the overstrike over the overstruck comma

Page 2, line 19, remove the overstrike over "trailer"

Page 2, line 19, remove the overstrike over the overstruck comma

Page 3, line 23, remove ", and may receive a reduction in the fee and, notwithstanding"

Page 3, replace line 24 with ". The owner of a semitrailer that is currently registered under subsection 2 of section 39-04-12 as of August 1, 2011, shall renew registration and pay the fees provided in section 3 of this Act before January 1, 2012. That owner is entitled to receive a reduction in the fee and, notwithstanding any other provision of the law, a refund of previously paid unused registration fees, except for fees paid for the 2011 registration year."

Renumber accordingly

Date: 2/10/11Roll Call Vote #: 3

## 2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1191House TRANSPORTATION Committee☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment☐ Rerefer to Appropriations ☐ ReconsiderMotion Made By Vigessa Seconded By Delmore

| Representatives          | Yes | No | Representatives          | Yes | No |
|--------------------------|-----|----|--------------------------|-----|----|
| Chairman Ruby            | X   |    | Representative Delmore   | X   |    |
| Vice Chairman Weiler     | X   |    | Representative Gruchalla | X   |    |
| Representative Frantsvog | X   |    | Representative Hogan     | X   |    |
| Representative Heller    | X   |    | Representative Onstad    | X   |    |
| Representative R. Kelsch | X   |    |                          |     |    |
| Representative Louser    | X   |    |                          |     |    |
| Representative Owens     | X   |    |                          |     |    |
| Representative Sukut     | X   |    |                          |     |    |
| Representative Vigessaa  | X   |    |                          |     |    |
| Representative Weisz     | X   |    |                          |     |    |
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Total (Yes) 14 No 0Absent 0Floor Assignment Weisz

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

**REPORT OF STANDING COMMITTEE**

**HB 1191: Transportation Committee (Rep. Ruby, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1191 was placed on the Sixth order on the calendar.

Page 1, line 1, after "39-04-12" insert ", subsection 1 of section 39-04-18, and subsection 4 of section 39-04-19"

Page 2, line 9, remove the overstrike over "~~The department may provide to an owner of a fleet of one hundred or more vehicles~~"

Page 2, remove the overstrike over lines 10 through 14

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Upon satisfactory proof to the department that a motor vehicle owned by a resident of this state was not used upon any of the highways of this state in any one or more years, the motor vehicle may be registered upon payment of the registration fee for the current year.

Any resident of the state of North Dakota, serving in the armed forces of the United States for a period of time greater than one year, may relicense any motor vehicle owned by the veteran without paying any fee or penalties for the intervening years when the vehicle was not licensed, providing the veteran shows by suitable affidavit that the vehicle was not in use during any year in which it was not licensed. The vehicle must be licensed for the license fee applicable to the month of the year in which application for license is made.

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fee of fifty dollars. The registration is valid until ownership of the semitrailer is transferred, assigned, or if the semitrailer is destroyed or otherwise completely removed from the service of the owner."

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Page 2, replace lines 20 through 24 with "An owner of a semitrailer newly registered after August 1, 2011, shall pay the fees provided in section 3 of this Act. The owner of a currently registered semitrailer on August 1, 2011, shall renew registration and pay the fees provided in section 3 of this Act before January 1, 2012, and may receive a reduction in the fee and, notwithstanding any other provision of law, a refund of previously paid unused registration fees."

Renumber accordingly



**REPORT OF STANDING COMMITTEE**

**HB 1191, as engrossed: Transportation Committee (Rep. Ruby, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1191 was placed on the Sixth order on the calendar.**

Page 2, line 18, remove the overstrike over the overstruck comma

Page 2, line 19, remove the overstrike over "trailer"

Page 2, line 19, remove the overstrike over the overstruck comma

Page 3, line 23, remove ", and may receive a reduction in the fee and, notwithstanding"

Page 3, replace line 24 with ". The owner of a semitrailer that is currently registered under subsection 2 of section 39-04-12 as of August 1, 2011, shall renew registration and pay the fees provided in section 3 of this Act before January 1, 2012. That owner is entitled to receive a reduction in the fee and, notwithstanding any other provision of the law, a refund of previously paid unused registration fees, except for fees paid for the 2011 registration year."

