

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2263

2007 SENATE TRANSPORTATION

SB 2263

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2263

Senate Transportation Committee

☐ Check here for Conference Committee

Hearing Date: January 26, 2007

Recorder Job Number: 2057

Committee Clerk Signature

Jody Hauge

Minutes:

Senator Gary Lee called the Transportation Committee to order at 9:00AM. The clerk called the attendance. There were five committee members present and one absent.

Senator Lee opened the hearing on SB 2263 relating to veterans' number plates.

Senator Robinson, Senator from district 24 introduced the bill and explained that this bill was designed to help the Veterans Cemetery here in North Dakota. It does so by restructuring the fees paid to the veteran's cemetery license plate. The first change is to change the veterans' cemetery plate to the veterans' plate. The renewals haven't been as good as expected. The reason is probably the fifteen dollar charge per year for each renewal. This bill would set the renewal fee at ten dollars and half the fee would go to the cemetery maintenance fund and half will go to the cemetery trust fund. Also in the bill the investment of the trust fund will be done by the State Treasurer rather than the State Investment Board. He urged support of this bill.

Kelly Schmidt, State Treasurer spoke in favor of SB 2263. (Written testimony enclosed).

Senator Potter asked if he had understood right that last year we had a negative return on investments.

Kelly Schmidt answered yes, there was a reduction in that sector. She stated that if we would have had this invested somewhere else I am sure we would have had a return. She said that

as a member of the State Investment Bd., she told the committee that they are usually dealing in millions of dollars. And so \$115,000. is not high on the radar. She added that by bringing the investments into the Treasury's office we can make sure that the \$115,000. is better taken care of.

Senator Lee said to Kelly Schmidt so what you're saying is the Investment Bd can do anything the State Treasurer's office can do but that because of the amount of money, the State Treasurer's office would manage and watch it better.

Kelly Schmidt answered that the State Investment Bd is not in the practice of buying and selling CD's. So she didn't know if the same opportunities are available to the Investment Bd. Right now these dollars are not invested in North Dakota they are with Northern Trust and Western Asset where we have our TIPS. She explained that they put all the assets in a pot and manage the pot.

Bob Hanson, North Dakota commissioner of veterans' affairs testified in favor of SB 2263. His written testimony is enclosed.

Senator Potter asked how many plates are out there now.

Mr. Hanson replied about 3000 and there are about 60,000 veterans.

Senator Potter said that it seemed to him that they were actually giving up \$5. to DOT.

Mr. Hanson said that the DOT only gets the \$5. on the first plate, on renewals \$5. goes to the veterans' cemetery maintenance account and \$5. to the veterans' cemetery trust fund.

Senator Potter asked that currently does the \$15. renewal go to the cemetery fund and trust.

Mr. Hanson answered yes.

Senator Lee asked for any opposing testimony. There being none, he asked if there was any neutral testimony.

Lorrie Pavlicek, NDDOT showed an example of what the plate looked like and she showed the decals that separated all branches of the service.

Senator Lee asked if he wanted a plate like that could he have the same number he already had.

Lorrie Pavlicek said that if you want to retain your number they would consider that a special number plate and there is a \$25. charge for this vanity plate. Special request fall into that category.

Senator Potter asked what a regular plate cost.

Lorrie Pavlicek said that with the current technology that Rough Rider Industry uses the set cost \$10. For a regular plate with no special handling cost...the cost is \$4. That is Rough Rider Industry cost to NDDOT. That is not any additional cost of administration or anything.

Senator Potter said then the marginal cost is really \$6. to create these special plates.

Senator Lee said the fiscal note showed negative \$13,494. He asked if this is successful will that change if they sell more plates.

Lorrie Pavlick said it would but it's hard to estimate. We are neutral on this bill and don't see a huge fiscal impact.

Bob Evans, Secretary of the North Dakota Veterans Coordinating Council, State Adjutant for the Disabled American Veterans and Williams County Veterans Service Officer testified in support of SB 2263. (Written testimony enclosed)

Senator Lee closed the hearing on SB 2263,

Senator Nething moved for a do pass and be rereferred to the Appropriations Committee.

