

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1089

2007 HOUSE TRANSPORTATION

HB 1089

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1089

House Transportation Committee

Check here for Conference Committee

Hearing Date: Jan. 11, 07

Recorder Job Number: 941

Committee Clerk Signature *Samuel A. Baranto*

Minutes:

Keith Magnusson: Good morning. I am Keith Magnusson, Deputy Director for Driver and Vehicle Services at the N.D. Dept. of Transportation.

See Printed Testimony

No opposition to HB 1089, hearing closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1089

House Transportation Committee

Check here for Conference Committee

Hearing Date: 1-11-2007

Recorder Job Number: 941

Committee Clerk Signature

Jana M Thomas

Minutes:

Chairman Weisz opened the hearing on HB 1089. All Representatives were present.

HB 1089 relates to the abandoned motor vehicle fund and low-speed vehicles.

Keith Magnusson, Deputy Director for Driver and Vehicle Services introduced the bill. See attached testimony.

Chairman Weisz: I assume Keith that the three thousand is the max allowable under federal law?

Keith: The federal regulation talks about vehicle weight ranges. Which they define other regulations. We don't define it in this chapter.

Rep. Thorpe: I'm disappointed I haven't found anything to argue with you about.

Keith: Thank you.

Chairman Weisz called for further support and then for opposition to the bill. There was none. The hearing was closed and no action was taken at this time.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1089

House Transportation Committee

Check here for Conference Committee

Hearing Date: 01-11-2007

Recorder Job Number: 950

Committee Clerk Signature

Lisa M Thomas

Minutes:

Chairman Weisz allowed for committee discussion on HB 1089. Rep. Price was absent.

HB 1089 relates to abandoned motor vehicle fund and low-speed vehicles.

Rep. Delmore introduced an amendment. See attached.

Rep. Delmore moved to adopt the amendment. Rep. Kelsch seconded.

Rep. Thorpe: Run that by me again.

Chairman Weisz: The bill would basically allow a load speed vehicle to have an empty weight of up to three thousand pounds. The intent was that the gross vehicle weight would be three thousand pounds. In other words, the weight with passengers and cargo. The bill before us bumped it from fifteen hundred to three thousand empty weight. This would change that and clarify it.

Rep. Kelsch: The feds passed the law specifically for those global electric motors company, GEM, now they asking the states to comply with that.

Chairman Weisz: The Company wasn't here, but they support this language in the legislation because that is what they are going for.

Rep. Ruby: If you allow that then you kind of have to decide what you consider low speed.

This puts the words "level surface" so I suppose that if you end up down a steep grade you maybe could get more than twenty five miles an hour.

Rep. Schmidt: Is there a minimum speed limit for ordinary vehicles on the interstate?

Chairman Weisz: No, but I think there is a bill coming on that.

Discussion was ended.

Chairman Weisz took a voice vote on the amendment. The amendment passed with all Representatives in favor of adopting the amendment.

Rep. Kelsch moved a DO PASS AS AMENDED. Rep. Thorpe seconded.

Roll call vote: 12 yes. 0 no. 1 absent.

Carrier: Rep. Delmore

FISCAL NOTE
 Requested by Legislative Council
 03/13/2007

REVISION

Amendment to: Engrossed
 HB 1089

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$15,000)		(\$15,000)
Expenditures						
Appropriations						

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The amendment to this bill changes the tax on motor vehicle certificate titles identified in NDCC 39-26-12 for passenger motor vehicle and truck motor vehicle from \$2.00 to \$1.50 and eliminates the suspension of the tax.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Currently a \$2.00 fee is collected for each vehicle registration and deposited into the abandoned auto fund. If on the first day of July in any year the amount of uncommitted money is in excess of \$250,000 the extra is transferred to the highway fund. If the fund is less than \$100,000 the tax is reinstated in January. The amendment to this bill eliminates the suspension of the tax and changes the fee to \$1.50 per registration.

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.*

The revenue for this bill is collected by the Department of Transportation and deposited into the abandoned auto fund. If the amendment passes it is estimated that they will process 82,000 registrations per year at \$1.50 per registration for a biennial total of \$246,000. If the amendment does not pass the average collection per biennium at the \$2. fee is \$261,000 or a net reduction of \$15,000 if the amendment is passed.

