

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2111

2007 SENATE TRANSPORTATION

SB 2111

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2111

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: January 4, 2007

Recorder Job Number: 597

Committee Clerk Signature

Jody Hauge

Minutes:

Chairman Lee opened the hearing on SB 2111 relating to motor vehicle dealer plates.

All members were present.

Keith Magnusson, Deputy Director for Driver and Vehicle Services at the North Department of Transportation (ND DOT) testified in support of SB 2111. See attached testimony.

Senator Lee asked Magnusson how he would recognize the new dealership plates.

Magnusson answered that the new plates would have either an N or a U on them. The N would stand for the new car dealers and U for the used car dealers.

Bob Lamp spoke in support of SB 2111 on behalf of the Automobile Dealers Association of North Dakota. See attached testimony. He asked that the committee consider discussing the cost of \$25. per plate.

Senator Potter asked if the Automobile Dealers Association supported the bill at \$25. per plate.

Bob Lamp – Yes, we certainly do.

Senator Nething asked how many dealers in the state.

Bob Lamp answered that there were a total of about 500 to 600 new and used dealers.

Senator Potter asked why there was no fiscal note with the bill.

Bob Lamp said that cost was small.

Senator Nething moved for a Do Pass.

Senator Bakke seconded the motion. The motion carried on a roll call vote 6 yeas 0 nays.

Senator Bakke was designated to carry SB 2111.

FISCAL NOTE
 Requested by Legislative Council
 02/27/2007

Amendment to: SB 2111

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$36,000)		(\$41,400)
Expenditures						
Appropriations						

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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).*

The bill eliminates "in-transit" and "demo" dealer plates, and as amended reduces the cost per dealer plate.

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 has no process impact to the Motor Vehicle Division. However, revenue will be directly impacted by the provisions of the bill. Under the original wording, the off-set between loss and gain would have created a neutral impact. As amended, the reduction in the cost from \$25 to \$20 will create a negative revenue impact of \$36,000 to the Dealer Enforcement Fund.

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.*

This bill as amended will result in a reduction of \$36,000 in revenue to the Motor Vehicle Dealer Enforcement Fund.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

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.*

Name:	Lorrie Pavlicek	Agency:	NDDOT
Phone Number:	328-2725	Date Prepared:	02/28/2007

REPORT OF STANDING COMMITTEE (410)
January 4, 2007 1:54 p.m.

Module No: SR-02-0242
Carrier: Bakke
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2111: Transportation Committee (Sen. G. Lee, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2111 was placed on the
Eleventh order on the calendar.

2007 HOUSE TRANSPORTATION

SB 2111

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2111

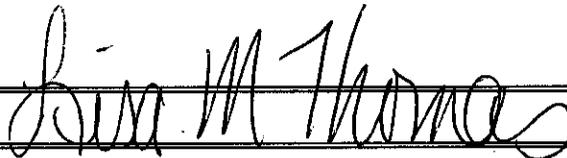
House Transportation Committee

Check here for Conference Committee

Hearing Date: 02-08-2007

Recorder Job Number: 3114

Committee Clerk Signature



Minutes:

Chairman Weisz opened the hearing on SB 2111. SB 2111 relates to motor vehicle dealer plates.

Keith Magnusson, DOT, introduced the bill. See written testimony.

Rep. Ruby: Do the dealers have to put one on the back and the front of the car?

Rep. Thorpe: Why are we looking at this, was there a problem with the other system?

Magnusson: There has been some confusion.

Rep. Thorpe: I agree that you can make mistakes and grab the wrong plate by mistake.

Rep. Ruby: How many plates can each dealer get?

Magnusson: There is no limit.

Rep. Gruchalla: The only plates that you are going to issue now would be an end plate and a U plate?

Magnusson: That is correct.

Bob Lamp, Automobile Dealers Association of North Dakota, spoke in support of the bill.

See written testimony.

*There were no questions from the committee.

Rep. Vigasaa spoke in support of the bill.

Rep. Vigesaa: In our small dealership, the dealers do buy about as many as they feel they will need. There are times when maybe this particular plate is not available and we have a need for it, so we are kind of hampered by that.

Rep. Weisz: Does the demo plate give you a one hundred mile radius, so the large plate does what for you?

Rep. Vigesaa: Right now, if we wanted to, we could put a full end plate on the vehicle. Unless you are stopped for a violation, there is no way of telling that it is within the radius or not.

*There was no opposition to the bill.

The hearing was closed. No action was taken at this time.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2111

House Transportation Committee

Check here for Conference Committee

Hearing Date: 2-23-2007

Recorder Job Number: 3737

Committee Clerk Signature

Minutes:

Chairman Weisz allowed committee discussion on SB 2111. SB 2111 relates to motor vehicle dealer plates.