Senator Bakke seconded.

Senator Potter said he thought that all the money should go to the trust fund and investment fund and non to DOT.

With no other discussion, Senator Lee asked the clerk to take the roll call vote.

The clerk took the roll. 5-0-1

Senator Lee will carry the bill.

FISCAL NOTE
Requested by Legislative Council
01/17/2007

Bill/Resolution No.: SB 2263

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$13,495)		(\$13,495)
Expenditures						
Appropriations						

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$4,927)	(\$2,998)		(\$4,927)	(\$2,998)	

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill modifies the funding structure for the initial and annual fees paid for veteran plates, and clarifies the process for fund transfer to the Adjutant General.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill replaces the annual \$5 fee for veteran plates with a one time fee of \$15. \$10 of the one time \$15 fee would be deposited in the Highway Tax Distribution Fund; \$5 of the one time \$15 fee would be deposited in the Veteran's Cemetery Maintenance Fund.

This bill would reduce the revenue to the Highway Tax Distribution Fund by about \$21,420 per biennium. The loss of revenue to the Highway Tax Distribution Fund would impact the NDDOT (\$13,495), counties (\$4,927), and cities (\$2,998).

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.*

The current revenue structure provides about \$27,240 per biennium for the Highway Tax Distribution Fund. This is based on an average of 582 new applications per biennium and an average continuation registration of about 4,866 per biennium. These 5,448 transactions generate approximately \$27,240 per biennium (based on the current \$5 fee).

The proposed revenue structure will provide about \$5,820 per biennium for the Highway Tax Distribution Fund. This is based on an average of 582 new applications per biennium. These 582 transactions will generate approximately \$8,730 in total revenue per biennium (based on the proposed \$15 one-time fee). \$2,910 of this revenue will be deposited in the Veteran's Cemetery Maintenance Fund. The remaining \$5,820 will be deposited in the Highway Tax Distribution Fund.

The difference between the current revenue structure and the proposed revenue structure will result in a loss of approximately \$21,420 per biennium to the Highway Tax Distribution Fund. The NDDOT share of this loss would be \$13,495; the county share would be \$4,927, and the city share would be \$2,998.

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

Name:	Lorrie Pavlicek	Agency:	NDDOT
Phone Number:	328-2725	Date Prepared:	01/23/2007

Date: 1-26-07
Roll Call Vote #: 2263 5-1-0

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2263

Senate Transportation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass referred to Appropriations

Motion Made By Senator Nething Seconded By Senator Bakke

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator JoNell Bakke	✓	
V Ch John Andrist			Senator Tom Fiebiger	✓	
Senator Dave Nething	✓		Senator Tracy Potter	✓	

Total (Yes) 5 No 0

Absent 1

Floor Assignment Senator G Lee

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

REPORT OF STANDING COMMITTEE

SB 2263: Transportation Committee (Sen. G. Lee, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2263 was rereferred to the Appropriations Committee.

2007 SENATE APPROPRIATIONS

SD 2263

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2263

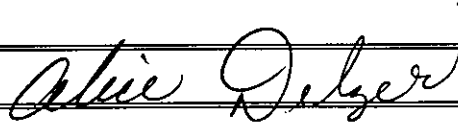
Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-05-07

Recorder Job Number: 2822

Committee Clerk Signature



Minutes:

Senator Holmberg opened the hearing on SB 2263 at 9:17 am on February 5, 2007 regarding Veterans Number Plates.

Senator Robinson stated he sponsored this bill but the State Treasurer, Kelly Schmidt, is here and would like to testify in support of this bill. He also stated later on during testimony the idea behind the bill and the expectations that were anticipated concerning this bill.

Kelly Schmidt, State Treasurer gave oral testimony in support of SB 2263. She stated this bill moves the management of these dollars to the State Treasurer's Office. This would allow her office to move these dollars back to the State of North Dakota and invest them through our BidND program. She presented written testimony (1) along with her oral testimony.

Lorrie R. Pavlicek, Director Motor Vehicle Department gave oral testimony in support of SB 2263.

