

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1939  
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Transportation  
5/17/2017  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Unlike every other state with a major point of export, Texas permits make no accommodation for sealed ocean cargo shipping containers travelling in international commerce. This leaves some Texas employers at a significant competitive disadvantage with no way to get fully loaded, customs-inspected containers to a railroad, port, or international bridge.

The rapid growth of new export markets, the ongoing successes of Texas in attracting that commerce, combined with the modest shipper savings achievable by expanding allowable truck standards approved by the federal government would help the state compete with other states. Texas already provides truck weight exceptions to exporters over limited corridors near some ports. The enacting of this legislation aids and allows for the continuing growth of Texas' economy beyond those select ports.

The Texas Department of Motor Vehicles, in conjunction with the Texas Department of Transportation (TxDOT), is responsible for regulating the movement of oversize and overweight vehicles and loads on the state highway system. These agencies currently issue permits for the movement of oversize and overweight vehicles. This insures the safety of the traveling public while also protecting the integrity of state infrastructure. While there are existing single trip or annual permits for the movement of overweight vehicles on state, county, or municipal roads, there are no permits taking advantage of current federal law authorizing movement of shipping containers on interstate or US highways.

23CFR658 is clarified by federal highways that states may consider containers moving in international commerce as non-divisible but are not required to do so.

S.B. 1939 allows a sealed ocean cargo shipping container traveling no more than five miles on an interstate or US highway near a border with another state, with TxDOT approval, to purchase an annual permit. The annual permit would allow the state to compete with surrounding states in the import and export of intermodal commodities. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 1939 amends current law relating to permits for the movement of intermodal shipping containers and authorizes a fee.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 623, Transportation Code, by adding Section 623.0172, as follows:

Sec. 623.0172. PERMIT FOR INTERMODAL SHIPPING CONTAINER. (a) Defines "intermodal shipping container."

(b) Requires the Texas Department of Motor Vehicles (TxDMV) to issue an annual permit for the international transportation of an intermodal shipping

container moving by a truck-tractor and semitrailer combination that has six total axles and is equipped with a roll stability support safety system and truck blind spot systems only if the truck-tractor and semitrailer meet certain criteria.

(c) Requires TxDMV to restrict vehicles operating under an issued permit 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) Requires that an intermodal shipping container being moved under an issued permit be continuously sealed from the point of origin to the point of destination with a seal that is required by the United States (U.S.) Customs and Border Protection, the U.S. Food and Drug Administration, or federal law or regulation.

(e) Provides that an issued permit does not authorize the operation of a vehicle combination described by Subsection (b) on certain load-restricted roads or bridges or routes for which the Texas Department of Transportation (TxDOT) has not authorized the operation of a vehicle combination described by Subsection (b).

(f) Provides that 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 U.S. secretary of transportation under 49 U.S.C. Section 5103(a).

(g) Requires an applicant for a permit to designate each TxDOT district in which the permit will be used.

(h) Requires TxDMV to initially set the fee for an issued permit in an amount not to exceed \$2,000. Requires TxDMV, beginning in 2022, on September 1 of each even-numbered year to set the fee for an issued permit in an amount based on a reasonable estimate of certain costs. Requires that the estimate be based on the results of the study conducted under Subsection (l).

(i) Provides that, of the fee collected for a permit, 90 percent is required to be deposited to the credit of the state highway fund (SHF), five percent is required to be deposited to the credit of the TxDMV fund, and five percent is required to be deposited to the appropriate county road and bridge fund.

(j) Authorizes a fee deposited under Subsection (i)(1) (relating to requiring a certain deposit in the SHF) to be used only for transportation projects in the TxDOT district designated in the permit application for which the fee was assessed.

(k) Authorizes TxDMV to suspend an issued permit if TxDMV receives notice from the Federal Highway Administration that the operation of a vehicle under an authorized permit would result in the loss of federal highway funding.

(l) Requires TxDOT, beginning in 2022, not later than September 1 of each even-numbered year, to conduct a study concerning vehicles operating under an issued permit and to publish the results of the study. Requires TxDOT, in conducting the study, to collect and examine certain information.

SECTION 2. Effective date: September 1, 2017.