

2013 HOUSE TRANSPORTATION

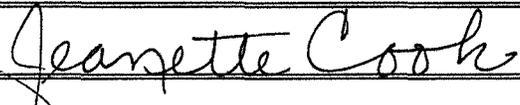
HB 1126

2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

HB 1126
01/18/13
Job # 17401

Conference Committee

Committee Clerk Signature 

Explanation or reason for introduction of bill/resolution:

A bill relating to salvage certificates of title.

Minutes:

Attachments 1-3

Chairman Ruby opened the hearing on HB 1126.

James Prochniak, North Dakota Highway Patrol, testified in support of HB 1126. He provided written testimony and pictures to show examples of vehicles that may have to be inspected. See attachment #1. (2:45)

James Prochniak also explained the pictures attached to his testimony. The top vehicle (A) shows a vehicle that has already been licensed and has a title. The owner may update the license and drive it. It doesn't have to be checked. The bottom vehicle (B) is one that we would typically see and inspect. Picture C is a manure spreader that has been converted to a vehicle. It was passed. By law, the inspection process, and the forms that are checked off to meet minimum standards, and from everything that can be verified, it passes. The point I am trying to make is that we don't train our officers in mechanical components, frame structure, steering components, and brakes, nor do we intend to. There are people that know a lot more about vehicles than we do. This is not to be confused with an annual safety inspection that some states have. We are just talking about getting the proper paperwork when going through a salvage inspection. We would like a mechanic, who knows more about the vehicle, to sign off on the form. This would relieve the duty and liability from the Highway Patrol.

Representative Becker: I'm all for increased efficiency. With this example, the manure spreader, are you saying that it wouldn't have been passed if it had gone to a mechanic? Are the mechanics able to be more restrictive than the Highway Patrolman?

James Prochniak: We can't check the finer details of the vehicle, like the braking components, for example. All we are doing in a typical inspection process is: having the owner apply the brakes, if they hold, we check it off. We can't check to see if the bumpers are load bearing, or if the chassis is proper. We just do a visual check. Yes, we are trying to say that someone who has shown the aptitude to take an ASE certification test is going to know more than the Highway Patrol.

Representative Becker: Are you prepared to decrease your request by 2.8 FTE's in the Highway Patrol's budget, if this bill passes?

James Prochniak: We are looking at our operations and trying to create efficiencies prior to asking you for the additional 15 FTEs. That is the base level. What we are saying is that we can direct those efforts, so that we are more visible on the highway, reduce that fatal accident picture, and remove impaired drivers on the roadway.

Representative Schatz: What will the cost be to the consumer if we change this to a certified mechanic?

James Prochniak: It will be determined by the free market. I don't want to guess what a garage might charge for an inspection. I can tell you that in Minnesota they charge \$100.

Representative Fransvog: Do you charge for these inspections, and what are the requirements to become an ASE certified mechanic?

James Prochniak: We do not charge. There is a process that one has to go through to be ASE certified. There is a handout attached to my testimony that explains it. See attachment 1A.

Representative Gruchella: There are a lot of mechanics in North Dakota that are not ASE certified. Are there other groups like this that certify mechanics that are not included in the bill?

James Prochniak: We didn't check into other groups. There are roughly about 900 ASE certified mechanics in the state of North Dakota.

Representative Gruchella: There are Street Rod Clubs that are concerned about being able to make modifications of vehicles. Will this exempt them from being able to do what they want to do?

James Prochniak: I spoke to the Hot Rod Association. Last week-end they brought this bill to their meeting, and they are in favor of it.

Representative Gruchella: When a mechanic signs off on a vehicle, are they liable if something doesn't work on the vehicle and they previously signed off as it being roadworthy and safe?

James Prochniak: I understand that concern. The Highway Patrol also has that concern. There may be language or may be changes to the form that will allow the mechanic, to the best of their knowledge, to say the vehicle has met the standards. There is also a clause on the current form that will carry over to the new form that talks about misrepresentation.

Representative Delmore: How many inspections are done in a year?

James Prochniak: Last year we completed over 3,000 inspections. The number of ASE mechanics greatly outnumbers the Highway Patrol so there should be enough mechanics to do it. We are just using the 2.8 FTEs and the monetary number to drive home the point that we are tying up officers running around doing inspections. Although they are all over the state, we can still put that time back to road patrol. We want to get them out there to make travel safer. We are not advocating with my example. I am sorry if it was misunderstood. We are not going to transfer 2.8 people. We are just saying that that is how much commitment our agency makes to conducting these inspections. (18:30)

Representative Delmore: Are all the inspections to make sure that cars are road worthy? Is there more than one definition of what roadworthy might be?

James Prochniak: When we inspect a vehicle, predominately the salvage vehicle section, we use the form that is included in the handout. See attachment 1B. We are checking off the components to make sure that they meet state law. There is only one inspection.

Representative Drovdal: We live in a rural area but even in our area I am able to call a Highway Patrolman and get a vehicle certified. I am not sure about a certified mechanic. How can we find out where they are located?

James Prochniak: We will try as an agency to compile a list, but we haven't done that yet. We do something similar with wrecker services.

Representative Heller: Has the Highway Patrol ever been held liable because of one of these inspections?

James Prochniak: Yes, there have been some. I can remember there was one on an inspection that I conducted twenty-five years ago. We had already started questioning this process that long ago. We have continued, but there have been some modifications to the form. If a vehicle has had major frame work or a chassis has been redone, we question if it meets the safety standards. We are trying to remove the liability concern by getting out of this process.

Representative Kreun: Are dealerships refurbishing vehicles that have been in a storm and received water damage or other major damage?

James Prochniak: It scares me to think that some of the vehicles that were in Hurricane Sandy might be going to market. That really drives home what we are trying to get out of. Our patrolmen don't know if the vehicle has received water damage, or if the electronic components that we are signing off, are okay. I think a mechanic would have a better idea if the vehicle is really okay.

Representative Kreun: A lot of the deficiencies in a vehicle that has been in a flood, like Grand Forks, don't show up until later on when the corrosion takes place. It would be good to have a more in depth look than the Highway Patrol can give.

James Prochniak: That is exactly what we are trying to say.

Representative Fransvog: You referred to a "salvage certificate of title" and a regular "certificate of title". Does that mean that a salvage certificate goes away, and nobody knows that there was one?

James Prochniak: It depends upon the monetary amount of damage. The salvage portion can travel with the title, even if it is titled in the state of North Dakota from another state. There will be an indication on the title that says that the vehicle has received significant damage and received repairs. (30:22)

Linda Sitz, Director of Motor Vehicle Division with Department of Transportation, testified in support of HB 1126 and provided written testimony. She also provided an amendment to HB 1126 and two inspection certificates. See attachments #2 a-d. The second inspection certificate (2D) has highlighted areas that show the suggested revisions.

Representative Sukut: The process is a catch 22 in some ways. I wonder if this new process will give the ASE certified mechanics more power than we want to give them. If the mechanic doesn't sign off on a vehicle, the owner will not be able to move forward. The mechanic may want to have some additional things added to a vehicle before he signs off. Do you see that as a problem?

Linda Sitz: It could be a problem. The Department of Transportation talked about fraud in different areas with any type of inspections. We may need to enhance the inspection form somehow.

Representative Oversen: Is there a certification number that could be added to the form to prove that the mechanics are certified?

Linda Sitz: I am not aware if there is certification number.

Representative Gruchella: The amendment puts the National Institute for ASE certified mechanics in Code, is that correct?

Linda Sitz: What we want to put into Code is the administrative Code that we are currently following. We are taking out the words Highway Patrol and inserting National Institute for National Institute.

Representative Gruchella: If you are ASE certified and National Institute for Automotive Service Excellence certified, is that two certifications?

Linda Sitz: No, it is one.

Representative Gruchella: So, this is the only certification that will be allowed in Code?

Linda Sitz: That is correct.

Representative Weisz: The only place on the form that seems to limit the liability is the one line: "the inspection is only to verify that the vehicle has met the minimum requirements". Do you think that this is enough liability protection for the mechanic?

Linda Sitz: We are flexible in adjusting the verbiage on the form. If there is a section that you feel we should add, we are open to that.

Representative Kreun: You may want to add the words "at the time of inspection". I believe that the ASE is the only certification that is available at this time. These inspections should put safer vehicles on the road.

Vice Chairman Owens: My brother is an ASE mechanic, and they are continually getting training for new components of vehicles.

Representative Vigessaa: We are asking the owner to verify that the frame has not been repaired, and that the vehicle alignment is within tolerances. Those are very important items on a vehicle. By having the owner verify that on the form we are not even looking at those two items. That maybe should be added to the list of items to look at.

The manufacturers require a lot of training from the technicians at dealerships. They go through all these levels of training, but I'm not sure that even if they go through all of that, that they are necessarily certified by the ASE. It is probably equivalent, but many probably don't go through the ASE since they have the manufacturer's blessing. I would say that they are as well trained, but they don't get the designation. We should check into that a little bit.

Linda Sitz: In order for us to address your question about the frame and vehicle alignment, if we add that to the top section, then we would need to do amendments to those sections of law. It is quoting 39.21. We are open to adding that. I will check into the certification.

Representative Becker: To codify the ASE when it is a private organization and there may be competing organizations in the future, I wonder if we should make the language more generic so others may be added.

Vice Chairman Owens: We have dealt with that before. We ended up debating if we wanted to add certain language into the Code or not, or add equivalency.

Representative Delmore: What do the surrounding states do for these inspections? Is there a charge, and what is it?

Linda Sitz: Each state handles it differently. I don't have the information on the fees, but could get them.

Representative Schatz: We have a state Motor Pool. Are these mechanics ASE certified?

Linda Sitz: I don't know. I will check into it.

Vice Chairman Owens: Based on current law, we have in North Dakota administrative code this chapter that specifies the North Dakota Highway Patrol right now. You have taken this section of Code and added what you would like to change and made the adjustment for ASE. Leaving the statute referencing just the chapter leaves a lot of room for changing the form and the requirement without constantly changing the statute. Do you really want to codify all of this specific information when you could still do that in administrative code like you have been doing? It is also a good question about frame.

Linda Sitz: My understanding is that if we do a change to the administrative code, we still have to submit that through the due process in order to get it updated.

Representative Weisz: I think it may be better to leave all the details in administrative code to give you the flexibility. Then if you want to add frame and alignment to the list, you don't have to wait until the legislature meets again. You could just go to administrative rules.

Vice Chairman Owens: We will need to discuss these changes.

There was no further support for supporting testimony for HB 1126.
There was no opposing testimony for HB 1126.

Matthew C. Larsgaard, MBA, Automobile Dealers Association of North Dakota, provided neutral testimony on HB 1126. See attachment #2. (57:30)

Representative Weisz: One of your comments had to do with out-of-state vehicles. This doesn't affect any of that. I can't see where you might think that we are going backwards with this legislation. Any of the certified mechanics will be more qualified than the Highway Patrol. I think we have forward progress with this bill, and it is a good bill. No one is requiring anyone to perform these inspections. They can make that decision.

Matthew C. Larsgaard: Your points are well taken. It is my understanding that an ASE certified mechanic could be working at a muffler shop. His certification could be specific to exhaust systems. Under this law that individual would be allowed to conduct vehicle inspections of severely damaged vehicles. Regarding #4 in my testimony, right now for salvage vehicles from out-of-state vehicles to pass an inspection, they have to go through the Highway Patrol. This law could potentially weaken that inspection process, by having a parts specialist or muffler specialist conduct the inspection. If that were to happen, it could be possible that we would see more out-of-state vehicles come into North Dakota in order to wash the titles.

Representative Weisz: You can't wash a title through this inspection process. You can't clean up a junk title. In the North Dakota system, if it has a salvage title the best it can have is a "previously salvaged" title. You can never make it clean by bringing it from another state. No matter how we structure it, there would be a liability issue. I don't know why some muffler mechanic would want to certify vehicles for \$100. If a vehicle doesn't meet the requirements, the owner gets stopped the next day by a Highway Patrol, who do you think he will go after. He will be liable.

Representative Gruchella: It seems like it will be difficult to get just one place to certify a vehicle as being sound because there are so many different areas. I agree that any change we make to the present system is going to be better than what we have. At least the mechanics will have expertise in some area.

Vice Chairman Owens: For the record, having a central point inspection points for vehicles is nothing new. There are many states that have certified inspection centers. They are nothing more than mechanics that have applied for the application, and done

things for the state to certify. We will continue to have the liability discussion and the different types of certification discussion. I think the third party inspection was a good point.

There was no further testimony or discussion on HB 1126.

The hearing was closed on HB 1126.

2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

HB 1126
02-14-13
Job # 18934

Conference Committee

Committee Clerk Signature

Jeanette Cook

Minutes:

Chairman Ruby brought HB 1126 back before the committee. He reviewed the bill and stated that the area of contention was who would be certified to do the inspections. There are a number of different certifications; we might want to allow more than just ASE certifications. Maybe the language should be more generic.