Senator Robinson moved a DO PASS, Senator wardner seconded. Discussion followed.

Senator Krebsbach expressed concerns about the negative balance and issues regarding the State Investment Board.

A roll call vote was taken resulting in 13 yeas, 0 nays, 1 absent. The motion carried.

Senator Gary Lee will carry the bill.

Date: 2-5-07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2263

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass

Motion Made By Robinson

Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Back to Robinson, Trump, Gary Lee

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

REPORT OF STANDING COMMITTEE (410)
February 5, 2007 2:37 p.m.

Module No: SR-24-2180
Carrier: G. Lee
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2263: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS**
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2263 was placed on the
Eleventh order on the calendar.

2007 HOUSE TRANSPORTATION

SB 2263

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2263

House Transportation Committee

☐ Check here for Conference Committee

Hearing Date: 03-01-2007

Recorder Job Number: 4210

Committee Clerk Signature

Lisa M Thomas

Minutes:

Rep. Price opened the hearing on SB 2263. SB 2263 relates to veteran's number plates.

Rep. Kelsch and Chairman Weisz and Rep. Ruby were absent.

Sen. Robinson introduced the bill. See written testimony.

Sen. Robinson: SB 2263 deals with the issue of the ND Veteran's Cemetery. The bill attempts to address concerns involving the cemetery by restructuring the fees paid for the Veteran's Cemetery license plate. The first change proposed is to change the name from "Veteran's Cemetery License Plate" to "Veteran's License Plate". Initially when this license plate was authorized, the veterans and many of us had high expectations that a large number of plates would be sold, thus providing a substantial sum of dollars for the Veteran's Cemetery south of Mandan. The renewals have not been nearly as robust as hoped and according to veteran's who were surveyed across the state, they feel the fifteen dollar charge was the primary reason for the lack of renewal of the plates. The veterans believe that more money can be generated for the cemetery if the renewal fee was set at ten dollars. The money from the renewals would be split the same way it is now under current law. Five dollars would go to the cemetery trust fund. These dollars are critical importance in the operation of Veterans Cemetery and we would hope that you would support the bill. One other important change is that the trust fund

would be managed, the investment of that cemetery trust fund, would be managed by the State Treasurer rather than the State Investment Board. There is more than a justification for making that switch. I think all of us are strong believers in the Veteran's Cemetery. It is a beautiful cemetery. It didn't happen by accident and to maintain the beauty and formality and meaning of that facility will take the effort of each and every one of us. I think the changes encompassed in SB 2263 would help improve the bottom line. Anything we can do to help meet any future needs would be beneficial.

(Rep. Ruby returns at this time and is now the chairman of the committee)

Rep. Owens: It says "payment of an initial fee". I buy this tag every year for the cemetery. This sounds like I am going to pay it once from now on and there is no annual renewal.

Sen. Robinson: Mr. Hanson will explain that.

Kelly Schmidt, ND State Treasure, spoke in support of the bill. See written testimony.

There were no questions from the committee.

Bob Hanson, Commissioner of Veteran's Affairs, spoke in support of the bill. See written testimony.

Rep. Gruchalla: By changing the name you are going to sell more plates without lowering the fee?

Hanson: I think it is a combination of the two of them. The big thing was veteran's saying that they are not going to renew it because they don't want to have to keep paying fifteen dollars.

Rep. Gruchalla: The cost of a personalized plate is twenty-five dollars per year?

Hanson: I'm not sure.

Rep. Ruby: Initially it was a five dollar annual fee that went into the highway distribution fund.

Then there was basically ten dollars that was divided each year into the two different funds. So what this does is take a one time fifteen dollar amount which five goes into the highway

distribution fund and that is that last time funds go into the highway distribution fund from someone renewing, is that correct?

Hanson: Not totally. Out of that first fifteen dollars, ten of that will go to the highway distribution fund. Then five will go to the cemetery maintenance account.

Rep. Ruby: So the first time that you would apply for this, you would pay the fifteen for that one time and the ten for the other split or is that only in the second year from then on?

Hanson: You would just pay the fifteen dollars the first time.

