

HOUSE BILL 162

Introduced by Peterson, et al.

1/13	Introduced
1/14	Referred to Taxation
1/16	Fiscal Note Requested
1/23	Fiscal Note Received
1/26	Hearing
1/26	Fiscal NOte Printed
1/28	Revised Fiscal Note Printed
2/16	Tabled in Committee

1 *House* BILL NO. *162*
2 INTRODUCED BY *Peterson Vaughn* *Gerrard, Elliott*
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LOG HAULERS
5 TO BE CLASS B MOTOR CARRIERS; PROVIDING QUALIFICATIONS FOR
6 CERTIFICATION FOR LOG HAULERS; AMENDING SECTION 69-12-102,
7 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE FOR
8 RULEMAKING AUTHORITY AND A TERMINATION DATE."
9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 69-12-102, MCA, is amended to read:

12 "69-12-102. Scope of chapter -- exemptions. (1) This
13 chapter does not affect:

14 (a) motor vehicles used in carrying property
15 consisting of agricultural commodities (not including
16 manufactured products thereof), other than logs, if the
17 motor vehicles are not used in carrying other property or
18 passengers for compensation;

19 (b) the operation of school buses which are used in
20 conveying pupils or other students enrolled in classes to
21 and from district or other schools or in transportation
22 movements related to school activities which are sponsored
23 or supervised by school authorities;

24 (c) the transportation by means of motor vehicles in
25 the regular course of business of employees, supplies, and

1 materials by a person or corporation engaged exclusively in
2 the construction or maintenance of highways or engaged
3 exclusively in logging or mining operations, insofar as the
4 use of employees, supplies, and materials in construction
5 and production is concerned;

6 (d) the transportation of property by motor vehicle in
7 a city, town, or village with a population of less than 500
8 persons according to the latest United States census or in
9 the commercial areas thereof, as determined by the
10 commission;

11 (e) the transportation of newspapers, newspaper
12 supplements, periodicals, or magazines;

13 (f) tow trucks and wreckers designed and exclusively
14 used in towing abandoned, wrecked, or disabled vehicles or
15 while these tow trucks and wreckers are rendering assistance
16 to abandoned, wrecked, or disabled vehicles;

17 (g) motor vehicles used exclusively in carrying junk
18 vehicles from a collection point to a motor vehicle wrecking
19 facility or a motor vehicle graveyard;

20 (h) ambulances;

21 (i) the transportation of pit run or processed sand
22 and gravel, concrete mix, aggregate, plant mix asphalt
23 pavement, aggregate mix, dirt, rock, material from
24 demolished buildings and structures, used paving materials,
25 used concrete, broken concrete, riprap, and other forms and

1 types of materials transported solely for the purpose of
2 excavation or fill;

3 (j) the transportation by motor vehicle of not more
4 than 15 passengers between their places of residence or
5 termini near their residences and their places of employment
6 in a single daily round trip if the driver is also on his
7 way to or from his place of employment;

8 (k) the transportation of property by motor carrier as
9 part of a continuous movement if such property, prior or
10 subsequent to such part of a continuous movement, has been
11 or will be transported by an air carrier;

12 (l) the operation of:

13 (i) a transportation system by a municipality or
14 transportation district as provided in Title 7, chapter 14,
15 part 2; or

16 (ii) municipal bus service pursuant to Title 7, chapter
17 14, part 44;

18 (m) armored motor vehicles used exclusively for the
19 transportation of coins, currency, silver bullion, gold
20 bullion, and other precious metals, precious stones,
21 valuable paintings, and other items of unusual value
22 requiring special handling and security; or

23 (n) the transportation of a commodity under an
24 agreement between a motor carrier and an office or agency of
25 the United States government.

1 (2) This chapter does not prevent bona fide leases,
2 brokerage agreements, or buy-and-sell agreements."

3 NEW SECTION. **Section 2. Class B motor carrier**
4 **certificate for log haulers -- definition of logs.** (1) A
5 person may not operate any motor vehicle or any combination
6 of vehicles for the transportation of logs from any point in
7 Montana to any other point in Montana without having first
8 obtained a certificate of public convenience and necessity
9 as a Class B motor carrier as provided in 69-12-312.

10 (2) As used in this chapter, "logs" means trees
11 harvested, delimbed, and cut to length for transportation
12 and intended for further processing.

