

2009 SENATE TRANSPORTATION

SB 2385

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2385

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: February 5, 2009

Recorder Job Number: 8734

Committee Clerk Signature

Jody Klauze

Minutes:

Senator Lee called the Transportation committee to order. All members were present.

Senator Lee opened the hearing on SB 2385.

Senator Nething introduced SB 2385 relating to the issuance of license plates and testified in support of it. Written testimony can be found in attachment #1. He also distributed a copy of a possible amendment. #2

Senator Potter had a question on the timetable of when the plates will be ready.

Senator Nething said it would take effect July 1, 2009 but it will take time to implement.

Senator Potter asked if the \$6 fee in the proposed amendment was necessary.

Senator Nething said it is a onetime fee but also you have the retention and that is ongoing.

Senator Potter said that the 4.4 million could be recaptured in 2 biennium's just through retention.

Senator Nething said he thought they could, based on those estimates but when you have a Fiscal Note you have to pay for it.

Senator Nodland asked what type of plates they were looking at.

Senator Nething said, historically they left that up to the Director.

Mike Rud, NDPMA testified in support of SB 2385. We have no problem with this as long as they stay with a 2 plate system.

Senator Potter asked if the \$6 fee bothered him.

Rud said no.

No Opposition

Neutral Testimony

Glenn Jackson, Director of the Motor Vehicle Division of the ND Department of Transportation said that ND Department of Transportation neither supports nor opposes this bill.. Written testimony found in attachment #3. He also talked about the timeline to do this.

Senator Nodland asked about his veteran's plate and was concerned if that would still be available.

Jackson said it would still be available.

Senator Marcellais asked if they will be able to combine the veteran's plate with the handicap.

Jackson said that technology is available today but we have not had a request for it.

Senator Lee asked about the fiscal note and which license plate product they used to come up with the numbers.

Jackson said they went with the current plate technology in the fiscal note. Department of Transportation has no position on the technology to be used.

Senator Lee asked him if they didn't need to decide on what technology they were going to use.

Jackson said that would be something properly addressed by Roughrider Industry.

Senator Potter asked if this would authorize them to drop the Peace Garden State from the plate.

Jackson said that had to stay on the plate. That is a separate statue.

Senator Nething asked Rough Rider Industry representative to explain the difference between the digital and the conventional plates.

Dennis Fracassi, Deputy Director for Industries and applications for the Department of Corrections said his understanding of the flat plate or digital gives the manufacture more flexibility to do all types of plates like college, veteran, POW, etc. The real advantage to DLP lies with tracking the registrations. They can do whatever Department of Transportation wants but DLP is the technology of the future.

Senator Lee said only eleven states are using the digital plates and they are a lighter plates. He had read that the lettering is often difficult to read and that is one of the complaints about the plate. He asked if that was right.

Fracassi said he was not an expert on the visability issues of flat plate technology and he could not answer that but it is probably an appropriate question for one of his suppliers.

Senator Lee asked if they had the technology to do it.

Fracassi said they did not, but that would be in the fiscal note if they were to convert to digital license plates. When they put the estimates together he said they figured for a worst case scenario. He said that they are going to have to start replacing equipment for whatever technology they use.

Senator Lee asked if going to digital they would need more space.

Fracassi replied that it would actually reduce space requirements.

Mark Nelson ND Highway Patrol said he could answer questions.

Senator Nething asked Mark about the visible plates and the importance of them.

Nelson said the most important safety issue to them is the two plates per vehicle. The reflexivity is an important issue with license plates, also.

Senator Nodland asked if the age of the plates was noticeable.

Nelson said that they have not heard a cry from law enforcement that there is an issue out there.

Senator Lee asked about the position of the stickers and he asked if it mattered to law enforcement where we put them.

Nelson replied that it was an issue.

Glenn Jackson spoke in reference to the digital plates, flat plates and embossing.

Senator Nething asked if he had the information on the potential of those out of compliance.

Jackson said he did not have that information.

Senator Lee asked a question on the design and how they would come up with it

Frances Ziegler Director of Department of Transportation explained what the possibilities were and if we did have a contest he explained how the contest might work. He said they want to make it a public deal.

Senator Nodland asked if Mr. Ziegler could speak to the question on potential non-compliance numbers.

Ziegler replied that they hear numbers but they don't have a good handle on it. Ziegler also commented on South Dakota and that they had went to a flat plate and they are finding them flimsy. We have to look and make sure we do get a durable plate.

Senator Lee asked if these plates could just be replaced as people register to phase this in verses blanket redoing.

Ziegler said we had talked about that but the biggest cost is the design and the materials. It is more efficient if we do it all at once.

Senator Nething said if we don't do a general issue, we don't have the opportunity to catch those not in compliance.

Ziegler said that is correct.

Mark Nelson said that he does not have exact number on non compliance vehicles but he could provide information on people that they have caught with expired registration. It would just be figures from the HWP. He will put it together.

Great!

Closed the hearing on SB 2385.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2385

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: February 5, 2009

Recorder Job Number: 8817

Committee Clerk Signature

Jody Hauze

Minutes:

Committee Work on SB 2385.

Highway Patrol had a handout on information on non compliance registration.

Senator Nething proposed an amendment and explained it. Discussed funds and where the registrations fee went.

Senator Lee asked the intern to call Glenn Jackson to ask about the fund and where the registration fee goes.

Senator Potter asked if the \$6 fee was a onetime fee or if it was a permanent fee.

Senator Nething said onetime fee.

Discussion followed on the difference in plates and the difference in prices of the technology.

Also discussion followed on the fiscal note.

Senator Lee said that the Intern discovered that the registrations would go into the Motor Vehicle Registration Fund.

Senator Nething moved the amendment.

Senator Nodland seconded.

Roll call vote: 6-0-0

Senator Nething moved a Do Pass as amended and rerefer to Appropriations.

Senator Nodland seconded.

Roll call vote: 6-0-0.

Senator Nething will be the carrier.

FISCAL NOTE
Requested by Legislative Council
02/13/2009

Amendment to: Engrossed
SB 2385

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$4,225,000		\$0
Expenditures				\$5,847,000		\$0
Appropriations				\$4,397,000		\$0

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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).*

This bill creates a new ND license plate to be issued as a general issue and replacement for all current ND plates.

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.*

Two production methods exist (Rough Rider industries estimate):
Conventional Embossed Plate cost \$4,000,000 – used in this fiscal note
Digital Flat Plate cost \$4,900,000

Other production costs, to include temporary staff, warehouse, freight, mailing and registration tab printing is the same for both plate production methods: \$1,847,000

The costs associated with this general plate issuance would be paid from the motor vehicle operating budget. As such, the funding for this would come "off the top" of the revenues to the Highway Tax Distribution Fund (HTDF). The amended bill provides for a revenue source of \$5.00 per registration to offset the cost of the issuance.

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.*

Under the amended bill, revenues will equate to \$5.00 per registration for all registrations that receive a plate. This excludes snowmobiles and ATV's. Based on this, there are approximately 845,000 vehicles/trailers that will need a new plate(s). A charge of \$5.00 per registration will generate \$4,225,000 in revenue to off-set the cost of the general issue.

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.*

Expenditures include production of currently utilized embossed plates \$4,000,000 (for flat plate digital plates add \$900,000), as well as the cost for temporary staff - \$126,000; warehouse/freight - \$85,000; mail - \$875,000; and registration tabs - \$761,000; for a total expenditure of \$5,847,000.