Rep. Vigesaa: This bill is where we are going to go to one plate and if you remember my demonstration, there were the small plates which now can be purchased for five dollars and the big plates are twenty five dollars. On the bill it's all going to go to just the end plate but they are going to offer the two sizes from what I understand. I thought that would be quite an increase in fees to the dealer if they are going to get a lot of small plates and pay the big plate price of twenty five dollars. I would like to take a little time to survey some of the dealers and see how many of the large and small they get. I talked to two dealers in Bismarck and what they pay, the total of both plates and added it up and divided by the number they pay on the average of fourteen fifty six per plate at one store, nine sixty-two at the other store and then I surveyed a couple of smaller stores who don't get as many plates and they were at seventeen thirty and sixteen forty two for an average cost of plates. I just wanted to throw that out to the committee. I'm not necessarily making a recommendation, but I know from the dealer's standpoint, they are going to say, in one case, Cedric Theel in Bismarck, he orders twenty of the small plates because they are handy for the demos and transits and they are five dollars right

now and you would be going to twenty-five dollars on this bill. So there would be an extra four hundred dollars on those plates alone. I asked him if he would still get the same amount of plates and he said he would. So I just wanted to throw that out that it would be a substantial increase in fees to the dealer when they order the plates if they can still get the small size and have to pay twenty-five bucks.

Rep. Delmore: When they moved it to twenty-five dollars was there an increase in cost, there shouldn't be?

Rep. Weisz: I'll just get the DOT's prospective. Two things, one the end plates and the twenty-five dollars wasn't the size of the plate it was the fact that it was an end plate. Their argument is that this bill gives the dealers a tremendous amount of increased flexibility because now the end plate is well worth the increased cost that it might be to the dealer in that they will plan to make the plates in both sizes. You could get all large plates if you wanted or you could get five large ones and ten small ones. They will do that but they will all be end plates instead of the DD and DX plates, so that is their prospective. They are really making it a lot better for the dealers and well worth that extra cost.

Rep. Vigesaa: From the dealers standpoint, they will still order a majority of their plates as a small because they are the most handy and are able to attach a magnet to the back of them and you can stick them right on the back of the car.

Rep. Vigesaa proposed to amend the twenty-five dollars on line eight to twenty dollars.

Rep. Delmore seconded.

Rep. Thorpe: Have we heard from anyone this go-round of the session as to the actual cost of producing those plates is?

Rep. Weisz: The large plates the actual cost is approaching five bucks.

Rep. Thorpe: That is providing that Roughrider makes them?

Rep. Weisz: Yes.

Rep. Vigesaa: Currently now on the large plates, all we get is the decals, so those large plates are the same as your vehicle plates, you just get the decal, so they are making huge on those big plates. The small plates, they produce every year, stamped with the year on them so the dealer pays these fees every year with these plates. They may go to the sticker on the small plates too and then they will really do well on them.

Rep. Thorpe: I think right now you pay twenty-five rights? So this would reduce the one plate?

Rep. Vigesaa: The small ones are five dollars.

Rep. Weisz: The amendment would change all plates to twenty.

Voice vote on the amendment: Unanimous vote; motion carried.

Rep. Delmore moved a DO PASS AS AMENDED. Rep. Owens seconded.

Roll Call Vote: 11 yes. 1 no. 1 absent.

Carrier: Rep. Vigesaa

78163.0101
Title.0200

Adopted by the Transportation Committee
February 23, 2007

House Amendments to SB 2111 (78163.0101) - Transportation Committee 02/23/2007

Page 1, line 8, overstrike "twenty-five" and insert immediately thereafter "twenty"

Renumber accordingly

Date: 2-23-07
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2111

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Amend Voice Vote

Motion Made By Vigesaa Seconded By Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	}		Rep. Delmore	<	
Vice Chairman Ruby		Rep. Gruchalla	Absent		
Rep. Dosch		Rep. Myxter			
Rep. Kelsch		Rep. Schmidt			
Rep. Owens		Rep. Thorpe			
Rep. Price					
Rep. Sukut					
Rep. Vigesaa					

Total Yes _____ No _____

Absent _____

Floor Assignment Motion Carried

If the vote is on an amendment, briefly indicate intent:
Amend \$25 line 8 to \$20

Date: 2-23-07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2111

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Delmore Seconded By Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Delmore	✓	
Vice Chairman Ruby	✓		Rep. Gruchalla	Absent	
Rep. Dosch	✓		Rep. Myxter	✓	
Rep. Kelsch		✓	Rep. Schmidt	✓	
Rep. Owens	✓		Rep. Thorpe	✓	
Rep. Price	✓				
Rep. Sukut	✓				
Rep. Vigesaa	✓				

Total Yes 11 No 1

Absent 1

Floor Assignment Vigesaa

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

REPORT OF STANDING COMMITTEE

SB 2111: Transportation Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2111 was placed on the Sixth order on the calendar.

