

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2135

2005 SENATE TRANSPORTATION

SB 2135

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2135

Senate Transportation Committee

☐ Conference Committee

Hearing Date 1/13/05

Tape Number	Side A	Side B	Meter #
1	x		3400-4315
Committee Clerk Signature <i>Mary K Monson</i>			

Minutes:

**Vice Chairman Espegard** opened the hearing on SB 2135 relating to motor vehicle branch office fees, address corrections, renewal of amateur radio license plates, and Lewis and Clark license plates; relating to the expiration of authority to issue Lewis and Clark license plates.

All members were present except Senator Trenbeath.

**Jerry Peterson** (Bus. Mgr., Motor Vehicle Division ND DOT) Appeared in Support of SB 2135 and presented testimony prepared by Keith Kiser (Motor Vehicle Director). (Attached)

**Senator Espegard** asked what other ways they take address changes today.

**Jerry Petersen** replied that they take them over the telephone, by fax, over the Internet.

**Senator Bercier** Is there a problem with bonding?

**Jerry Petersen** This was a recommendation by the Auditors Office. They felt it was best to have the managers of the branch offices bonded, not the employees, because the managers of the

branch offices are the ones that sign the contract. Therefore, they would be responsible for the monies that are collected.

**Senator Bercier** asked the meaning of allowing the managers to establish a service fee that is lower than the maximum service fee.

**Jerry Petersen** Some of the branch offices, probably in some of the smaller cities, don't charge the maximum fee. The audit recommendation stated that this should be put into law. It was being allowed by policy.

**Senator Espegard** asked, for clarification, if these were the branch offices that are contracted.

**Jerry Petersen** said that was correct.

**Senator Bercier** asked for reasons why the cost would be reduced.

**Jerry Peterson** said that possibly in some of the smaller cities people would probably be reluctant to go into a branch office.

**Senator Espegard** asked if most of the changes in this bill, cleanup in nature, came from the audit.

**Jerry Peterson** replied that was correct.

There was no opposition to SB 2135

The hearing on SB 2135 was closed.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2135

Senate Transportation Committee

☐ Conference Committee

Hearing Date 1-27-05

Tape Number	Side A	Side B	Meter #
1	x		3210-3460
Committee Clerk Signature <i>Mary K. Monson</i>			

Minutes:

**Chairman Trenbeath** opened SB 2135 for discussion. This bill allows the branch offices of the DOT to set their fees anywhere below a maximum. It has a fiscal note but is expected to be less than \$5,000.

(Meter 3330) A short discussion to clarify that this lets the branch offices set their own fees.

And, also, it says only the manager has to be bonded. Up to this time all personnel needed to be bonded.

**Senator Nething** motioned a Do Pass. Seconded by **Senator Espegard**.

Roll call vote 6-0-0. **Passed**. Floor carrier is **Senator Espegard**.

# FISCAL NOTE

Requested by Legislative Council  
12/23/2004

Bill/Resolution No.: SB 2135

**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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

The fiscal impact of this bill is expected to be less than \$5,000.

**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.*

**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.*

<b>Name:</b>	Keith Kiser	<b>Agency:</b>	NDDOT
<b>Phone Number:</b>	328-2725	<b>Date Prepared:</b>	01/04/2005

Date: 1-27-05  
Roll Call Vote #: \_\_\_\_\_

**2005 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO 2135**

Senate TRANSPORTATION Committee

☐ Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Sen. Nething Seconded By Sen. Espegard

Senators	Yes	No	Senators	Yes	No
Senator Espegard	✓		Senator Bercier	✓	
Senator Mutch	✓		Senator Warner	✓	
Senator Nething	✓				
Senator Trenbeath, Chairman	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Espegard

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

**REPORT OF STANDING COMMITTEE (410)**  
January 27, 2005 2:07 p.m.

**Module No: SR-18-1227**  
**Carrier: Espegard**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2135: Transportation Committee (Sen. Trenbeath, Chairman) recommends DO PASS**  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2135 was placed on the  
Eleventh order on the calendar.

2005 HOUSE TRANSPORTATION

SB 2135

## 2005 HOUSE STANDING COMMITTEE MINUTES

### BILL NO. SB 2135

#### House Transportation Committee

☐ Conference Committee

Hearing Date February 11, 2005

Tape Number	Side A	Side B	Meter #
1	X		42.3-52.6
2	X		0-7-2.4
Committee Clerk Signature <i>Dr. Louis Albright</i>			

Minutes:

**Chairman Weisz** opened the hearing on HB 2135 A Bill for an Act to amend and reenact sections 39-02-03, 39-04-02.1, and 39-04-10 of the North Dakota Century Code and section 9 of chapter 331 of the 2001 Session Laws, relating to motor vehicle branch office fees, address corrections, renewal of amateur radio license plates, and Lewis and Clark license plates; and to repeal section 8 of chapter 331 of the 2001 Session Laws, relating to the expiration of authority to issue Lewis and Clark license plates.

**Keith Kiser:**(43.6) (See attached testimony #1).

**Rep. Ruby**(46.9) What is the maximum fee for branch offices?

**Keith Kiser:**(47.1) The director establishes a fee schedule at the time contracts. That fee schedule has a set of maximums depending on the complexity of the application process. If you walk in with a renewal card of \$7. If you come in to transfer title and register a vehicle they do charge a maximum of \$8 so it ranges from \$3-\$8, depending on complexity.

