

FISCAL NOTE
Requested by Legislative Council
01/08/2015

Bill/Resolution No.: SB 2142

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(31,632)		\$(31,632)
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$(9,680)	\$(9,680)
Cities		\$(5,500)	\$(5,500)
School Districts			
Townships		\$(1,188)	\$(1,188)

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill eliminates the one-time \$15 fee and the annual \$10 surcharge for veteran's license plates for purple heart recipients. It also provides that each purple heart recipient receive a distinctive license plate allowing them to operate one vehicle without annual registration fees.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of this bill eliminates the one-time \$15 fee and the annual \$10 surcharge for veteran's license plates for purple heart recipients. Section 2 provides that each purple heart recipient receive a distinctive license plate allowing them to operate one vehicle without annual registration fees.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

There are approximately 200 purple heart plates currently issued. Under the provisions of section 1 of this bill, the Veterans Cemetery Maintenance Fund would lose approximately \$4,000 in revenue per biennium (200 purple heart recipient vehicles X \$10 per vehicle X 2 years per biennium = \$4,000). Under section 2 of the bill, the Highway Tax Distribution Fund would lose approximately \$44,000 per biennium in registration fees for one vehicle per purple heart recipient. This loss of \$44,000 would be allocated as follows: Cities – 12.5% (\$5,500), Counties – 22% (\$9,680), Townships – 2.7% (\$1,188), Transit – 1.5% (\$660), NDDOT – 61.3% (\$26,972).

The revenue loss to the state (\$31,632) shown under section 1A consists of the sum of the \$4,000 loss to the Veteran's Cemetery Maintenance Fund, the \$660 loss to transit (administered through NDDOT), and the \$26,972 loss to NDDOT.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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Date Prepared: 01/15/2015

2015 SENATE TRANSPORTATION

SB 2142

2015 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

SB 2142
1/16/2015
Recording job number 22065

Subcommittee

Conference Committee

Committee Clerk Signature

Dois E Perez

Explanation or reason for introduction of bill/resolution:

to create and enact a new subdivision to subsection 2 of section 39-04-18 of the North Dakota Century Code, relating to a purple heart recipient exemption from motor vehicle registration fees; and to amend and reenact section 39-04-10.10 of the North Dakota Century Code, relating to veterans' number plates.

Minutes:

Attachments: 1

Chairman Oehlke opened the hearing on SB 2142 all committee members were present.

Senator Tim Mathern, District 11, Fargo, sponsor of this bill: The purpose of this bill is to eliminate the onetime \$15 fee and the annual \$10 surcharge for veterans' license plates for Purple Heart recipients. A veteran from my district asked for this bill, why pay extra for this license if the goal is to honor/recognize them. There is a further request that is not in the bill, you might want to consider but I didn't think it had a possibility of moving too far, that would eliminate the entire tax for the vehicle. In the fiscal note there is a cost, there are about 200 folks with this license plate who would no longer pay that fee, therefore there would be a reduction of money to the transportation fund, the counties and the veterans' cemetery fund. I recognize the cost, but it is important that we do it so they can have public recognition while alive rather than having a special place in the cemetery that recognizes them when they are dead. I ask for a yes vote.

Senator Richard Marcellais, District 9, Rolette County, gave background history regarding Purple Heart recipients, see attachment #1 (5:17-7:20)

Chairman Oehlke : Linda Sitz you mentioned there is a bill addressing this issue in the House, is there anything we need to change?

Linda Sitz, Director, Motor Vehicle Division, ND Department of Transportation (DOT): HB 1198, page 2 lines 14-18, addresses that current and retired National Guard Members should be getting one free registration, it doesn't address the plates.

Chairman Oehlke so a Purple Heart awardee would be eligible for that plate on only one vehicle?

Linda Sitz: yes

Vice Chairman Casper under which plate category would this one fall, are there any others?

Linda Sitz : yes the POW plate is a different plate. We have various logos and that is what this Purple Heart is, a logo on the buffalo plate. I don't have the specific numbers. The only ones that would get the exemption are the ones present this year in that bill.

Lieutenant Colonel Davina French, ND Army National Guard on behalf of General David Sprynczynatyk, as the bill is written the National Guard is fine with not receiving the \$10 surcharge that we get off these plates. It is the least we can do for our wounded warriors out there. The numbers is an interesting dispute because there are over 200 registered for the plates already, but the recipients that belong to the Order of the Purple Heart in ND are only 148. We know that not everybody belongs to the Order. We have 201 plates, going with the fiscal note we have a fiscal loss in this of \$4- 6 thousand that probably won't go into the cemetery fund. We support the concept in a neutral state. 12-13:34

Chairman Oehlke closed the hearing on SB 2142.