Page 1, line 8, overstrike "twenty-five" and insert immediately thereafter "twenty"

Renumber accordingly

2007 SENATE TRANSPORTATION

CONFERENCE COMMITTEE

SB 2111

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2111

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: March 29, 2007

Recorder Job Number: 5632

Committee Clerk Signature

Judy Hauge

Minutes:

Chairman Andrist called to order the Conference Committee on SB 2111 relating to motor vehicle dealer plates.

The clerk called the roll. All members were present.

Senator Andrist asked the House to explain the change.

Representative Vigesaa said speaking both as a House member and an auto dealer that this is a good bill for the industry. He said that he did a little research on the cost of the plates. He said that they reduced a fee that is \$25 down to \$20 to move it closer to what dealers currently pay as an average price for plates. He explained how it works currently: When a dealer has a license they can order a large plate (regular size) and they are \$25 and you can order as many as you want. Also, he stated, you can order the small plates and these are used for in transit and demos and those plates are \$5. He said when they originally introduced this bill to the Senate it did not have a Fiscal Note. That was curious to the House because last year in 2006 the DOT sold 4515 small plates at \$5/plate. The bill calls for those plates to be \$25/plate. He believes that there should have been a Fiscal Note. That would be approximately \$90,000 per year increase and a total of about \$180,000 increase to the DOT funds. But there was no Fiscal Note showing that increase. When the bill came over to the House and they amended it

down to \$20/plate then a fiscal note arrived and said that when they took the plates from \$25 to \$20 there would be a negative impact to DOT of \$36,000. This doesn't seem right to him. Where was the fiscal note on the first bill? He called a dealer in Bismarck and he currently uses 6 large plates at \$25 each and 20 small plates at \$5 each. So currently he is paying \$250/year for those plates. If they go to \$25 for all 26 of those plates he is going to pay \$650. If they take it to \$20 they are going to pay \$520. In the House they thought \$20 would be plenty. Small plates are made every year and come out with the year stamped on them. The big plates use the decals. He suspects that small plates if used all the time will possibly go to a decal which would further reduce Dots' cost of producing the plates. He said that dealers are willing to pay more for these plates because of the convenience.

Senator Bakke said that we are assuming the dealers will go to the small plate or will they stay with bigger plates and what would the cost be if they did.

Rep. Vigesaa said that dealers prefer the small size plates. They are easier to handle. He talked with the dealer in Bismarck and he said they love the small plates. He would guess that they will use the same ratio.

Rep. Thorpe said that some dealers were getting ticketed for using the wrong plates. The new plates will help dealers from getting confused and using the wrong plates.

Rep. Vigesaa just wanted to let the Conference Committee know how excited the dealers are about this bill but the House felt that the price should be more reflective of what they are paying on an average now.

Senator Lee said that you are saying that the fiscal note that they generate really should be positive versus the negative as stated in the fiscal note.

Rep. Vigesaa said that the loss of revenue is moving from the \$25 to the \$20 but there is no account for what is going to happen when the plates that were \$5 go to \$20. He believes that

overall it should have a positive note. There was more discussion on the accuracy of the fiscal note.

Senator Bakke said the DOT didn't think dealers would buy as many dealer plates. She asked Rep. Vigesaa if his sources will decrease the number of plates that they buy.

Rep. Vigesaa said they might reduce it some but he didn't think much.

Rep. Thorpe said the confusion on the fiscal note is based from the number of the large plates that they sold.

Senator Lee said that it seemed to him that they were just looking at the \$5 difference and not accounting for anything else. There should be an impact of dollars to the department that they are not recognizing that in a fiscal note.

Senator Andrist said that he thought Rep. Vanessa's was right when he said that they didn't really prepare a fiscal note for the original bill.

Senator Lee moved that the Senate Accede to the House amendment.

Rep. Dosch seconded the motion.

The clerk took the roll 6-0-0.

Senator Bakke will carry the bill to the Senate.

Senator Andrist closed the Conference Committee.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 2101 (, as (re)engrossed):

Date: 3-29-07

Your Conference Committee Senate Transportation

For the Senate:

For the House:

<i>Chair</i> ✓ Sen. <u>Sen. Gary Lee</u>	✓		<u>Rep. Bosch</u>	✓		✓
<u>Sen. Andrist</u>	✓		<u>Rep. Vigoreaux</u>	✓		✓
<u>S. Balke</u>	✓		<u>Rep. Thorne</u>	✓		✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

_____ and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

HOUSE CARRIER: A. Vigoreaux

SENATE CARRIER: S. Balke

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: S. Lee

SECONDED BY: Rep. Bosch

VOTE COUNT: 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

SB 2111: Your conference committee (Sens. Andrist, G. Lee, Bakke and Reps. Dosch, Vigesaa, Thorpe) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 667 and place SB 2111 on the Seventh order.