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.*

The Department of Health will expend \$250,000 per biennium from the abandoned auto fund by issuing contracts to communities to identify and remove abandoned vehicles. The Department is concerned about the \$1.50 tax included in this amendment. As indicated in the fiscal note the revenue is less than expenditures and we are concerned about the sustainability of the fund especially if registrations do not reach 82,000 per year. An option would be to collect \$1.75 or \$2.00 with excess funds being transferred to the highway fund.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a*

continuing appropriation.

The appropriation for this project is included in the Health Department's Appropriation bill (Engrossed HB1004).

Name:	Kathy J. Albin	Agency:	Department of Health
Phone Number:	328.4542	Date Prepared:	03/13/2007

FISCAL NOTE
 Requested by Legislative Council
 03/12/2007

Amendment to: Engrossed
 HB 1089

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$246,000		\$246,000
Expenditures				\$250,000		\$250,000
Appropriations				\$250,000		\$250,000

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The amendment to this bill changes the tax on motor vehicle certificate titles identified in NDCC 39-26-12 for passenger motor vehicle and truck motor vehicle from \$2.00 to \$1.50 and eliminates the suspension of the tax.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Currently a \$2.00 fee is collected for each vehicle registration and deposited into the abandoned auto fund. If on the first day of July in any year the amount of uncommitted money is in excess of \$250,000 the extra is transferred to the highway fund. If the fund is less than \$100,000 the tax is suspended in January. The amendments to this bill eliminates the suspension of the tax and changes the fee to \$1.50 per registration.

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.*

The revenue for this bill is collected by the Department of Transportation and deposited into the abandoned auto fund. It is estimated that they will process 82,000 registrations per year at \$1.50 per registration for a biennial total of \$246,000.

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.*

The Department of Health will expend \$250,000 per biennium from the abandoned auto fund by issuing contracts to communities to identify and remove abandoned vehicles. The Department is concerned about the \$1.50 tax included in this amendment. As indicated in the fiscal note the revenue is less than expenditures and we are concerned about the sustainability of the fund especially if registrations do not reach 82,000 per year. An option would be to collect \$1.75 or \$2.00 with excess funds being transferred to the highway fund.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The appropriation for this project is included in the Health Department's Appropriation bill (Engrossed HB1004).

Name:	Kathy J. Albin	Agency:	Department of Health
Phone Number:	328.4542	Date Prepared:	03/12/2007

78164.0101
Title.0200

Adopted by the Transportation Committee
January 11, 2007

House Amendments to HB 1089 (78164.0101) - Transportation Committee 01/12/2007

Page 2, line 2, after "of" insert "more than"

Page 2, line 5, overstrike "unloaded" and after "weight" insert "when fully loaded with passengers and any cargo"

Renumber accordingly

Date: 1/11/07
 Roll Call Vote #: HB 1089

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. _____

House Transportation 1089 Committee _____

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Rep. Kelsch Seconded By Rep. ~~Delmore~~ Thorpe

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Delmore	✓	
Vice Chairman Ruby	✓		Rep. Gruchalla	✓	
Rep. Dosch	✓		Rep. Myxter	✓	
Rep. Kelsch	✓		Rep. Schmidt	✓	
Rep. Owens	✓		Rep. Thorpe	✓	
Rep. Price	✓				
Rep. Sukut	✓				
Rep. Vigesaa	✓				

Total Yes 12 No 0

Absent 1 absent

Floor Assignment Rep. Delmore

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

REPORT OF STANDING COMMITTEE

HB 1089, as amended, Transportation Committee (Rep. Welsz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1089, as amended, was placed on the Sixth order on the calendar.

Page 2, line 2, after "of" insert "more than"

Page 2, line 5, overstrike "unloaded" and after "weight" insert "when fully loaded with passengers and any cargo"

Renumber accordingly

me

2007 SENATE TRANSPORTATION

HB 1089

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. Engrossed HB 1089

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: March 2, 2007

Recorder Job Number: 4236 & 4238 & 4239

Committee Clerk Signature

Jody Hauze

Minutes:

Senator Gary Lee welcomed everyone to the Transportation Committee and he asked the clerk to take attendance. There were 5 present and 1 absent.

