

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

11804

2001 HOUSE TRANSPORTATION

HB 1184

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1184

House Transportation Committee

Conference Committee

Hearing Date January 18, 2001

Tape Number	Side A	Side B	Meter #
1	x		3,930
1		X	4,053
Committee Clerk Signature <i>Lauren B. Fink</i>			

Minutes: Rep. Weisz - Chairman opened the hearing on HB 1184; A BILL to amend and reenact subsection 2 of section 39-04-36 of the North Dakota Century Code, relating to license fee credits.

Keith Kiser, Motor Vehicle Division Director, North Dakota Department of Transportation appeared in support of this DOT sponsored bill. See a copy of his written testimony attached.

Rep. Weisz - Chairman (4142) Does this prohibit the ability of a person to buy personalized license plates?

Keith Kiser: No, not a bit.

Rep. Weisz - Chairman: I guess the question is, the language says the owner "must" use the license plates.

Keith Kiser: No that is not the intent. You still have the option to purchase new plates.

Rep. Mahoney: You say we are selling more plates now than before we wrote the law, if that is the case then maybe we should throw out the law.

Keith Kiser: I do not advocate do that. The citizens like this law because it gives them credits.

Rep. Mahoney: I am one of those who likes to run his vehicle into the ground. I usually have 5 or 6 vehicles setting around my yard. This last year I got rid of several of those vehicles and wasn't purchasing anything else at the time. I could hang on to the license plates. It just seems strange you want to force people to take a credit and yet it is a cost to the Department. You say you are making more license -- I am assume that more expense to the Department -- but you are also loosing the credits people lost under the old law. It just seems that this new law isn't working that well.

Keith Kiser: Let me explain why we are selling more plates. If a person trades his car, instead of buying new plates --- we are trying to mandate that the old plates be used even though we give them credits -- it is still less work and cheaper for the department to have you make use of the old plates. The same is true, if you buy a new car, instead of buying new plates it would save us work and expense if you would use your old plates. Under the old law people were not using their old plates and not taking advantage of the credits-- and sometimes the credits are small -- but unless we try to mandate that they use to old plates experience has shown they will buy new plates.

Rep. Mahoney: If I have an old plate in my garage which I am not using and I buy a new vehicle and order new plates, am I subject to a penalty under this bill?

Keith Kiser: The way we would enforce this -- the way we see this whether there is a trade in -- we are not going to be spending time to track back in your records to say that you should have used on of your old plates.

Rep. Mahoney: What if I admit it? What would my penalty be?

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Kieth Kiser: Under this statute I believe it would be a class B misdemeanor because there are no specific penalties provided in this statute.

Keith Kiser: The important part of this bill is the part that deals with the lessor's credits. If the committee is uncomfortable with the other requirements we certainly don't object to you taking them out.

Rep. Thoreson: (4840) I think you have pretty much answered my question but the main part of bill is to sort out the lessor/ lessee issue.

Keith Kiser: Yes sir you are exactly right.

Rep. Koppang: (4920) I didn't sign this bill but I am supporting because I did introduce a similar bill which will come up later. The main thing in this bill is the transfer of credits. I encourage you to vote a "Do Pass" on this bill.

Rep. Weisz - Chairman: (5040) There being no one wishing to present further testimony either for or against HB 1184, the hearing for testimony is closed.

Discussion followed. (Tape 1 Side B Meter at 4053)

Rep. Carlson: I move a Do Pass as amended and I would move we remove line 9 to line 12 from the word "the transferor" down to the word Plates 'period' be removed from the bill.

Rep. Mahoney: I second that amendment. Motion carried on a voice vote.

Rep. Carlson: I move a 'Do Pass as amended'.

Rep. Kelsch: I second the motion.

Roll call vote: 13 aye 0 nays 1 absent.

Rep. Thorpe was assigned to carry HB 1184 on the floor.

FISCAL NOTE
 Requested by Legislative Council
 04/02/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1184

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				(\$37,800)		(\$41,580)
Expenditures				\$15,000		\$15,000
Appropriations				\$15,000		\$15,000

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
			(\$17,250)	(\$10,500)		(\$18,630)	(\$11,340)	

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

This bill, as amended, provides for a license fee credit for lessees that is not currently available to them. Since the leasing companies do not customarily use the credit available to them under current law, it is anticipated there will be a small reduction in revenue if lessees take advantage of the provisions of this bill. It is not possible to accurately estimate the fiscal impact as it is not known how many lessees will have credit available at the end of their leases or how many will purchase a replacement vehicle and use any remaining credit they may have.

This bill also requires the DOT to print a temporary registration certificate on the reverse side of each vehicle registration card. This will result in an increase in printing costs.