SB 2111 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

SB 2111

**TESTIMONY
SENATE BILL 2111
SENATE TRANSPORTATION
JANUARY 4, 2007**

- Mr. Chairman and members of the committee. My name is Bob Lamp and I am appearing in support of Senate Bill 2111 on behalf of the Automobile Dealers Association of North Dakota which consists of approximately 100 franchised new car dealers in our state.
- During the 2001 Legislative Session, our association and the Motor Vehicle Division of the NDDOT worked together on a major overhaul of the North Dakota dealer licensing law. This shared initiative resulted in many improvements for dealers and the regulators.
- As industry and enforcement issues change, it often becomes necessary to amend existing law. Such is the case with the amendments proposed in Senate Bill 2111.
- The use of dealer plates has become a confusing issue for both the dealers and the regulatory agency. The nature of the industry has changed substantially. For example, the 100 mile radius for the DD plate usage was sufficient in the past. Today, people travel well over that distance to test drive automobiles. Senate Bill 2111 will provide for this type of demonstration drives.
- The only issue our dealer association has with Senate Bill 2111 is the significant increase in the cost of the plate replacing the in transient and dealer demonstration plate. Under existing law, these plates could be purchased for \$5. Under the amended law, the cost is \$25 per plate. It would be the request of the ADAND that the committee discuss the cost of producing these plates and consider making the fee for purchase closer to the actual cost of production.
- Mr. Chairman, this concludes my testimony in support of Senate Bill 2111. Thank your for the opportunity to testify.

Robert L. Lamp
Automobile Dealers Association of North Dakota

SENATE TRANSPORTATION COMMITTEE

January 4, 2007

North Dakota Department of Transportation
Keith C. Magnusson , Deputy Director For Driver and Vehicle Services

SB 2111

Good morning, Mr. Chairman and members of the committee. I'm Keith Magnusson, Deputy Director for Driver and Vehicle Services at the North Dakota Department of Transportation. Thank you for giving me the opportunity to present information to you today.

The North Dakota Department of Transportation pre-filed Senate Bill 2111 as an agency bill. This bill simplifies the use of automobile dealer number plates used by dealerships in the course of their business.

This bill provides for the issuance of only one type of dealer plate for all legal purposes, which will simplify the various uses of dealer plates. This, in turn, would help dealers to stay compliant with all dealer plate laws. At the present time, there are several different types of plates used by dealers, as specified in the law, and this often becomes confusing.

In drafting this change, we have consulted with the Automobile Dealers Association of North Dakota and they are receptive to such a change. Currently, in addition to the normal new or used car dealer plate, there are "intransit" and "demonstration" plates, both with restrictions. One type of plate, for all dealership uses, would greatly simplify compliance for dealers and enforcement by the department.

*Same
testimony given to
House Transportation*

**TESTIMONY
SENATE BILL 2111
HOUSE TRANSPORTATION
FEBRUARY 8, 2007**

- Mr. Chairman and members of the committee. My name is Bob Lamp and I am appearing in support of Senate Bill 2111 on behalf of the Automobile Dealers Association of North Dakota which consists of approximately 100 franchised new car dealers in our state.
- During the 2001 Legislative Session, our association and the Motor Vehicle Division of the NDDOT worked together on legislation which was a major overhaul of our North Dakota dealer licensing law. With the support of the legislature, this shared initiative resulted in many improvements for dealers and the regulators.
- As industry and enforcement issues change, however, it often becomes necessary to ask for amendments to existing law. We are happy to support the NDDOT, Motor Vehicle Division, in their request for amendments outlined in Senate Bill 2111.
- The use of dealer plates has become a confusing issue for dealers, their employees and regulators. The process of selling or leasing automobiles has changed substantially over the years. One example is the 100 mile radius limitation for using the DD plate to demonstrate vehicles. The 100 mile radius for the DD plate usage was sufficient in the past. Today, people travel well over that distance to test drive automobiles. Senate Bill 2111 will provide for this type of demonstration drives.
- Even though the DD and DX plates have been used by dealerships for a long time there continues to be violations under existing law. Often these violations are completely out of the dealer's control. Many dealership employees have access to these plates and use them daily in the conduct of the dealership business.
- It is certainly not uncommon for a manager, a salesman or even a lot person to use these plates to move vehicles for demonstration, transfer or perhaps to auction. Having one plate for all of these purposes would simplify the process and be a positive development for automobile dealers in the conduct of their business. We ask for your favorable support of this legislation.
- Mr. Chairman, this concludes my testimony in support of Senate Bill 2111. Thank your for the opportunity to testify.

Robert L. Lamp
Automobile Dealers Association of North Dakota