Senator Lee opened the hearing on HB 1089 relating to the abandoned motor vehicle fund and low-speed vehicles.

Keith Magnusson, Deputy Director for Driver and Vehicle Services testified in support of Engrossed HB 1089. He stated that this bill is a clean up bill and clarifies issues dealing with the Abandoned Motor Vehicle Fund and low speed vehicles. His written testimony is enclosed. He also said that he had corresponded with GEM and because of weather they would not have anybody there to testify.

Senator Potter asked how often it happens that they have to be changing the two dollar tax.

Keith said that it depended on their rate of spending. It could be once a year or it could be every 2 or 3 years. If the fund needs it, than we collect the two dollar tax.

Senator Potter asked why they just didn't collect the two dollar tax and when it gets to two hundred and fifty thousand dollars the excess would go into the General Fund as opposed to eliminating the tax every few years.

Keith said this law has been in effect a long time and whatever the Legislature wants, they can do.

Senator Potter asked if the Department would object to that change.

Keith said that they would not have any objection to that but I don't know how the Health Dept. would feel.

Senator Potter said that it seemed to him to be unfair application of the law. It depends on when you apply whether you pay the two dollar tax or not. Some drivers have to pay it and the next driver doesn't have to.

Keith said that it probably evens out in the end because it is on renewals.

Senator Bakke wondered about the increasing weight from 1000# to 3000# and if the weight restriction was for wear and tear on the road.

Keith answered that those vehicles would not do much wear and tear to the roads. The initial figure was put in there because that is what they needed at the time and also it was patterned after Arizona's law. Since that time these vehicles have been equipped with more equipment and bigger engines and have increased in weight.

Senator Andrist asked if it was a one dollar fee or two dollar fee.

Keith replied it was a two dollar fee.

Senator Andrist further asked if it was levied about half the time.

Keith said that it was two dollars on each initial certificate of title. He added, that the two dollar tax is only collected on titles. Senator Potter was correct when he said some people will pay it and some wouldn't.

Senator Andrist asked if this picked up vehicles on the side of the road or does it actually go into communities and provide pick up services.

Keith said that the Health Dept. is responsible state wide to collect these vehicles. The Tax Dept is responsible for collecting the money.

Senator Potter asked for some statistics on the potential fund because he might prepare an amendment and the money will have to go someplace. Is it the General Fund, Highway Distribution Fund or Motor Vehicle Registration Fund?

Keith said there are several funds; the General Fund funds is state government and we don't get into these funds. There is the Highway Tax Distribution Fund and the department gets about 63% of that and city and counties get the rest of that. The Motor Vehicle Registration Fund is where the dealer's registration money goes into.

Senator Lee said that under low speed vehicles, the way he understand the bill, vehicles going less than 20 MPH can't use the public highways.

Keith said that the off road vehicles that don't fit this definition may have a role someplace. If it can't obtain the speed of 20 MPH they do not fit under this definition or the Federal definition.

Senator Lee asked for further testimony. There being none, Senator Lee closed the hearing on HB 1089.

Senator Lee opened discussion on HB 1089 (Job #4238).

Senator Potter offered an amendment that would leave the tax steady.

Discussion followed on these changes.

Senator Potter said what he was trying to do was get the Highway Dept. to stop suspending and reposing a tax.

Senator Andrist said if they were going to follow Senator Potter's recommendations they should look at one dollar and fifty cents instead of the tow dollars. Since there is surplus, this would be fairer.

Recorder job number: 4239 16:49 -08:04

Senator Lee opened discussion on HB 1089 to look at the proposed amendment to Engrossed HB 1089. Discussion followed.

Senator Potter moved the amendment without page 1, line 8 of the Potter Amendment.

Senator Fiebiger seconded the motion.

Discussion followed on whether the department asked for these change. Also there was resistance by Senator Andrist on the two dollars and the excess.

Senator Potter withdrew his motion.