**Rep. Vigesaa**(48) As far as the bonding is concerned, this would require that the manager be bonded at a higher level?

**Keith Kiser:** We try to assess what the risk is when we determine the bond amount for our various branch offices. We work with the insurance department to determine what the risk is and the potential loss of public funds. We don't think we would raise that amount at this time for that because of this proposed change.

**Rep. Iverson** (49.0) The people at the branch offices, are they aware of this?

**Keith Kiser:** Yes, a copy of the state auditors report went to all of them. A number of them contacted me and indicated they would continue to charge something less than the maximum fee or at least have the option to do so.

**Rep. Dosch**(49.6) These satellite offices, their under contract with the department to perform the service. It is not a situation where you are subsidizing these?

**Keith Kiser:** It is hard to determine. The state provides them no money; we do provide them with computers and copiers that they need in order to operate their business as well as TI communication line. That is an issue that is under discussion with the governor's office now because the auditors report did talk about the fact that we should not be doing that. Maybe we should not be doing that. Maybe those expenses should be absorbed by that private business. They are not getting any direct cash infusion, but they are getting some support from us in the form of equipment.

**Rep. Schmidt**(51.1) On your line 19 - 21, I remember when we passed that bill to allow Lewis & Clark with the celebration in mind. Wants to go back to peace garden state again.

**Keith Kiser:** They do say peace garden now.

Page 3  
House Transportation Committee  
Bill Number SB 2135  
Hearing Date February 11, 2005

**Rep. Hawken** (0.0) If it is part of business, why wouldn't they set the rates for what the traffic would bear so that they can pay the costs?

**Keith Kiser:** You may be correct however the statute at this point requires us to set a maximum rate for them. I suppose that is for public protection.

**Chairman Weisz** Any further questions? Any further support for SB 2135: Any opposition to SB 2135?

Motion Made By Rep. Hawken Seconded by Rep. Vigasaa

DO PASS     13 Yes     0 No     2 Absent     Carrier: Rep. Owens

closed( 2.2)

Date: 2-12-05  
Roll Call Vote #:

**2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB2135**

House Transportation Committee

☐ Check here for Conference Committee

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

Action Taken Ad Pass

Motion Made By Rep Hawken

Seconded By Rep. Vigasaa

Representatives	Yes	No	Representatives	Yes	No
Rep. Weisz - Chairman	✓		Rep. Delmore	✓	
Rep. Hawken - Vice Chair.	✓		Rep. Meyer	✓	
Rep. Bernstein	✓		Rep. Schmidt	✓	
Rep. Dosch	✓		Rep. Thorpe	✓	
Rep. Iverson	✓				
Rep. Kelsch	✓				
Rep. Owens	✓				
Rep. Price	✓				
Rep. Ruby	✓				
Rep. Vigasaa	✓				
Rep. Weiler	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep. Owens

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

**REPORT OF STANDING COMMITTEE (410)**  
**February 14, 2005 11:58 a.m.**

**Module No: HR-29-2756**  
**Carrier: Owens**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2135: Transportation Committee (Rep. Weisz, Chairman) recommends DO PASS**  
**(13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2135 was placed on the**  
**Fourteenth order on the calendar.**

2005 TESTIMONY

SB 2135

# 1

HOUSE TRANSPORTATION COMMITTEE

February 10, 2005

North Dakota Department of Transportation  
Keith Kiser, Motor Vehicle Director

SB 2135

*same given to  
Senate  
on Jan 13, 2005*

Chairman Weisz and members of the House Transportation Committee: NDDOT supports SB 2135, which amends current statutes relating to branch office service fees, address corrections, renewal of amateur radio operator license plates, and the authority to issue Lewis and Clark license plates.

As you probably know, the Office of the State Auditor conducted a performance audit of the NDDOT Office of Driver and Vehicle Services and issued the report on July 11, 2003. The report contained a number of recommendations related to the Motor Vehicle Division, and the changes proposed in SB 2135 – with the exception of the second change proposed on page 1, line 18 – are a direct response to a recommendation from the State Auditor.

**On page 1, lines 15 through 18,** we propose to specifically allow motor vehicle branch office managers to establish a service fee schedule that is lower than the maximum service fee established by the NDDOT Director. The lower service fee would require prior NDDOT approval before it could be implemented. By policy, NDDOT has always allowed branch offices to establish a service fee schedule lower than the one established by NDDOT, but the performance audit found this practice non-compliant with the current requirements of the statute.

**On page 1, line 18,** we propose to change the requirement that all branch office personnel be bonded, and require only that the manager be bonded. Our current agreement with each branch office manager states that they are responsible for protecting public funds and are liable for the loss of funds as a result of embezzlement, theft, or misappropriation by the manager or any employee.

**On page 2, line 2,** we propose to eliminate the requirement that a notification of address change must be in writing. We currently accept address corrections and updates in a number of ways, and want the flexibility to continue to do so.

**On page 2, lines 14 and 15,** we propose to eliminate the requirement that applications for registration of amateur radio license plates must be submitted by October 1 each year. Since we converted to a staggered registration system, vehicles come due throughout the year, and this requirement is no longer necessary.

**On page 2, lines 19 through 21,** we propose to eliminate the upcoming repeal of the statutory authority for issuing and displaying Lewis and Clark commemorative license plates. The current authority expires on January 1, 2007. It appears that a general issue of new license plates will not be authorized this year; because the Lewis and Clark license plates remain popular with the public, we would like to continue to issue them beyond the January 1, 2007 repeal date.

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