ReNUMBER accordingly

2011 SENATE TRANSPORTATION

HB 1191

# 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Transportation Committee**  
Lewis and Clark Room, State Capitol

HB 1191  
March 10, 2011  
15254

☐ Conference Committee

*Gaige*

## **Explanation or reason for introduction of bill/resolution:**

Removes the current program of a 6 year trailer plate option for semitrailers and replaces it with a permanent trailer plate for semitrailers.

## **Minutes:**

*Written testimony*

**Chairman Senator G. Lee** opened the hearing on HB 1191 relating to semitrailer plates.

**Tom Balzer**, North Dakota Motor Carriers Association introduced the bill and spoke in support of it. Written testimony #1

**Senator Nodland** said that the fiscal note is estimating 3400 trailers a year. Is that correct?

**Mr. Balzer** replied that he had provided DOT with information saying they would have new trailers coming on to the system and that the valuable life of a trailer is about 10 years. He said that their estimates include farm trailers which get longer use and commercial trailers which get shorter use and averaged it to about ten years. Then they took 10% of the total semitrailers and that is how they got the the number. He said the first biennium we will gain revenue because we go from a \$20 fee to a \$50 fee. It is the second biennium where the lost will come in.

**Senator Nodland** asked if the purpose was to accommodate the industry.

**Mr. Balzer** replied that there are two purposes. One is to elevate the burden of an annual registration and finding these trailers. The second purpose is that they are trying to mitigate a potential loss of revenue for the state.

Discussion followed on possible state loss of revenue through truckers and companies registering their vehicles out of state.

**No opposing testimony.**

**Linda Butts** presented Linda Sitz, Director of Motor Vehicle Division at the North Dakota Department of Transportation neutral testimony on HB 1191. Written testimony #2

**Senator Nodland** asked about the 1.4 million dollar loss per biennium.

**Ms. Butts** said that they wanted to give the committee this information.

**Senator Nodland** wondered if there were or could be offsetting money particularly in the area of not losing registrations out of state.

**Ms. Butts** said they had no way of predicting that.

**Senator Lee** asked what are the offsetting efficiencies that DOT gains by going to a lifetime registration?

**Ms. Butts** said that they are not reflected in the fiscal note.

**Senator Oehlke** asked if going to a lifetime registration would have any significant safety issues on these trailers.

**Ms. Butts** referred the question to highway patrol.

**Kyle Kirchmeier**, North Dakota Highway Patrol, said that the semitrailers would still have to have an annual inspection regardless of where they register.

**Senator Nething** asked what the fee was for that inspection.

**Mr. Kirchmeier** said that the cost of the inspections is based on who is doing the inspection. The state does not do inspections.

**Senator Lee** commented that it seems that there should be additional efficiencies for DOT with lifetime registrations. He questioned why they didn't include any of that in their fiscal note.

**Ms. Butts** explained that this bill does save them time but they didn't put it in the bill because that time will be taken up by other bills being considered. She said they are shifting resources, particularly in SB 2207.

**Ms Butts** said that they will try to quantify those recourses and bring back the information to the committee.

Discussion continued on number of registrations and impact on fiscal note and the process on how numbers were conceived.

**Senator Lee** closed the hearing on HB 1191 and the committee will wait for additional information.

## 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Transportation Committee**  
Lewis and Clark Room, State Capitol

HB 1191  
March 17, 2011  
15596

☐ Conference Committee

*Hauge*

**Explanation or reason for introduction of bill/resolution:**

**Minutes:**

*Committee Work/Action*

**Chairman Senator G. Lee** opened discussion on HB 1191 relating to semitrailer plates.

**Senator Oehlke** moved a **Do Not Pass**.

**Senator Nething** seconded the motion.

**Senator Sitte** said that truckers she had talked with would like the lifetime or six year license.

**Senator Lee** said that the way the law reads now it does give a six year option.

**Senator Nodland** referenced the revenue lost.

Roll call vote: 5-1-0. **Motion carried.**

**Senator Oehlke** is the carrier.

Date: 3-17-11  
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1191

Senate Transportation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken: ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment  
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Oehlke Seconded By Nething

| Senators                  | Yes | No | Senators            | Yes | No |
|---------------------------|-----|----|---------------------|-----|----|
| Chairman Gary Lee         | ✓   |    | Senator Tim Mathern |     | ✓  |
| Vice Chairman Dave Oehlke | ✓   |    |                     |     |    |
| Senator Dave Nething      | ✓   |    |                     |     |    |
| Senator George Nodland    | ✓   |    |                     |     |    |
| Senator Margaret Sitte    | ✓   |    |                     |     |    |
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Total (Yes) 5 No 1