Rep. Ruby: I see the fiscal note shows reduction to the highway tax distribution fund of about twenty-one thousand per biennium.

Hanson: That was done by the DOT.

There was no further support for this bill. There was no opposition to this bill.

Rep. Ruby allowed for neutral testimony at this time.

Lorrie Pavlicek, ND DOT, spoke neutrally about this bill.

Rep. Owens: On the payment of initial fee that is understood, my question is, does these fifteen dollars, what happens when there is a new distribution in place? A reissue?

Pavlicek: This is stated to be an initial fee so it is the first time that the individual applies for the plate; they would pay that fee and thereafter would be ten dollars to renew their fee. When we are looking at the re-issue of the plate, the current method we are looking at is a replacement program so people would be replacing this plate as the need exists and in that case they would pay a five dollar fee for that replacement plate.

Rep. Owens: So there would be an additional fee when it came time to replace the plate again?

Pavlicek: That would be true for not only the veteran's plates, but any replacement plates.

Rep. Schmidt: (To the State Treasurer): Who is the state investment board?

Kelly Schmidt: I am a member of the State Investment Board. TIPS has been something that when the adjutant general brings the dollars to the state investment board, there is a communication made between the real office and the adjutant general that determines how they should be met. We all want to make sure that those dollars are invested efficiently and safely as possible. The way that the real office does it is they cannot be daily managing dollars of one hundred and fifteen thousand. They are known for throwing it into TIPS because it is safe, like a CD. I can tell you that the real office charges a fee to manage the money. The State Treasurer's Office does not charge a fee. I can also tell you based on TIPS and what they have earned I can double the money by putting this money into BID ND.

Rep. Ruby: By moving the funds you could increase the revenue then why should we reduce the cost so that extra five dollars wouldn't be going to the highway distribution fund which goes back to the cities and counties. I am surprised that somebody isn't here. No matter what we do as far as moving the funds, it is going to be a benefit to the fund.

K.Schmidt: Absolutely.

Rep. Ruby: I would like to ask somebody from DOT what is the significance of this loss?

Pavlicek: In our mind there is not a significant impact.

Rep. Ruby: This bill would reduce the revenue to the highway tax distribution fund by twenty-one thousand four hundred and twenty. The loss of revenue in the highway distribution fund would impact ND DOT thirteen thousand and counties forty-nine hundred twenty-seven and cities twenty-nine ninety-eight.

Pavlicek: That is the impact. The first two years that money is paid.

Rep. Dosch: Vanity plates are twenty-five dollars, correct?

Pavlicek: Yes.

Rep. Dosch: In your handling of these now, you will be getting five dollars. Does that cover the department's cost?

Pavlicek: We will actually get those ten dollars up front. This plate costs us about \$9.30 so we are basically breaking even.

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

The hearing was closed. No action was taken at this time.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2263

House Transportation Committee

☐ Check here for Conference Committee

Hearing Date: 03-01-2007

Recorder Job Number: 4213

Committee Clerk Signature

Lisa M Thomas

Minutes:

Chairman Weisz allowed for committee discussion on SB 2263. SB 2263 relates to veteran's number plates. Rep. Kelsch was absent.

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

Rep. Weisz: Is everybody happy with this bill?

There was no discussion from the committee.

Roll Call Vote: 11 yes. 1 no. 1 absent.

Carrier: Rep. Owens.

Date: 3-1-07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES 2263
BILL/RESOLUTION NO. _____

House Transportation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Owens Seconded By Delmore

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

Total Yes 11 No 1

Absent _____

Floor Assignment Owens

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

REPORT OF STANDING COMMITTEE (410)
March 2, 2007 2:51 p.m.

Module No: HR-40-4394
Carrier: Owens
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2263: Transportation Committee (Rep. Welsz, Chairman) recommends DO PASS
(11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2263 was placed on the
Fourteenth order on the calendar.

2007 TESTIMONY

SB 2263

Testimony - SB 2263
Senate Transportation Committee
Bob Hanson, Commissioner
ND Dept. of Veterans' Affairs
January 26, 2007

Chairman Lee, members of the committee. I am Bob Hanson, North Dakota commissioner of veterans' affairs.