Senator Fiebiger withdrew his second.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1089

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: March 8, 2007

Recorder Job Number: 4695

Committee Clerk Signature

Judy Hauge

Minutes:

Senator Gary Lee opened discussion on HB 1089 relating to the abandoned motor vehicle fund and low-speed vehicles. The clerk handed out information from Lorrie Pavlicek, Motor Vehicle Division Director.

Senator Andrist said he didn't have any major problems with the bill but he thought if they were going to make it perpetual it should be \$1.50 instead of \$2.00.

Senator Potter moved the amendment (Potter amendment).

Senator Fiebiger seconded the motion.

Senator Nething said he didn't know how it improved the bill, I know how it changes it but that is all.

Senator Potter said that it just cleans up the bill so the tax would always be imposed and the excess tax will go into the General Fund.

The clerk called the roll 3-3-0.

The amendment failed.

Senator Andrist moved the Andrist amendment which is the Potter Amendment with a change from \$2.00 to \$1.50.

Senator Potter seconded the amendment.

Clerk called the roll 4-2-0.

Senator Potter moved for a do pass as amended on Engrossed HB 1089.

Senator Andrist seconded the motion.

The clerk called the roll 5-1-0

Senator Andrist will carry the bill.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1089

Page 1, line 8, overstrike "two dollars" and insert immediately thereafter "one dollar and fifty cents"

*mount on
3-8-07*

Page 1, line 13, remove the overstrike over "July" and remove "June"

Page 1, line 15, overstrike "tax must be suspended", remove "on the first day of July in the same year", and overstrike "and the"

Page 1, line 16, overstrike "If the tax has been"

*original
amendment*

Page 1, overstrike lines 17 through 19

Renumber Accordingly

Date:
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES *Failed*
BILL/RESOLUTION NO. *Engrossed 1089*

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number Potter Amendment

Action Taken ~~Failed~~ No Pass

Motion Made By Senator Potter Seconded By Senator Fiebiger

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee		✓	Senator JoNell Bakke	✓	
V Ch John Andrist		✓	Senator Tom Fiebiger	✓	
Senator Dave Nething		✓	Senator Tracy Potter	✓	

Total (Yes) 3 No 3

Absent 0

Floor Assignment _____

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

Amendment failed

*Amend
Amendment*

Passed

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1089

Page 1, line 8, overstrike "two dollars" and insert immediately thereafter "one dollar and fifty cents"

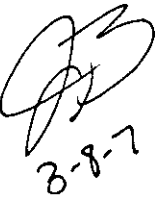
Page 1, line 13, remove the overstrike over "~~July~~" and remove "June"

Page 1, line 15, overstrike "tax must be suspended", remove "on the first day of July in the same year", and overstrike "and the"

Page 1, line 16, overstrike "If the tax has been"

Page 1, overstrike lines 17 through 19

Renumber Accordingly



Handwritten signature and date: 3-8-7

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1089

Page 1, line 7, overstrike "- **When tax is suspended**"

Page 1, line 8, overstrike "two dollars" and insert immediately thereafter "one dollar and fifty cents"

Page 1, line 13, remove the overstrike over "~~July~~" and remove "June"

Page 1, line 15, overstrike "tax must be suspended", remove "on the first day of July in the same year", and overstrike "and the"

Page 1, line 16, overstrike "If the tax has been"

Page 1, overstrike lines 17 through 19

Renumber accordingly

Date: 3-08-07
 Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. Engrossed 1089

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number A w dist amendment

Action Taken Do Pass

Motion Made By Senator Andrist Seconded By Senator Potter

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee		✓	Senator JoNell Bakke	✓	
V Ch John Andrist	✓		Senator Tom Fiebiger	✓	
Senator Dave Nething		✓	Senator Tracy Potter	✓	

Total (Yes) 4 No 2

Absent 0

Floor Assignment _____

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

Date: 3-8-09
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Engrossed HB 1089

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass as amended

Motion Made By Senator Potter Seconded By Senator Andrist

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator JoNell Bakke	✓	
V Ch John Andrist	✓		Senator Tom Fiebiger	✓	
Senator Dave Nething		✓	Senator Tracy Potter	✓	

Total (Yes) 5 No 1

Absent 0

Floor Assignment Senator Andrist

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

REPORT OF STANDING COMMITTEE

HB 1089, as engrossed: Transportation Committee (Sen. G. Lee, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1089 was placed on the Sixth order on the calendar.