Absent 0

Floor Assignment Senator Oehlke

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

**REPORT OF STANDING COMMITTEE**

**HB 1191, as reengrossed: Transportation Committee (Sen. G. Lee, Chairman)**  
**recommends DO NOT PASS (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING).**  
Reengrossed HB 1191 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

HB 1191



**TESTIMONY  
HOUSE BILL 1191  
TRANSPORTATION COMMITTEE  
JANUARY 20, 2011**

Mr. Chairman and members of the House Transportation committee my name is Tom Balzer, executive vice president of the North Dakota Motor Carriers Association. I am here this morning to testify in support of House Bill 1191.

I have with me this morning, Wally Keller from Jobbers Moving and Storage and John Sullivan from SulliVans Portable Storage to provide some real world impact of this bill.

House bill 1191 removes the current program of a 6 year trailer plate option for semitrailers and replaces it with a permanent trailer plate for semitrailers. This is an option that many states are going to not only to provide a greater service to the industry but also to reduce workload and expenses on the staff.

One of the most difficult elements of registering trailers is locating the trailer to put the renewal sticker on the plate. By allowing the option of permanent trailer plate eliminates this cumbersome task.

I have attached a compilation of how other states register semitrailers. I highlighted our surrounding states as reference. Montana charges \$21 per year without the option of a permanent plate. Minnesota and South Dakota both offer only a permanent plate at \$26.50 and \$10 respectively. With so many of our trucking companies with business interests in these states I truly believe that we are losing revenue to Minnesota and South Dakota due to the considerable decrease in cost. Mr. Keller will go into further detail as he has a location in South Dakota.

This legislation does not eliminate the annual trailer registration outlined in subsection 4 of NDCC § 39-04-19. This was not removed as the intent of this legislation was to replace the current 6 year plate option. In the compilation of other states you will see that there are a number of states that allow for the option of both an annual registration as well as a permanent plate option.

The fiscal impact of this bill would result in a reduction of \$1,320,000 to the Highway Distribution Fund based on 33,000 semitrailers. It is difficult to determine the off set for new and transferred trailers, but based on a ten percent estimate of 3,300 new or transferred trailers per year the offset would be \$330,000 for a total impact of a reduction to the Highway Distribution Fund of a little under \$1 million.

It is our intention for this permanent plate to be assigned to the trailer and not subject to the plate with owner regulations outlined in NDCC § 39-04-36 as well to make it non-transferable to a different trailer. The suggested amendment language is attached to my testimony

We ask that you give HB 1191 favorable consideration and a DO PASS recommendation.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions before Mr. Keller's and Mr. Sullivan's testimony.

State Fees for the Registration  
of Commercial Semitrailers

| <u>State</u>   | <u>Annual Fee</u>                | <u>Fee for Permanent Plate</u> |
|----------------|----------------------------------|--------------------------------|
| Alabama        | \$ 20                            | \$ 60                          |
| Alaska         |                                  | 10                             |
| Arizona        |                                  | 245                            |
| Arkansas       | 20                               | 65                             |
| California     | 10 – 5 years                     | 75                             |
| Colorado       | 6 plus property tax              |                                |
| Connecticut    | 40                               |                                |
| Delaware       | 20                               |                                |
| Florida        | 31                               |                                |
| Georgia        | 12                               |                                |
| Hawaii         | (split fee)                      |                                |
| Idaho          | 15                               | 112                            |
| Illinois       |                                  | 19                             |
| Indiana        |                                  | 66                             |
| Iowa           | 10                               |                                |
| Kansas         | 35                               |                                |
| Kentucky       | 20                               | 107                            |
| Louisiana      | 10                               | 70                             |
| Maine          | 12                               | 80 – 25 years                  |
| Maryland       | 20                               |                                |
| Massachusetts  | 300 – 5 years                    |                                |
| Michigan       | 39                               | 300                            |
| Minnesota      |                                  | 13/26:50                       |
| Mississippi    |                                  | 65                             |
| Missouri       | 8 – 1 year; \$23 – 3 years       | 53                             |
| Montana        | 21                               |                                |
| Nebraska       | 10.25 – 1st year, \$2 thereafter |                                |
| Nevada         | 24                               |                                |
| New Hampshire  | 22                               |                                |
| New Mexico     |                                  | 10                             |
| New York       | 23                               | 86 - 6 years                   |
| North Carolina | 20                               |                                |
| North Dakota   | 20                               |                                |
| Ohio           | 25                               |                                |
| Oklahoma       | 46 – 1st year, \$6 thereafter    |                                |
| Oregon         |                                  | 10                             |
| Pennsylvania   | 27                               | 135                            |
| Rhode Island   | 12 – 1 year; \$50 – 5 years      | 80 – 8 years                   |
| South Carolina | 20                               | 87                             |
| South Dakota   |                                  | 10                             |
| Tennessee      |                                  | 52                             |
| Texas          | 15                               |                                |
| Utah           | 11                               | 130                            |
| Vermont        | 46 – 1 year; \$90 – 2 years      |                                |
| Virginia       | 22                               | 100                            |
| Washington     | 34                               |                                |
| West Virginia  |                                  | 51                             |
| Wisconsin      | 15                               | 50                             |
| Wyoming        | 6 plus property tax              |                                |