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.

Appropriations for the project are the expenditures (\$5,847,000) minus the current budget for sustaining the plate issue process (\$1,450,000), for a total appropriation of \$4,397,000.

Name:	Glenn Jackson	Agency:	NDDOT
Phone Number:	328-4792	Date Prepared:	02/13/2009

FISCAL NOTE
Requested by Legislative Council
02/09/2009

Amendment to: SB 2385

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$5,070,000		\$0
Expenditures				\$5,847,000		\$0
Appropriations				\$4,397,000		\$0

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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).*

This bill creates a new ND license plate to be issued as a general issue and replacement for all current ND plates.

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.*

Two production methods exist (Rough Rider industries estimate):
Conventional Embossed Plate cost \$4,000,000 – used in this fiscal note
Digital Flat Plate cost \$4,900,000

Other production costs, to include temporary staff, warehouse, freight, mailing and registration tab printing is the same for both plate production methods: \$1,847,000

The costs associated with this general plate issuance would be paid from the motor vehicle operating budget. As such, the funding for this would come "off the top" of the revenues to the Highway Tax Distribution Fund (HTDF). The amended bill provides for a revenue source of \$6.00 per registration to offset the cost of the issuance. The revenue source as provided by the amendment should offset any negative impact this bill that would have to the recipients of the HTDF (i.e. NDDOT, cities, and counties under present law).

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.*

Under the amended bill, revenues will equate to \$6.00 per registration for all registrations that receive a plate. This excludes snowmobiles and ATV's. Based on this, there are approximately 845,000 vehicles/trailers that will need a new plate(s). A charge of \$6.00 per registration will generate \$5,070,000 in revenue to off-set the cost of the general issue. There is a potential for \$700,000 more to be raised than is needed. In that case, these funds would be transferred to the HTDF for a slight gain in this 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.*

Expenditures include production of currently utilized embossed plates \$4,000,000 (for flat plate digital plates add \$900,000), as well as the cost for temporary staff - \$126,000; warehouse/freight - \$85,000; mail - \$875,000; and registration tabs - \$761,000; for a total expenditure of \$5,847,000.

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.*

Appropriations for the project are the expenditures (\$5,847,000) minus the current budget for sustaining the plate issue process (\$1,450,000), for a total appropriation of \$4,397,000.

Name:	Glenn Jackson	Agency:	NDDOT
Phone Number:	328-4792	Date Prepared:	02/09/2009

FISCAL NOTE
Requested by Legislative Council
01/27/2009

Bill/Resolution No.: SB 2385

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$5,847,000		\$0
Appropriations				\$4,397,000		\$0

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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).*

This bill creates a new ND license plate to be issued as a general issue and replacement for all current ND plates.

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.*

Two production methods exist (Rough Rider industries estimate):
Conventional Embossed Plate cost \$4,000,000 – used in this fiscal note
Digital Flat Plate cost \$4,900,000

Other production costs, to include temporary staff, warehouse, freight, mailing and registration tab printing is the same for both plate production methods: \$1,847,000

The costs associated with this general issue plate issuance would be paid from the motor vehicle operating budget. As such, the funding for this would come “off the top” of the revenues to the Highway Tax Distribution Fund (HTDF). At present, unless an additional corresponding revenue source is provided to offset these costs, this would impact the counties and cities as they receive percentage shares of the HTDF (Counties 23%, Cities 14%) This would be alleviated with an additional input from the general fund to the motor vehicle division.

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.*

There are no specific revenues associated with the implementation of the bill.

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.*

Expenditures include production of currently utilized embossed plates \$4,000,000 (for flat plate digital plates add \$900,000), as well as the cost for temporary staff - \$126,000; warehouse/freight - \$85,000; mail - \$875,000; and registration tabs - \$761,000; for a total expenditure of \$5,847,000.

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.

Appropriations for the project are the expenditures (\$5,847,000) minus the current budget for sustaining the plate issue process (\$1,450,000), for a total appropriation of \$4,397,000.

Name:	Glenn Jackson	Agency:	NDDOT
Phone Number:	328-4792	Date Prepared:	02/04/2009

REPORT OF STANDING COMMITTEE

SB 2385: Transportation Committee (Sen. G. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2385 was placed on the Sixth order on the calendar.

Page 1, line 13, after the underscored period insert "The department may charge an additional fee of six dollars to offset the cost of a general issuance."

Page 1, line 15, replace "general fund in the state treasury" with "motor vehicle registration fund", replace "such" with "the", and after "sum" insert "of \$4,400,000, or so much of the sum"

Renumber accordingly

2009 SENATE APPROPRIATIONS

SB 2385

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2385

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-10-09

Recorder Job Number: 9094

Committee Clerk Signature

Alice DeLuzo

Minutes:

Chairman Holmberg called the committee hearing to order at 10:45 am regarding SB 2385 relating to the issuance of license plates.

Senator Nething District 12, Jamestown, testified in favor of SB 2385 and provided written testimony # 1, # 2 indicating the last approved change was 1991.

Questions were raised about the engrossed bill and discussion followed on the financial figures.

Senator Christmann indicated Glen Jackson did the fiscal notes.

Chairman Holmberg commented that most states issue their license plates every 5 to 10 years.

Questions were raised about the costs, the revenue generated from plate sales, whether it is a one time cost and what would result in subsequent years.

Senator Nething indicated it would be a one time cost and future years would be like it is now..

Glenn Jackson, Director, Motor Vehicle Division, NDDOT, testified neutrally and provided written testimony # 3.

Chairman Holmberg raised the question of whether individuals would retain their particular number.

Glenn Jackson indicated the number would not be taken away citing the Lewis and Clark plates.

Senator Seymour asked who makes the decisions about the plates.

Glenn Jackson indicated decisions were made by the executive staff of DOT

Senator Christmann stated when he was on the tax committee there were fiscal notes regarding old pickups. A few will be licenses, but there was only a guess.

Glenn Jackson indicated there is no data that says how many plates have expired. If a vehicle is registered then there is data, unregistered vehicles have no data.

Chairman Holmberg asked if there was any testimony from law enforcement in the policy committee.

Glenn Jackson indicated the Highway Patrol did discuss this but they are neutral to the idea..

Chairman Holmberg closed the hearing on SB 2385.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2385

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-11-09

Recorder Job Number: 9275

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the meeting on SB 2385 relating to issuance of license plates.

He asked the wishes of the committee concerning this bill. (41.45) The last time was 1992.

Senator Krauter had questions regarding the dollar amount in the bill.

Chairman Holmberg stated that the committee can appropriate that if we want to reduce that.

Senator Christmann stated he noticed the same thing. He stated that he thought \$5.00 would do it. Do we need to replace the first year all those Lewis and Clark plates, so if you are counting those, I am not sure if those are counted in and also does it always have to be in the first year. I don't think the math comes out. He also made comments regarding non-registered vehicles running around and how we are going to pick up a bunch of extra revenue because they will have to register them. It seems they did not figure that into the costs either.

Chairman Holmberg stated one way to get their attention is to reduce it to \$5.00 and then pass it to the House they will make their wishes known over there.

Senator Mathern stated it is clarified in the fiscal note.

