

1999 HOUSE TRANSPORTATION

HB 1110

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1110

House Transportation Committee

Conference Committee

Hearing Date January 15, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-3.2
Committee Clerk Signature <i>Lauren</i>			

Minutes:

CHAIRMAN KEISER OPENED THE HEARING ON HB 1110; A BILL RELATING TO MOTOR VEHICLE EXCISE TAX EXEMPTIONS.

GARY L. ANDERSON, Director, Sales and Special Taxes in the Office of the State Tax Commissioner introduced the bill. (See attached testimony).

CHAIRMAN KEISER CLOSED THE HEARING ON HB 1110.

COMMITTEE ACTION

REP. KEMPENICH moved a DO PASS on HB 1110. REP. JENSEN seconded the motion. The motion carried.

ROLL CALL - 13 YAE, 0 NAE, 2 ABSENT AND NOT VOTING

FLOOR ASSIGNMENT: REP. GRUMBO

## FISCAL NOTE

Return original and 14 copies)

Bill/Resolution No.: HB 1110

Amendment to: \_\_\_\_\_

Requested by Legislative Council

Date of Request: 12/29/98

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

**Narrative:** HB 1110 is expected to have a fiscal impact of less than \$5,000 during the 1999-2001 biennium.

2. **State fiscal effect in dollar amounts:**

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: \_\_\_\_\_  
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- b. For the 1999-2001 biennium: \_\_\_\_\_  
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- c. For the 2001-03 biennium: \_\_\_\_\_

4. **County, city, and school district fiscal effect in dollar amounts:**

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed  
attach a supplemental sheet.

Signed: 

Typed Name: Kathryn L. Strombeck

Department: Tax

Date Prepared: January 11, 1999

Phone Number: 328-3402

Date: 1/15/99  
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1110

House Transportation Committee

Subcommittee on \_\_\_\_\_  
or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By Rep Kempenich Seconded By Rep Jensen

Representatives	Yes	No	Representatives	Yes	No
Representative Keiser, Chair	✓		Representative Thorpe	✓	
Representative Mickelson, V. Ch.	✓				
Representative Belter	✓				
Representative Jensen	✓				
Representative Kelsch	✓				
Representative Kempenich	✓				
Representative Price					
Representative Sveen					
Representative Weisz	✓				
Representative Grumbo	✓				
Representative Lemieux	✓				
Representative Mahoney	✓				
Representative Meyer	✓				
Representative Schmidt	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep Grumbo

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

**REPORT OF STANDING COMMITTEE (410)**  
January 15, 1999 11:47 a.m.

**Module No: HR-09-0688**  
**Carrier: Grumbo**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1110: Transportation Committee (Rep. Keiser, Chairman) recommends DO PASS**  
(13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1110 was placed on the  
Eleventh order on the calendar.

**1999 SENATE TRANSPORTATION**

**HB 1110**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1110

Senate Transportation Committee

Conference Committee

Hearing Date February 11, 1999

Tape Number	Side A	Side B	Meter #
2	x		207-800
February 26, 1999 - Tape 1	x		1,295-1553
Committee Clerk Signature <i>Abbi A. Schaeffauer</i>			

Minutes:

SENATOR B. STENEHJEM opened the hearing on HB 1110. Committee members present included: Sens. Bob Stenehjem, R. Schobinger, D. Mutch, D. Cook, D. O'Connell, and V.

Thompson and D. Bercier.

GARY ANDERSON, ND TAX DEPARTMENT testified in support of HB 1110 (see testimony).

SENATOR B. STENEHJEM Do you know how many exemptions are applied for by disabled veterans and persons?

GARY ANDERSON I have no idea.

SENATOR B. STENEHJEM You want to broaden it to those that are leased?

GARY ANDERSON They can hold only one vehicle at any time. We want to extend it to a lease, but they can still only hold one vehicle. So instead of purchasing, it would allow them to lease it. All qualifying persons at this point have a vehicle in their name.

