

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2086

2007 SENATE TRANSPORTATION

SB 2086

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2086

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: January 4, 2007

Recorder Job Number: 598

Committee Clerk Signature

Jody House

Minutes:

Chairman Lee opened the hearing on SB 2086, a bill to amend and reenact subsection 5 of section 57-40.3-01 of the North Dakota Century Code, relating to use of total loss statements.

All members were present.

Myles Vosberg, Director of Tax Administration for the Office of State Tax Commissioner testified in support of SB 2086. See attached testimony.

Senator Nething asked if his car was totaled and he had to buy a new car, would he receive a tax credit for the value of his old car.

Myles Vosberg answered yes, that is correct. It would be treated the same as a trade in of another vehicle.

Senator Nething asked what if you don't have insurance.

Myles Vosberg answered that you had to have insurance to get the tax credit.

Discussion followed on why it was necessary to have the three year limited time period of the trade in allowance credit and whether this has been a problem in the past. Myles said it has not been a big problem but the three year limit would make the tax credit time limit consistent with other motor vehicle taxes. He stated that the reason for the bill is just a clarification of the law. Discussion followed on the unfairness of vehicles not covered under insurance.

No opposing testimony.

Senator Nething moved a Do Pass

Senator Andrist seconded the motion. The motion carried on a roll call vote 6 yeas 0 nays.

Senator Nething will carry SB 2086

REPORT OF STANDING COMMITTEE (410)
January 5, 2007 11:05 a.m.

Module No: SR-02-0251
Carrier: Nething
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2086: Transportation Committee (Sen. G. Lee, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2086 was placed on the
Eleventh order on the calendar.

2007 HOUSE TRANSPORTATION

SB 2086

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2086

House Transportation Committee

Check here for Conference Committee

Hearing Date: 02-22-2007

Recorder Job Number: 3643/3653

Committee Clerk Signature

Lisa M Thomas

Minutes:

Chairman Weisz opened the hearing on SB 2086. SB 2086 relates to the use of total loss statements. Representative Kelsch was absent.

Myles Vosberg, Director of the Tax Administration of the ND Office of State Tax

Commissioner, introduced the bill. See written testimony.

Rep. Delmore: How many instances are have you dealt with in three years?

Vosberg: Not very many. It does occur once in a while, and of course the customer is not happy that they are not allowed to use their credit, but it is rare.

Rep. Delmore: Right now you would disallow it if it was over three years?

Vosberg: That is correct.

Rep. Delmore: Because it's an interpretation?

Vosberg: It's an interpretation that should be consistent with the refund division that there should be some kind of defining minute on when that would be. It isn't supposed to be for a replacement vehicle because you would assume that a replacement vehicle is going to be purchased in a relatively short time.

Rep. Weisz: So in other words because I wasn't aware of this twenty years ago when I totaled my vehicle, you are not going to give me a credit? *(Jokingly)*

There were no further questions from the committee. There was no further support.

There was no opposition to the bill. The hearing was closed. No action was taken at this time.

Later that day, Chairman Weisz allowed committee discussion on the bill.

Rep. Weisz: Anyone have any reason why they would need more information on this bill?

Rep. Ruby moved a DO PASS. Rep. Delmore seconded.

Rep. Delmore: I find it interesting that they are already enforcing it, whether it is a law or not.

Roll Call Vote: 12 yes. 0 no. 1 absent.

Carrier: Rep. Owens

Date: 9-22-07
 Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES 2086
 BILL/RESOLUTION NO. _____

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Ruby Seconded By Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	X		Rep. Delmore	X	
Vice Chairman Ruby	X		Rep. Gruchalla	X	
Rep. Dosch	X		Rep. Myxter	X	
Rep. Kelsch	X		Rep. Schmidt	X	
Rep. Owens	X		Rep. Thorpe	X	
Rep. Price	X				
Rep. Sukut	X				
Rep. Vigesaa	X				

Total Yes 12 No 0

Absent 1

Floor Assignment Owens

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

REPORT OF STANDING COMMITTEE

SB 2086: Transportation Committee (Rep. Welsz, Chairman) recommends DO PASS
(12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2086 was placed on the
Fourteenth order on the calendar.

2007 TESTIMONY

SB 2086

TESTIMONY BEFORE THE SENATE

TRANSPORTATION COMMITTEE

SB2086

Myles Vosberg

January 4, 2007

same given to House

Chairman Lee and members of the committee, my name is Myles Vosberg. I am the Director of Tax Administration for the Office of State Tax Commissioner. I am here to testify in support of SB2086.

Under existing law, when a motor vehicle is stolen or totally destroyed, the owner of that vehicle is allowed a trade-in credit against the purchase price of one or more replacement vehicles. The trade-in credit is equal to the total amount the purchaser received from an insurance company in compensation for the loss and the credit reduces the motor vehicle excise tax the purchaser must pay on replacement vehicles.

Senate Bill 2086 clarifies that the trade-in allowance must be claimed within three years from the date the insurance company issued a notarized statement of loss verifying the vehicle was a total loss and stating the amount of compensation paid.

The three year limitation to use the trade-in credit to reduce the taxable price of replacement vehicles has been a long standing interpretation of the Tax Commissioner's Office and the three year period is consistent with the time a vehicle owner may apply for a refund of motor vehicle tax paid in error. Because Senate Bill 2086 is a continuation of the Department's existing policy, passage of SB2086 will have no fiscal impact on motor vehicle tax collections.

The Tax Commissioner's Office recommends a "do-pass" on Senate Bill 2086. I will be happy to respond to any questions the committee may have. Thank you.