Page 1, line 7, overstrike "- When tax is suspended"

Page 1, line 8, overstrike "two dollars" and insert immediately thereafter "one dollar and fifty cents"

Page 1, line 13, remove the overstrike over "~~July~~" and remove "June"

Page 1, line 15, overstrike "tax must be suspended", remove "on the first day of July in the same year", and overstrike "and the"

Page 1, line 16, overstrike "If the tax has been"

Page 1, overstrike lines 17 through 19

Renumber accordingly

2007 HOUSE TRANSPORTATION

CONFERENCE COMMITTEE

HB 1089

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1089

House Transportation Committee

Check here for Conference Committee

Hearing Date: 04-03-2007

Recorder Job Number: 5708

Committee Clerk Signature

Lisa M Thomas

Minutes:

The conference committee on HB 1089 was called to order. Chairman Ruby, Rep.

Vigesaa, Rep. Myxter, Sen. Andrist, Sen. Nething, and Sen. Potter were all present. HB 1089 relates to abandoned motor vehicle fund and low-speed vehicles.

Chairman Ruby: I guess we are here to discuss your amendment this time. We understand that rather than having just an amount set that would be suspended for a period of time, that is an ongoing, and from two dollars to a dollar and a half. I guess we just wanted to talk it over and just see why you had that line of thinking and the reasons.

Sen. Andrist: First let me say, we didn't change sections two and three so we would just be looking at section one. Section one we found that some of the committee felt that there being two dollars and putting it so high and dropping it down so low and reinstating it gets some drivers and new car buyer and doesn't get others. So we thought, based on the testimony received, it is costing about a dollar and fifty-two cents, so we decided to just make it a dollar fifty tax and take care of the abandoned motor vehicle fund. That would be two cents short but it would probably be ten or fifteen years before they would need more money.

Rep. Vigesaa: Did they say that the dollar fifty-two was an overall average?

Sen. Andrist: The issue first came up when one of our members just thought to leave the two dollars on all of the time. But then we thought we don't know where if it will build the fund higher than necessary that way so we asked the DOT and they said right now at the level they are using the program, it is a dollar and fifty-two cents to cover it.

Sen. Nething: It would cover the amount needed.

Rep. Vigesaa: I will speak on behalf of the dealer that does collect this fee. It is inconvenient when it comes of and on because I know it has happened and I think it seems like its on most of the time. When it goes off, we forget, so we charge the customer two dollars more and then that is a hassle to go back and refund them. Or if they haven't had it on and they put it on then we forget to charge the two dollars and then so we send in all of the fees and it all comes back and we have to go find the customer, collect two dollars or pay it out of our pockets. I would agree that the going off and on of the fee is not the most convenient. The dealers get caught on the front end of it.

Rep. Ruby: Is this level set on a biennial basis or is this an annual?

Sen. Andrist: The way the law is written, when it reaches a certain threshold, it is suspended and when it falls below there is a threshold that is in here someplace.

Rep. Ruby: Okay, so it doesn't start over again. That's right.

Sen. Potter: I think it is two-hundred and fifty thousand dollars. They suspend the collection. When it drops to one hundred thousand, then they re-impose the collection. It just seems like a hassle both for the dealers and DOT. We tried two dollars. It failed.

Rep. Vigesaa: Just to clarify the amount over two hundred and fifty thousand dollars goes into the highway fund, correct?

Rep. Ruby: How does that work then, if it goes off, but how does it get over that amount?

Rep. Vigesaa: I am assuming that within a given year, depending on the amount of sales there are it could during one year's time go over.

Rep. Ruby: So it isn't immediately suspended when it reaches the threshold.

Sen. Nething: As I understand it the way the fund would be in current law, when it hits on August 31st and we are past July, so it is not suspended until the following July. In the meantime they have some growth to the fund.

Rep. Ruby: *To Rep. Vigesaa:* Is a rounded number easier than say one dollar and fifty cents?