V. Chair Grindberg mentioned it was discussed in commerce committee. He also asked how many want new plates. There was further discussion regarding this matter.

Chairman Holmberg asked the committee how many want to do the new plate.

Senator Robinson stated it depended on the costs and funding.

Senator Wardner moved to amend the fee from \$6.00 down to \$5.00. Seconded by V.

Chair Grindberg

More discussion followed. **A voice vote was taken. The motion carried.**

Chairman Holmberg asked for a motion on the bill

V. Chair Grindberg MOVED A DO PASS AS AMENDED. SECONDED BY SENATOR SEYMORE.

. Further discussion followed regarding if this would be a one-time fee.

Senator Wardner further amended that it would be a one-time fee.

Chairman Holmberg stated having it as a one-time fee. There is a sunset on here but the sunset is on the money that was appropriated, not on the fee.

Senator Kilzer had a question regarding the postage or is there a difference if you stop up at the office and pick them up. He was told you pay the fee if you go into local regional office.

Senator Fischer had questions regarding embossed plates. Further discussion followed.

Chairman Holmberg asked if Senator Wardner wanted to amend his amendment to say a one-time fee and he said yes.

A ROLL CALL VOTE WAS TAKEN ON A DO PASS AS AMENDED. 12 YEAS, 2 NAYS, 0 ABSENT. SENATOR WARDNER WILL CARRY THE BILL.

Chairman Holmberg closed the hearing on SB 2385.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2385

Page 1, line 13, after "additional" insert "one-time" and replace "six" with "five"

Renumber accordingly

Date: 2/11
Roll Call Vote #: /

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2385

Senate _____ Committee _____

Check here for Conference Committee

Legislative Council Amendment Number amendment (to be prepared)

Action Taken Do Pass Do Not Pass Amended

Motion Made By Wardner Seconded By Grindberg

Representatives	Yes	No	Representatives	Yes	No
Senator Krebsbach			Senator Seymour		
Senator Fischer			Senator Lindaas		
Senator Wardner			Senator Robinson		
Senator Kilzer			Senator Warner		
V. Chair Bowman			Senator Krauter		
Senator Christmann			Senator Mathern		
V. Chair Grindberg					
Chairman Holmberg					

Total Yes voice vote carried No _____

Absent _____

Floor Assignment Wardner Cif trump doesnt want

If the vote is on an amendment, briefly indicate intent:
Wardner carried the bill to!

Date: 2/11/09
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. A 385

Senate _____ Committee _____

Check here for Conference Committee

Legislative Council Amendment Number _____ *need Amendment*

Action Taken Do Pass Do Not Pass Amended

Motion Made By Grundberg Seconded By Seymour

Representatives	Yes	No	Representatives	Yes	No
Senator Fischer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Warner	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Christmann	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Robinson	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Krebsbach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Krauter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Bowman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Lindaas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Kilzer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Mathern	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Grindberg	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Seymour	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Wardner	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Chairman Holmberg	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

Total Yes 12 No 2

Absent _____

Floor Assignment Transportation carry Wardner carried the Bill

If the vote is on an amendment, briefly indicate intent:
Carry amendment Sen Wardner unless trump

REPORT OF STANDING COMMITTEE

SB 2385, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2385 was placed on the Sixth order on the calendar.

Page 1, line 13, after "additional" insert "one-time" and replace "six" with "five"

Renumber accordingly

2009 HOUSE TRANSPORTATION

SB 2385

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2385

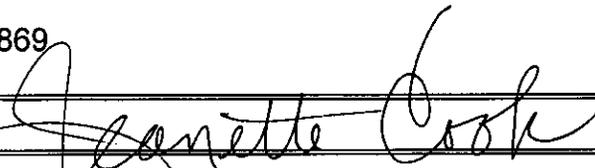
House Transportation Committee

Check here for Conference Committee

Hearing Date: 03/12/09

Recorder Job Number: 10869

Committee Clerk Signature



Minutes:

Representative Glen Froseth, District 6, introduced SB 2385. I was appointed by Governor Hoven as legislative liaison for the Roughrider Industry Board. Serving on that board, I realized how important it is to keep that industry active and busy. That is one of the reasons that I supported this bill. In addition to the fact that I think that it is time. The last license plate was issued in 1992 or 1993. It was under the first term of Governor Shaffer. I think the standard procedure for issuing new license plates, is when we have a new governor elected within a ten year period, that governor has the privilege of funding a new license plate issue. So, we are way past due. Governor Hoven has not had a license plate issued in his term of governor ship. This license plate has been in existence for sixteen or seventeen years and most of them are pretty well worn out, especially on the front end of those farm trucks and the back end of pick-ups. The five dollar fee I believe is quite nominal. I think the general public will accept the five dollar fee on a new issue. I like the idea that there will be a contest to design it. The only think I would suggest on the bill is to look at the part that says, future issue every ten years. I think that we can leave it up to the discretion of future legislation sessions. I would encourage that you give the bill a Do Pass and move it forward.

Chairman Ruby: Does it sound like this is a workforce development for Roughrider Industries in your opening statement?

Representative Glen Froseth: I maybe did sound that way. I think that it is a good purpose. We need to create jobs for the people in Roughrider Industries also. They keep busy, and there have been a lot of plate upgrades. A new issue would give them a great deal of work. I think also that they are in line for a new equipment, and this might help them get enough resources to get the digital form of production.

Representative Weiler: When you look at the fiscal note, it is going to end up costing the state \$1.6 million. Is that correct? Was there any discussion in maybe raising the \$5 fee to \$6 or \$7 to offset that fee so there is no cost to the state?

Representative Glen Froseth: I haven't seen the fiscal note. I just know when it first came out on the Senate side, there was a \$6 fee attached to the original bill. I'm not sure, but I think that the Senate reduced it to \$5. I don't know about the cost of the plate. I was led to believe the \$5 was the cost of a new plate. I think that there are some other issues here as well with vehicles that aren't being registered and licensed. Maybe this will catch up with a few of those if we have a new issue. I defer the question about the cost to the industry.

Representative Weiler: In the past, has it been typical that when we have issued new license plates that we do not charge enough to cover the license plate?

Representative Glen Froseth: I can't answer that.

Representative Weiler: My point is, if people are going to be upset about charging \$5, then we might as well make them pay \$6 and recover our costs, rather than have the state pay an extra million.

Representative Schmidt: Is the Peace Garden State going to stay on the plates?

Representative Glen Froseth: I think that it is Code or Rule, but I'm not sure.

Representative R. Kelsch: It is in Code, so it would stay on there.

Representative Thorpe: I am assuming that the Lewis and Clark thing would be dropped.

Was that for a certain length of time?

Representative Glen Froseth: I believe it is already dropped, and you can't get one at this time.

Senator Dave Nething, District 12, spoke in support of SB 2385. He provided written testimony. A diagram showing revenue gained from registration of non-compliant vehicles is part of his testimony. See attachment #1.

Representative Weiler: Representative Frantsvog stated that when there is a new governor they get new plates. If the last time that they were issued was in 1991, then Governor Shaffer didn't get new license plates, is that correct?

Senator Dave Nething: According to your numbers, that is correct. I said that the legislature approved the new plates in 1991, and they were issued in 1992. I believe that Shafer didn't take office until 1993. I have never thought about every new governor getting a new license plate. I don't know if that is true.

