

## **BILL ANALYSIS**

C.S.H.B. 3460  
By: VanDeaver  
International Trade & Intergovernmental Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties contend that the current permitting process for oversize and overweight vehicles does not account for sealed ocean cargo shipping containers moving in international commerce, which these parties assert leaves some Texas employers at a significant competitive disadvantage with no way to get full, inspected containers to their destination. C.S.H.B. 3460 seeks to address this issue by creating a permit for the movement of sealed ocean cargo shipping containers.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3460 amends the Transportation Code to require the Texas Department of Motor Vehicles (TxDMV) to issue an annual permit for the movement of a sealed ocean cargo shipping container moving in international commerce on a trailer or semitrailer with three axles if the combination of vehicles transporting the container is equipped with a roll stability support safety system and truck blind spot systems and has a single axle weight of not more than 20,000 pounds, a tandem axle weight of not more than 34,000 pounds, a tri-axle weight of not more than 51,000 pounds, and a gross weight of not more than 95,000 pounds. The bill requires TxDMV to restrict vehicles operating under the permit to routes that are located in a county with a population of more than 90,000, on highways in the state highway system, and not more than five miles from the border between Texas and Arkansas. The bill requires a sealed ocean cargo shipping container being moved under the permit to be continuously sealed from the point of origin to the point of destination with a seal that is required by the U.S. Customs and Border Protection, the U.S. Food and Drug Administration, or federal law or regulation. The bill establishes that the permit does not authorize the operation of a vehicle combination described by the bill on load-restricted roads or bridges or on routes for which the Texas Department of Transportation (TxDOT) has not authorized the operation of such a vehicle combination. The bill establishes that certain permits for oversize or overweight vehicles do not authorize the transportation of a material designated as of January 1, 2017, as a hazardous material by the U.S. secretary of transportation.

C.S.H.B. 3460 requires an applicant for a permit under the bill's provisions to designate each TxDOT district in which the permit will be used and requires TxDMV to initially set the fee for the permit in an amount not to exceed \$2,000. The bill requires TxDOT, not later than

September 1 of each even-numbered year beginning in 2022, to conduct a study concerning vehicles operating under the permit and to publish the results of the study. The bill sets out the information that TxDOT is required to collect and examine in conducting the study. The bill requires TxDMV, on September 1 of each even-numbered year beginning in 2022, to set the fee for the permit in an amount based on a reasonable estimate of the costs associated with the operation of vehicles issued the permit over the routes authorized under the bill's provisions, including any increase in the costs necessary to maintain or repair those highways. The bill requires the estimate to be based on the results of the required study.

C.S.H.B. 3460 provides for the allocation of the fee for the permit as follow: 85 percent is required to be deposited to the credit of the state highway fund, 10 percent is required to be deposited to the credit of the TxDMV fund, and 5 percent is required to be deposited to the general revenue fund. The bill restricts use of such a fee deposited to the state highway fund to transportation projects in the TxDOT district designated in the permit application for which the fee was assessed and restricts use of such a fee deposited to the general revenue fund to offsetting the cost of the required study. The bill authorizes TxDMV to suspend a permit issued under the bill's provisions if TxDMV receives notice from the Federal Highway Administration that the operation of a vehicle under such a permit would result in the loss of federal highway funding.

### **EFFECTIVE DATE**

September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3460 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### **INTRODUCED**

SECTION 1. Subchapter B, Chapter 623, Transportation Code, is amended by adding Section 623.0172 to read as follows:

Sec. 623.0172. SEALED OCEAN CARGO SHIPPING CONTAINERS. (a) In this section, "sealed ocean cargo shipping container" means an enclosed, standardized, reusable container that:

(1) is used to pack, ship, move, or transport cargo;

(2) is designed to be carried on a trailer or semitrailer and loaded onto a vessel for ocean-borne transportation; and

(3) when combined with vehicles transporting the container, has a gross weight that exceeds the limits allowed by this subtitle.

(b) Except as provided by Subsection (g), the department shall issue an annual permit

#### **HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Subchapter B, Chapter 623, Transportation Code, is amended by adding Section 623.0172 to read as follows:

Sec. 623.0172. SEALED OCEAN CARGO SHIPPING CONTAINERS. (a) In this section, "sealed ocean cargo shipping container" means an enclosed, standardized, reusable container that:

(1) is used to pack, ship, move, or transport cargo;

(2) is designed to be carried on a trailer or semitrailer and loaded onto or unloaded from:

(A) a vessel for international transportation;  
or

(B) a rail system for international transportation; and

(3) when combined with vehicles transporting the container, has a gross weight or axle weight that exceeds the limits allowed by this subtitle.

