

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1134

2001 HOUSE FINANCE AND TAXATION

HB 1134

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1134

House Finance and Taxation Committee

Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
1	Did not record		

Committee Clerk Signature

*Jamie Stein*

Minutes:

**REP. LARRY KLEMIN, DIST. 47** Introduced the bill. See attached written testimony plus handout from the Standard book of American cars relating to classic car sales and parts.

**REP. HERBEL** Asked if you sold a car in another state, would they pay the tax in that state.

**REP. KLEMIN** Yes

**REP. WINRICH** Stated this argument could be applied to antique furniture, etc., the only reason this is a problem is because we have a mechanism when transferring the title.

**REP. KLEMIN** Stated he was not sure if a use tax was paid on antique furniture, he didn't think there was a tax.

With no further testimony, the hearing was closed.

**COMMITTEE ACTION**

**REP. KROEBER** Asked what the effect would be on the Motor Vehicle Department.

**KEITH KEISER, MOTOR VEHICLE DIV. OF THE DEPARTMENT OF**

**TRANSPORTION** Responded saying there would be no administrative problems regarding this bill.

**REP. RENNERFELDT** Stated he was in the antique furniture business and they have a sales tax permit and do pay the sales tax when they sell antique furniture.

**REP. DROVDAL** Made a motion for a **DO NOT PASS**

**REP. RENNER** Second the motion. **MOTION CARRIED.**

14 Yes 0 No 1 Absent

**REP. BRANDENBURG** Was given the floor assignment.

**FISCAL NOTE**  
 Requested by Legislative Council  
 12/21/2000

Bill/Resolution No.: HB 1134

Amendment to:

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$101,200)	(\$8,800)		
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

**HB 1134 provides a motor vehicle excise tax exemption for sales of antique vehicles.**

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.*

**HB 1134, if enacted, is expected to decrease revenues by -\$110,000 in the 2001-03 biennium. The revenue loss is shared by the state general fund and the state aid distribution fund.**

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

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Author:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	8-3402	Date Prepared:	01/03/2001

Date: 1-16-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1134

House FINANCE & TAXATION Committee

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

or

Conference Committee

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

Action Taken Do Not Pass

Motion Made By Rep. Drovdal Seconded By Rep. Renner

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	A	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD	A				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. Brandenburg

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

**REPORT OF STANDING COMMITTEE (410)**  
January 16, 2001 12:43 p.m.

**Module No: HR-06-1056**  
**Carrier: Brandenburg**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1134: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends DO NOT PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1134 was placed on the Eleventh order on the calendar.**

2001 TESTIMONY

HB 1134



TESTIMONY OF REP. LAWRENCE R. KLEMIN  
HOUSE FINANCE AND TAXATION COMMITTEE  
HOUSE BILL NO. 1134  
JANUARY 16, 2001

Mr. Chairman and Members of the Committee

I am Lawrence R. Klemin, Representative from District 47 in Bismarek. I am here today to support House Bill No. 1134. HB 1134 exempts antique motor vehicles from the payment of the 5% excise tax which is imposed when motor vehicles are registered and a certificate of title is issued.

Section 39-04-10.4 provides that a motor vehicle that is at least 40 years old may be permanently licensed upon payment of a registration fee of \$10. The Department of Transportation then issues a "Pioneer" plate to display on the vehicle. The vehicle is then not required to have an annual license and there are no annual fees to pay. The one-time registration fee and license plate for an antique motor vehicle is in recognition of the fact that these vehicles are driven very little, usually only during nice weather, and for such purposes as parades, car shows, and so forth. Some of these vehicles are not driven at all but are maintained as collector items by their owners.

However, if a person acquires an antique motor vehicle, either inside or outside of the State of North Dakota, there is also an excise tax to pay in the amount of 5% in order to obtain a certificate of title to the vehicle. The excise tax applies regardless of whether the purchase is from a dealer or a private individual. While most vehicles decline in value as they depreciate, age, and become used cars, antique vehicles *appreciate* with age, especially if they have been restored, are well-cared for, and are used very little. Consequently, the amount of the excise tax that is payable also increases as an antique motor vehicle becomes more valuable. The tax can be considerable for a rare vehicle that hardly ever or never driven. This is probably the only situation where the excise tax *increases* on vehicles as they get older.

The imposition of the 5% excise tax on antique motor vehicles is counterproductive when it comes to the preservation and restoration of these vehicles. It can have a detrimental effect on the hobbyist and on the car restorer's ability to own and operate these classic vehicles.

The fiscal effect of the exemption from the 5% excise tax is estimated to be \$55,000 per year, according to the fiscal note prepared by the Tax Department. Attached to my testimony is a further explanation of the fiscal effect from the Tax Department. The \$55,000 estimate is based on the actual collection of \$51,000 in excise taxes on antique vehicles in 1999. The \$55,000 estimate for antique vehicles compares to a total of \$57,000,000 per year for the excise taxes on all motor vehicles. Consequently, the degree of fiscal impact by an exemption of antique vehicles is negligible.