Chairman Ruby: The 3% of the cars that you mentioned are these cars that have plates but the tags are outdated, and they are getting by driving around without tabs? Since the plates are similar to all the others they are not being captured?

Senator Dave Nething: Right, they are not paying the fees for their licenses.

Mike Rud, North Dakota Petroleum Marketers and the North Dakota Retail Association, we strongly believe that plates need to be in good shape. If five years is the limit, we have security issues that we would like to address with a good clean plate. We like two plates on

the vehicles to prevent drive offs on the petroleum side. Also, from a retail standpoint if there is a theft or a burglary or anything like that, if we do have video camera outside our facilities it is a good thing to have good plates on a car. This way we can get it to law enforcement. The law enforcement does utilize the videos that the stores have. They use them more than people think.

Representative R. Kelsch: Do you think, as someone who is out in the public, that the \$5 cost for the new reissuance would be problematic?

Mike Rud: I don't think it would be. It is a reasonable number. I guess I would side with Representative Weiler that it could even be a little bit higher, so that all the costs are covered.

Representative Weiler: If we pass this out and people are going to be charged between \$5 and \$6 extra dollars. There may be some rumbling because we have a \$1.2 billion surplus, and here we are charging them for a license plate. We might hear that.

Tom Balzer, North Dakota Motor Carriers Association, spoke in opposition to SB 2385. We are not adamantly opposed to this bill, but we do have some concerns that we have as an industry. A large trucking company may run ninety trucks and two hundred trailers. So, they would have three hundred units to replace plates on. These units can be anywhere in the United States at any given time. It is going to be a logistical nightmare for us. Cost wise when you take five or six bucks time 300, it will be a couple of grand, so it will not break anyone in the industry. But, it is definitely a difficult time. I know that our industry is thankful that it has taken this much time, and that we have kept the same plates. Our concern is that they talk about these being a billboard further along. I have traveled the United States for quite awhile, and I can't say that I ever went to any state because they had a really cool license plate. So, a few years ago the legislative body passed a multiyear trailer plate. It is white and black. It

reflects very well. Our concern is that when the legendary logo and marketing scheme runs out, are we going to be back here again to replace these plates again? The other concern is when I look at the fiscal note, and I thank DOT for trying to get me on track with that number, there is a \$1.2 million shortfall to cover expenses on that. The belief that 3% or 5% of the people that are not complying with this law right now are all of the sudden going to magically going to walk into DOT and buy a new plate, is not going to happen. Especially, when the fine for not having a new plate is only \$25. They are going to take that chance because a lot of them are low mileage vehicles. The issue is again that you are taxing people that are law abiding citizens for those that are not. We may end up with a shortfall in the amount of money that we spend in replacing these plates. If this is something that you guys decide to pass out, don't think the trucking industry is going to be up in arms. They are just some things to think about. It does seem simple, when you are talking about your own personal vehicle, but when you have multiple vehicles it is kind of a pain.

Representative Weiler: In the past when you have had all those vehicles, what did you do? Was it just a problem, but you did it?

Tom Balzer: When you think back to the trucking industry's growth in the last fifteen years, there weren't many carriers that were as large as three hundred or four hundred. So, it is an issue and a pain, but it is one of those things that we will do it regardless of what happens.

Representative Weiler: Do some of the trucks that go around, do they carry multistate license plates on them?

Tom Balzer: There is now a UCR (Unified Carrier Registration) which no longer has a sticker. We have gone away from putting multiple stickers or plates on vehicles. They use a base plate from the issuing state as proof of their full registration.

Representative Frantsvog: The plate that you were showing that goes on trailers. Do you have to put tabs on those?

Tom Balzer: This is a multiyear trailer plate that was brought forward to the legislature in 2003. This plate allows us to just put this plate on, and it is valid for six years.

Linda Butts, Deputy Director Drivers & Vehicle Services at the North Dakota DOT, spoke in a neutral position on SB 2385. See attachment # 2. She clarified that if there were a contest for the plates, it would be a concept that was chosen, because the graphic artists would have to design the plates.

Representative Thorpe: So, what will be done with the pioneer and the collector plates?

Linda Butts: I think those will stay the same. They are separate plates entirely.

Representative R. Kelsch: If you have a LC plate and my number is 34. Could it be LC 34?

Linda Butts: Yes, if we go to a new plate series, and we want to eliminate both the buffalo and the Lewis and Clark plate. What we are suggesting is it will give us the ability to continue offering a LC plate with the new design. On the Lewis and Clark, it says LC and then the new number. It show up in the system as LC, so to protect your number that is what we would have to do.

Representative Weisz: How many new plates do we issue every year?

Linda Butts: I don't know. I will have to get back to you.

Representative Weisz: I would like to know how many plates we are already issuing on an annual basis.

Representative Thorpe: Would it be another \$100 fee for the a Lewis and Clark plate?

Linda Butts: I don't know. That would be another thing for us to research. We have articulated a problem here, but have not articulated a solution. We will put that down and go back and research that.

Representative Gruchalla: In Senator Nething's testimony he said that with a new issue, they are going to go out and capture the 3% that don't pay fees right now?

Linda Butts: We looked at that, and there are probably some that are in shelter belts or just used around the farm or for some reason are low mileage. We had no way of guesstimating to put a number on it. Where he got his numbers, I don't know.

Representative Delmore: Do you hear any complaints about the current license plates?

Linda Butts: No, when it was issued in 1994, it actually won a national award. We have gotten no complaints about the plates.

Representative Delmore: It says that the director may design and issue the plates. You talked a little bit about the process. Will you include our governor in on that so that he has his license plates?

Linda Butts: If that is your desire:>)

Representative Thorpe: When working as an auto dealer, every once in awhile we would get something in with a plate that was anywhere from a year to five years out of date. There are some out there that you may recapture.

Chairman Ruby: I would like to go over the fiscal note. It shows \$ 5, 847,000 for the expenditure for the total project. According to the fiscal note there is a \$1,450,000 in the current budget as it relates to continuing appropriations, is that correct? That brings us down to \$4, 397,000. The five dollar fee would raise \$4,000.225 to offset that \$4,397,000. So, that is still short \$172,000. If you take that into the current budget dollars, the \$1.4 million, then there

is a \$1,622,000 of general fund dollars that are being spent other than the \$5 fee. Is that right?

Linda Butts: You are adding the \$170,000 to the \$1.4 million to get your number. Then you are asking ... and motor vehicle takes it off the top, so that would be the funding mechanism?

Chairman Ruby: You have it in your current budget right now, so it would even be another \$172,000 out of your new budget, correct?

Linda Butts: Correct.

Chairman Ruby: So, even a \$1.00 increase with 845,000 plates, would raise well over that?

Representative Heller: How long has it been that we have kept our plates and just transferred them when we get a different vehicle?

Linda Butts: I'm not sure, maybe 1999.

Representative Weisz: In the fiscal note you have the \$1.4 million that is in the budget to sustain the process. How much of that loss of revenue is a current ongoing loss? What is the revenue that you are getting under the current process?

Linda Butts: Are you wanting to know if the \$1.4 million covers the cost of plate issuance?

Representative Weisz: No, I want to know what your revenue is on an ongoing basis now, because that raises the offset of the \$4,000,225. That revenue is gone, because you have complete issue.

Linda Butts: I see.

Representative Weiler: On the fiscal note it says, cost for temporary staff, \$126,000?