Senator Sinner moved: do pass **Vice Chairman Casper: seconded**

No discussion

Roll call vote was taken: Yes 6 No 0 Absent 0

Carrier: Senator Sinner

REPORT OF STANDING COMMITTEE

SB 2142: Transportation Committee (Sen. Oehlke, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2142 was placed on the Eleventh order on the calendar.

2015 HOUSE TRANSPORTATION

SB 2142

2015 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2142
3/5/2015
#24399

Subcommittee
Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to a purple heart recipient exemption from motor vehicle registration fees; and relating to veterans' number plates.

Minutes:

Chairman Dan Ruby opened the hearing on SB 2142.

Senator Mathern, District 11, introduced SB 2142 and spoke to support it. He stated that a family had come to him to ask why North Dakota didn't honor their father like other states do. The father had a Purple Heart, and his veteran status is honored in some other states by having the special license plate for free. I found out that in North Dakota we do have a special license plate, but we charge for it. The family thought that it wasn't much of an honor to have the special plate and then have a charge for it. The bill essentially eliminates the registration fee for the individuals who have a Purple Heart and have the license plate. I spoke to the Adjutant General's office, and they supported the bill on the Senate side. The conclusion was that we will lose about \$4000 for the cemetery, but to get a spot in the cemetery you have to die. We decided to do something for these people before they die. It basically recognizes about 200 people in our state that have a Purple Heart designation. They could apply and get this vehicle permit at no charge.

Lonnie Wangan, Commissioner of Veteran's Affairs of North Dakota, spoke to support the bill. He stated that we did do the same thing for the Gold Star families last session. It was felt that they had already paid a big enough price. We also did visit with the National Guard to make sure that it wouldn't have a negative impact, and they did not have a problem with it. It is a good idea for the state to say thank you, and a good way for them to show their pride at no cost to themselves. I am 100% for it.

Representative Lois Delmore: It estimates in the bill that there are about 200 plates. Are there more Purple Heart veterans in the state that would be eligible?

Lonnie Wangan: I don't know for sure at this time. We are still going through all of our historical records to try to get them electronic, so that we can pull up that kind of data.

Chairman Dan Ruby: How many other military plates are there in which a portion of the payment goes into the Cemetery Fund?

Lonnie Wangan: You can verify with the Department of Transportation, but I believe all of the veteran's plates do go to the cemetery's two funds.

Chairman Dan Ruby: In line with what we have had this session dealing with plates, I wonder what would be the next one that will come in for the exemption?

Lonnie Wangan: We already have the POW, DAV, and the Gold Star. The others are just veterans and patriotic plates. I don't see us asking for an exemption for any of the other plates. I don't see the community or veterans wanting to take any more funds away from the cemetery.

There was no further testimony in support of SB 2142.
There was no opposition to SB 2142.

The hearing was closed on SB 2142.

Representative Mike Schatz moved a DO PASS on SB 2142.
Representative Lois Delmore seconded the motion.

A roll call vote was taken: Aye 11 Nay 0 Absent 3
The motion passed.

Representative Mike Schatz will carry SB 2142.

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2142**

House Transportation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations

Other Actions: Place on Consent Calendar
 Reconsider _____

Motion Made By Representative Mike Schatz Seconded By Representative Lois Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby	X		Rep. Delmore	X	
Vice Chairman Meier	X		Rep. Hanson	X	
Rep. Rick Becker	X		Rep. Nelson	A	
Rep. Frantzvog	A				
Rep. Hawken	X				
Rep. Olson	X				
Rep. Owens	A				
Rep. Paur	X				
Rep. Schatz	X				
Rep. Sukut	X				
Rep. Weisz	X				

Total (Yes) 11 No 0

Absent 3

Floor Assignment Representative Mike Schatz

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

REPORT OF STANDING COMMITTEE

SB 2142: Transportation Committee (Rep. Ruby, Chairman) recommends DO PASS
(11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2142 was placed on the
Fourteenth order on the calendar.

2015 TESTIMONY

SB 2142

**Testimony for SB 2142
Relating to Veterans Number Plates**

Chairman Oehlke, members of the Senate Transportation Committee, for the record my name is Richard Marcellais, Senator from District 9, Rolette County

The Purple Heart is a United States military decoration awarded in the name of the President to those wounded or killed while serving on or after April 5, 1917, with the U.S. military, the Purple Heart is the oldest military award still given to U.S. military members; the only earlier award being the obsolete Fidelity Medal.

Specific examples of service which warrant the Purple Heart include:

- **Any action against an enemy of the United States**
- **Any action with an opposing armed force of a foreign country in which the Armed Forces of the United States are or have been engaged**
- **While serving with friendly foreign forces engaged in which the Armed Forces engaged in an armed conflict against an opposing armed forces.**
- **As a result of an act of any such enemy of opposing armed forces or as the result of an act of any such enemy of opposing armed forces.**

This is why I feel the Purple Heart Veteran should receive the number plates.

That concludes my testimony in support of SB 2142. I will try an answer any questions. Thank You