Rep. Vigesaa: I would agree with Sen. Potter on the even number because I think one dollar and fifty is unusual. When we complete the license application, there is a particular line for this item and we don't have any fees that are not an even dollar amount.

Sen. Nething: Yes, but when you compute the tax and total, you end up with odd amounts anyhow.

Rep. Vigesaa: A dollar or two dollars would be easier. The other thing I liked about the two dollar fee is that I know that our highway fund in the future is going to be looking for funds. This may allow a few extra dollars to be transferred into that fund.

Sen. Andrist: I don't suppose it would pave more than three inches of highway; I might say from a philosophical standpoint in our committee we had a motion to just make it two dollars perpetual. We defeated that in preference for making it just what we needed because that is what it is for.

Sen. Potter: The numbers that Sen. Andrist came up with, that two cents difference between the actual cost, what the DOT says they need and bill, at two hundred and fifty thousand dollars currently in the fund, it is going to take a whole lot of time for those two cents to exhaust the fund, so it was adequate.

Rep. Ruby: The fund could be, it has been somewhat reduced by last year because the number of vehicles purchased has dropped. Excise tax is lower, maybe not the number, but certainly the value of the vehicles has come down as far as what people are purchasing, but maybe some of it is the numbers too. That could swing back up and there could be quite a few.

Rep. Vigesaa: Would the two dollars have any chance of going through the Senate?

Sen. Andrist: My guess is that it would make any difference but I resist on what the committee preference was. I don't think there will be a huge floor debate over fifty cents.

Rep. Ruby: And a dollar fifty is pretty much revenue neutral.

Sen. Andrist: Yes and that was our philosophy was to charge only what was necessary.

Sen. Nothing: I think we were trying to appeal to the conservative nature of the House to try to not tax more than you need.

Rep. Ruby: There is certainly a segment that doesn't like fee increases.

Rep. Vigesaa: As far as speaking from the dealers standpoint, if it is a dollar fifty, we can live with that. I don't like fee increases either.

Sen. Nothing: That always kind of bothered me when someone taxed more than they need. I just don't think I am going to do that.

Rep. Vigesaa: We are close enough to Minnesota and so we get involved in some dealings over there and people have to go over there maybe to license their vehicle and buy it from me. And they have a whole list of these that they address and lots of those are not round dollar amounts.

Rep. Vigesaa moved that the House accede to the Senate amendments as printed on page 1001 of the House Journal. Rep. Myxter seconded.

Roll Call Vote: 6 yes. 0 no. 0 absent.

Carrier: Rep. Vigesaa

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1089 (, as (re)engrossed):

Date: 4-03-07

Your Conference Committee TRANS

For the Senate:

For the House:

	YES / NO			YES / NO	
Sen. Andrist	X		Rep Ruby	X	
Sen. Nething	X		Rep. Vigesaa	X	
Sen. Potter	X		Rep. Myxter	X	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) 1001 -- _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: _____

SECONDED BY: _____

VOTE COUNT ___ YES ___ NO ___ ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1089, as engrossed: Your conference committee (Sens. Andrist, Nething, Potter and Reps. Ruby, Vigesaa, Myxter) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1001 and place HB 1089 on the Seventh order.

Engrossed HB 1089 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

HB 1089

HOUSE TRANSPORTATION COMMITTEE

January 11, 2007

North Dakota Department of Transportation
Keith C. Magnusson , Deputy Director For Driver and Vehicle Services

HB 1089

Good morning, Mr. Chairman and members of the committee. I'm Keith Magnusson, Deputy Director for Driver and Vehicle Services at the North Dakota Department of Transportation. Thank you for giving me the opportunity to present information to you today.

The North Dakota Department of Transportation pre-filed HB 1089 as an agency bill. This bill cleans up and clarifies issues dealing with the Abandoned Motor Vehicle Fund and low speed vehicles.