Linda Butts: I asked Glenn about that. There are a couple of ways to do an issuance. One is to do it in one year. This is an assumption that in one year there will be a new plate on every vehicle that is licensed in North Dakota. That will require some additional staff to help with the

mailing. I think it will be eight temporary workers to handle the mailing in that one year's time frame.

Representative Schmidt: Can we keep our Lewis and Clark plates?

Linda Butts: If the legislature so chooses to do that, we can do it in one of two ways. One is to order new sheeting and continue the Lewis and Clark plates just as they look now. If we have a new plate design, we can have some of that plate have an LC on that sheet.

Representative Thorpe: Are the rental car companies and other companies that have a fleet of vehicles going to be charged a regular fee plus a \$5 fee for each one of those cars, even though they keep turning those cars over each year?

Linda Butts: I will have to investigate that and get back to you.

Representative Vigesaa: In the expenditure area on the fiscal note, there is a cost for tabs.

Could that be taken out if this done over a two year period, since it would normally be done that way?

Shannon Sauer, the Financial Management Director for DOT: If I understand the question correctly, you are asking if we stagger the license issuance over a two year period rather than all at once, would there be a cost difference? Every year we mail out new tabs, so there is going to be that cost every year. I'm not sure I understand the question.

Chairman Ruby: As the tabs expire, and you have to come in and get new tabs, as you come in and get the new plates, as you do now, there wouldn't be a new cost as the fiscal note shows. So, that would be a savings.

Shannon Sauer: That would be correct.

Representative Potter: You said that you have not had any complaints on the plates. Did that include the reflectivity?

Linda Butts: That is correct. When this bill came up, I specifically called Highway Patrol to see if they had any complaints about the reflectivity on the plate. He polled his folks. They came back and said that they haven't had any complaints. That is not to say that a plate can't get beat up, and it is hard to read. They just haven't had any complaints in the field.

Representative Potter: Do you know how long the reflectivity lasts? We have heard four years, but if you haven't had any complaints, maybe it is longer than that.

Linda Butts: I don't know for sure. We generally poll what other states do. Most states typically issue every ten years. Is that the life of reflectivity? I think it is generally longer than that.

Representative Griffin: Does the DOT keep records when an individual gets new plates?

Linda Butts: We could go back and see who paid five dollars.

Representative Vigesaa: Is the opportunity to get replacement plates put into the renewals or something, so that people know they are available? Is that ever communicated to the general public that they are available?

Linda Butts: I can only comment on the renewal notices that we get. We do not send that information out, but that would be an option.

Dennis Pskosvoski, Deputy Director for Industries and Educations for the Department of Corrections, stood in a neutral position. To expound on Representative Froseth's statement, this would have a very positive impact on Roughrider Industries. This would be for two reasons. The fiscal note also contains the replacement of dies and brake press, that are over thirty years old. If we don't do it this session, we will need to come in and get that equipment next session. What we would do with the profits that we generate from motor vehicle, (I want to make it clear that Roughrider Industries does not receive general fund dollars.) ...

Everything we do, we generate our income through the sales and services of the products that we produce. We sell to a restricted market of government, nonprofit and selected wholesalers and retailers. What we would do with the profits, if this bill would go through, is jump start our new reentry efforts to introduce more vocational educational programs in the Department of Corrections. We are currently collaborating with Workforce Development, Higher Ed through BSC and Whapeton State, Job Service North Dakota, and the Department of Human Services. We are making a concerted effort to try to make more vocational training in areas of North Dakota that are needed, so that we can get these inmates out and hopefully gainfully employed. We know that will reduce the cost of incarceration.

Representative Delmore: What is the difference in the conventional embossed plates and the digital flat plate other than the cost?

Dennis Pskosvoski: It is the technology. The conventional plates are the ones that we use right now that are embossed with a press. The press needs to be replaced along with the dies. The flat plate technology gives you more flexibility. Instead of going out and buying sheeting, you buy white sheeting. Then it is computer programmed to put any kind of message on the sheet that you want. So, it give the flexibility to do a multiple number of plates. Right now we are doing the pioneer plates. We do veterans plates. It gives that flexibility. I do believe that on the Senate side that Mr. Ziegler, from Motor Vehicle, testified that he was not in favor of the flat plates simply because of the fact that if it gets dusty, you don't see anything.

Representative Delmore: Do you have the technology to do either plate?

Dennis Pskosvoski: No, we don't. If we were to go to the flat plate technology, we would have to finance it over a period of ten years.

Representative R. Kelsch: So, you currently have the technology to do the flat plates? But, you do the technology to continue to do the embossed conventional plates? With the conventional plates are you not able to have as many options, since we have so many kinds of plates?

Dennis Pskosvoski: If it is digital you can mix and match and do one kind of plate and then another. It doesn't matter. With the conventional technology, the veterans' plates for example we use a decal and then put a clear coat over the top of it. It is labor intense and less cost effective than flat plate technology. We still get the job done. We do present them in issues, rather than mix and match.

Representative R. Kelsch: Do you know how many states are currently offering the flat plates?

Dennis Pskosvoski: I'm not sure. Eleven would be my best guess.

Representative Vigesaa: I have heard that the flat plates are a thinner material. Can you get those in varying thicknesses? I have heard that they are flimsy.

Dennis Pskosvoski: They do use thinner aluminum, but we could do that with embossed plates as well. I think they use .0024 gauge, where our plates current plates are .0032. It is firmer. There is also a border that is supposed to take out the flimsiness in both the flat plate and the conventional. It is a common complaint that I am aware of.

The hearing was closed on SB 2385.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2385

House Transportation Committee

Check here for Conference Committee

Hearing Date: 03/13/09

Recorder Job Number: 10958

Committee Clerk Signature

Jeanette Cook

Minutes:

Chairman Ruby brought SB 2385 before the committee. He distributed a sheet with the answers to the questions that the committee had requested from the Department of Transportation during the hearing. See attachment # 1.

Discussion took place on the necessity of tabs on a brand new license plate.

Representative R. Kelsch: When Tom Balzer came in and showed us the plates for the trailers, this new issuance would not affect those plates because they are trailer plates. Those plates do not need to be replaced since they are a six year plate. Isn't that correct?

Representative Weisz: I think that the trailer plate has the year when the plate was purchased, and then you have to get tabs every year.

Representative R. Kelsch: But, those plates would not be affected by this new license plate.

Chairman Ruby stated that Tom Balzer's testimony said that when someone has a fleet of trucks it would be a hassle to get all of the plates changed when the trucks are all over the country. I thought that his opposition was tepid. He wasn't adamantly against this.

Representative Frantsvog: If this bill passes, will you get your new plate at the time the old tabs become due? Or, are they talking about distribution all at once?

There was mixed conversation. Some thought that the distribution was all at once, and others thought it would be when the tabs were due on a vehicle.

Representative Weiler: Why couldn't they put a number on the plate when it was issued instead of sending out a tab for the first year. That would save the state \$716,000.

Representative Weisz: There are two things. If they spend the \$900,000 cost to go with the flat plate digital, they could do that. The problem is that the plates aren't preassigned to the vehicle. They make all the plates with numbers on, and when I come in to get a plate that number on the tab goes with the registration.

Miscellaneous conversations were going on.

Chairman Ruby: The license number is on the tab. That is how I know which tab goes with each of my trucks.

