

Good morning, Mr. Chairman and members of the committee. I'm Brad Schaffer, Interim Director of Motor Vehicle for the North Dakota Department of Transportation (NDDOT). I'm here to provide neutral testimony to SB 2176.

Senate Bill 2176 will change the motor vehicle purchase price credit calculation. Section 2 #5 adds an allowance for a credit to the purchase price for a vehicle sold in a private sale, similar to the trade-in credit allowed by motor vehicle dealers and also allows this credit to be used for a period of 3 years from the date of sale.

Currently, a trade-in credit is allowable only on retail (dealer) motor vehicle sales. The trade-in credit eligibility for a North Dakota titled vehicle is validated by entering the VIN of the traded vehicle in our database to verify ownership. Out-of-state vehicle ownership is validated by the motor vehicle dealer accepting the trade-in vehicle they are purchasing for resale. Motor vehicle excise tax is then collected on the resulting dealer sale.

This bill allows for a purchase price credit on a private party sale upon submission of a motor vehicle purchaser's certificate. The expected result of this change is a significant increase in NDDOT staff time researching ownership and eligibility for the credit. A minimum of two additional FTEs would be required to accommodate the changes based on an estimate of 25% of the new eligible transactions requiring research and review.

This bill will also remove the insurance deductible amount for inclusion in calculating credit on vehicles destroyed. This would require a form revision and for NDDOT to communicate the change to insurance providers.

Mr. Chairman, that concludes my testimony. I would be happy to answer any questions you may have.