Representative Weisz: I don't have a problem with the language as it is. Whoever does these inspections accepts some liability. By saying that the inspections have to be done by someone ASE certified, it can't be done by just anyone who claims to be a qualified mechanic. I don't think just anyone would be willing to accept the liability that goes with these inspections. Remember that the Highway Patrolmen did not even have to have one hour of training in mechanics, and they were doing the inspections. This has to be better than that. It also takes a load off of the Highway Patrol. I like this language.

Representative Becker: I agree overall, but think we still could change the wording slightly, not just using the ASE certification. Something like: work done by an approved mechanic. I don't like having it in law that we are taking only a specific private organization's certification. There could be many that are equally capable that are certified by a lesser known organization.

Vice Chairman Owens: I would move an amendment to be considered. On page 2, line 2 after excellence, add the words "or other nationally recognized certified mechanic". My brother is a Ford mechanic who is trained in all the systems on the vehicle, but it has nothing to do with ASE. He gets training annually.

Representative Weisz: Do you think that language will include the Ford mechanic?

Vice Chairman Owens: Yes, I do. I think that ASE is highly restrictive, alone.

Chairman Ruby: There is no list that would tell who is a "nationally recognized certified mechanic", and there is no definition for "qualified mechanic" either.

Representative Heller: If we used Vice Chairman Owens' proposal, why would we even need to list ASE?

Representative Drovdal: I wondered why we are not considering the Department of Transportation's amendment. I am also still concerned by the language. In rural areas, like my own, we do not have a new car dealership within 50 miles, but we do have a Highway Patrolman. We could call a Highway Patrolman, but this would eliminate them completely. Is there room that we could still allow the Highway Patrolman to be the inspector as an option to the vehicle owner?

Chairman Ruby: I think that the Highway Patrol are trying to get away from this completely.

Representative Drovdal: It causes quite a problem in rural areas. Where would people get to get the certification?

Representative Schatz: A couple of things that bother me about the bill are the time and cost to the consumer. Currently we don't have that.

Representative Weisz: This conversation has been going on a long time. One of the patrol officers suggested that we don't have any inspection because it is impossible to determine if there is absolutely nothing wrong with a vehicle without doing an extremely thorough inspection. The Highway Patrol is not qualified to do it, and it is an extra load. Maybe there is a false sense that because a Highway Patrol officer looked at the vehicle there couldn't possibly be anything wrong with it. The Highway Patrol would like to be out of it, and they don't feel qualified. I think that is why the Highway Patrol came forward with this bill. I don't feel that the state has an obligation to pay for the inspection for the private consumer. If someone wants to fix a salvage vehicle, then that person should be willing to pay for the inspection to ensure that the vehicle is safe to go on the road. Those costs should be factored in to what I am going to pay to fix the vehicle and drive it. I don't feel that it is the state's responsibility.

Representative Schatz: I disagree with that. The Highway Patrol has the ability to inspect your truck when you are driving a semi. The truck regulatory can determine if you are legal or not legal by examining all the parts. Why can't they do it for cars?

Representative Delmore: I have a problem with this because it is a fee that we have no idea how much it will be. I do think that people should have to pay for it, but we have no idea how much they will be charged. I don't like passing a bill in which we have no idea what we are passing on to the public. I also have a note here that says we should define, "nationally recognized certified mechanic" if we put it in the bill. The ASE has a specific definition which is probably why they chose it.

Vice Chairman Owens: I don't care who inspects the vehicle, that inspection is just a snapshot in time. It only says that *at that moment in time* everything appeared to be functional. The driver might go down the road and rip out the brake line, and the vehicle would not be functional. The argument to let someone do this on their own, could fit that scenario. Representative Vigesaa, is dealership training nationally recognized?

Representative Vigesaa: They are certified by the manufacturer to be competent at different levels. It is not national certification. I would think they would be qualified to do

the inspections. Their certifications are similar to the ASE, but do not have any national recognition.

Representative Gruchella: Ten years ago Minnesota charged \$100 to have an inspection like this done. I'm sure that has increased by now, but they had had the same issue that we are having. At that time they chose some sort of certification so that some shops could inspect salvage vehicles. However we try to pass this, it will be better than what it is now. Any ASE certified mechanic, even if he is certified in muffler, will have a hoist and be able to do an inspection.

Chairman Ruby: If we pass the bill, and later in time a Highway Patrolman notices that something is wrong with the vehicle. Can he still pick them up and enforce a citation?

Representative Gruchella: Yes, he could.

Representative Schatz: When a Highway Patrolman does the inspection, do they drive the vehicle at all or just look at it?

Representative Gruchella: It is just a cursory look. There is no real inspection.

Representative Delmore: Would there be any value to making this a study resolution so we can answer some of these questions? Even though it may be better than what we have; there are still issues of liability, what will the inspection cost, and who is going to do the inspection. I think we need more information.

Chairman Ruby: I don't think it needs a full study. We need to decide who will do it, and as long as there is a certain form for the inspectors to fill out....

Representative Heller: I really don't know why the inspection would be necessary. We bought a salvage vehicle once. It had been inspected by the Highway Patrol, but we were more concerned about being confident in the mechanic that fixed the vehicle.

Representative Becker: I agree with Representative Heller. The inspections that are being done now are not worthwhile. I think now the buyer has to beware if they are going to buy a salvage vehicle. A buyer can require that the vehicle pass an inspection by a fully certified mechanic. Let's just get rid of the program.

Representative Weisz: The insurance companies and motor vehicle companies all disagree with the idea of having no inspection. Regardless if you sell the vehicle or not, the person that titles it still certifies that that vehicle is safe to be on the road. That person is liable for that. I don't think we want to eliminate the inspection all together. I think this is an improvement; it puts more responsibility on the person fixing the vehicle. I don't have a right to drive any salvaged vehicle on the road without being responsible for its safety. It is not the states responsibility to allow me to title a vehicle. I want the ability to title a salvage vehicle, but I feel that it is my responsibility. I don't see why the state should be spending money for a system that does nothing.

Representative Drovdal: The amendments that the Department of Transportation wanted to put in law tell us what is supposed to be inspected on the vehicle. Do we need to put that amendment on?

Chairman Ruby: It can be left to administrative code.

Vice Chairman Owens: I believe it needs to be in administrative code. They have the ability to do it now.

Chairman Ruby: As long as the Highway Patrol provides the "Certificate of Vehicle Inspection" which must be complied with, that is probably all that is needed.

Vice Chairman Owens moved the amendment. (Page 2, line 2, add "or a recognized certified mechanic")

Representative Weisz seconded the motion.

All aye. The motion carried.

Representative Sukut moved a DO PASS as amended on HB 1126.

Representative Weisz seconded the motion.

Representative Sukut: If it were me, I would get a salvaged vehicle inspected by someone qualified before I bought it. So, it might be okay to not have an inspection at all. But, there are people out there that would just buy the car and take off as long as it was running. They wouldn't worry about anything. That is why something like this inspection is needed.

Representative Schatz: I looked up the inspection fees in Minnesota, and they are about \$167.

Representative Gruchella: I am going to support the motion. I think that we probably see a cottage industry develop around this. In each community there will be someone who can do the certifications.

Representative Becker: I will support the motion as well.

A roll call vote was taken on HB 1126. Aye 10 Nay 3 Absent 1

The motion carried.

Representative Gruchella will carry HB 1126.

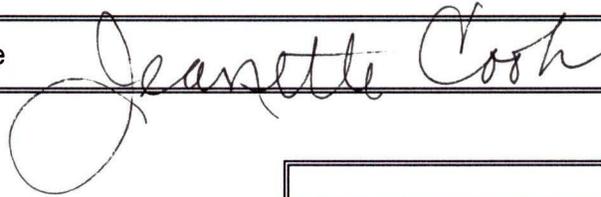
2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

HB 1126
02-15-13
Job # 19060

Conference Committee

Committee Clerk Signature



Minutes:

Chairman Ruby brought HB 1126 back before the committee. He stated that there is an issue with the language in HB1126.

Vice Chairman Owens made a motion to reconsider HB 1126.
Representative Delmore seconded the motion.
A voice vote was taken. All aye. The motion carried.

Chairman Ruby: Jennifer Clark brought to our attention that the language that we used in the amendment could work, but may not be the best way to go about it. I asked her to come down and help us. We would like it to be somewhat general, but yet have some sort of standard in place.

Jennifer Clark, Legal Counsel from Legislative Council: This bill came across my desk when it came up to be engrossed. You passed some amendments on this bill from the Highway Patrol. The Highway Patrol originally suggested that the certification be signed off on by the ASE mechanics. You must have reviewed it and said "or other recognized certified mechanics". That got my attention. It was imperfect as it was drafted, referring to a private entity. Then you took it one more step and said, or "other recognized certified mechanics". My thought was, "Recognized by whom?" That leaves no standard or minimum requirement. I think I know where you want to go, but we need to reevaluate this.

Chairman Ruby: You have a suggestion to use the generic term of a certified mechanic, such as, and then list certain ones. How would we word that?

Jennifer Clark: "Certifications recognized by the industry" - That is imperfect, but at least you are getting closer. It narrows the scope down. I would say to have a state entity make that determination on who is qualified. I would look to the Department of Transportation. That would have the Department of Transportation make policy and adopt a rule. It might state that in order to sign one of these, here is what you need to be. It could be a living list that evolves and can change easily, versus once it is in code it is not as easy to change. If you don't want to do that, at least write in some parameters. For example: Recognized by the industry. Such as:

Chairman Ruby: I think I would favor that. I think that it is a big step up from where we are at, yet it is fairly general and would be able to be changed as new certifications come up.

Vice Chairman Owens: I would rather go with "such as", rather than put it on the Department of Transportation, as well.

Representative Gruchella: Are you suggesting that you would rather have the Department of Transportation certify the mechanics and leave it to their administrative code to identify the qualifications?

Jennifer Clark: That would be my preference because then we would have a state actor who gets to determine what it is. That might be further than you want to go, but then a state entity will say who is certified to sign one of these.

Representative Gruchella: So, the Department of Transportation could make up their own rules?

Jennifer Clark: That is right.

Representative Kreun: Could the wording be something like, "a multiple certified repair shop that is recognized by the Department of Transportation"? Are you looking for something of that nature?

Jennifer Clark: I assume that language could be valid for the industry. I don't know what "multiple certified" might mean.

Representative Kreun: I just meant that you would have to have a shop that is certified in multiple areas to do the inspection.

Representative Drovdal: The Department of Transportation did come in and ask that we amend this with Administrative Code Section 37.1205.01. They stated that it would make it clearer and easier for the public to find. Do you think we need that part of the code in the bill to help us clarify it?

Jennifer Clark: I haven't reviewed the testimony. I don't know if that is appropriate.

Chairman Ruby asked about this language: "The certificate of inspection required under this section must be completed by a mechanic certified by an industry recognized certification that must state that the vehicle is in compliance with the requirements of Chapter 39.21."

Jennifer Clark: You have tightened it a little bit. You have come closer to defining it. There is still some gray area. You are much closer than you are here.

Representative Kreun made a motion for the amendment stated by Chairman Ruby. Representative Gruchella seconded the motion.

Representative Oversen: I agree that the new language helps, but we are still missing how the public will interpret that. If I would look at that code, I wouldn't know what an industry recognized certified mechanic is or where to go to find one. I think that including the Department of Transportation, may add a little bit of work for them, but it would give them the opportunity to present a list of mechanics that they would recognized that would be helpful to the public.

Chairman Ruby: I think the public would be likely to call local repair shops or dealers to check to see if they are certified. The shops will probably advertise for this. I think that we should look at this. If it takes off in directions that we didn't intend; we can tighten it up later.

A voice vote was taken on the amendment. All aye. The motion carried.

Representative Kreun moved a DO PASS as amended on HB 1126.

Representative Delmore seconded the motion.

A roll call vote was taken. Aye 12 Nay 1 Absent 1

The motion carried.

Representative Gruchella will carry HB 1126.