#1

**TESTIMONY  
HOUSE BILL 1191  
TRANSPORTATION COMMITTEE  
JANUARY 20, 2011**

Mr. Chairman and members of the Senate Transportation committee my name is Tom Balzer, executive vice president of the North Dakota Motor Carriers Association. I am here this morning to testify in support of House Bill 1191.

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One of the most difficult elements of registering trailers is locating the trailer to put the renewal sticker on the plate. By allowing a permanent trailer plate eliminates this cumbersome task.

I have attached a compilation of how other states register semitrailers. I highlighted our surrounding states as reference. Montana charges \$21 per year without the option of a permanent plate. Minnesota and South Dakota both offer only a permanent plate at \$26.50 and \$10 respectively. With so many of our trucking companies with business interests in these states I truly believe that we are losing revenue to Minnesota and South Dakota due to the considerable decrease in cost.

The fiscal impact of this bill would result in a reduction of \$1,320,000 to the Highway Distribution Fund based on 33,000 semitrailers. It is difficult to determine the off set for new and transferred trailers, but based on a ten percent estimate of 3,300 new or transferred trailers per year the offset would be \$330,000 for a total impact of a reduction to the Highway Distribution Fund of a little under \$1 million.

We ask that you give HB 1191 favorable consideration and a DO PASS recommendation.

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

State Fees for the Registration  
of Commercial Semitrailers

| <u>State</u>   | <u>Annual Fee</u>                | <u>Fee for Permanent Plate</u> |
|----------------|----------------------------------|--------------------------------|
| Alabama        | \$ 20                            | \$ 60                          |
| Alaska         |                                  | 10                             |
| Arizona        |                                  | 245                            |
| Arkansas       | 20                               | 65                             |
| California     | 10 – 5 years                     | 75                             |
| Colorado       | 6 plus property tax              |                                |
| Connecticut    | 40                               |                                |
| Delaware       | 20                               |                                |
| Florida        | 31                               |                                |
| Georgia        | 12                               |                                |
| Hawaii         | (split fee)                      |                                |
| Idaho          | 15                               | 112                            |
| Illinois       |                                  | 19                             |
| Indiana        |                                  | 66                             |
| Iowa           | 10                               |                                |
| Kansas         | 35                               |                                |
| Kentucky       | 20                               | 107                            |
| Louisiana      | 10                               | 70                             |
| Maine          | 12                               | 80 – 25 years                  |
| Maryland       | 20                               |                                |
| Massachusetts  | 300 – 5 years                    |                                |
| Michigan       | 39                               | 300                            |
| Minnesota      |                                  | 13/26.50                       |
| Mississippi    |                                  | 65                             |
| Missouri       | 8 – 1 year; \$23 – 3 years       | 53                             |
| Montana        | 21                               |                                |
| Nebraska       | 10.25 – 1st year, \$2 thereafter |                                |
| Nevada         | 24                               |                                |
| New Hampshire  | 22                               |                                |
| New Mexico     |                                  | 10                             |
| New York       | 23                               | 86 - 6 years                   |
| North Carolina | 20                               |                                |
| North Dakota   | 20                               |                                |
| Ohio           | 25                               |                                |
| Oklahoma       | 46 – 1st year, \$6 thereafter    |                                |
| Oregon         |                                  | 10                             |
| Pennsylvania   | 27                               | 135                            |
| Rhode Island   | 12 – 1 year; \$50 – 5 years      | 80 – 8 years                   |
| South Carolina | 20                               | 87                             |
| South Dakota   |                                  | 10                             |
| Tennessee      |                                  | 52                             |
| Texas          | 15                               |                                |
| Utah           | 11                               | 130                            |
| Vermont        | 46 – 1 year; \$90 – 2 years      |                                |
| Virginia       | 22                               | 100                            |
| Washington     | 34                               |                                |
| West Virginia  |                                  | 51                             |
| Wisconsin      | 15                               | 50                             |
| Wyoming        | 6 plus property tax              |                                |