Representative Delmore: They aren't sending them all out in one day. I know they couldn't.

Representative Vigesaa: I think, according to the fiscal note, that they are planning on sending them out at once. That is why you would need all \$760,000 worth of tabs, and you would need to hire seven to nine people to get out extra plates at one time. Otherwise they wouldn't need extra people.

Representative Schmidt: The DOT is sending out 800,000 plates, and we haven't even passed this bill yet. Half of the people in North Dakota don't need new plates. There are lots of ways to check to see if people need new plates. Have the cops go around town and check to see if people need new plates or have them stop people like a DUI check. Half of the people in Maddock have their cars in the garage, and those old widows don't drive one hundred miles a year. They don't need new plates. Are we are going to say that you have to get new plates, just to keep the convicts busy?

Chairman Ruby: Is this a motion?

Representative Schmidt: I move Do Not Pass on SB 2385.

Representative Griffin seconded the motion.

Continued discussion was held about the distribution of plates, all at once versus at the time the new tabs are due. Also there was a review of the Lewis and Clark and Buffalo plates.

Chairman Ruby commented that now would be a good time to buy aluminum. It is cheap right now.

A roll call vote was taken for a Do Not Pass on SB 2385. **Aye 10 Nay 3 Absent 1**

The motion passed.

Representative Weiler will carry SB 2385.

Date: 03/13/09

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2385

House TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass Don't Pass Amended

Motion Made By Schmidt Seconded By Griffen

Representatives	Yes	No	Representatives	Yes	No
Representative Ruby - Chairman	✓		Representative Delmore		✓
Rep. Weiler - Vice Chairman	✓		Representative Griffin	✓	
Representative Frantsvog	✓		Representative Gruchalla		✓
Representative Heller	✓		Representative Potter	✓	
Representative R. Kelsch		✓	Representative Schmidt	✓	
Representative Sukut			Representative Thorpe	✓	
Representative Vigesaa	✓				
Representative Weisz	✓				

Total Yes 10 No 3

Absent 1

Bill Carrier Weiler

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

REPORT OF STANDING COMMITTEE (410)
March 13, 2009 11:13 a.m.

Module No: HR-45-4788
Carrier: Weiler
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2385, as reengrossed: Transportation Committee (Rep. Ruby, Chairman)
recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING).
Reengrossed SB 2385 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

SB 2385

SB 2385

FF 1

Good Morning Mr. Chairman and members of the Transportation Committee.

For the record, I am Senator Dave Nething and I am before you to help introduce and support SB 2385.

License plates serve as valuable tools for several North Dakota stakeholder groups. Law enforcement benefits from highly visible day and nighttime vehicle identification. The Department of Tourism and citizens of North Dakota benefit from promoting the state's identity. The Department of Transportation benefits from the revenue generated for vehicle registration as evidenced by an up-to-date license plate and registration tab.

Periodic reissuance of license plates allows each of these North Dakota stakeholders to achieve their objectives.

Situational Analysis:

The last general issue of license plates in North Dakota was approved by the legislature in 1991. Plate production began in 1992. (A license plate reissuance is when every motorist is issued new plates over a 1 to 2 year period.) Many plates displayed on vehicles in North Dakota today are over 15 years old. The warranted life of the reflective material used on license plates is 5 years. Most states reissue license plates on a periodic basis (every 5 to 10 years.) The last effort to advance legislation to reissue North Dakota's license plates was in the 1999/2000 budget. At that time, the reissuance was part of the Governor's budget, but it was not passed. The objectives stated at that time were 3-fold.

- Remove poorly performing plates from the roadways
- Recapture vehicle owners who did not keep their vehicle registered in accordance with state law
- To promote the state's Lewis and Clark bicentennial celebration

The topic of license plate reissuance had been discussed for over 10 years and at this time, it is in the best interest of the state's many constituents (see Appendix A) to fund the reissuance in the 2009/2010 biennium.

Failure to act this legislative session will:

- Miss the opportunity to recapture registration revenue. If only 3% of the state's vehicles are not registered and the reissuance "forces" them to become so, the state's revenue will increase by over \$1.3MM per year. 3% is a conservative estimate. (See Appendix B for Revenue Analysis)
- Further hinder the effectiveness of law enforcement as aging plates become continually less reflective and therefore more difficult to read.
- Delay the opportunity to create 1.6 million "travelling billboards" around the state and around the country reinforcing the image of "Legendary" North Dakota.

SB 2385

License Plates are crucial tools for law enforcement:

For local cops on the beat, troopers working the interstates or civilians witnessing crime, legible license plates – day and night – are crucial in today’s society. Despite the high-tech crime fighting weapons available today, the vehicle license plate remains one of the anchor tools of law enforcement. When compared to the cost of sophisticated police equipment and tools, the cost of 2 legible, reflective plates is pennies on the dollar.

Around the world, law enforcement professionals favor two fully reflective license plates on each vehicle; in fact, every major law enforcement association and professional group is on record in support of 2 plates. Through surveys, law enforcement officers estimate they use the front plate 15 times more often than a rear plate when identifying vehicles. Police rely on witnesses for accurate, timely descriptions of criminal suspects or suspicious behavior. Front and back license plates double the chances to identify a vehicle. Old faded plates – or no front plate at all – hinder police and private citizens’ ability to identify vehicles used in crime.

License plates enhance roadway safety:

Fully reflective license plates enhance driver safety by providing an additional reflective surface that clearly reflects a driver’s headlights – warning of parked, stalled or abandoned vehicles on the roadway. Numerous studies have borne out the safety benefits of fully reflective plates through decreased parked-car accidents. When based on the number of miles driven, nighttime fatal accident rates are three times higher than daytime rates. Reflective license plates provide an added safety advantage because they are up to 5X brighter than the minimum standards for built-in taillight reflectors.

Because license plates are exposed to the abusive environment of a car bumper just 18 inches from the road surface, their legibility and reflective performance deteriorate over time. Plates become more difficult to read. Regular reissuance of plates helps overcome the problems inherent in pushing a plate beyond its natural life.

I’ll try to answer your questions. Others will testify and may be better at answering them.

North Dakota License Plate Reissuance with flat digitally produced plates				
Stakeholder Analysis - January 2009				
DOT	Dept. of Tourism	Law Enforcement	Rough Riders - Prison Industries	Motorists
Increase Revenue - via capture of non-registrants & Optional plate retention fee	New Image would promote states' Legendary campaign	Improved nighttime visibility of license plates	New plates to be produced digitally. This offers new skillsets for inmates, shrinks required space and allows for greater manufacturing flexibility	Option to keep the same plate number for a fee of \$15.
Capability to better manage license plate inventory and distribution of license plates	Fresh new image of the state on 1.6 million travelling billboards	Enhanced visual identification of non-registered motorists	Allows for lower costs in labor and aluminum.	Enhanced image of the state and of the license plate
Ability to print a barcode on each plate for inventory tracking purposes		Enhanced visual identification of fraudulent license plates. This is made possible by an easily viewed security thread in the newly issued license plates.	Allows improved efficiency, reduced inventory and reduced errors	Additional license plate choices due to digital design flexibility
Reduced shipping costs due to lighter gauge aluminum		New plate to be designed to support law enforcement's visibility requirements		Option to have the new plates mailed to them for convenience