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Title.02000

Adopted by the Transportation Committee

February 15, 2013

2/15/13
WMC

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1126

Page 2, line 2, remove "national institute for automotive service excellence-certified"

Page 2, line 2, replace "that" with "certified by an industry-recognized certificate who"

Renumber accordingly

Date: 2-14-13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1126**

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
 Amendment

Rerefer to Appropriations Reconsider

Motion Made By Owens Seconded By Weisz
Amendment

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby			Rep. Lois Delmore		
Vice Chairman Mark Owens			Rep. Edmund Gruchalla		
Rep. Rick Becker			Rep. Kylie Oversen		
Rep. David Drovdal					
Rep. Robert Frantsvog					
Rep. Brenda Heller					
Rep. Curtiss Kreun					
Rep. Mike Schatz					
Rep. Gary Sukut					
Rep. Don Vigesaa					
Rep. Robin Weisz					

Vote all day

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

p. 2 line 2 - "or a recognized"

Date: 2-14-13
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1126**

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
 Amendment

Rerefer to Appropriations Reconsider

Motion Made By Sukut Seconded By Weisz

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby	✓		Rep. Lois Delmore		✓
Vice Chairman Mark Owens	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Kylie Oversen	✓	
Rep. David Drovdal	✓				
Rep. Robert Frantsvog	✓				
Rep. Brenda Heller	✓				
Rep. Curtiss Kreun	A				
Rep. Mike Schatz		✓			
Rep. Gary Sukut	✓				
Rep. Don Vigesaa		✓			
Rep. Robin Weisz	✓				

Total (Yes) 10 No 3

Absent 1

Floor Assignment Gruchalla

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

Date: 2-15-13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1126**

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
 Amendment

Rerefer to Appropriations Reconsider

Motion Made By Owens Seconded By Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby			Rep. Lois Delmore		
Vice Chairman Mark Owens			Rep. Edmund Gruchalla		
Rep. Rick Becker			Rep. Kylie Oversen		
Rep. David Drovdal					
Rep. Robert Frantsvog					
Rep. Brenda Heller					
Rep. Curtiss Kreun					
Rep. Mike Schatz					
Rep. Gary Sukut					
Rep. Don Vigesaa					
Rep. Robin Weisz					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: 2-15-13
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1126**

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
 Amendment

Rerefer to Appropriations Reconsider

Motion Made By Kreun Seconded By Gruchalla

Amendment

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby			Rep. Lois Delmore		
Vice Chairman Mark Owens			Rep. Edmund Gruchalla		
Rep. Rick Becker			Rep. Kylie Oversen		
Rep. David Drovdal					
Rep. Robert Frantsvog					
Rep. Brenda Heller					
Rep. Curtiss Kreun					
Rep. Mike Schatz					
Rep. Gary Sukut					
Rep. Don Vigesaa					
Rep. Robin Weisz					

*Noice Vote
all eyes*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Rep. Ruby

Date: 2-15-13
Roll Call Vote #: 3

**2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1126**

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
Amendment

Rerefer to Appropriations Reconsider

Motion Made By Kreun Seconded By Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby	✓		Rep. Lois Delmore	✓	
Vice Chairman Mark Owens	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Kylie Oversen	✓	
Rep. David Drovdal	✓				
Rep. Robert Frantsvog	✓				
Rep. Brenda Heller	✓				
Rep. Curtiss Kreun	✓				
Rep. Mike Schatz	✓				
Rep. Gary Sukut	✓				
Rep. Don Vigesaa		✓			
Rep. Robin Weisz	A				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Gruchalla

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

REPORT OF STANDING COMMITTEE

HB 1126: Transportation Committee (Rep. Ruby, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1126 was placed on the Sixth order on the calendar.

Page 2, line 2, remove "national institute for automotive service excellence-certified"

Page 2, line 2, replace "that" with "certified by an industry-recognized certificate who"

Renumber accordingly

2013 SENATE TRANSPORTATION

HB 1126

2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

HB 1126
3/7/2013

Recording job number 19561

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to salvage certificates of title

Minutes:

Attached testimony: 2

Chairman Oehlke opened the hearing on HB 1126

Colonel James Prochniak, Supt. North Dakota Highway Patrol in favor, we requested this bill to remove the NDHP from completing these inspections and to require certified mechanics to inspect these vehicles. Advantages are: increased staffing efficiencies, redirected patrol efforts, agency cost reduction, reduced liability to the state and more thorough inspections... Testimony #1 includes a Vehicle Inspection Analysis, answers to frequently asked questions, copy of a certificate of vehicle inspection form, pictures of vehicles, and a list of the number of ASE (National Institute for Automotive Service Excellence) certified mechanics in North Dakota. The House amendment included other certifications (Ford, etc. ...) as well. Our officers are not trained mechanics nor do we want to train them. They go thru an inspection form checking that the components they are being asked to look at work. They also check off components we actually do not check. The cost of getting the certificate from a mechanic in the Fargo region is around \$100, in Bismarck, \$50 - \$150 (depending on how detailed). Highway patrol charges nothing. Vehicle safety wouldn't be sacrificed; it is in the interest of the party inspecting that vehicle to do a reputable job if they want to stay in business. Getting a trained eye to look at that vehicle is better than a badge and a uniform. We are talking about, a vehicle that is "resurrected" essentially, (my term). Certified mechanics can inspect their own vehicles. We can follow up thru odometer fraud investigations, etc. ...

Senator Sitte suggested changing in, page 2 line 2 "certificate" to organization add the word and "who must state the vehicle is in compliance". Senator Sinner addressing Chairman Oehlke's concern about liability: If a heavily damaged car, with a regular title, comes in, they fix it and put it back on the road, they are liable for that vehicle. If they have this certification they accept liability. Discussion followed about "qualified" vs. "certified" mechanic, all certified are qualified but not all qualified are certified.

Linda Sitz, Director of Motor Vehicle Division, North Dakota Department of Transportation (DOT) in support of this bill, attached testimony # 2

No other testimony, hearing closed.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

HB 1126
3/28/2013
Recording job number 20632

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to salvage certificates of titles

Minutes:

Attached testimony: 1

Chairman Oehlke opened the discussion on HB 1126

Senator Flakoll moved to adopt amendment number 13.8087.02001

Vice Chairman Armstrong seconded

Discussion followed. **Chairman Oehlke** explained the amendment, it replaced "mechanic certified by an industry recognized certificate" with "licensed new or used motor vehicle dealer". The dealer completing the certificate of inspection may not be the dealer who reconstructed the vehicle. The reconstruction can be made by a qualified non-certified mechanic because he can do the work but not the certification. Chairman Oehlke said Mathew Larsgaard, Automobile Dealers Association of North Dakota, who initially opposed the bill, see attached testimony #1, and now likes it.

Voice vote Yes 6 No 0 Absent not voting 1

Vice Chairman Armstrong moved a **DO PASS** on engrossed HB 1126 as amended

Senator Sitte Seconded

Roll Call Vote: Yes 7 No 0 Absent not voting 0

Carrier: Senator Sinner

March 27, 2013

3/28/13
TD

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1126

Page 2, line 2, replace "mechanic certified by an industry-recognized certificate who" with "licensed new or used motor vehicle dealer with publicly offered motor vehicle repair services. The dealer completing the certificate of inspection may not be the dealer who reconstructed the vehicle and"

Renumber accordingly

Date: 3/28/13
 Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1126**

Senate TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8087.02001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Flakoll Seconded By Senator Armstrong

Senators	Yes	No	Senator	Yes	No
Chairman Dave Oehlke			Senator Tyler Axness		
Vice Chairman Kelly Armstrong			Senator George Sinner		
Senator Margaret Sitte					
Senator Tim Flakoll					
Senator Tom Campbell					
Voice Vote					

Total (Yes) No 0

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
To replace "mechanic certified by an industry recognized certificate" with "licensed new or used motor vehicle dealer"

Date: 3/28/13
 Roll Call Vote #: #2

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1126**

Senate TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Armstrong Seconded By Senator Sitte

Senators	Yes	No	Senator	Yes	No
Chairman Dave Oehlke	✓		Senator Tyler Axness	✓	
Vice Chairman Kelly Armstrong	✓		Senator George Sinner	✓	
Senator Margaret Sitte	✓				
Senator Tim Flakoll	✓				
Senator Tom Campbell	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Sinner

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

REPORT OF STANDING COMMITTEE

HB 1126, as engrossed: Transportation Committee (Sen. Oehlke, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1126 was placed on the Sixth order on the calendar.

Page 2, line 2, replace "mechanic certified by an industry-recognized certificate who" with "licensed new or used motor vehicle dealer with publicly offered motor vehicle repair services. The dealer completing the certificate of inspection may not be the dealer who reconstructed the vehicle and"

Renumber accordingly

2013 CONFERENCE COMMITTEE

HB 1126

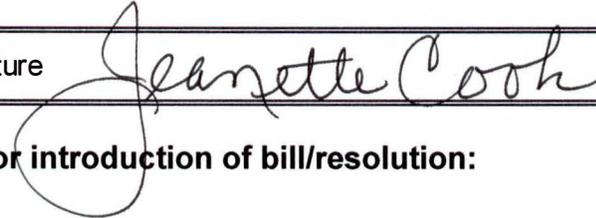
2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

HB 1126
04-09-13
Job # 21011

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to salvage certificate of title.

Minutes:

Vice Chairman Owens opened the Conference Committee on HB 1126. (1:40) I reviewed the testimony from the Senate, and we basically agree. I think that the only problem we have here is the portion where it says "must be completed by a ..." We need to decide what will complete the statement, and how we define who will do this. Unless my fellow committee members have an objection, I don't have an objection to "you not inspecting your own vehicle". I like the added qualifier that you recognized someone who publically offers motor vehicle repair services.

Senator Armstrong: As long as you have the fail-safe of the dealer who completes the certificate, isn't the one who does the inspection, I am okay with opening it up a little more.

Representative Gruchella: I had an extensive conversation with Ken Swanke from Quality Auto in Fargo. We discussed who should be doing the inspections. I also talked to Abra Body Shop in Bismarck. They both talked about the I Card Gold Standard that we previously discussed. The I Card Gold Standard is the best standard that the body shops use. They have equipment that is a 3-D scanner to make sure the body of the car is square. They both said that is the standard that should be adopted for inspections. A garage mechanic may or may not have the professional training to look at a car's frame and determine that it was rebuilt properly. I think we need to add something into this. I'm not sure that just a certified mechanic is the way to go.

Representative Sukut: Looking at the certificate of inspection and see what they have to check off, I don't know how qualified you have to be. The list isn't too technical. At the college there is an auto mechanics program; most of the students could do this inspection to see if the vehicle is qualified to get back on the road.

Vice Chairman Owens: I appreciate both points that were brought up. What you bring up, Representative Gruchella, deals with the actual road worthiness of the vehicle. That would be the frame structure being aligned properly. But that is really part of 3921 that needs to be changed. We are not dealing with 3921. We are dealing with the act of inspecting it for

safety as currently required. All we are dealing with in this bill is **WHO does that inspection**. If we seriously want to consider that we need to look at 3921. Currently the Highway Patrol does these inspections. We have the opportunity to have someone who is more knowledgeable doing the inspections. The wording that the Senate came up with specified that. The House was concerned about limiting it to just vehicle dealers because in the western part of the state it will severely limit the opportunity for people to get their vehicles inspected.

Senator Sinner: 6,000 inspections?

James Prochniak: 6,000 in one year.

Representative Gruchella: The more that I looked at this, it appears that the gap is from someone who doesn't know anything about a vehicle doing the inspections now, to someone who can look at a damaged vehicle and do a in depth inspection. In the opinion of the man from Abra Body Shop, if we are going to do this properly we would require some sort of standards to do the inspections. If we are just going to do a minimal inspection, that is one thing. But, if we are really going to make sure that a vehicle is road-worthy, then we are going to have to get a professional.

Vice Chairman Owens: In Chapter 3921 gives us the standards, but we are not adjudicating Chapter 3921. We need to change 21 is what you are saying. To do that without public hearings is wrong. So, under the standards that we have at this moment, who do we want to inspect these vehicles? I would like each committee member to bring one idea back to committee, that changes the portion ... completed by ----- . In the beginning it just said SAE certified mechanics. We wanted to make that broader, not limit to just SAE certified mechanics.

Senator Sinner: I think all new motor vehicle dealers have service shops. When we are adding the statement about publicly offered motor repair services, we are really talking about the used dealers, are we not?

Vice Chairman Owens: Or even a mechanics shop that doesn't even sell vehicles.

Senator Sinner: In this statement that is not included.

Vice Chairman Owens: Correct, not the way that it is written right now.

Senator Sinner: I'm saying that we delete the used car dealers and say licensed new motor vehicle dealers and include some certification services like SAE, I-CAR, and others.

Vice Chairman Owens: We discussed this in the House. The problem is that there are so many different certifications that we felt that it was not reasonable to try to list all of them. That is why we used nationally recognized certificate because we didn't want to have to laundry list all of these.

Senator Sinner: I think we have to be specific. It should include the top level certifications: the new car dealers, the I-CAR certification, and then maybe one other one. The SAE certification must have some high level certifications.

Senator Armstrong: I am almost going the other direction. If you want to be all inclusive with this and cover as many mechanics shops as possible. It would say, a business registered with the North Dakota Secretary of State with publically offered motor vehicle repair. It would be any business in good standing in North Dakota that fixes motor vehicles.

Vice Chairman Owens: Everyone should bring at least one idea to the next meeting. We will choose one at that time. We have to decide if we want to open it up, or restrict it?

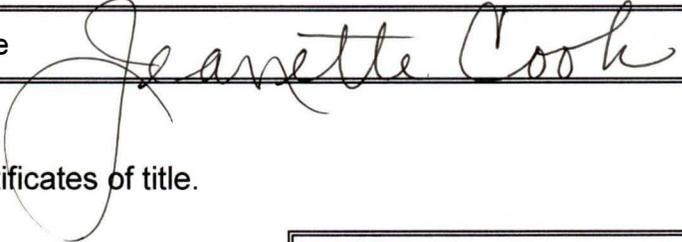
The meeting was adjourned.

