

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 introduce and support SB 2111. This bill was a part of the red tape reduction effort.

Senate Bill 2111 provides for the implementation of electronic titling. The reason for this change is to improve the customer experience, limit in-person office visits and increase efficiency, accuracy and mitigate opportunities for fraud.

The same documents are needed for an electronic title that are needed for a paper title. Once the documents are processed, instead of issuing a paper title an electronic notification will be sent. A paper title does not get printed. This eliminates postage and paper costs, increases efficiency, simplifies the process, and provides faster more secure transfers. Once the lien is satisfied, the lienholder releases it electronically and the Motor Vehicle Division prints and mails the lien-free title to the vehicle owner. Large financial institutions already do this in other states. Smaller financial institutions may not find this beneficial for a limited number of transitions which is why we recommend this be an opt-in process for lienholders.

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