I urge your support for an exemption for antique motor vehicles from the excise tax. If you are unwilling to exempt these vehicles, then please consider a reduction in the excise tax percentage for these vehicles. Thank you very much.



"Strombeck, Kathy L."  
<kstrombe@state.nd.  
us>

01/10/01 01:03 PM

To: "Klemin, Lawrence R." <lklemin@state.nd.us>  
cc:  
Subject: Fiscal impact of HB 1134

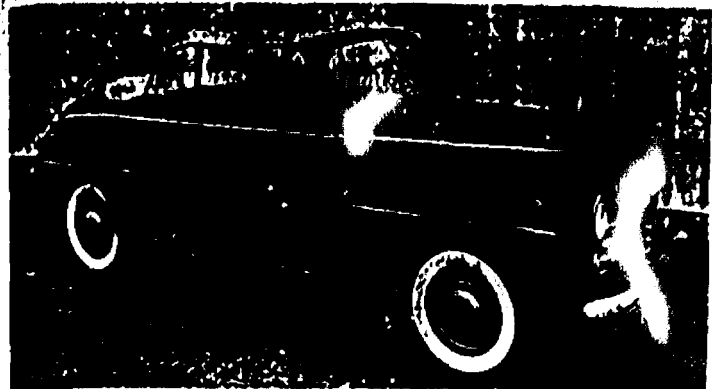
Rep. Klemin,

I received your voice-mail request for information regarding the fiscal impact of HB 1134. The revenue loss was based on calendar year 1999 actual collections on antique vehicles which totaled \$51,000. A small inflation factor was built in, and our estimate of the bill is a revenue loss of -\$55,000 per each year of the 01-03 biennium. The total motor vehicle excise tax is approx. \$114 million for the 01-03 biennium, or \$57,000,000 per year.

Please let me know if you have any questions or comments.

Kathryn L. Strombeck  
Research Analyst  
Tax Dept.  
8-3402

1130



1948 Ford, Super Deluxe two-door convertible, V-8

**SUPER DELUXE SIX-CYLINDER I.D. NUMBERS:** Super Deluxe six-cylinder models began with the same "87HA" designation and used the same production numbers as the Deluxe models.

**SUPER DELUXE SIX**

Model Number	Body/Style Number	Body Type & Seating	Factory Price	Shipping Weight	Production Total
87HA	73B	4-dr Sed-6P	1372	3233	Note 1
87HA	70B	2-dr Sed-6P	1309	3183	Note 1
87HA	72B	2-dr Cpe Sed-6P	1330	3133	Note 1
87HA	77B	2-dr Cpe-3P	1251	3033	Note 1
87HA	79B	4-dr Sta Wag-8P	1893	3487	Note 1

**NOTE 1:** See Super Deluxa V-8 series listing. Production was counted by series and body style only, with no breakouts by engine type.

**SUPER DELUXE I.D. NUMBERS:** Super Deluxe V-8-powered models began with the same "89A" designation and used the same production numbers as the Deluxe models.

**SUPER DELUXE V-8**

Model Number	Body/Style Number	Body Type & Seating	Factory Price	Shipping Weight	Production Total
89A	73B	4-dr Sed-6P	1440	3266	71,358
89A	70B	2-dr Sed-6P	1382	3216	82,161
89A	72B	2-dr Cpe Sed-6P	1409	3166	44,828
89A	77B	2-dr Cpe-3P	1330	3066	111A
89A	76B	2-dr Conv-6P	1740	3286	12,033
89A	71B	2-dr SM Conv-6P	2282	3368	29
89A	78B	4-dr Sta Wag-6P	1972	3520	8,912

**NOTE 1:** Total series output was 219,320 units (not including the two-door coupe, for which production figures are not available). Ford does not indicate the number of each model produced with sixes or V-8 engines. Therefore, all figures given show total production of each body style with both types of engines, except in the case of convertibles, which came only with V-8 power.

**ENGINES:**

**SIX-CYLINDER:** L-head. Cast iron block. Displacement: 228 cid. Bore and stroke: 3.30 x 4.40 inches. Compression ratio: 6.8:1. Brake hp: 95 at 3300 rpm. Carburetor: Holley single-barrel Model 847F. Four main bearings.

**V-8:** L-head. Cast iron block. Displacement: 239 cid. Bore and stroke: 3.19 x 4.00 inches. Compression ratio: 6.8:1. Brake hp: 100 at 3600 rpm. Carburetor: Holley two-barrel Model 94. Three main bearings.

**CHASSIS FEATURES:** Wheelbase: 114 inches. Overall length: 198.2 inches. Track: 58.00 x 16.

**HISTORICAL FOOTNOTES:** The actual production run of 1948 Fords, basically the 1947 models, ended early, in mid-spring, so retooling could take place for the new 1949 Fords. The 1949 Fords were also introduced early, in June 1948.