2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

HB 1126
04-12-13
Job # 21144

Conference Committee

Committee Clerk Signature 

A bill relating to salvage certificates of title.

Minutes:

Attachments 1-2

Vice Chairman Owens brought the meeting to order on HB 1126. When we left here we wanted to have some qualifications to do the inspections, but not restrict it too much.

Seantor Sinner and **Senator Armstrong** had suggestions for amendments.

Senator Armstrong brought forward an amendment which has changes to Section 3. See attachment #1. I think this is as broad as we can get it, without having it completely deregulated.

Senator Campbell: I like that it is short and to the point. It addresses the issues.

Vice Chairman Owens: What we are trying to do is to take this off of the Highway Patrol and have someone else do the inspections of salvage vehicles. We have been trying to find a balance between who can do the inspections and who we can reasonably expect to do a good job, without making the qualifications too tight. We had a problem with knowing how to identify all of the certifications. I like the portion that states "publically offered motor vehicle repair". It says that they're in business day in and day out. It broadens the scope of inspectors.

Senator Sinner suggested some amendment possibilities. See attachment #2. He stated that he had ideas, but if the committee wanted Senator Armstrong's amendment, he would support it.

Representative Gruchella: Looking at the two amendments, we have two spectrums. ASE certification can be a very specific area, like to put mufflers on a car. Opening it up like in Senator Armstrong's amendment is very broad, but better than what we have now.

Representative Gruchella moved the HOUSE accede to Senate amendments and further amend.

Senator Campbell seconded the motion.

Vice Chairman Owens: The House struggled with trying to find language to include all certified mechanics when we worked on this bill.

Senator Sinner: I am not as concerned about the qualified people that we are missing, but more about the unqualified people that we are letting in.

Senator Armstrong: If we were starting from scratch, we might be doing something different, but what we are doing is drastically improving on the current situation. The Highway Patrol will appreciate it, and we will all appreciate having mechanics do the inspections.

**A roll call vote was taken. Aye 6 Nay 0 Absent 0
The motion carried.**

April 12, 2013

10/11
done

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1126

That the Senate recede from its amendments as printed on page 1169 of the House Journal and page 946 of the Senate Journal and that Engrossed House Bill No. 1126 be amended as follows:

Page 2, line 2, replace "mechanic certified by an industry-recognized certificate who" with "business that is registered with the secretary of state, is in good standing, and offers motor vehicle repair to the public. The business completing the certificate of inspection may not be the business that reconstructed the vehicle and"

Renumber accordingly

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: HOUSE TRANSPORTATION

Bill/Resolution No. HB 1126 as (re) engrossed

Date: 04/09/13 & 04/12/13

Roll Call Vote #: 1

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) 1169 -- 946

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) HB 1126 was placed on the Seventh order of business on the calendar

Motion Made by: Representative Gruchella Seconded by: Senator Campbell

Representatives	4/9		4/12		Yes	No	Senators	4/9		4/12		Yes	No
	X		X					X		X			
OWENS	X		X		X		ARMSTRONG	X		X		X	
SUKUT	X		X		X		CAMPBELL	X		X		X	
GRUCHALLA	X		X		X		SINNER	X		X		X	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Rep. Owens Senate Carrier Senator Armstrong

LC Number _____ of amendment

LC Number 13.8087 . 02003 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1126, as engrossed: Your conference committee (Sens. Armstrong, Campbell, Sinner and Reps. Owens, Sukut, Gruchalla) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1169, adopt further amendments as follows, and place HB 1126 on the Seventh order:

That the Senate recede from its amendments as printed on page 1169 of the House Journal and page 946 of the Senate Journal and that Engrossed House Bill No. 1126 be amended as follows:

Page 2, line 2, replace "mechanic certified by an industry-recognized certificate who" with "business that is registered with the secretary of state, is in good standing, and offers motor vehicle repair to the public. The business completing the certificate of inspection may not be the business that reconstructed the vehicle and"

Renumber accordingly

Engrossed HB 1126 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

HB 1126

**Testimony – House Bill 1126
House Transportation Committee
Submitted by
James Prochniak, NDHP**

January 18, 2013

Good morning, Mr. Chairman, and members of the House Transportation Committee. My name is James Prochniak, Superintendent of the North Dakota Highway Patrol. I am here today to testify in support of House Bill 1126.

The North Dakota Highway Patrol inspects motor vehicles for which a salvage certificate of title had been issued and the owner wants to obtain a regular certificate of title. Inspections are completed after the vehicle has been reconstructed. Throughout 2012, the NDHP conducted 3,343 vehicle inspections for NDDOT Motor Vehicle Division purposes. On average, approximately 14 troopers dedicate one day each week to conduct vehicle inspections. The resulting biennial cost is estimated at \$619,091 or approximately 2.8 FTEs which would be reallocated.

The North Dakota Highway Patrol is proposing a change to section 39-05-20.2 of the North Dakota Century Code. The change would require the vehicle inspection to be completed by an ASE-certified mechanic. The intent is to remove the North Dakota Highway Patrol from completing these inspections and requiring certified mechanics to inspect these vehicles. This will enhance the safety component of the inspection and allow NDHP troopers to focus on more critical aspects of their duties. It will also remove the NDHP from any potential liabilities of certifying the mechanical components of a vehicle, such as tires, steering and suspension, and the fuel system.

There are several advantages to removing the NDHP from the vehicle inspection process including increased staffing efficiencies, redirected patrol efforts, and reduced liability on the state. The proposed change will not only benefit the NDHP but also the motoring public by providing for safer vehicles driven on our roadways.

Mr. Chairman, members of the committee, this concludes my testimony. I would be happy to answer any questions you may have.

VEHICLE INSPECTION ANALYSIS



January 11, 2013

The North Dakota Highway Patrol inspects motor vehicles for which a salvage certificate of title had been issued and the owner wants to obtain a regular certificate of title. Inspections are completed after the vehicle has been reconstructed. The NDHP conducts these vehicle inspections by scheduling one or two troopers once a week to complete the inspections. The vehicle owners schedule inspections with their regional NDHP office. The owner is given a date and time of when a trooper will complete the inspection. One or two troopers are scheduled a full eight-hour day once a week to complete the inspections in each of the eight NDHP regional office locations.

The North Dakota Highway Patrol is proposing an amendment to section 39-05-20.2 of the North Dakota Century Code. The amendment essentially states the vehicle inspection must be completed by an ASE-certified mechanic. The intent is to remove the North Dakota Highway Patrol from completing these inspections and requiring certified mechanics to inspect these vehicles. This will enhance the safety component of the inspection and allow NDHP troopers to focus on more critical aspects of their duties. It will also remove the NDHP from any potential liabilities of certifying the mechanical components of a vehicle, such as tires, steering and suspension, and the fuel system.

The NDHP is granted authority under section 39-03-09(5) and 39-05-32 of the NDCC and would like to keep that authority in special cases where there is a need to conduct an investigation. Department of Transportation Administrative Rule 37-12-05-01 states the North Dakota Highway Patrol will conduct these vehicle inspections.

Numerous phone calls and emails have been exchanged with the Department of Transportation regarding the process of vehicle inspections and how the system could be improved. The DOT is in favor of removing the NDHP from the vehicle inspection process and requiring the inspection to be completed by an ASE-certified mechanic.

There are several advantages to removing the NDHP from the vehicle inspection process, including increased staffing efficiencies, redirected patrol efforts, agency cost reduction, and more thorough inspections. The proposed change will not only benefit the NDHP but also the motoring public by providing for safer vehicles driven on our roadways.

Throughout 2012, the North Dakota Highway Patrol conducted 3,343 vehicle inspections for NDDOT Motor Vehicle Division purposes (SFN02486). On average, approximately 14 troopers dedicate one day each week to conduct vehicle inspections. The resulting biennial cost is estimated at \$619,091 or approximately 2.8 FTE which would be reallocated.

Questions

1. Will this bill ultimately provide for safer vehicles on the roadway?
-Yes. Currently, NDHP troopers inspect vehicles to ensure they are in compliance with requirements of section 39-21 of the NDCC. An ASE-certified mechanic is able to inspect the vehicle much more thoroughly and point out safety concerns that a trooper is not trained to identify.

2. How does the NDHP plan to inform the public of this change?
-The NDHP plans to launch a media campaign using television, radio, and print, highlighting the new law and how it works. All regional NDHP offices will be instructed to inform callers to contact their local ASE-certified mechanic to complete the vehicle inspection. There will also be a legislative law review providing clarification to all North Dakota law enforcement officers.

3. What are the requirements to become an ASE certified mechanic?
-The National Institute for Automotive Service Excellence (ASE) works to improve the quality of vehicle repair and service by testing and certifying automotive professionals. To become ASE-certified, you must pass one or more of the ASE certification exams and present proof of at least two years of relevant work experience. You may substitute two years of relevant formal training for up to one year of the work experience requirement.

4. How is an ASE certified mechanic recognized?
-Upon certification, the mechanic will receive wallet and wall credentials, plus an appropriate sleeve insignia or lapel pin set.

5. Does the NDHP face any liabilities with their troopers completing vehicle inspections?
-Yes. Numerous conversations have revealed the concern of NDHP troopers certifying a vehicle is “roadworthy”. NDHP troopers inspect vehicles to verify they are in compliance with state law. This inspection is limited to what the trooper is able to observe from outside the vehicle, which presents a concern if there are possible mechanical flaws throughout the vehicle.

13

CERTIFICATE OF VEHICLE INSPECTION

North Dakota Department of Transportation
Motor Vehicle Division
SFN 2486 (Rev. 06-2009)

TITLE NO. _____

The vehicle described must be inspected by a trooper of the Highway Patrol to verify compliance with state laws before title or registration will be issued by the Department of Transportation. If the vehicle passes inspection, this form, bearing the signature of the qualified trooper and accompanied by all required documents, must be forwarded to the Department of Transportation, Motor Vehicle Division, 608 E. Boulevard Ave., Bismarck, North Dakota 58505, before the vehicle will be registered. If vehicle is already licensed and titled, this form may be used to rescind the license and title if the vehicle is found to be illegally equipped.

Year	Make	Model	Style	VIN	Number of Axles
------	------	-------	-------	-----	-----------------

REASON FOR INSPECTION

Vehicle Identification Number has been affixed in a secure manner and inspected by the Highway Patrol (check one):

- Motor Vehicle to be affixed on left front pillar post between door hinges. Mobile Home/Trailer to be affixed on hitch.
 Motorcycle to be affixed on the frame. Public Vehicle Identification number replacement.
 Rebuilt Modified Antique Homemade Other _____

NOTE: If vehicle is antique, is it equipped with original or equivalent parts? Yes No - Explain _____

MOTOR VEHICLE OR 4-WHEELED UNCONVENTIONAL	MOTORCYCLE OR 3-WHEELED UNCONVENTIONAL	TRAILER
Does the vehicle meet the following requirements? (See Chapter 39-21 NDCC and Article 37-12 NDAC)	(See Chapter 39-27 NDCC)	(See Chapter 39-21 NDCC)
PASS FAIL	PASS FAIL	PASS FAIL
<input type="checkbox"/> Headlights (39-21-02, 39-21-03, 39-21-20) <input type="checkbox"/> Taillights (39-21-04) <input type="checkbox"/> License Plate Light (39-21-04)(3) <input type="checkbox"/> Clearance Lights and Reflectors (39-21-05, 39-21-07 through 39-21-12) <input type="checkbox"/> Stoplights (39-21-06) (1) <input type="checkbox"/> Turn Signals (39-21-08(2), 39-21-19) <input type="checkbox"/> Brakes (39-21-32, 39-21-33)(37-12-02-03(1)) <input type="checkbox"/> Horn (39-21-36)(37-12-02-04) <input type="checkbox"/> Exhaust System (39-21-37) (37-12-02-03(3)) <input type="checkbox"/> Mirrors (39-21-38) (37-12-02-02(5)) <input type="checkbox"/> Windshield- Tinted Windows (39-21-39 (1)(4)) <input type="checkbox"/> Windshield Wipers (39-21-39 (2)(3)) <input type="checkbox"/> Bumper Height (39-21-45 (1) (37-12-02-03(2)) <input type="checkbox"/> Door Latches (37-12-02-02(1)) <input type="checkbox"/> Floor Pan (37-12-02-02(2)) <input type="checkbox"/> Hood Latches (37-12-02-02(3)) <input type="checkbox"/> Steering Wheel (37-12-02-02(4)) <input type="checkbox"/> Fenders (37-12-02-03(4)) <input type="checkbox"/> Fuel System (37-12-02-03(5)) <input type="checkbox"/> Steering and Suspension (37-12-02-03(6)) <input type="checkbox"/> Tires (37-12-02-03(7))	<input type="checkbox"/> Frame and Chassis (39-27-03) <input type="checkbox"/> Brakes (39-27-04)(39-27-04 (1)) <input type="checkbox"/> Tires, Wheel and Rims (39-27-05) <input type="checkbox"/> Steering and Suspension (39-27-06) <input type="checkbox"/> Fuel System (39-27-07) <input type="checkbox"/> Muffler (39-27-08) <input type="checkbox"/> Mirror (39-27-09) <input type="checkbox"/> Fenders (39-27-10) <input type="checkbox"/> Seat (39-27-11) <input type="checkbox"/> Chain Guard (39-27-12) <input type="checkbox"/> Vehicle Stand (39-27-13) <input type="checkbox"/> Glazing (39-27-14) <input type="checkbox"/> Horn (39-27-15) <input type="checkbox"/> Speedometer and Odometer (39-27-16) <input type="checkbox"/> Lighting Equipment (39-27-17) (39-27-17 (1)) <input type="checkbox"/> Passenger Seat (39-27-18) <input type="checkbox"/> Footrest (39-27-20) <input type="checkbox"/> Highway Bars (39-27-21)	<input type="checkbox"/> Taillights (39-21-04) <input type="checkbox"/> Clearance Lights & Reflectors (39-21-05, 39-21-10) <input type="checkbox"/> Stoplights (39-21-06, 39-21-08) <input type="checkbox"/> Turn Signals (39-21-06, 39-21-08) <input type="checkbox"/> Safety Chains or Brakes (39-21-32)

Overall Body Condition of Vehicle: Good Fair Poor

CERTIFICATE OF REPAIRS FOR SALVAGE VEHICLE

Name	Address	City	State	Zip Code
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I certify that I have rebuilt the above described vehicle. I further certify: The frame of the vehicle was not in need of repair or has been repaired in such a manner that the repairs will not detract from the overall performance of the vehicle and the chassis is now in a condition that would be comparable to the chassis of a similar vehicle which has not been damaged in an accident. The wheel alignment for the vehicle is within the tolerances allowed for vehicles of the same make, year model, and style.