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1191

Page 2, line 16, after "valid for the" remove "useful life" insert "ownership"

Page 2, line 16, after "semitrailer." insert "This number plate is non-transferable to a different semitrailer or owner."

**SENATE TRANSPORTATION COMMITTEE**  
**March 10<sup>th</sup> - 10:15 a.m. - Lewis and Clark Room**

**North Dakota Department of Transportation**  
**Linda Sitz, Director, Motor Vehicle Division**

**HB 1191**

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Mr. Chairman and members of the committee. I'm Linda Sitz, Director of the Motor Vehicle Division at the North Dakota Department of Transportation (DOT). I have with me, Frank LaQua, who heads our Motor Carrier section. Thank you for giving me the opportunity to present information to you today.

HB 1191 changes how Motor Vehicle handles registration of semitrailers. HB1191 will make semi-trailer plates permanent until the trailer is sold at which time the registration and plates will become void. The new owner will need to transfer title and registration which include a \$5.00 title transfer fee and the \$50.00 permanent registration and plate fee. The new owner will receive a new plate which will be valid until they sell the trailer, or the semitrailer is no longer in service.

The change in semitrailer renewals will impact 40,000 or 13% of our registration renewals. In the House, we were asked how many FTE's we could give up if we no longer had to register 40,000 vehicles. Given that we register over 950,000 vehicles annually, this will not be a major time saver for Motor Vehicle operations, given the growing demand for our services and our booming economy. Vehicle renewals make up a small percent of the volume of paperwork handled within our office. In addition, SB2207, temporary registrations will more than make up for the workload relieved should this bill pass.

The fiscal impact of HB1191 will show approximately \$600,000 income in the first year, with \$300,000 in offsetting expense. Thereafter the fiscal note impact would show a loss of \$1.4M in revenue each biennium. Aside from lost revenue due to this registration change, IT costs will be incurred to modify our VRTS system.

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

*Inf*

- (2) Title and registration is required.
- (3) The unsatisfied judgment fee and abandoned motor vehicle fee are NOT due.
- (4) See Fleet Registration.

E. HOMEMADE TRAILER: 39-04-19 Subsection 4-5 (NDCC)

- (1) Any trailer that has been built or reconstructed and used to transport property.
- (2) A North Dakota Vehicle Identification Number (VIN) must be assigned, stamped in a designated place, verified, and inspected by an officer of the North Dakota Highway Patrol. Certificate of Vehicle Inspection (SFN 2486) must be completed.
- (3) Application for Title (SFN 2872) and a Vehicle Statement of Ownership (SFN 2903) must be completed in full.
- (4) License fee is \$20. The \$1 unsatisfied judgment fee is NOT due. Trailer plates are issued.
- (5) Title fee is \$5.
- (6) Abandoned vehicle fee is NOT due.
- (7) Motor vehicle excise tax (5%) is NOT due upon initial title application.

F. MULTI-YEAR REGISTRATION: 39-04-12 Subsection 2 (NDCC)

- (1) Available to an owner of a trailer that is operated, offered for lease, or rented to the public for not more than six consecutive years and exempt from annual registration requirements.
- (2) Payment for the multi-year license can be made on an annual basis or full payment for all years for which the plate is valid.
- (3) Owners choosing to pay annually shall file a corporate surety bond in an amount to be determined by the division.
  - a. SECURITY BOND FORMULA; number of trailers X \$20 each, multiplied by calendar year(s) remaining.
- (4) Multi-year license plates are transferable to a replacement trailer or the owner may apply for a refund of the registration fees paid for any unused registration year.
- (5) Multi-year trailer plates are issued.
- (6) Title fee is \$5.
- (7) Abandoned vehicle fee is NOT due.
- (8) Motor vehicle excise tax (5%) must be remitted when applying for a title.