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.*

For purposes of this fiscal note, it was estimated the revenue loss to the Highway Tax Distribution Fund under the amendments to subsection 2 of 39-04-36 of the 1999 Supplement to the North Dakota Century Code would be \$60,000 in the 2001-2003 biennium and \$66,000 for the 2003-2005 biennium. The state's share of this revenue loss is 63%. The counties share is 23% and the cities share is 14%.

This bill as amended would also require the DOT to print a temporary registration certificate on the reverse

side of each vehicle registration card. This will result in an increase in printing costs of approximately \$15,000 per biennium. These costs will reduce the revenue available to the Highway Tax 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.*

This bill as amended would require the DOT to print a temporary registration certificate on the reverse side of each vehicle registration card. This will result in an increase in printing costs of approximately \$15,000 per biennium.

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.*

The Motor Vehicle Division will require a budget enhancement to cover the additional printing costs that will be incurred.

Name:	Shannon L. Sauer	Agency:	NDDOT
Phone Number:	328-4375	Date Prepared:	04/03/2001

FISCAL NOTE
 Requested by Legislative Council
 03/07/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1184

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				(\$12,600)		(\$12,600)
Expenditures				\$20,000		\$20,000
Appropriations				\$20,000		\$20,000

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
			(\$4,600)	(\$2,800)		(\$4,600)	(\$2,800)	

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

This bill, as amended, requires the Motor Vehicle Division to send a special insert with each registration renewal notice mailed to vehicle owners each year. It is estimated the biennium cost for printing the inserts (\$19,000) plus some additional mailing costs (\$1,000) will be \$20,000.

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.*

Since the Motor Vehicle Division will require a budget enhancement to cover the costs associated with the amendments to this bill, it will reduce revenue available to the Highway Tax 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.*

It is estimated the Motor Vehicle Division will spend \$20,000 to implement the provisions of the amendments to this bill.

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.

The Motor Vehicle Division will need a budget enhancement to cover the postage and printing costs we will incur to implement the amendments to this bill.

Name:	Keith Kiser	Agency:	NDDOT
Phone Number:	328-2725	Date Prepared:	03/07/2001

FISCAL NOTE
 Requested by Legislative Council
 01/22/2001

Bill/Resolution No.:

Amendment to: HB 1184

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				(\$37,800)		(\$41,580)
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
			(\$13,800)	(\$8,400)		(\$15,180)	(\$9,240)	

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

The amendment to this bill removes the requirement that vehicle owners used previous license plates they have available rather than obtain new license plates. The previous fiscal note for this bill estimated we could reduce expenditures for license plates by \$3,000 during the 2001-2003 biennium and \$3,300 for the 2003-2005 biennium. The amendment to remove this requirement eliminates this potential cost savings.

The amended bill continues to provides for a license fee credit for lessees that is not currently available to them. Since the leasing companies do not customarily use the credit available to them under current law, it is anticipated there will be a small reduction in revenue if lessees take advantage of the provisions of this bill. It is not possible to accurately estimate the fiscal impact as it is not known how many lessees will have credit available at the end of their leases or how many will purchase a replacement vehicle and use any remaining credit they may have.

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

For purposes of this worksheet, it was estimated the total revenue loss to the Highway Tax Distribution Fund would be \$60,000 in the 2001-2003 biennium and \$66,000 for the 2002-2005 biennium. The state's share of this revenue loss is 63%. The counties share is 23% and the cities share is 14%.

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.*

Name:	Keith Kiser	Agency:	NDDOT
Phone Number:	328-2725	Date Prepared:	01/22/2001

FISCAL NOTE
 Requested by Legislative Council
 12/26/2000

Bill/Resolution No.: HB 1184

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				(\$37,800)		(\$41,580)
Expenditures				(\$3,000)		(\$3,300)
Appropriations				(\$3,000)		(\$3,300)

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
			(\$13,110)	(\$7,980)		(\$14,421)	(\$8,778)	

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

This bill provides for a license fee credit for lessees that is not currently available to them. Since the leasing companies do not customarily use the credit available to them under current law, it is anticipated there will be a small reduction in revenue if lessees take advantage of the provisions of this bill. It is not possible to accurately estimate the fiscal impact as it is not known how many lessees will have credit available at the end of their leases or how many will purchase a replacement vehicle and use any remaining credit they may have. The bill also requires vehicle purchasers to use their previous license plates, even if there is no remaining credit on the plates. This should result in the need to purchase approximately 1,000 less license plates each year.

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.*

For purposes of this worksheet, it was estimated the total revenue loss to the Highway Tax Distribution Fund would be \$60,000 in the 2001-2003 biennium and \$66,000 for the 2003-2005 biennium. The state's share of this revenue loss is 63%. The counties share is 23% and the cities share is 14%.