Signature Date

This inspection is "only" to verify the above-described vehicle has met minimum equipment requirements as required by state law.

INSPECTED BY:

Signature of Inspecting Officer Badge Number Date

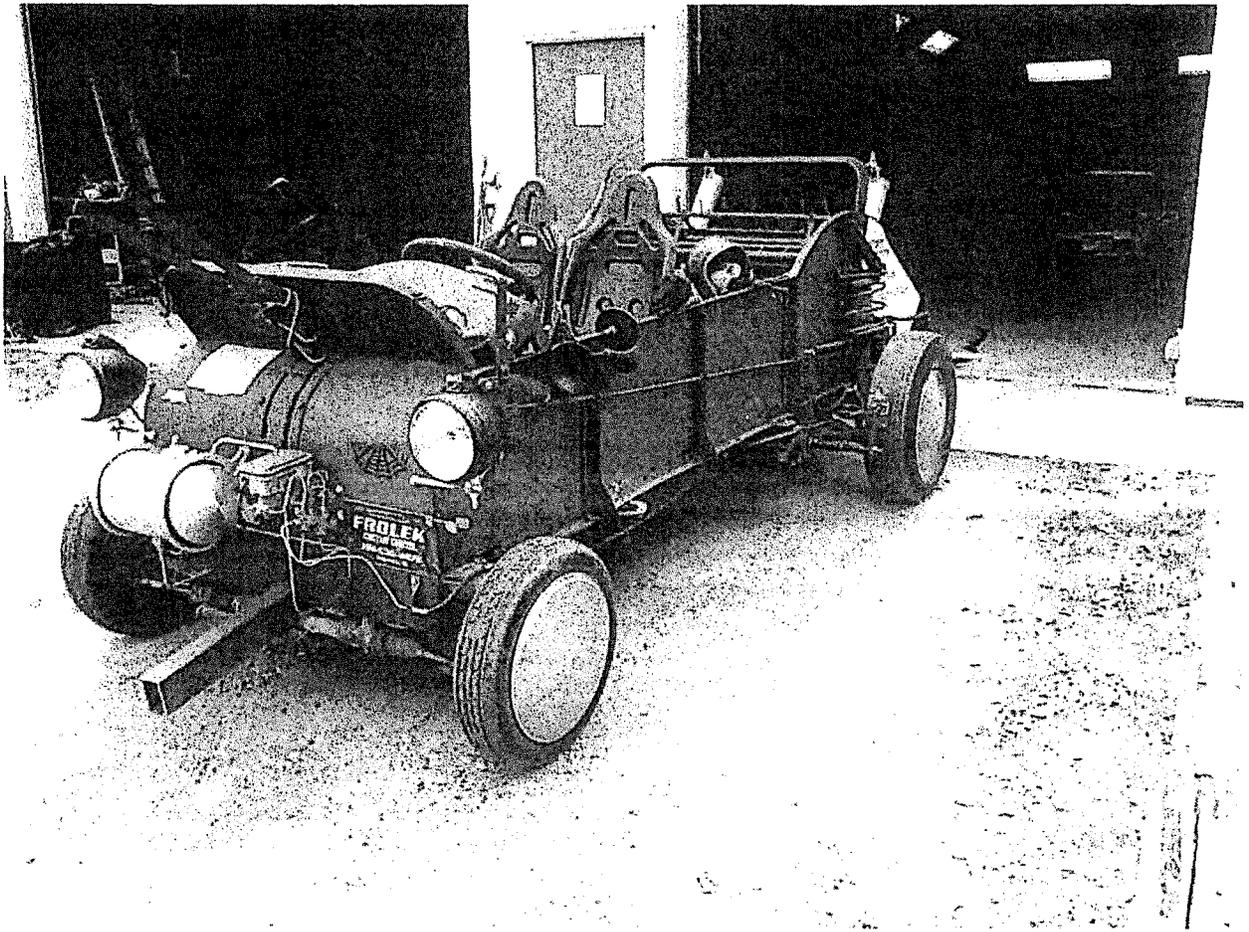
PENALTY: Any person making a false statement on this certificate of which another penalty is not specifically provided is guilty of a class B misdemeanor.



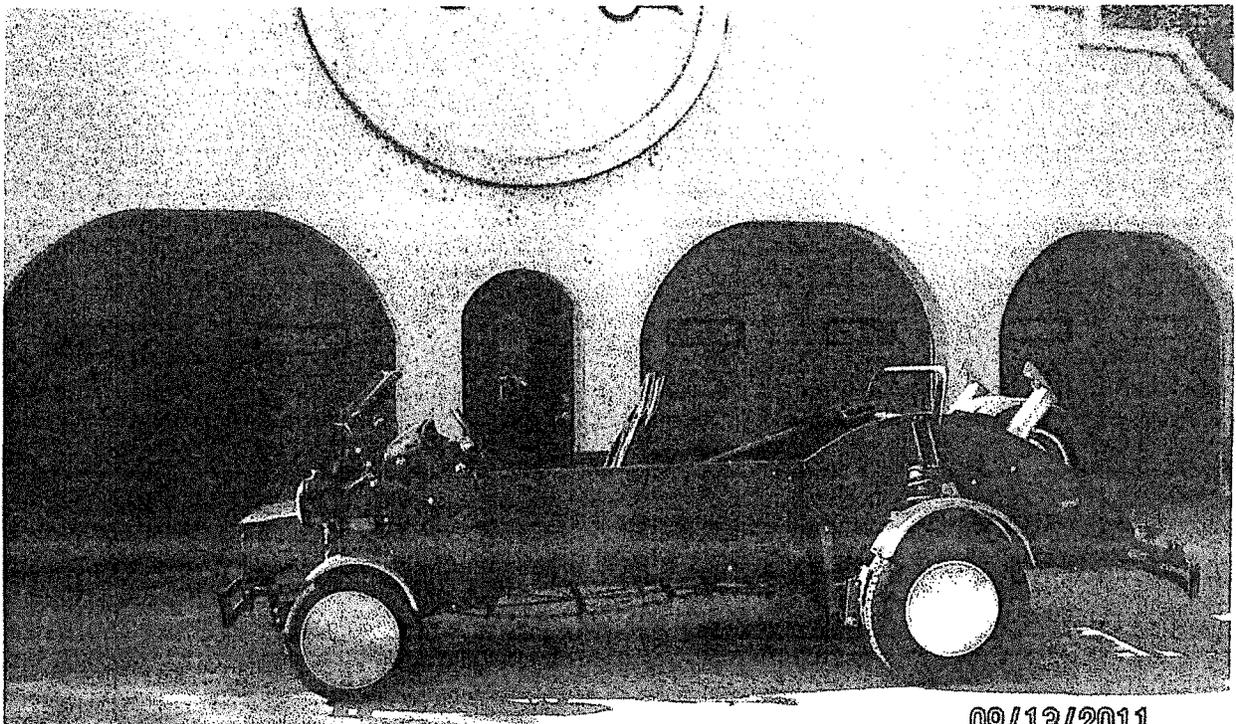
A



B



C



NO/12/2011

House Transportation COMMITTEE
January, 2013 – 9:00 a.m. – Fort Totten

North Dakota Department of Transportation
Linda Sitz, Director of Motor Vehicle Division
House Bill 1126

Mr. Chairman and members of the committee - I'm Linda Sitz, Director of the Motor Vehicle Division at the North Dakota Department of Transportation (DOT). Thank you for giving me the opportunity to present information to you today.

The DOT supports this bill which will move the vehicle inspections from the Highway Patrol to a qualified service mechanic certified by the national institute for automotive service excellence. This bill change will free up considerable amounts of time within the Highway Patrol.

Currently, in order to get a certificate of title for a salvage vehicle in North Dakota, a citizen must have the vehicle inspected by the Highway Patrol. Highway Patrol must complete a certificate of inspection form that includes the requirements set out in North Dakota Century Code chapter 39-21 and North Dakota Administrative Code article 37-12. The citizen must present the certificate of inspection signed by Highway Patrol to Motor Vehicle Division in order to receive a certificate of title for that vehicle.

This bill changes the process of having Highway Patrol do the inspections. Instead, a mechanic certified by the national institute for automotive service excellence will inspect the vehicle in accordance with North Dakota law and sign the certificate of inspection form provided. The form would be identical to the one currently used by Highway Patrol, with a few changes made to reflect that a mechanic has inspected the vehicle instead of Highway Patrol.

NDDOT would like to propose an amendment to HB1126 adding what is currently North Dakota Administrative Code section 37-12-05-01 to the statute addressed in this bill. The reason for this change is to make the law clearer and easier for the public to find. If this bill passes, Motor Vehicle will need to change the certificate of inspection form accordingly and clean up some language in the Administrative Code.

Mr. Chairman, I would be happy to answer any questions at this time. Thank you.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1126

Page 2, line 3, after "chapter 39-21" insert "and North Dakota Administrative Code chapter 37-12-02"

Page 2, after line 3, insert:

4. A national institute for automotive service excellence-certified mechanic, when inspecting a salvage vehicle under the provisions of this section, must inspect the following equipment to determine it is in compliance with the requirements of chapter 39-21 and North Dakota Administrative Code chapter 37-12-02:
 - a. Headlights, turn signals, windshield, mirrors, horn, brakes, exhaust system, taillights, stoplights, license plate lights, clearance lights and reflectors, bumper heights, tires, fenders, steering wheel, steering and suspension, hood latches, door latches, floor pan, and fuel system. In addition to inspecting the listed equipment, a national institute for automotive service excellence-certified mechanic may require an additional statement from the rebuilder of the salvage vehicle prior to the completion of the certificate of inspection. The additional signed statement, as a part of form SFN 2486, shall require the rebuilder to certify the following:
 - (1) The frame of the salvage vehicle was not in need of repair or has been repaired in such a manner that the repairs will not detract from the overall performance of the vehicle and the frame is now in a condition that would be comparable to the frame of a similar vehicle which had not been damaged in an accident.
 - (2) The wheel alignment is within the tolerances allowed for vehicles of the same make, year model, and style. National institute for automotive service excellence-certified mechanics may require this additional certification when they determine the salvage vehicle may have suffered damage to frame, chassis, or wheel alignment as a result of an accident.

Re-number accordingly.

21

CERTIFICATE OF VEHICLE INSPECTION

North Dakota Department of Transportation

Motor Vehicle Division

SFN 2486 (Rev. 1-2013)

TITLE NO.

The vehicle described must be inspected by an ASE Certified Mechanic to verify compliance with state laws before title or registration will be issued by the Department of Transportation. If the vehicle passes inspection, this form, bearing the signature of the qualified ASE Certified Mechanic and accompanied by all required documents, must be forwarded to the Department of Transportation, Motor Vehicle Division, 608 E. Boulevard Ave., Bismarck, North Dakota 58505, before the vehicle will be registered. If vehicle is already licensed and titled, this form may be used to rescind the license and title if the vehicle is found to be illegally equipped.

Year	Make	Model	Style	VIN	Number of Axles
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REASON FOR INSPECTION

Vehicle Identification Number has been affixed in a secure manner and inspected by an ASE Certified Mechanic (check one):

- Motor Vehicle to be affixed on left front pillar post between door hinges.
- Mobile Home/Trailer to be affixed on hitch.
- Motorcycle to be affixed on the frame.
- Public Vehicle Identification number replacement.