Our State Veterans' Cemetery is among the most inspiring sights in our state. Its stately presence south of Mandan is a fitting location for the final resting place of those who have served our country with honor. Those in charge of the cemetery do a magnificent job of making it a jewel in the family of state veterans' cemeteries. We thank them for their dedication.

Veterans saw the need to assist in making it a tribute to our veterans. One way they saw where veterans and their spouses could contribute was to have a special license plate which would generate extra funds to help the veterans cemetery meet its daily needs as well as build a trust fund for its future concerns.

Unfortunately, one of the problems which developed was a reluctance by veterans to renew their license plates for the cemetery. We have heard veteran after veteran say they do not want to renew because of the \$15 fee.

This bill addresses that concern. Current \$15 annual fee is split \$5 to Department of Transportation (DOT), \$5 to the veterans' cemetery maintenance account and \$5 to the veterans' cemetery trust fund. We've been told DOT's cost is \$10 per plate. This bill gives DOT their \$10 cost up front and the \$5 remaining will go to the cemetery's maintenance account. Renewals will cost \$10, which will be equally split between the 2 cemetery funds as is currently done.

The bill also changes the name of the license plate from "veterans' cemetery number plate" to "veterans' number plate" and makes the State Treasurer responsible for investment of the cemetery trust fund.

As a strong believer in our State Veterans' Cemetery I believe these changes would help improve its bottom line to meet any future needs. It will help retain it as among the best resting places for our fallen Heros anywhere in the nation.

I respectfully ask for your positive support.

Thank you.

Any questions?

Testimony of

Kelly Schmidt
State Treasurer

In Support of SB 2263

The Veterans Cemetery Fund has a current balance of approximately \$115,000 and is invested through the State Investment Board. The asset allocation has these funds placed in TIPS or Treasury Inflation Protection Securities with companies of Western Asset or Northern Trust. The rate of return last year was -1.7%.

SB 2263 moves the management of these dollars to the State Treasurer. This would allow me move these dollars back to the State of North Dakota and investment them through our BidND program.

Introduced in July of 2005, BidND has touched nearly 60 North Dakota communities and has invested close to \$6 million in financial institutions across North Dakota. BidND invests custodial funds, such as funds from the Veterans Post War Trust Fund and Agricultural Commodity group funds, in financial institutions across the state through a bid process. CD's are invested in the financial institution which offers the highest rate of return. Recently, BidND rates ranged from 4.5% to 5.5%.....dollars were awarded to facilities in Mandan, Jamestown, Fingal, and Kenmare.

This bill would allow us to personally manage the Veterans Cemetery Fund and initially, increase the rate of return substantially. It would be our pleasure take on this task and expand these dollars for the good of military who have served us so well.

SB 2263

Chairman Lee and members of the Transportation Committee:

My name is Robert Evans, Secretary of the North Dakota Veterans Coordinating Council, State Adjutant for the Disabled American Veterans and Williams County Veterans Service Officer. I am here today to offer testimony in support of SB 2263 relating to the Veterans' number plate.

Since its inception we of the council have tried many ways to make the plate more marketable and inviting to the states veteran community. We have suggested numerous changes to the plate most of them handled administratively. The one constant since the plate became a reality is the cost. In most of the other states there is little or no extra cost to obtaining a veterans plate. But in North Dakota we have placed a \$15 annual surcharge, fee or added expense to it, with the monies going to offset the cost of the plate and for the maintenance and perpetuation of the Veterans' Cemetery. It has been my goal since suggesting this program that the cost of the plate be as minimal as possible.

What we are suggesting here today is a restructure of the cost of the veterans' plate. We are suggesting that the initial cost be \$15 over and above the registration fee for each vehicle qualifying for the initial year. For all succeeding years the cost of the plate would be \$10 over and above the registration fee. It is our hopes that this change will make the plate more marketable thus bringing in more funds to the Cemetery Maintenance Fund and the Veterans Cemetery Trust Fund. I thank you for your time and consideration.