(b) Except as provided by Subsection (k), the department shall issue an annual permit

for the movement of a sealed ocean cargo shipping container moving in overseas international commerce on a trailer or semitrailer with three axles if the combination of vehicles transporting the container has:

- (1) a single axle weight of not more than 20,000 pounds;
- (2) a tandem axle weight of not more than 34,000 pounds;
- (3) a tri-axle weight of not more than 51,000 pounds; and
- (4) a gross weight of not more than 97,000 pounds.

(c) The department shall restrict vehicles operating under a permit issued under this section to routes that are

on highways in the state highway system and  
are not more than five miles from any border between this state and another state.

(d) An applicant for a permit under this section must designate each Texas

for the movement of a sealed ocean cargo shipping container moving in international commerce on a trailer or semitrailer with three axles if the combination of vehicles transporting the container is equipped with a roll stability support safety system and truck blind spot systems and has:

- (1) a single axle weight of not more than 20,000 pounds;
- (2) a tandem axle weight of not more than 34,000 pounds;
- (3) a tri-axle weight of not more than 51,000 pounds; and
- (4) a gross weight of not more than 95,000 pounds.

(c) The department shall restrict vehicles operating under a permit issued under this section to routes that are:

(1) located in a county with a population of more than 90,000;

(2) on highways in the state highway system; and

(3) not more than five miles from the border between this state and Arkansas.

(d) A sealed ocean cargo shipping container being moved under a permit issued under this section must be continuously sealed from the point of origin to the point of destination with a seal that is required by:

(1) the United States Customs and Border Protection;

(2) the United States Food and Drug Administration; or

(3) federal law or regulation.

(e) A permit issued under this section does not authorize the operation of a vehicle combination described by Subsection (b) on:

(1) load-restricted roads or bridges, including a road or bridge for which a maximum weight and load limit has been established and posted by the Texas Department of Transportation under Section 621.102; or

(2) routes for which the Texas Department of Transportation has not authorized the operation of a vehicle combination described by Subsection (b).

(f) A permit issued under this subchapter does not authorize the transportation of a material designated as of January 1, 2017, as a hazardous material by the United States secretary of transportation under 49 U.S.C. Section 5103(a).

(g) An applicant for a permit under this section must designate each Texas

Department of Transportation district in which the permit will be used.

(e) The department shall set the amount of the fee for a permit issued under this section in an amount not to exceed \$2,000.

of which:

(1) 90 percent shall be deposited to the credit of the state highway fund; and

(2) 10 percent shall be deposited to the credit of the Texas Department of Motor Vehicles fund.

(f) A fee deposited under Subsection (e)(1) may only be used for transportation projects in the Texas Department of Transportation district designated in the permit application for which the fee was assessed.

(g) The department may not issue a permit under this section if the department determines that the operation of a vehicle under a permit authorized by this section would result in the loss of federal highway funding.

Department of Transportation district in which the permit will be used.

(h) The department shall initially set the fee for a permit issued under this section in an amount not to exceed \$2,000. Beginning in 2022, on September 1 of each even-numbered year the department shall set the fee for a permit issued under this section in an amount based on a reasonable estimate of the costs associated with the operation of vehicles issued a permit under this section over routes described by Subsection (c), including any increase in the costs necessary to maintain or repair those highways. The estimate shall be based on the results of the study conducted under Subsection (l).

(i) Of the fee collected under this section for a permit:

(1) 85 percent shall be deposited to the credit of the state highway fund;

(2) 10 percent shall be deposited to the credit of the Texas Department of Motor Vehicles fund; and

(3) 5 percent shall be deposited to the general revenue fund.

(j) A fee deposited under Subsection (i)(1) may only be used for transportation projects in the Texas Department of Transportation district designated in the permit application for which the fee was assessed. A fee deposited under Subsection (i)(3) may only be used to offset the cost of the study conducted under Subsection (l).

(k) The department may suspend a permit issued under this section if the department receives notice from the Federal Highway Administration that the operation of a vehicle under a permit authorized by this section would result in the loss of federal highway funding.

(l) Beginning in 2022, not later than September 1 of each even-numbered year, the Texas Department of Transportation shall conduct a study concerning vehicles operating under a permit issued under this section and publish the results of the study. In conducting the study, the Texas Department of Transportation shall collect and examine the following information:

(1) the weight and configuration of vehicles operating under a permit under this section that are involved in a motor vehicle accident;

(2) the types of vehicles operating under a permit issued under this section;

- (3) traffic volumes and variations of vehicles operating under a permit issued under this section;
- (4) weigh-in-motion data for highways located in and around the area described by Subsection (c);
- (5) impacts to state and local bridges, including long-term bridge performance, for bridges located in and around the area described by Subsection (c); and
- (6) impacts to state and local roads, including changes in pavement design standards, construction specification details, maintenance frequency and types, and properties of pavement and underlying soils resulting from or necessitated by vehicles operating under a permit issued under this section.

SECTION 2. This Act takes effect September 1, 2017.

SECTION 2. Same as introduced version.