Rebuilt Modified Antique Homemade Other _____

NOTE: If vehicle is antique, is it equipped with original or equivalent parts? Yes No - Explain _____

MOTOR VEHICLE OR 4-WHEELED UNCONVENTIONAL	MOTORCYCLE OR 3-WHEELED UNCONVENTIONAL	TRAILER
<p>Does the vehicle meet the following requirements? (See Chapter 39-21 NDCC and Article 37-12 NDAC)</p> <p>PASS FAIL</p> <ul style="list-style-type: none"> <input type="checkbox"/> Headlights (39-21-02, 39-21-03, 39-21-20) <input type="checkbox"/> Taillights (39-21-04) <input type="checkbox"/> License Plate Light (39-21-04) (3) <input type="checkbox"/> Clearance Lights and Reflectors (39-21-05, 39-21-07 through 39-21-12) <input type="checkbox"/> Stoplights (39-21-06) (1) <input type="checkbox"/> Turn Signals (39-21-06(2), 39-21-19) <input type="checkbox"/> Brakes (39-21-32, 39-21-33) (37-12-02-03(1)) <input type="checkbox"/> Horn (39-21-36) (37-12-02-04) <input type="checkbox"/> Exhaust System (39-21-37) (37-12-02-03(3)) <input type="checkbox"/> Mirrors (39-21-38) (37-12-02-02(5)) <input type="checkbox"/> Windshield - Tinted Windows (39-21-39 (1) (4)) <input type="checkbox"/> Windshield Wipers (39-21-39 (2) (3)) <input type="checkbox"/> Bumper Height (39-21-45.1) (37-12-02-03(2)) <input type="checkbox"/> Door Latches (37-12-02-02(1)) <input type="checkbox"/> Floor Pan (37-12-02-02(2)) <input type="checkbox"/> Hood Latches (37-12-02-02(3)) <input type="checkbox"/> Steering Wheel (37-12-02-02(4)) <input type="checkbox"/> Fenders (37-12-02-03(4)) <input type="checkbox"/> Fuel System (37-12-02-03(5)) <input type="checkbox"/> Steering and Suspension (37-12-02-03(6)) <input type="checkbox"/> Tires (37-12-02-03(7)) 	<p>(See Chapter 39-27 NDCC)</p> <p>PASS FAIL</p> <ul style="list-style-type: none"> <input type="checkbox"/> Frame and Chassis (39-27-03) <input type="checkbox"/> Brakes (39-27-04) (39-27-04.1) <input type="checkbox"/> Tires, Wheel and Rims (39-27-05) <input type="checkbox"/> Steering and Suspension (39-27-06) <input type="checkbox"/> Fuel System (39-27-07) <input type="checkbox"/> Muffler (39-27-08) <input type="checkbox"/> Mirror (39-27-09) <input type="checkbox"/> Fenders (39-27-10) <input type="checkbox"/> Seat (39-27-11) <input type="checkbox"/> Chain Guard (39-27-12) <input type="checkbox"/> Vehicle Stand (39-27-13) <input type="checkbox"/> Glazing (39-27-14) <input type="checkbox"/> Horn (39-27-15) <input type="checkbox"/> Speedometer and Odometer (39-27-16) <input type="checkbox"/> Lighting Equipment (39-27-17) (39-27-17.1) <input type="checkbox"/> Passenger Seat (39-27-18) <input type="checkbox"/> Footrest (39-27-20) <input type="checkbox"/> Highway Bars (39-27-21) 	<p>(See Chapter 39-21 NDCC)</p> <p>PASS FAIL</p> <ul style="list-style-type: none"> <input type="checkbox"/> Taillights (39-21-04) <input type="checkbox"/> Clearance Lights & Reflectors (39-21-05, 39-21-10) <input type="checkbox"/> Stoplights (39-21-06, 39-21-08) <input type="checkbox"/> Turn Signals (39-21-06, 39-21-08) <input type="checkbox"/> Safety Chains or Brakes (39-21-32)

Overall Body Condition of Vehicle: Good Fair Poor

CERTIFICATE OF REPAIRS FOR SALVAGE VEHICLE

Name	Address	City	State	Zip Code
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I certify that I have rebuilt the above described vehicle. I further certify: The frame of the vehicle was not in need of repair or has been repaired in such a manner that the repairs will not detract from the overall performance of the vehicle and the chassis is now in a condition that would be comparable to the chassis of a similar vehicle which has not been damaged in an accident. The wheel alignment for the vehicle is within the tolerances allowed for vehicles of the same make, year model, and style.

X _____
Signature Date

This inspection is "only" to verify the above-described vehicle has met minimum equipment requirements as required by state law.

I certify that I am a National Institute for Automotive Service Excellence certified mechanic as required by NDCC Section 39-05-20.2.

SPECTED BY:

Signature of ASE Certified Mechanic Printed Name Date

PENALTY: Any person making a false statement on this certificate of which another penalty is not specifically provided is guilty of a class B misdemeanor.

House Bill 1126
Testimony before House Transportation Committee
Matthew C. Larsgaard, MBA
Automobile Dealers Association of North Dakota
9:00 a.m., January 18, 2013

1/17/13

Mr. Chairman and members of the committee, my name is Matthew Larsgaard and I am appearing in a neutral position on House Bill 1126 on behalf of the Automobile Dealers Association of North Dakota which consists of our state's franchised new car dealers.

The ND Highway Patrol (HP) has been performing inspections on salvaged motor vehicles for many years. The inspection process and vehicle certification is required to allow a salvaged vehicle to be legally driven on public roads. Inspections primarily occur when a vehicle owner wants to register 1) an antique vehicle, 2) a rebuilt vehicle from various parts or 3) a salvaged or severely damaged vehicle after it has been rebuilt. Please keep in mind that a salvaged vehicle is one that has sustained severe structural damage in excess of seventy-five percent (75%) of the vehicle's retail value. (39-05-20.2)

We very much appreciate the great job that the HP does in protecting our residents and patrolling our highways. We also support the HP's concept of eventually transferring the obligation to conduct salvaged vehicle inspections to the private sector. However, reluctantly, we are opposed to specific language on page 2, line 2 which states "national institute for automotive service excellence (ASE) - certified mechanic."

It is important to understand that an ASE certification simply means that an individual is a "professional" within some aspect of the motor vehicle service industry. Being ASE certified does not mean that an individual is qualified to conduct inspections of severely damaged vehicles. In fact, being "ASE certified" does not even mean that an individual is a mechanic.

We have conducted some research on the ASE certification. The ASE website states that “After passing at least one exam and providing proof of two years of relevant work experience, the test-taker becomes ASE certified.” It is important to understand that the vast majority of the ASE tests focus on one specific automotive system such as brakes, transmissions, exhaust, engines, etc. There are currently 48 different ASE tests ranging from “School Bus Certification Tests” to “Automobile Parts Specialist (P2)” to “Compressed Natural Gas Engines (H1).” Again, with respect to the ASE testing component, an individual only has to pass one of these tests to be ASE certified.

With this in mind, does the proposed legislation allow ANY individual that is “ASE certified” to conduct the inspections? If so, our concern would be that an “ASE Parts Specialist” and other ASE certificate holders might not have the appropriate training to conduct inspections of severely damaged motor vehicles.

In addition, we have several other questions/concerns:

1. It appears that an individual may rebuild a salvaged vehicle and inspect or certify their own work and;
2. It appears that a business may rebuild a severely damaged vehicle and possibly require one of their own employees to inspect or certify the vehicle.
Should the inspector be an independent third party?
3. Will the “certified mechanic” or the business where the mechanic is employed be held liable in the event the vehicle is in an accident involving bodily injury or death?
4. It appears that any “ASE certified mechanic” in North America may perform these inspections. Will we see a large number of out-of-state salvaged vehicles brought into North Dakota?
5. Is there a process in place to validate and ensure that the “certified inspector” actually possesses the ASE certification or can anyone claim to be certified and not have any questions asked?

6. Is there a penalty in place for those who commit fraud and claim to have an ASE certification when they really do not?
7. Is a "mechanic", who is trained to repair and service vehicles, the appropriate professional to conduct inspections on severely damaged vehicles?

It is important to understand that the HP is currently obligated to "inspect" vehicles that are being driven on our highways in an effort to ensure that motorists are safe and in compliance with NDCC 39-21 which requires that specific vehicle equipment must operate properly ...this bill won't change that. It seems reasonable to us that until these questions have been thoroughly studied or answered the HP should continue to perform the inspections for certification – inspections, in part, that pertain directly to NDCC 39-21.

We understand that this is a very important issue before us today. We also understand that during the last two years the HP has inspected over six thousand five hundred (6,500) vehicles. We also agree that it is reasonable to eventually move this task to the private sector. With that in mind, we are very interested in working with the HP to find a reasonable solution to this issue.

Mr. Chairman, in short, we believe this issue needs to be studied further.

We are very interested in partnering with the HP, DOT, and other interested parties in an effort to analyze this issue during the interim. After a thorough due diligence has been performed we would all be much better positioned to approach the 2015 legislature with a solution that works for everyone. This approach will help to identify any unintended consequences and ensure that a "qualified inspector" and inspection process is established – all in an effort to protect our residents and keep non-roadworthy vehicles off of the highways.

Mr. Chairman, this concludes my testimony. Thank you.

Matthew C. Larsgaard, MBA

Automobile Dealers Association of North Dakota

**Testimony – House Bill 1126
Senate Transportation Committee
Submitted by
James Prochniak, NDHP**

March 7, 2013

Good morning, Mr. Chairman, and members of the Senate Transportation Committee. My name is James Prochniak, Superintendent of the North Dakota Highway Patrol. I am here today to testify in support of House Bill 1126.

The North Dakota Highway Patrol inspects motor vehicles for which a salvage certificate of title had been issued and the owner wants to obtain a regular certificate of title. Inspections are completed after the vehicle has been reconstructed. Throughout 2012, the NDHP conducted 3,343 vehicle inspections for NDDOT Motor Vehicle Division purposes. On average, approximately 14 troopers dedicate one day each week to conduct vehicle inspections. The resulting biennial cost is estimated at \$619,091 or approximately 2.8 FTE which would be reallocated.

The North Dakota Highway Patrol is proposing a change to section 39-05-20.2 of the North Dakota Century Code. The change would require the vehicle inspection to be completed by a mechanic certified by an industry-recognized certificate. The intent is to remove the North Dakota Highway Patrol from completing these inspections and requiring certified mechanics to inspect these vehicles. This will enhance the safety component of the inspection and allow NDHP troopers to focus on more critical aspects of their duties. It will also remove the NDHP from any potential liabilities of certifying the mechanical components of a vehicle, such as tires, steering and suspension, and the fuel system.

There are several advantages to removing the NDHP from the vehicle inspection process including increased staffing efficiencies, redirected patrol efforts, and reduced liability on the state. The proposed change will not only benefit the NDHP but also the motoring public by providing for safer vehicles driven on our roadways.

Mr. Chairman, members of the committee, this concludes my testimony. I would be happy to answer any questions you may have.

VEHICLE INSPECTION ANALYSIS



January 11, 2013

The North Dakota Highway Patrol inspects motor vehicles for which a salvage certificate of title had been issued and the owner wants to obtain a regular certificate of title. Inspections are completed after the vehicle has been reconstructed. The NDHP conducts these vehicle inspections by scheduling one or two troopers once a week to complete the inspections. The vehicle owners schedule inspections with their regional NDHP office. The owner is given a date and time of when a trooper will complete the inspection. One or two troopers are scheduled a full eight-hour day once a week to complete the inspections in each of the eight NDHP regional office locations.

The North Dakota Highway Patrol is proposing an amendment to section 39-05-20.2 of the North Dakota Century Code. The amendment essentially states the vehicle inspection must be completed by an ASE-certified mechanic. The intent is to remove the North Dakota Highway Patrol from completing these inspections and requiring certified mechanics to inspect these vehicles. This will enhance the safety component of the inspection and allow NDHP troopers to focus on more critical aspects of their duties. It will also remove the NDHP from any potential liabilities of certifying the mechanical components of a vehicle, such as tires, steering and suspension, and the fuel system.

The NDHP is granted authority under section 39-03-09(5) and 39-05-32 of the NDCC and would like to keep that authority in special cases where there is a need to conduct an investigation. Department of Transportation Administrative Rule 37-12-05-01 states the North Dakota Highway Patrol will conduct these vehicle inspections.

Numerous phone calls and emails have been exchanged with the Department of Transportation regarding the process of vehicle inspections and how the system could be improved. The DOT is in favor of removing the NDHP from the vehicle inspection process and requiring the inspection to be completed by an ASE-certified mechanic.

There are several advantages to removing the NDHP from the vehicle inspection process, including increased staffing efficiencies, redirected patrol efforts, agency cost reduction, and more thorough inspections. The proposed change will not only benefit the NDHP but also the motoring public by providing for safer vehicles driven on our roadways.

