

House Bill 1223
Testimony before House Transportation Committee
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Automobile Dealers Association of North Dakota
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Mr. Chairman and members of the committee. My name is Matthew Larsgaard and I am appearing in support of House Bill 1223 on behalf of the Automobile Dealers Association of North Dakota which consists of our state's franchised new car dealers.

This bill relates to the taxation of motor vehicles purchased by Native Americans who are enrolled members of a Federally recognized Indian tribe. Currently, tribal members who **reside on the reservation may take possession of a motor vehicle at any location** within the state and claim a tax exemption. For tribal members that live outside of the reservation, the ND tax department does not assess tax on vehicle purchases provided the vehicle is delivered to the reservation.

The intent of this bill is to remove the delivery requirement for vehicle sales to those Native Americans who reside outside of the reservation.

For many years Native Americans have required our dealerships to deliver purchased vehicles to their reservations as they know this practice will allow them to forgo paying excise tax. Working in an extremely competitive industry, our dealers have been compelled to drive vehicles to the reservation which is burdensome, costly, exacerbates challenges associated with labor shortages, and creates unnecessary liability exposure for dealers.

To be clear, this bill is not intended to create a new tax exemption for Native Americans as the Tax Dept. currently does not assess tax on vehicles that are delivered to the reservation. This bill simply removes the requirement for dealers to deliver vehicles to the reservation.

The amendment that Rep. Koppelman has proposed will also accomplish our goal which is to remove the requirement for dealers to deliver vehicles to the reservations. We respectfully request that you either pass the bill in its current form or approve the amendment proposed by Rep. Koppelman. Thank you.

Matthew C. Larsgaard, MBA
Automobile Dealers Association of North Dakota