		Scenario - Conservative	Scenario - Most Likely	Scenario - Aggressive
North Dakota				
Registration Revenue				
Number of registered motor vehicles				
	*			
Registration non-compliance rate (%)				
	*			
Collection rate of non-compliant registration fees (%)				
	*			
Average registration fee (\$)		\$ 60.00	\$ 60.00	\$ 60.00
Average late registration fine (\$)			\$	\$
Incremental revenue from recaptured non-compliant registrations	=	\$ 1,368,000.00	\$ 2,280,000.00	\$ 3,259,200.00
Total Incremental Revenue from Reissue		\$ 1,368,000.00	\$ 2,280,000.00	\$ 3,259,200.00
Retention Fees				
Retention fee per vehicle		\$ 15.00	\$ 15.00	\$ 15.00
Number of vehicles eligible for retention		800,000	800,000	800,000
Percentage of vehicles that will opt for retention		10%	10%	15%
Revenues from Retention Fees	+	\$ 600,000.00	\$ 1,200,000.00	\$ 1,800,000.00
Total Revenue based on 3 Scenarios		\$ 1,968,000.00	\$ 3,480,000.00	\$ 5,059,200.00

2

*not
rule*

**PROPOSED AMENDMENTS TO
SENATE BILL NO. 2385**

Page 1, line 15, replace "such" with "in the sum of \$4.4 million, or so much of the"

Page 1, line 17, add "The Department is authorized to charge a \$6.00 fee to offset the cost of the issuance."

Renumber accordingly.

#3

SENATE TRANSPORTATION COMMITTEE

February 5, 2009

9:00 a.m. Lewis And Clark Room

**North Dakota Department of Transportation
Glenn Jackson, Director Motor Vehicle Division**

SB 2385

Good morning, Mr. Chairman and members of the committee. I'm Glenn Jackson, Director of the Motor Vehicle Division at the North Dakota Department of Transportation. Thank you for giving me the opportunity to present information to you today.

The NDDOT neither supports nor opposes this bill. However, the funding for this bill was not included in the DOT budget for the next biennium and we would not like to see funding reduced in any other area of the department to provide for the issuance of a new motor vehicle plate.

The current plate has been in existence since the early 1990's. The latest study conducted by the American Association of Motor Vehicle Administrators reveals that the majority of states reporting a complete plate turnover conduct a general issue of plates every eight to ten years. We are currently at year 17 in our license plate life cycle. The expected life expectancy for license plates is about ten years. There are quite a few plates on the road in North Dakota that are nearly 17 years old.

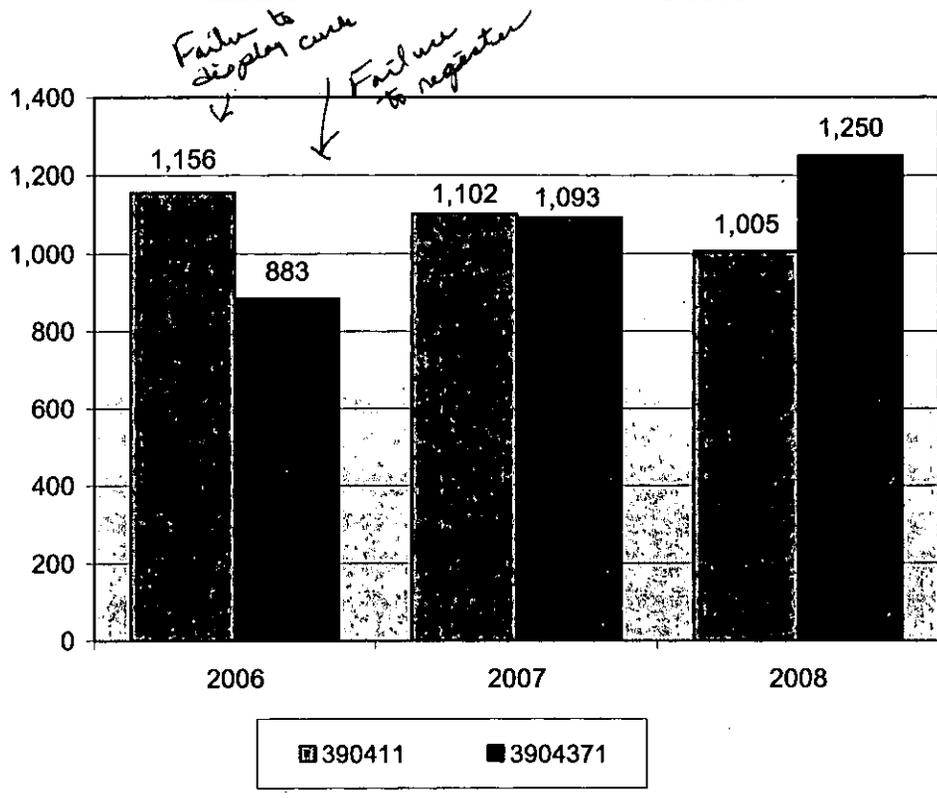
In the event of a general issue, the Lewis & Clark plate should not be included in the replacement. The plate numbers for Lewis & Clark plates actually include the letters LC in the plate number. For example, a standard plate with the number 50 is registered within the Vehicle Reporting & Titling System (VRTS) as 50. However, a Lewis & Clark plate with the number 50 is actually entered into VRTS as LC50. For this reason, people with Lewis & Clark plates may not be eligible to retain the current number on their plate, as the number may already be held by someone within VRTS. Perhaps this plate could be remodeled into a new plate and retained.

The current plate has a very good image for North Dakota. There have been various attempts at creating a new image for the plate. The Lewis & Clark plate was issued as a new plate during the celebration of their journey. The DOT believes a plate designed for North Dakota must be consistent with the history and culture of the state, or offer a plate depicting the future of North Dakota as its people, culture and economy evolves.

That concludes my testimony Mr. Chairman. I'll answer any questions you may have.

#1

Citations			
Century Code	2006	2007	2008
390411	1156	1102	1005
3904371	883	1093	1250



2 wd one

Keeper

#2

**PROPOSED AMENDMENTS TO
SENATE BILL NO. 2385**

Page 1, line 15, replace "general fund in the state treasury" with "motor registration fund"

Page 1, line 15, replace "such" with " in the sum of \$4.4 million , or so much of the"

Page 1, line 17, add "The Department is authorized to charge a \$6.00 fee to offset the cost of the issuance."

Renumber accordingly

HB 2385

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Acting on this legislative session will:

- Enable us to recapture registration revenue. If only 3% of the state's vehicles are not registered and the reissuance "forces" them to become so, the state's revenue will increase by over \$1.3MM per year. 3% is a conservative estimate. (See attached Revenue Analysis)
- Gives us the opportunity to create 1.6 million "travelling billboards" around the state and around the country reinforcing the image of "Legendary" North Dakota.
-

The cost to do this reissue is approximately \$4.4 million for the biennium and will be paid for by adding \$6 to the registration fee.

I will try to answer your questions.

SENATE APPROPRIATIONS COMMITTEE

February 10, 2009

10:45 a.m. Harvest Room

**North Dakota Department of Transportation
Glenn Jackson, Director Motor Vehicle Division**

SB 2385

Good morning, Mr. Chairman and members of the committee. I'm Glenn Jackson, Director of the Motor Vehicle Division at the North Dakota Department of Transportation. Thank you for giving me the opportunity to present information to you today.