Throughout 2012, the North Dakota Highway Patrol conducted 3,343 vehicle inspections for NDDOT Motor Vehicle Division purposes (SFN02486). On average, approximately 14 troopers dedicate one day each week to conduct vehicle inspections. The resulting biennial cost is estimated at \$619,091 or approximately 2.8 FTE which would be reallocated.

Questions

1. Will this bill ultimately provide for safer vehicles on the roadway?
-Yes. Currently, NDHP troopers inspect vehicles to ensure they are in compliance with requirements of section 39-21 of the NDCC. An ASE-certified mechanic is able to inspect the vehicle much more thoroughly and point out safety concerns that a trooper is not trained to identify.

2. How does the NDHP plan to inform the public of this change?
-The NDHP plans to launch a media campaign using television, radio, and print, highlighting the new law and how it works. All regional NDHP offices will be instructed to inform callers to contact their local ASE-certified mechanic to complete the vehicle inspection. There will also be a legislative law review providing clarification to all North Dakota law enforcement officers.

3. What are the requirements to become an ASE certified mechanic?
-The National Institute for Automotive Service Excellence (ASE) works to improve the quality of vehicle repair and service by testing and certifying automotive professionals. To become ASE-certified, you must pass one or more of the ASE certification exams and present proof of at least two years of relevant work experience. You may substitute two years of relevant formal training for up to one year of the work experience requirement.

4. How is an ASE certified mechanic recognized?
-Upon certification, the mechanic will receive wallet and wall credentials, plus an appropriate sleeve insignia or lapel pin set.

5. Does the NDHP face any liabilities with their troopers completing vehicle inspections?
-Yes. Numerous conversations have revealed the concern of NDHP troopers certifying a vehicle is “roadworthy”. NDHP troopers inspect vehicles to verify they are in compliance with state law. This inspection is limited to what the trooper is able to observe from outside the vehicle, which presents a concern if there are possible mechanical flaws throughout the vehicle.

13.8087.01000

Sixty-third
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1126

Introduced by

Transportation Committee

(At the request of the Highway Patrol)

1 A BILL for an Act to amend and reenact section 39-05-20.2 of the North Dakota Century Code,
2 relating to salvage certificates of title.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 39-05-20.2 of the North Dakota Century Code is
5 amended and reenacted as follows:

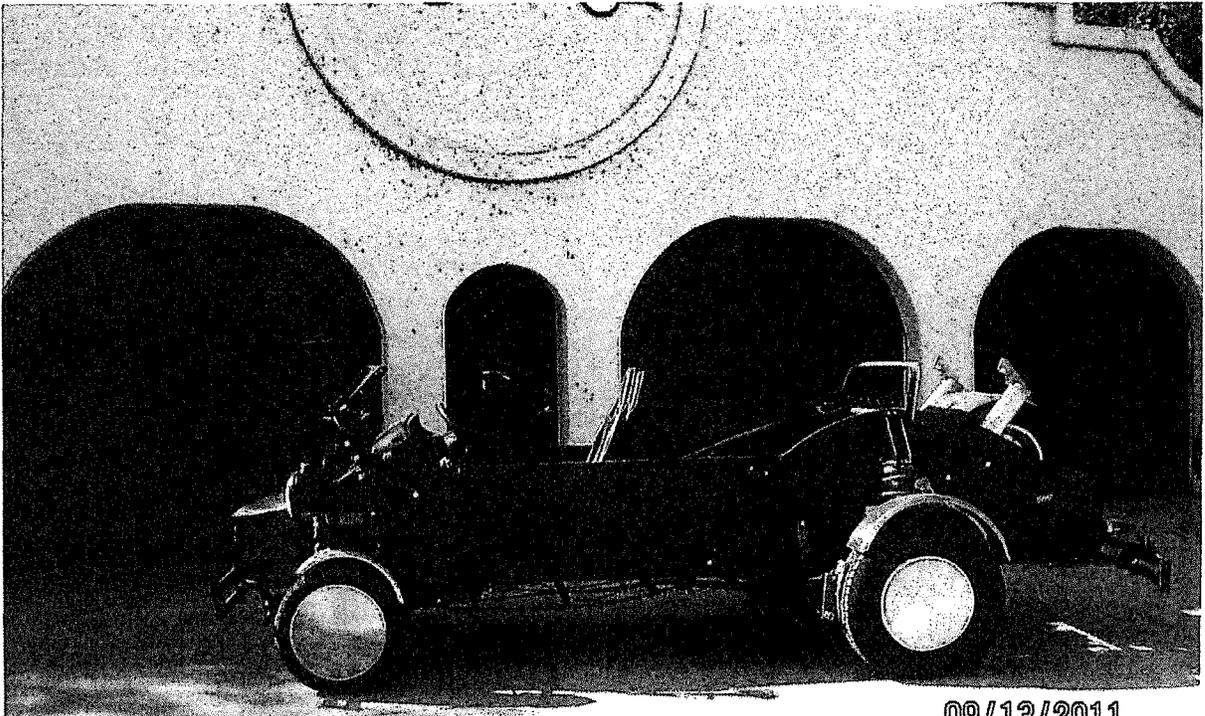
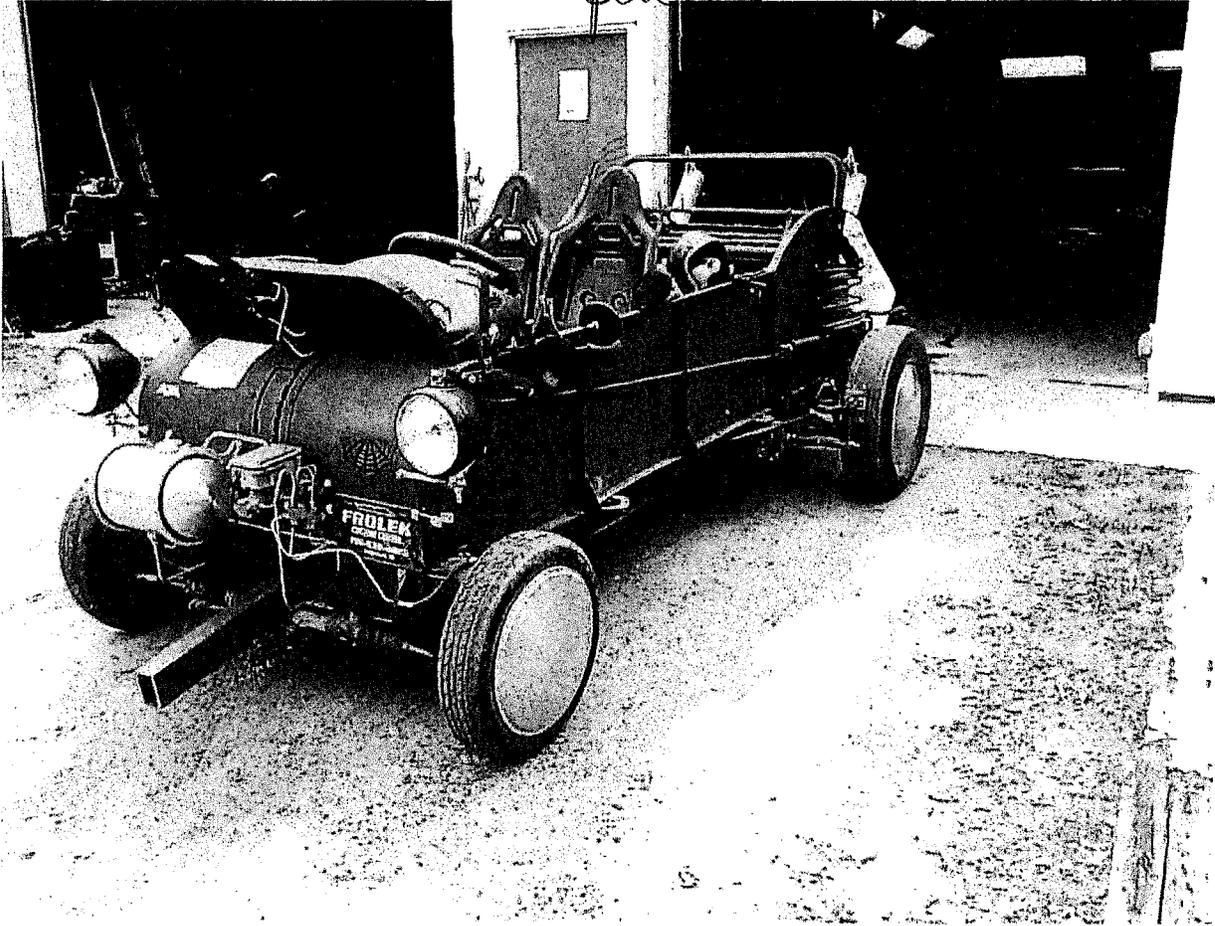
6 **39-05-20.2. Issuance of salvage certificate of title.**

- 7 1. The owner of a vehicle that is damaged in excess of seventy-five percent of the
8 vehicle's retail value as determined by the national automobile dealers association
9 official used car guide shall forward the title for that vehicle to the department within
10 ten days and the department shall issue a salvage certificate of title. Glass damage
11 and hail damage must be excluded in the determination of whether a vehicle has been
12 damaged in excess of seventy-five percent of the vehicle's retail value.
- 13 2. If a vehicle for which a salvage certificate of title has been issued is reconstructed, a
14 regular certificate of title may be obtained by completing an application for the
15 certificate. The applicant shall include with the application a certificate of inspection in
16 the form required by the department, the salvage certificate of title, and a five dollar
17 fee. The department shall place on the regular certificate of title and on all subsequent
18 certificates of title issued for the vehicle the words "previously salvaged" and a
19 notation that damage disclosure information is available from the department. The
20 department may not issue a new certificate unless the vehicle identification number of
21 the vehicle has been inspected and found to conform to the description given in the
22 application or unless other proof of the identity of the vehicle has been provided to the
23 satisfaction of the department.

Sixty-third
Legislative Assembly

- 1 3. The certificate of inspection required under this section must be completed by a
- 2 national institute for automotive service excellence-certified mechanic that must state
- 3 the vehicle is in compliance with the requirements of chapter 39-21.

Testimony #1 page 9
Was @ manure spreader
passed N'DHP inspection



NO/12/2011

1 testimony 1 page
↓ it has a current title, can be
↓ washed and driven down the road



↑ seems to have nothing wrong
with it

ASE Mechanics in North Dakota
Master Auto

City	Technician Count
ABERCROMBIE	1
ALICE	1
ARGUSVILLE	1
BELCOURT	1
BELFIELD	1
BERTHOLD	1
BISMARCK	50
BOTTINEAU	1
BURLINGTON	1
CANDO	1
CASSELTON	4
CAVALIER	2
CHURCHS FERRY	1
CLIFFORD	1
COOPERSTOWN	1
DEVILS LAKE	5
DICKINSON	17
DRAKE	1
DUNN CENTER	1
DUNSEITH	1
EDGELEY	1
EMBDEN	1
EMERADO	1
FAIRMOUNT	2
FARGO	49
FINLEY	2
GACKLE	1
GRAFTON	3
GRAND FORKS	21
GRANDIN	1
HANKINSON	1
HARVEY	3
HARWOOD	1
HATTON	1
HAZELTON	1
HAZEN	3
HETTINGER	1
HOPE	1
JAMESTOWN	7
KINDRED	1
LANGDON	3
LINCOLN	3
LINTON	1
LISBON	2
MANDAN	19
MCCLUSKY	1
MENOKEN	1
MINOT	35
MOORETON	1
NEW LEIPZIG	1
NEW ROCKFORD	1

ASE Mechanics in North Dakota
Master Auto

City	Technician Count
NEW SALEM	1
NEW TOWN	1
OAKES	2
ORISKA	1
PRAIRIE ROSE	1
RAY	1
REGAN	1
ROLLA	1
RUGBY	2
RYDER	1
SAINT ANTHONY	1
SAWYER	1
SELZ	1
ST ANTHONY	2
SURREY	3
SYKESTON	1
THOMPSON	2
TOLNA	2
VALLEY CITY	4
WAHPETON	9
WEST FARGO	17
WHEATLAND	1
WILLISTON	8
WILTON	1
WIMBLEDON	1
WISHEK	1
WYNDMERE	1

ASE Mechanics In North Dakota
Master Collision

City	Technician Count
BISMARCK	7
FARGO	3
GRAFTON	2
GRAND FORKS	2
JAMESTOWN	1
LANGDON	1
MANDAN	4
MINOT	2
STEELE	1
WAHPETON	1

ASE Mechanics in North Dakota
Collision

City	Technican Count
BISMARCK	19
BURLINGTON	1
CAVALIER	1
DAZEY	1
DEVILS LAKE	2
FARGO	10
GLENBURN	1
GRAFTON	2
GRAND FORKS	2
HAZEN	1
HORACE	1
JAMESTOWN	4
LINCOLN	1
MANDAN	4
MENOKEN	1
MINOT	5
PARK RIVER	1
SELZ	1
SURREY	1
UNDERWOOD	1
WHPETON	3

**SENATE TRANSPORTATION COMMITTEE
March 7, 2013 – 10:45 a.m. – Lewis and Clark**

**North Dakota Department of Transportation
Linda Sitz, Director of Motor Vehicle Division
House Bill 1126**

Mr. Chairman and members of the committee - I'm Linda Sitz, Director of the Motor Vehicle Division at the North Dakota Department of Transportation (DOT). Thank you for giving me the opportunity to present information to you today.