Testimony
Sen. Larry Robinson, D 24
SB 2263
House Transportation Committee
March 1, 2007

Chairman Weisz, members of the committee. I am Sen. Larry Robinson representing District 24.

SB 2263 is a simple bill meant to help the Veterans' Cemetery. It does so by restructuring the fees paid for the veterans' cemetery license plate.

The first change proposed is to change the name from veterans "cemetery" license plate to "veterans" license plate.

When this license plate was authorized there were high expectations that a large number of them would be sold, thus providing a substantial sum of dollars for the Veterans' Cemetery.

Veterans were told by DOT that renewals were not as robust as hoped. The major reason given by veterans for not renewing was having to pay \$15 for each renewal.

Veterans believe more money can be generated for the Cemetery if the renewal fee was set at \$10.00. The money from renewals would be split the same way it is under current law - \$5.00 to the cemetery maintenance fund and \$10.00 to the cemetery trust fund.

One other change in this bill is that the investment of the cemetery trust fund would be done by the State Treasurer rather than the State Investment Board.

I am a strong believer in our State Veterans Cemetery. I think these changes would help improve its bottom line. Anything we can do to help it meet any future needs would be beneficial. We should do all we can to keep it as among the best resting places for our fallen Heros anywhere in the nation.

Thank you.

Testimony of
Kelly Schmidt
State Treasurer

In Support of SB 2263

The Veterans Cemetery Fund has a current balance of approximately \$115,000 and is invested through the State Investment Board. The asset allocation has these funds placed in TIPS or Treasury Inflation Protection Securities with companies of Western Asset or Northern Trust.

SB 2263 moves the management of these dollars to the State Treasurer. This would allow me move these dollars back to the State of North Dakota and investment them through our BidND program.

Introduced in July of 2005, BidND has touched nearly 60 North Dakota communities and has invested close to \$6 million in financial institutions across North Dakota. BidND invests custodial funds, such as funds from the Veterans Post War Trust Fund and Agricultural Commodity group funds, in financial institutions across the state through a bid process. CD's are invested in the financial institution which offers the highest rate of return. Recently, BidND rates ranged from 4.2% to 5.65%.....dollars were awarded to banking institutions in Parshall, Mandan, Jamestown, Langdon, and Kenmare.

This bill would allow us to personally manage the Veterans Cemetery Fund and initially, increase the rate of return substantially. It would be our pleasure to take on this task and expand these dollars for the good of our military men and women who have served us so well.

Testimony
SB 2263
Bob Hanson, Commissioner
ND Veterans' Affairs
House Transportation Committee
March 1, 2007

Good morning Chairman Weisz, members of the committee. I am Bob Hanson, commissioner of veterans' affairs.

I am here in support of SB 2263.

The original purpose of the veterans' license plate was to help raise funds for the veterans' cemetery by charging an annual fee of \$15 for each set of special plates. Since this program started many veterans have let it be known they did not want to continue paying \$15 for renewing the plate and did not renew.

This bill is meant to generate more dollars for our state's veterans' cemetery by reducing the annual renewal fee from \$15 to \$10. This is being done to help increase the number of veterans' plates being sold.

We have been told it costs the Department of Transportation (DOT) \$10 to make the plate. Therefore, the veteran's initial cost of the plate will remain at \$15 with \$10 going to DOT and \$5 being deposited in the veterans' cemetery maintenance fund.

Renewals will cost \$10. This renewal amount will be evenly divided between the veterans' cemetery maintenance fund and the veterans' cemetery trust fund. Each fund will receive \$5 from each renewal fee.

In addition, this bill changes the investment responsibility from the state investment board to the state treasurer. We believe this can also increase the dollars going into the veterans' cemetery trust fund where the earnings may be used for future needs of the cemetery.

We are optimistic these changes will increase the number of license plates sold and renewed. It is intended to provide more dollars for the current and future needs of our beautiful state veterans' cemetery.

The last change made in this bill I wanted to mention was changing the name of the license plate from veterans' cemetery number plate to veterans' number plate.

I respectfully urge your favorable consideration of this bill.

Thank you.