G. OFFICE (JOB SITE TRAILER): 39-05 (NDCC)

- (1) Any trailer designed for office use only, and cannot be used for storage or transporting product or property. They can be moved from one job to another.
- (2) A temporary permit is required to move the trailer from one job site to another.
- (3) Title fee is \$5.
- (4) Abandoned vehicle fee is NOT due.
- (5) Motor vehicle excise tax (5%) must be remitted when applying for a title.

*In the Bull Farm Trailer wouldn't get  
or be elig. b/c*



**TRAILER REQUIREMENTS**  
NORTH DAKOTA HIGHWAY PATROL  
MOTOR CARRIER DIVISION  
NDHP 943 (Rev. 4/95)

**Trailers less than 80 inches in width:**

- Two red reflectors on rear, one on each side (mounted 15 to 60 inches above ground) (39-21-05, 10).
- One stop light (unless stoplight on towing vehicle may be seen from the rear) (39-21-06, 08).
- One taillight on the rear (mounted 15 to 72 inches above the ground). Trailers manufactured or assembled after 1 January 1964 shall be equipped with at least two tail lamps mounted on the rear (39-21-04).

**Trailers over 80 inches wide require:**

- Two red reflectors on rear, one on each side (mounted 15 to 60 inches above ground) (39-21-05, 10).
- Two red clearance lamps on rear, one on each side (39-21-08).
- Two amber clearance lights on front, one on each side (39-21-08).
- One stop light on the rear (39-21-06, 08).
- One taillight on the rear (mounted 15 to 72 inches above ground). Trailers manufactured or assembled after 1 January 1964 shall be equipped with at least two tail lamps mounted on the rear (39-21-04).

**Turn signal lights:**

- Trailers over 3,000 pounds gross weight are required to have turn signal lights (39-21-06).
- Trailers less than 3,000 pounds gross weight are not required to have signal or stop lamps, if such lamps are visible from the rear of the towing vehicle (39-21-06, 08).

**Pulling two trailers:**

- A motor vehicle may draw two trailers. This would allow the towing of a boat behind a gooseneck or bumper hitch camping trailer.

**Safety chains or brakes:**

- Every trailer or semitrailer when operated upon a highway at a speed in excess of twenty-five miles per hour shall be equipped with safety chains or brakes (39-21-32).
- If a second trailer is pulled behind a gooseneck or 5th wheel trailer, the first trailer must be equipped with brakes; the second trailer must be equipped with safety chains. If the first trailer is a bumper hitch design, the trailer must be equipped with brakes and safety chains. If the gross weight of the second trailer exceeds 3,000 pounds, brakes are also required. The brakes must be so designed as to be applied by the driver of the truck from the cab. The brakes must be so designed and connected that in case of an accidental breakaway, the brakes will be automatically applied on the trailer that breaks loose (37-06-03-02, NDAC).



**Mirrors:**

- Every motor vehicle, operated singly or when towing any other vehicle (trailers, etc.), shall be equipped with a mirror so located as to reflect to the driver a view of the highway for a distance of at least two hundred feet to the rear of such motor vehicle (39-21-38).

**Trailer hitches, drawbar, or connections between vehicles:**

- When a second trailer is pulled, the hitch on the first trailer must be attached to the frame. The hitch must be a ball and socket type with a locking device or a pintle hook (37-06-03-02, NDAC).
- The drawbar or other connection between any two vehicles, one of which is towing or drawing the other on a highway, shall be of such design, strength, and construction so as to prevent the unintentional uncoupling of the vehicles (39-21-44.2).

**Lamp or flag on projecting load:**

- Whenever the load upon any vehicle extends to the rear four feet or more, a red light or lantern or a red flag is required (39-21-13).

**Registration:**

- All trailers and semitrailers for hire or commercial use and all trailers, semitrailers, and farm trailers exceeding one thousand five hundred pounds, not including the weight of the towing vehicle, must be registered.
- Any trailer, semitrailer, or farm trailer used to transport recreational vehicles or boats does not have to be registered unless it is for hire or commercial use. The registration fee is \$20.
- Trailers not required to be registered, such as privately-owned utility trailers, may be furnished an identification plate for a fee of \$5.