The DOT supports this bill which will move the vehicle inspections from the Highway Patrol to a qualified service mechanic certified by an industry- recognized certificate for automotive service excellence. This bill change will free up considerable amounts of time within the Highway Patrol.

Currently, in order to get a certificate of title for a salvage vehicle in North Dakota, a citizen must have the vehicle inspected by the Highway Patrol. Highway Patrol must complete a certificate of inspection form that includes the requirements set out in North Dakota Century Code chapter 39-21 and North Dakota Administrative Code article 37-12. The citizen must present the certificate of inspection signed by Highway Patrol to Motor Vehicle Division in order to receive a certificate of title for that vehicle.

This bill changes the process of having Highway Patrol do the inspections. Instead, a certified mechanic will inspect the vehicle in accordance with North Dakota law and sign the certificate of inspection form provided. The form would be identical to the one currently used by Highway Patrol, with a few changes made to reflect that a mechanic has inspected the vehicle instead of Highway Patrol.

If this bill passes, DOT Motor Vehicle will need to change the certificate of inspection form accordingly and clean up some language in the Administrative Code.

Mr. Chairman, I would be happy to answer any questions at this time. Thank you.

CERTIFICATE OF VEHICLE INSPECTION

North Dakota Department of Transportation

Motor Vehicle Division

SFN 2486 (Rev. 06-2009)

TITLE NO.

The vehicle described must be inspected by a trooper of the Highway Patrol to verify compliance with state laws before title or registration will be issued by the Department of Transportation. If the vehicle passes inspection, this form, bearing the signature of the qualified trooper and accompanied by all required documents, must be forwarded to the Department of Transportation, Motor Vehicle Division, 608 E. Boulevard Ave., Bismarck, North Dakota 58505, before the vehicle will be registered. If vehicle is already licensed and titled, this form may be used to rescind the license and title if the vehicle is found to be illegally equipped.

Year	Make	Model	Style	VIN	Number of Axles
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REASON FOR INSPECTION

Vehicle Identification Number has been affixed in a secure manner and inspected by the Highway Patrol (check one):

- Motor Vehicle to be affixed on left front pillar post between door hinges.
- Mobile Home/Trailer to be affixed on hitch.
- Motorcycle to be affixed on the frame.
- Public Vehicle Identification number replacement.

Rebuilt Modified Antique Homemade Other _____

NOTE: If vehicle is antique, is it equipped with original or equivalent parts? Yes No - Explain _____

MOTOR VEHICLE OR 4-WHEELED UNCONVENTIONAL	MOTORCYCLE OR 3-WHEELED UNCONVENTIONAL	TRAILER
<p>Does the vehicle meet the following requirements? (See Chapter 39-21 NDCC and Article 37-12 NDAC)</p> <p>PASS FAIL</p> <ul style="list-style-type: none"> <input type="checkbox"/> Headlights (39-21-02, 39-21-03, 39-21-20) <input type="checkbox"/> Taillights (39-21-04) <input type="checkbox"/> License Plate Light (39-21-04) (3) <input type="checkbox"/> Clearance Lights and Reflectors (39-21-05, 39-21-07 through 39-21-12) <input type="checkbox"/> Stoplights (39-21-06) (1) <input type="checkbox"/> Turn Signals (39-21-06(2), 39-21-19) <input type="checkbox"/> Brakes (39-21-32, 39-21-33) (37-12-02-03(1)) <input type="checkbox"/> Horn (39-21-38) (37-12-02-04) <input type="checkbox"/> Exhaust System (39-21-37) (37-12-02-03(3)) <input type="checkbox"/> Mirrors (39-21-38) (37-12-02-02(5)) <input type="checkbox"/> Windshield - Tinted Windows (39-21-39 (1) (4)) <input type="checkbox"/> Windshield Wipers (39-21-39 (2) (3)) <input type="checkbox"/> Bumper Height (39-21-45.1) (37-12-02-03(2)) <input type="checkbox"/> Door Latches (37-12-02-02(1)) <input type="checkbox"/> Floor Pan (37-12-02-02(2)) <input type="checkbox"/> Hood Latches (37-12-02-02(3)) <input type="checkbox"/> Steering Wheel (37-12-02-02(4)) <input type="checkbox"/> Fenders (37-12-02-03(4)) <input type="checkbox"/> Fuel System (37-12-02-03(5)) <input type="checkbox"/> Steering and Suspension (37-12-02-03(6)) <input type="checkbox"/> Tires (37-12-02-03(7)) 	<p>(See Chapter 39-27 NDCC)</p> <p>PASS FAIL</p> <ul style="list-style-type: none"> <input type="checkbox"/> Frame and Chassis (39-27-03) <input type="checkbox"/> Brakes (39-27-04) (39-27-04.1) <input type="checkbox"/> Tires, Wheel and Rims (39-27-05) <input type="checkbox"/> Steering and Suspension (39-27-06) <input type="checkbox"/> Fuel System (39-27-07) <input type="checkbox"/> Muffler (39-27-08) <input type="checkbox"/> Mirror (39-27-09) <input type="checkbox"/> Fenders (39-27-10) <input type="checkbox"/> Seat (39-27-11) <input type="checkbox"/> Chain Guard (39-27-12) <input type="checkbox"/> Vehicle Stand (39-27-13) <input type="checkbox"/> Glazing (39-27-14) <input type="checkbox"/> Horn (39-27-15) <input type="checkbox"/> Speedometer and Odometer (39-27-16) <input type="checkbox"/> Lighting Equipment (39-27-17) (39-27-17.1) <input type="checkbox"/> Passenger Seat (39-27-18) <input type="checkbox"/> Footrest (39-27-20) <input type="checkbox"/> Highway Bars (39-27-21) 	<p>(See Chapter 39-21 NDCC)</p> <p>PASS FAIL</p> <ul style="list-style-type: none"> <input type="checkbox"/> Taillights (39-21-04) <input type="checkbox"/> Clearance Lights & Reflectors (39-21-05, 39-21-10) <input type="checkbox"/> Stoplights (39-21-06, 39-21-08) <input type="checkbox"/> Turn Signals (39-21-06, 39-21-08) <input type="checkbox"/> Safety Chains or Brakes (39-21-32)

Overall Body Condition of Vehicle: Good Fair Poor

CERTIFICATE OF REPAIRS FOR SALVAGE VEHICLE

Name	Address	City	State	Zip Code
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I certify that I have rebuilt the above described vehicle. I further certify: The frame of the vehicle was not in need of repair or has been repaired in such a manner that the repairs will not detract from the overall performance of the vehicle and the chassis is now in a condition that would be comparable to the chassis of a similar vehicle which has not been damaged in an accident. The wheel alignment for the vehicle is within the tolerances allowed for vehicles of the same make, year model, and style.

X

Signature

Date

This inspection is "only" to verify the above-described vehicle has met minimum equipment requirements as required by state law.

INSPECTED BY:

Signature of Inspecting Officer

Badge Number

Date

PENALTY: Any person making a false statement on this certificate of which another penalty is not specifically provided is guilty of a class B misdemeanor.

House Bill 1126
Testimony before Senate Transportation Committee
Matthew C. Larsgaard, MBA
Automobile Dealers Association of North Dakota
March 7, 2013

3/6/13

Mr. Chairman and members of the committee, my name is Matthew Larsgaard and I am appearing in opposition to House Bill 1126 on behalf of the Automobile Dealers Association of North Dakota which consists of our state's franchised new car dealers.

The ND Highway Patrol (HP) has been performing inspections on salvaged motor vehicles for many years. The inspection process and vehicle certification is required to allow a salvaged vehicle to be legally driven on public roads. Inspections primarily occur when a vehicle owner wants to register 1) an antique vehicle, 2) a rebuilt vehicle from various parts or 3) a salvaged or severely damaged vehicle after it has been rebuilt. Please keep in mind that a salvaged vehicle is one that has sustained severe structural damage in excess of seventy-five percent (75%) of the vehicle's retail value. (39-05-20.2)

We very much appreciate the great job that the HP does in protecting our residents and patrolling our highways. We also support the HP's concept of eventually transferring the obligation to conduct salvaged vehicle inspections to the private sector. However, reluctantly, we are opposed to specific language on page 2, line 2 which states "mechanic certified by an industry - recognized certificate."

We believe this language is much too vague and broad. What does having an "industry recognized certificate" mean? This language seems to allow ANY "mechanic" that has any type of "industry" certification to conduct the inspections.

It is important to understand that many "industry certificates" focus on one specific automotive system such as brakes, transmissions, exhaust, engines, etc. The Automotive Service Excellence (ASE) tests are some of the most common and widely recognized industry certifications. There are currently 48 different ASE tests ranging from "School Bus Certification Tests" to "Automobile Parts Specialist (P2)" to "Compressed Natural Gas Engines (H1)." An individual only has to pass one of these tests to earn an "industry recognized certificate."

In addition, we have several other questions/concerns:

1. It appears that an individual may rebuild a salvaged vehicle and inspect or certify their own work and;
2. It appears that a business may rebuild a severely damaged vehicle and possibly require one of their own employees to inspect or certify the vehicle.
Should the inspector be an independent third party?
3. Will the “certified mechanic” or the business where the mechanic is employed be held liable in the event the vehicle is in an accident involving bodily injury or death?
4. It appears that any “certified mechanic” in North America may perform these inspections. Will we see a large number of out-of-state salvaged vehicles brought into North Dakota to be inspected and then titled?
5. Is there a process in place to validate and ensure that the “certified inspector” actually possesses a certification or can anyone claim to be certified and not have any questions asked?
6. Is there a penalty in place for those who claim to have a certification when they really do not?
7. Is a “mechanic”, who is trained to repair and service vehicles, the appropriate professional to conduct inspections on severely damaged vehicles?

It is important to understand that the HP is currently obligated to “inspect” vehicles that are being driven on our highways in an effort to ensure that motorists are safe and in compliance with NDCC 39-21 which requires that specific vehicle equipment must operate properly ...this bill won't change that. It seems reasonable to us that until these questions have been thoroughly studied or answered the HP should continue to perform the inspections for certification – inspections, in part, that pertain directly to NDCC 39-21.

We understand that this is a very important issue before us today. We also understand that during the last two years the HP has inspected over six thousand five hundred (6,500) vehicles. We also agree that it is reasonable to eventually move this task to the private sector. With that in mind, we are very interested in working with the HP to find a reasonable solution to this issue.

Mr. Chairman, in short, we believe this issue needs to be studied further.

We are very interested in partnering with the HP, DOT, and other interested parties in an effort to analyze this issue during the interim. After a thorough due diligence has been performed we would all be much better positioned to approach the 2015 legislature with a solution that works for everyone. This approach will help to identify any unintended consequences and ensure that a "qualified inspector" and inspection process is established – all in an effort to protect our residents and keep non-roadworthy vehicles off of the highways.

Mr. Chairman, this concludes my testimony. Thank you.

Matthew C. Larsgaard, MBA
Automobile Dealers Association of North Dakota

13.8087.02003
Title.

Prepared by the Legislative Council staff for
Senator Armstrong
April 9, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1126

That the Senate recede from its amendments as printed on page 1169 of the House Journal and page 946 of the Senate Journal and that Engrossed House Bill No. 1126 be amended as follows:

Page 2, line 2, replace "mechanic certified by an industry-recognized certificate who" with "business registered with the secretary of state and which is in good standing with publicly offered motor vehicle repair. The business completing the certificate of inspection may not be the business that reconstructed the vehicle and"

Renumber accordingly

HB 1126 Proposed Amendment

Current Law:

3. The certificate of inspection required under this section must be completed by a licensed new or used motor vehicle dealer with publicly offered motor vehicle repair services. The dealer completing the certificate of inspection may not be the dealer who reconstructed the vehicle and must state the vehicle is in compliance with the requirements of chapter 39 - 21 .

Proposed Change:

3. The certificate of inspection required under this section must be completed by a licensed new ~~or used~~ motor vehicle dealer ~~with publicly offered~~ or a motor vehicle repair services shop with ASE certified technicians for automotive or collision repairs. The dealer completing the certificate of inspection may not be the dealer who reconstructed the vehicle and must state the vehicle is in compliance with the requirements of chapter 39 - 21 .

Final Copy:

3. The certificate of inspection required under this section must be completed by a licensed new motor vehicle dealer or a motor vehicle repair service shop that has ASE certified technicians for automotive or collision repairs. The dealer completing the certificate of inspection may not be the dealer who reconstructed the vehicle and must state the vehicle is in compliance with the requirements of chapter 39 - 21.