

# MICROFILM DIVIDER

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SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2325

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Deanna Hall  
Operator's Signature

10/22/03

Date

2003 SENATE TRANSPORTATION

SB 2325

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10/22/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2325

Senate Transportation Committee

☐ Conference Committee

Hearing Date 2-6-03

Tape Number	Side A	Side B	Meter #
2	X		3135-5900
Committee Clerk Signature <i>Mary K. Monson</i>			

Minutes:

The hearing on SB 2325 relating to the penalty for driving without liability insurance was opened by **Chairman Senator Thomas Trenbeath**.

Testimony attached from Karl Rakow (ND Association of Insurance and Financial Advisors) supporting SB 2325. He was not present to testify.

**Kent Olson:** (ND Professional Insurance Agents Association) SB 2325 is a very simple bill.

In 1989 the fine was changed from \$100 to \$150 (the current fine) for first offense of driving without insurance. The second offense was increased to \$300. This bill would increase the \$150 minimum on the first offense to \$250 and on a second or subsequent offense within 18 months would increase from the current \$300 to \$500. The penalty that would remain unchanged is the points. We consider this a deterrent.

**Senator Trenbeath:** Was there any decrease in citations the last time the fine was raised.?

**Kent Olson:** Not measurably.

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Senate Transportation Committee

Bill/Resolution Number SB 2325

Hearing Date 2-6-03

**Senator Trenbeath:** Are we raising the fines to increase the take in the coffers? Deterrent seems to be tough to prove.

**Kent Olson:** (Meter 3675) Probably raise the coffers.

**Senator Trenbeath:** Do you have any knowledge on the compliance rate in ND?

**Kent Olson:** The industry and Insurance Department does not have good statistics. Our guess is about 10%.

(Meter 3800) Discussion. Looks like there might be some deterrent in the second offenses. One deterrent that would be effective is to take the license away.

**Carol Two Eagle:** Recognizes that this is a problem but doesn't think this is the answer.. Those that will be hit the hardest are the ones not buying insurance and they probably aren't buying insurance because they don't have the money.

**Senator Trenbeath:** Pointed out that this is a class B misdemeanor and minimum fines are being dealt with.

**Lynn Heinert:** (ND DOT Drivers License and Traffic Safety Division) Available for questions.

(Meter 4370) Discussion on where the violations occur and a breakdown on if they were first or second time offenses.

**Senator Nething:** Questioned why the fines were raised from \$150 to \$250 and from \$300 to \$500.

**Kent Olson:** No specific reason.

**Senator Espgaard:** Has a little problem raising fines for someone who can't afford to pay them anyway.

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Senate Transportation Committee  
Bill/Resolution Number SB 2325  
Hearing Date 2-6-03

(Meter 5000) Discussion on "in lieu of fine". Possibly waive the fine if the offender would, within so many days, buy liability insurance for a year. Currently, in addition to the fine, the SR22 Proof of Financial Responsibility Filing is required after the conviction for three years to maintain drivers license.

(Meter 5600) Discussion on tying proof of insurance to license renewals. It isn't feasible.

The hearing on SB 2325 was closed.

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2325

Senate Transportation Committee

☐ Conference Committee

Hearing Date 2-13-03

Tape Number	Side A	Side B	Meter #
2		X	280-450
Committee Clerk Signature <i>Mary K Monson</i>			

Minutes:

**Chairman Senator Thomas Trenbeath** opened SB 2325 for discussion.

Committee members felt it would be better to put the money toward insurance instead of fines.

**Senator Espgaard** moved a **Do Not Pass**. Seconded by **Senator Bercier**. Roll call vote 6-0-0.

**Passed.** Floor carrier is **Senator Bercier**.

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*10/22/03*  
Date

**FISCAL NOTE**  
Requested by Legislative Council  
01/27/2003

Bill/Resolution No.: SB 2325

**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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$577,200		\$577,200
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

For first-time offenders, this bill amends section 39-08-20 by increasing the fine from \$150 to \$250 for driving a motor vehicle without liability insurance. It also increases the fine from \$300 to \$500 for a second or subsequent offense within an 18-month period.

**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.

During 2001, there were 1,939 first-time violations of this section, and 340 2nd or subsequent offenses. Based on this information, annual revenue of \$220,600 may be realized for first-time offenses, and \$68,000 for 2nd or subsequent violations of this section. All revenue realized would go to the common schools trust fund.

**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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Linda Mathern for Marsha Lembke	Agency:	NDDOT
Phone Number:	328-4359	Date Prepared:	02/03/2003

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Date: 2-13-03

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2325

Senate **TRANSPORTATION** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do not pass

Motion Made By Sen. Espegard Seconded By Sen. Bersier

[illegible]

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Bercier

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

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**Operator's Signature**

1022103

Date \_\_\_\_\_



**REPORT OF STANDING COMMITTEE (410)**  
February 13, 2003 4:21 p.m.

Module No: SR-28-2656  
Carrier: Bercler  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
SB 2325: Transportation Committee (Sen. Trenbeath, Chairman) recommends **DO NOT**  
**PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2325 was placed on the  
Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-28-2656

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2003 TESTIMONY

SB 2325

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10/22/03

Date



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Terry Weis - Bismarck  
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Todd Otto - Dickinson  
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701-483-6422

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701-271-8283

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701-883-8419

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701-483-6738

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Theresa Tripplett - Minot  
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Karl Rakow - Missouri Slope  
701-258-7887

Allen Fabrikus - Fargo-Moorhead  
701-238-0823

**TESTIMONY SUPPORTING SB 2325**

February 6, 2003

2:00 pm

**SENATE TRANSPORTATION COMMITTEE  
THOMAS TRENBEATH, CHAIRMAN**

Mr. Chairman and members of the Senate Transportation Committee:

The North Dakota Association of Insurance and Financial Advisors submit this testimony in support of SB2325.

We believe that with fines at their current levels, it is much cheaper to drive without insurance than to purchase it. This is grossly unfair for the law abiding citizens of ND who do carry the proper coverage.

The proposed increase in fines is warranted as any person driving without proper liability is a financial threat to every driver on the road.

We urge passage of this bill.

Thank you for your time and consideration

*Karl Rakow #251  
North Dakota Association of  
Insurance and Financial Advisors*

*Founded in 1949 as the North Dakota Association of Life Underwriters*

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*10/22/03*  
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