# 1949 FORD

**FORDS — OVERVIEW —** 1949 represented the first totally new automobile designed by Ford since the end of World War II. The chassis was the wishbone design with longitudinal rear springs replacing the transverse springs used on earlier models. The body featured a heavy chrome molding curving from the top of the grille to the gravel deflector, with "FORD" in large block letters mounted above the grille. There was a horizontal chrome bar in the center of the grille, extending the full width of the opening, with parking lamps mounted on the ends. In the center of the bar was a large spinner with either a '6' or '8' indicating engine choice. The body was slab-sided, eliminating the front fender bulge altogether. A chrome strip near the bottom of the body extended from the front fender openings back to the gas cap. Models for 1949 included the Ford series, and the top line Custom series.

**FORD SERIES — (6-CYL/V-8) —** The Ford series was the base trim level for 1949 and included rubber window moldings, a horn button instead of horn ring, one sun visor and an armrest only on the driver's door.

**FORD SIX I.D. NUMBERS:** Ford six-cylinder models began with the designation, "98HA", with production numbers beginning at 98HA-101 and going to 98HA-173310.

**FORD SIX SERIES**

Model Number	Body/Style Number	Body Type & Seating	Factory Price	Shipping Weight	Production Total
98HA	73A	4-dr Sed-6P	1472	2990	Note 1
98HA	70A	2-dr Sed-6P	1425	2945	Note 1
98HA	72A	2-dr Cb Cpe-6P	1415	2925	Note 1
98HA	72C	2-dr Bus Cpe-3P	1333	2871	Note 1

**NOTE 1:** See Ford V-8 series listing. Production was counted by series and body style only, with no breakout per engine type.

**FORD V-8 I.D. NUMBERS:** Ford V-8 models began with the designation "98BA", with production numbers beginning at 98BA-101 and going to 98BA-948236.

**FORD V-8 SERIES**

Model Number	Body/Style Number	Body Type & Seating	Factory Price	Shipping Weight	Production Total
98BA	73A	4-dr Sed-6P	1546	3030	44,563
98BA	70A	2-dr Sed-6P	1499	2965	126,770
98BA	72A	2-dr Cb Cpe-6P	1523	2965	4,170
98BA	72C	2-dr Bus Cpe-3P	1420	2911	28,946

**NOTE 1:** Total series output was 204,449 units. Ford does not indicate the number of each model produced with sixes or V-8s. Therefore, all production figures given above show total production of each body style.



1949 Ford, Custom two-door sedan, V-8 (AA)

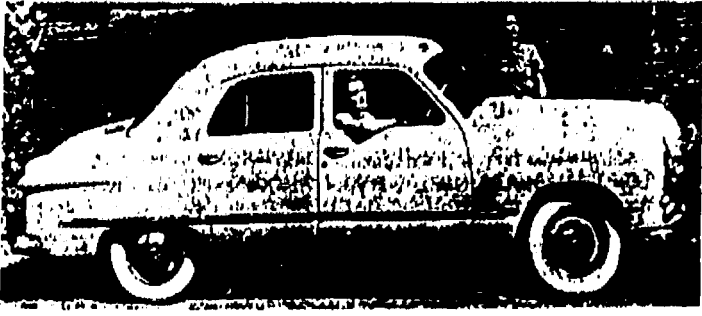
**CUSTOM SERIES — (6-CYL/V-8) —** The Custom series was the top trim level for 1949 and included chrome window moldings, a horn ring, two sun visors, passenger assist straps on the interior B pillars for easier rear seat egress and horizontal chrome trim along the lower half of the body.

**CUSTOM SIX I.D. NUMBERS:** Custom six-cylinder models began with the same "98HA" designation and used the same production numbers as the Ford series.

**CUSTOM SIX SERIES**

Model Number	Body/Style Number	Body Type & Seating	Factory Price	Shipping Weight	Production Total
98HA	73B	4-dr Sed-6P	1559	2993	Note 1
98HA	70B	2-dr Sed-6P	1511	2948	Note 1
98HA	72B	2-dr Cb Cpe-6P	1511	2928	Note 1
98HA	76	2-dr Conv-6P	1896	3234	Note 1
98HA	79	2-dr Sta Wag-8P	2119	3523	Note 1

**NOTE 1:** See Custom V-8 series listing. Production was counted by series and body style only with no breakout per engine type.



1949 Ford, Custom four-door sedan, V-8

**CUSTOM V-8 I.D. NUMBERS:** Custom V-8 models began with the same "98BA" designation and used the same production numbers as the Ford series.

**CUSTOM V-8 SERIES**

Model Number	Body/Style Number	Body Type & Seating	Factory Price	Shipping Weight	Production Total
98BA	73B	4-dr Sed-6P	1636	3033	248,176
98BA	70B	2-dr Sed-6P	1590	2968	433,316
98BA	72B	2-dr Cb Cpe-6P	1588	2968	150,254
98BA	76	2-dr Conv-6P	1949	3274	51,133
98BA	79	2-dr Sta Wag-8P	2264	3563	31,412