The NDDOT neither supports nor opposes this bill. However, the funding for this bill was not included in the DOT budget for the next biennium and we would not like to see funding reduced in any other area of the department to provide for the issuance of a new motor vehicle plate. However, the engrossed version of the bill creates a fee that would pay for the replacement of plates without the loss of vital highway funds.

The current plate has been in existence since the early 1990's. The latest study conducted by the American Association of Motor Vehicle Administrators reveals that the majority of states reporting a complete plate turnover conduct a general issue of plates every eight to ten years. We are currently at year 17 in our license plate life cycle. The expected life expectancy for license plates is about ten years. There are quite a few plates on the road in North Dakota that are nearly 17 years old.

The current plate has a very good image for North Dakota. There have been various attempts at creating a new image for the plate. The Lewis & Clark plate was issued as a new plate during the celebration of their journey. The DOT believes a plate designed for North Dakota must be consistent with the history and culture of the state, or offer a plate depicting the future of North Dakota as its people, culture and economy evolves.

That concludes my testimony Mr. Chairman. I'll answer any questions you may have.

Mr. Chairman and members of the Transportation Committee

For the record, I am Senator Dave Nething and I am before you to help introduce and support SB 2385.

License plates serve as valuable tools for several North Dakota stakeholder groups:

- Law enforcement benefits from highly visible day and nighttime vehicle identification.
- The Department of Tourism and citizens of North Dakota benefit from promoting the state's identity.
- The Department of Transportation benefits from the revenue generated for vehicle registration as evidenced by an up-to-date license plate and registration tab.
- Public gains as new plates providing better visibility for safer roads and highways

Periodic reissuance of license plates allows each of these North Dakota stakeholders to achieve their objectives.

The last general issue of license plates in North Dakota was approved by the legislature in 1991. Plate production began in 1992. (A license plate reissuance is when every motorist is issued new plates over a 1 to 2 year period.) Many plates displayed on vehicles in North Dakota today are over 15 years old. The warranted life of the reflective material used on license plates is 5 years. Most states reissue license plates on a periodic basis (every 5 to 10 years.)

Acting on this legislative session will:

- Recapture registration revenue. If only 3% of the state's vehicles are not registered and the reissuance "forces" them to become so, the state's revenue will increase by over \$1.3MM per year. 3% is a conservative estimate. (See attached Revenue Analysis)
- Create 1.6 million "travelling billboards" around the state and around the country reinforcing the image of "Legendary" North Dakota.
- Assist law enforcement
- Makes our roads and highways safer.

The cost to do this reissue is approximately \$4.4 million for the biennium and will be paid for by adding \$5 to the registration fee.

I will try to answer your questions.

Attachment #2

HOUSE TRANSPORTATION COMMITTEE

March 12, 2009, 2:00 p.m.

Fort Totten Room

North Dakota Department of Transportation
Linda Butts, Deputy Director Drivers & Vehicle Services

SB 2385

Good morning, Mr. Chairman and members of the committee. I am Linda Butts, Deputy Director Drivers & Vehicle Services at the North Dakota Department of Transportation. Thank you for giving me the opportunity to present information to you today.

The NDDOT neither supports nor opposes this bill. The funding for this bill was not included in the DOT budget for the next biennium and we would not like to see funding reduced in any other area of the department to provide for the issuance of a new motor vehicle plate. However, the engrossed version of the bill creates a fee that would pay for the replacement of plates without the loss of vital highway funds.

In the event of a general issue, there is one issue that needs to be addressed. The Lewis & Clark plate either should not be included in the replacement, or the expectation must be that the LC of the current Lewis & Clark plate will be retained on the left of the new plate, similar to the current plate. The plate numbers for Lewis & Clark plates actually include the letters LC in the plate number. For example, a standard plate with the number 50 is registered within the Vehicle Reporting & Titling System (VRTS) as 50. However, a Lewis & Clark plate with the number 50 is actually entered into VRTS as LC50. For this reason, people with Lewis & Clark plates will not be eligible to retain the basic current number on their plate, as the number may already be held by someone within VRTS. They will, however, retain their LC50 number. Otherwise, perhaps this plate could be remodeled into a new plate or retained as is.

The current plate has a very good image for North Dakota. There have been various attempts at creating a new image for the plate. The Lewis & Clark plate was issued as a new plate during the celebration of their journey. The DOT believes a plate designed for North Dakota must be consistent with the history and culture of the state, or offer a plate depicting the future of North Dakota as its people, culture and economy evolves. The NDDOT has a public input process for all projects that are highway or bridge related. Should this legislation pass, we will employ an input process for the plate design.

That concludes my testimony Mr. Chairman. I'll answer any questions you may have.

Attachment # 1

Response to Questions from House Transportation Committee

March 12, 2009

1. **Rep. Weiler, Ruby and Kelsch- Did we change supplies for the material in our tabs?** We have had several reports of tab material failure. We are investigating if this is a batch problem or if the supplier replaced product with a less durable product without knowledge or approval.
2. **Rep. Weisz-How many new plates do we issue per year?** In 2008 we issued 296,338 actual individual metal plates. This off of 165,974 registrations. The total cost of a plate including the metal, tabs, registration forms and mailing is approximately \$5.20. **How much revenue do we generate a year on new plates?** We have not quantified exactly how much as there are a multitude of variables, such as zero revenue for standard plates, \$25 for vanity plates, \$5 for standard replacement plates (set), \$10 for some organizational plates, and others.
3. **Rep. Thorpe- What is the cost to rental agencies as they add new cars to their fleet?** There is no additional fee for plates on a new rental company vehicle, as they receive standard plates.
4. **Rep. Potter-What is the life of the reflectivity?** Manufacturers tell us the average life span for reflectivity is 6-10 years, but there are many plates out there with much longer life.
5. **Rep. Vigesaa-At renewals do we inform people of how they can get replacements for damaged plates?** We explain the options of how to get a replacement plate on our website, and gladly inform people when they either call or stop in and ask.
6. **Rep. Weiler- What is the temporary employee cost?** About 7 – 9 people to help us get the 818,000 plates out in one year. This would create additional mailing and process work for staff.
7. **Rep. Griffin-Can we determine the number of plates sold per year?** Yes , see #2.
8. **Cost of issuance**

		Source of Funds	
Plate material	\$4,000,000	One-time fee \$5	\$4,225,000
Temporary Staff	126,000	Already Allocated	1,450,000
Warehouse & Freight	85,000	Off the top	172,000
Mail	875,000	Total	\$5,847,000
Tabs (cost of raw material??)	761,000		
Total Cost of New	\$5,847,000		
Less amount already allocated	-1,450,000		
Incremental Cost of New	\$4,397,000		
Revenue \$5 x 845,000	\$4,225,000		
Short fall needed off top	\$ 172,000		

9. **Rep. Vigesaa-Could the \$761,000 be removed since it may be a duplicate fee?** The cost per tab is a separate cost for the general issue, as we will need to replace tabs at the same time as the plates. As this chart shows, the tab cost of \$761,000, as well as the mailing cost of \$875,000 and all other costs associated with the general issue, are off-set from the equation when the \$1,450,000 in current budgeted dollars is subtracted from the \$5,847,000 total cost. This eliminates the duplication of income that would exist if we received the full \$5.8 million and still retained our normal \$1.4 million operating budget.