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Salvatore Riccardi
Operator's Signature

10/6/03
Date

2003 HOUSE TRANSPORTATION

HB 1482

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Salvatore Riccardi
Operator's Signature

10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1482

House Transportation Committee

Conference Committee

Hearing Date January 30, 2003

Tape Number	Side A	Side B	Meter #
1		x	17.7 to end
2	x		0.7 to 4.3
Committee Clerk Signature <i>Lauren L. Fink</i>			

Minutes:

Rep. Hawken, Vice Chairman opened the hearing on HB 1482, a bill for an Act to create and enact a new section to chapter 57-43.1 of the North Dakota Century Code, relating to a refund of motor vehicle fuels taxes on fuels used in certain vehicles for public transportation; and to provide an effective date.

Rep. Zaiser representing District 21 spoke as prime sponsor for this proposed legislation. this bill relates to the exemption of fuels taxes from fuels used in public transportation. North Dakota is a large sparsely populated state where in many areas people need to rely upon public transportation. Many rely upon this public transportation for all their needs which also include medical visits, health care and their only means to purchasing their necessities. These include fixed transit routes, dial a ride , impaired transit services, -- throughout the state. Some of these services are at a point where they have to have bakes sales and the like to make ends meet. The fiscal note shows a cost of \$300,000 for the biennium.

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La Costa Richardson
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House Transportation Committee
Bill/Resolution Number HB 1482
Hearing Date January 30, 2003

Rep. Hawken: When you are saying certain vehicles for public transportation -- could you define that a little better?

Rep. Zaiser: That means public transportation -- dial-a-rides, senior citizen buses, and fixed route systems in the cities of Fargo, Minot, --

Rep. Hawken: the entire bus system?

Rep. Zaiser: Yes.

Rep. Price: In our community some contract with the cab company -- how would you handle that?

Rep. Zaiser: It is my understanding -- and I think -- well I will yield to the folks from the DOT. We have a friendly amendment that I will distribute to you -- that will deal with making sure that private sector folks would not be eligible for this exemption.

Rep. Price: We had an issue come with some of these more rural -- particularly with them running to the casino. Would that be an issue in this case?

Rep. Zaiser: A public bus -- a public transportation running to a casino?

Rep. Price: yes and she cited several examples.

Rep. Zaiser: That is a good question.

Rep. Mathern: Spoke in favor of the bill. He is Senator from District 11 in Fargo.

Sen. O'Connell: Representing District 6 also spoke on behalf of the bill. He cited some of the problems -- their insurance premiums have tripled.

Jean Rayl: She is a member of the Fargo City Commission appeared in support of HB 1482. A copy of her prepared remarks are attached.

Rep. Headland: Aren't these services bid on by the companies who provide them?

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Bill/Resolution Number HB 1482
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Jean Rayl: We have a service that hires our drivers and we pay them -- it is a private company that comes in. the vehicles are owned by the city of Fargo and maintained by them.

Rick Thoms: (33.3) Representing Souris Basin Transit -- Executive Director spoke to the need for this legislation. A copy of his prepared remarks and attachments are attached to these minutes.

Rep. Price: You mentioned that you on a 15% match now -- correct?

Rick Thoms: That is under the Older Americans Act.

Rep. Price: This back sheet does that mean -- it says 53 -47 match -- would that change?

Rick Thoms: The per centage comes off the 53 -11 program which is new under the Department of Transportation. There was further discussion of match ratios under different programs.

Rep. Zaiser: Are there any public buses going to the casinos ?

Rick Thoms: As far as my knowledge their are none that run to the casinos -- I believe they are all private charters.

Rep. Zaiser: these private charter are not eligible for these gas tax exemptions.

Opposition testimony --

Tom Freier representing the ND DOT . They recognize the significance of the rural and other transit system. They have two concerns about the bill -- whether or not there would be any non profits that would benefit from the exemption and the other issue is really a budgetary concern as to the cost of revenue to the Department.

Rep. Hawken: Your department did not prepared this fiscal note -- the tax department did. Do you feel the \$300,000 is a fair representation?

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House Transportation Committee
Bill/Resolution Number HB 1482
Hearing Date January 30, 2003

Tom Freier: That is close -- in fact our actual figures are slightly less than that. We are not sure how this bill-- the way it is written -- how it would be interpreted.

Rep. Ruby: When you reference the reduction in revenue -- if there are improvements that have to be brought up on the local property tax for that portion lost to the counties and cities? Do you see that as a shift in revenue sources?

Tom Freier: There probably be some of that.

Rep. Zaiser: Can you break down for the distribution of state fund to the department, counties and the cities ?

Tom Freier: He reviewed the distribution formula.

Rep. Price: How is that 21 cent used to match the Federal funds -- ?

Tom Freier: He reviewed the 50 -50 matches; the 80-20 matches; and the 90 -10 matches representing the different categories construction programs for the various road systems.

Rep. Price: Do you gave any comments on HB 2484 ?

Tom Freier: No-- sorry.

Curt Peterson: Representing the AGC of North Dakota. As the people who construct roads they must opposed diversion of any highway revenues.

End of Tape -- Curt Peterson testimony continues on Tape 2 Side A.

Curt Peterson: continued (0.4)

Connie Sprynczynatyk: Executive Director for the North Dakota League of Cities rose to voice their opposition to this bill.

Neutral Testimony ---

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House Transportation Committee
Bill/Resolution Number HB 1482
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Joan Gulster: Representing the North Dakota Tax Department stated that while they were preparing the fiscal note -- they were unsure of the definition of Public Transit System. She suggested that an amendment was necessary -- in her opinion.

There being no other persons wishing to testify for or against HB 1482, Vice Chairman Hawken closed the hearing.

End of record (4.3).

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1482 b

House Transportation Committee

Conference Committee

Hearing Date February 6, 2003

Tape Number	Side A	Side B	Meter #
3		x	35.2 to 48.9
Committee Clerk Signature <i>Laura B. Zick</i>			

Minutes:

Rep. Weisz opened the discussion for action HB 1482. Rep. Zaisere did research some of the revenue issue. Following discussion -- Rep. Dosch moved a 'Do Not Pass' for HB 1482.

Rep. Bernstein seconded the motion. On a roll call vote the motion carried 9 Ayes 3 Nays 1 absent and not voting. Rep. Hawken was designated to carry HB 1482 on the floor.

End of record (49.9)

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Laura B. Zick
Operator's Signature

10/16/03
Date

FISCAL NOTE
 Requested by Legislative Council
 01/21/2003

Bill/Resolution No.: HB 1482

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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 1482 provides for refunds of motor fuels tax for fuel used for qualifying public transportation. Preliminary research indicates these refund provisions may result in a revenue loss of \$300,000 for the 2003-2005 biennium, affecting the highway tax distribution fund and associated political subdivisions. This estimate is based on limited information about qualifying public transportation systems. If more accurate information becomes available, the fiscal note will be amended accordingly.

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.

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:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	01/29/2003

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