13 NEW SECTION. **Section 3. Granting Class B motor**
14 **carrier certificates to log haulers.** The commission shall
15 grant a certificate of public convenience and necessity as a
16 Class B motor carrier to any person who applies in the form
17 prescribed by the commission [no later than 90 days after
18 the effective date of this section] and who proves to the
19 satisfaction of the commission that he was engaged in the
20 hauling of logs at any time between April 1, 1988, and [the
21 effective date of this section].

22 NEW SECTION. **Section 4. Extension of authority.** Any
23 existing authority to make rules on the subject of the
24 provisions of [this act] is extended to the provisions of
25 [this act].

1 NEW SECTION. **Section 5.** Codification instruction.
2 [Sections 2 and 3] are intended to be codified as an
3 integral part of Title 69, chapter 12, part 4, and the
4 provisions of Title 69, chapter 12, part 4, apply to
5 [sections 2 and 3].

6 NEW SECTION. **Section 6.** Effective date --
7 termination. (1) [Section 4 and this section] are effective
8 on passage and approval.
9 (2) [Section 3] terminates July 1, 1990.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a revised Fiscal Note for HB162, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

HB 162 would require log haulers to be Class B motor carriers as provided in 69-12-312, MCA grandfathering in all who prove they were engaged in the hauling of logs any time between April 1, 1988, and the effective date of the legislation.

ASSUMPTIONS:

1. There are 800 existing carriers who would be granted a certificate of public convenience and necessity and the majority are one-truck operations.
2. There would be no filing fee for grandfathering existing log haulers.
3. It is unlikely that new log hauling applications would be approved for 2 years after the grandfather period expires due to the difficulty in establishing public need. However, log hauling authority may be leased or transferred upon application to the Department of Public Service Regulation (PSR).
4. Vehicle identification stamps will continue to cost \$5 per vehicle for a total of \$4,000 in FY90 and \$4,000 in FY91.
5. Annual report fees will continue to cost \$25 per carrier for a total of \$24,000 in FY91.
6. Revenue from the trucking and other transportation industry payments for applications, vehicle identification stamps and annual report fees will continue to go to the general fund and appropriations to the Department of Public Service Regulation will be paid from the general fund pursuant to 69-1-402, MCA. PSR receives funding from a tax on utilities and railroads which would additionally cover revenue requirements for the log hauling regulation.
7. The PSR would require 1.75 FTE in FY90 and 2.00 FTE in FY91, plus operating and equipment costs, to implement the legislation.

Ray Shackelford 1/27/89
RAY SHACKLEFORD, BUDGET DIRECTOR DATE
OFFICE OF BUDGET AND PROGRAM PLANNING

Mary Lou Peterson 1/27/89
MARY LOU PETERSON, PRIMARY SPONSOR DATE

Revised Fiscal Note for HB 162, as introduced

HB 162-Revised

Revised Fiscal Note Request, HB162, as introduced

Form BD-15

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FISCAL IMPACT:

Expenditures:

	<u>FY90</u>			<u>FY91</u>		
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
	<u>Law</u>	<u>Law</u>		<u>Law</u>	<u>Law</u>	
<u>Public Service Regulation:</u>						
Personal Services	\$ -0-	\$33,000	\$33,000	\$ -0-	\$40,000	\$40,000
Operating Expenses	-0-	18,000	18,000	-0-	13,800	13,800
Equipment	-0-	10,246	10,246	-0-	-0-	-0-
Total	\$ -0-	\$61,246	\$61,246	\$ -0-	\$53,800	\$53,800
<u>Funding:</u>						
General Fund	\$ -0-	\$61,246	\$61,246	\$ -0-	\$53,800	\$53,800
<u>Revenue:</u>						
General Fund						
Vehicle ID Stamp Fees	\$ -0-	\$ 4,000	\$ 4,000	\$ -0-	\$ 4,000	\$ 4,000
Annual Report Fees	-0-	-0-	-0-	-0-	20,000	20,000
Total	\$ -0-	\$ 4,000	\$ 4,000	\$ -0-	\$24,000	\$24,000

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

1. Expenditures for 2.00 FTE and related operating expenses will continue in the foreseeable future.
2. It is unlikely there will be new applications for authority in the foreseeable future because the burden of showing a public need will be difficult to meet if there are 800 existing log haulers. New applications would cost \$300. Log hauling authority may be leased or transferred upon application to the PSR.

HB 162-Revised