KEITH KISER, DEPARTMENT OF TRANSPORTATION We do not take a position on this bill but it does address an issue. We often get questions from people who would fall within this bill whether leasing is an option for them without the loss of their tax exemption. Under the current statute, if they choose to lease they would not have the tax exemption. At the end of 1998, 257 vehicles were registered in veteran class and exempt from the tax, that number stayed relatively consistent.

SENATOR B. STENEHJEM We will close the hearing on HB 1110.

February 26, 1999 - Tape 1

SENATOR COOK I vote for a Do Pass.

SENATOR THOMPSON Second.

SENATOR THOMPSON It added leased vehicles also.

A roll call vote was taken (7 Yeas, 0 Nays and 0 Absent and Not Voting).

Senator Cook will carry HB 1110.



Date: Feb. 26, 1999

Roll Call Vote #: /

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1110

Senate Transportation Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken No Pass

Motion Made By Sen. Cook Seconded By Sen. Thompson

Senators	Yes	No	Senators	Yes	No
Sen. B. Stenehjem-Chairman	X				
Sen. R. Schobinger-V. Chair	X				
Sen. Duane Mutch	X				
Sen. Dwight Cook	X				
Sen. David O'Connell	X				
Sen. Vern Thompson	X				
Sen. Dennis Bercier	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Cook

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

REPORT OF STANDING COMMITTEE (410)  
February 26, 1999 1:05 p.m.

Module No: SR-35-3679  
Carrier: Cook  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1110: Transportation Committee (Sen. B. Stenejem, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1110 was placed on the Fourteenth order on the calendar.**

**1999 TESTIMONY**

**HB 1110**

**HB 1110**  
Testimony by  
Gary L. Anderson  
Director, Sales & Special Taxes  
Office of State Tax Commissioner

Chairman Keiser, Committee Members. I am here today, representing the Office of State Tax Commissioner, asking for your support of House Bill 1110.

The motor vehicle excise tax law currently enables a disabled veteran or a permanently physically disabled person to purchase a motor vehicle exempt from the 5% tax. The law also provides an exemption from the tax on the purchase of a motor vehicle by a parochial or private nonprofit school, if the vehicle is intended for use in transporting students.

Sections 1 and 2 of House Bill 1110 will provide the disabled veteran and the permanently disabled person an option of purchasing or leasing a vehicle. According to the Automobile Dealers Association of North Dakota, one out of four new car transactions in this state involves a lease. This continued increase in the desire to lease a motor vehicle has resulted in an occasional call from a disabled veteran or permanently disabled person questioning whether the current exemption extends to a leased motor vehicle. The answer is currently no but House Bill 1110 will respond by allowing these individuals an option to purchase or lease a vehicle. In addition, the change would continue to allow the qualifying person possession of only one exempt vehicle, whether purchased or leased, at any one time. If approved, Sections 1 and 2 would have little or no revenue effect.

Section 3 of House Bill 1110 will also provide parochial and private nonprofit schools an option to purchase or lease exempt vehicles for the purpose of transporting students. As stated previously, the purchase of motor vehicles by these institutions for this purpose is currently exempt from tax. Section 3, if approved, would have no revenue effect.

A separate exemption currently exists for any motor vehicle owned by or in possession of the federal or state government, including political subdivision, which includes public schools.

The changes requested respond to concerns received from taxpayers when considering the option of acquiring a motor vehicle or leasing a motor vehicle.

We would ask your consideration and support for House Bill 1110.

## HB 1110

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Director, Sales & Special Taxes  
Office of State Tax Commissioner

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A separate exemption currently exists for any motor vehicle owned by or in possession of the federal or state government, including political subdivisions, which includes public schools.

The changes requested do respond to concerns received from taxpayers when considering the option of acquiring a motor vehicle or leasing a motor vehicle.

We would ask your consideration and support for HB 1110