Section 1 creates a better notification process for the tax suspension as it relates to the abandoned motor vehicle disposal fund. Current state law requires the Health Department to notify the NDDOT if on July 1 of any year the amount in the fund is \$250,000 or more. When this occurs, the tax will be suspended until the fund gets down below \$100,000. When re-imposing the tax, the law provides for notification of the balance to the NDDOT on July 1. But the tax is not re-imposed until the following January 1. There is no such lag period for suspending the tax. We have worked with the Health Department on this amendment, which will require the Health Department to look at its balance on June 1 and notify us to suspend the tax a month later, on July 1, so that we can make proper notification to dealers, lien holders, and others of the changes.

Section 2 and Section 3 both deal with low speed vehicles and bring North Dakota law up-to-date with federal regulations. Those regulations were promulgated after North Dakota's law was enacted, so there are some differences. North Dakota has a low speed vehicle manufacturer, Global Electric Motorcars, LLC, (GEM) which sells nationwide. Because of this, it is important for that company to have the same law or regulations in all states, so that they can be sure that they comply. The best solution is for states to basically adopt the federal regulations.

Sections 2 and 3 provide for minor changes in order to reflect that of the federal regulations, and to increase the allowable weight of the vehicles from 1,500 pounds to 3,000 pounds in weight. After this bill was pre-filed, GEM pointed out two items found in other definitions that should be part of this bill. I have prepared amendments to accomplish this.

Mr. Chairman, I would be happy to answer any questions at this time. Thank you.

①

SENATE TRANSPORTATION COMMITTEE
March 2, 2007

North Dakota Department of Transportation
Keith C. Magnusson , Deputy Director For Driver and Vehicle Services

HB 1089

Good morning, Mr. Chairman and members of the committee. I'm Keith Magnusson, Deputy Director for Driver and Vehicle Services at the North Dakota Department of Transportation. Thank you for giving me the opportunity to present information to you today.

The North Dakota Department of Transportation pre-filed HB 1089 as an agency bill. This bill cleans up and clarifies issues dealing with the Abandoned Motor Vehicle Fund and low speed vehicles.

Section 1 creates a better notification process for the tax suspension as it relates to the abandoned motor vehicle disposal fund. Current state law requires the Health Department to notify the NDDOT if on July 1 of any year the amount in the fund is \$250,000 or more. When this occurs, the tax will be suspended until the fund gets down below \$100,000. When re-imposing the tax, the law provides for notification of the balance to the NDDOT on July 1. But the tax is not re-imposed until the following January 1. There is no such lag period for suspending the tax. We have worked with the Health Department on this amendment, which will require the Health Department to look at its balance on June 1 and notify us to suspend the tax a month later, on July 1, so that we can make proper notification to dealers, lien holders, and others of the changes.

Section 2 and Section 3 both deal with low speed vehicles and bring North Dakota law up-to-date with federal regulations. Those regulations were promulgated after North Dakota's law was enacted, so there are some differences. North Dakota has a low speed vehicle manufacturer, Global Electric Motorcars, LLC, (GEM) which sells nationwide. Because of this, it is important for that company to have the same law or regulations in all states, so that they can be sure that they comply. The best solution is for states to basically adopt the federal regulations.

Sections 2 and 3 provide for minor changes in order to reflect that of the federal regulations, and to increase the allowable weight of the vehicles from 1,500 pounds to 3,000 pounds in weight.

Mr. Chairman, I would be happy to answer any questions at this time. Thank you.

**ND Department of Transportation
Lorrie Pavlicek, Motor Vehicle Division Director**

Abandoned Motor Vehicle Fee

Per request from the Senate Transportation Committee, the following information is provided:

Current Average Fee/Revenue	\$164,000
Current Fee	\$2
Current Vehicles Charged	82,000
Current Fee Collected Per Biennium	\$328,000
Current Budget Authorization (Per Health Dept)	\$250,000
Variance	\$78,000
Actual Fee to Meet Authorization	\$1.52
Total Estimated Collection at Above Fee	\$249,280.00
Variance	-\$720

Per the Health Department:

The Health Department has a \$250,000 appropriation for the abandoned auto program for the 2007-09 biennium so your revenue estimate would need to generate at least that amount of money. As mentioned earlier, we may need to request additional funds in future biennium's depending on the number of projects we identify. A suggestion would be to keep the \$2 fee and any excess could be transferred to the Highway fund – that way it would cover any dips below the 82,000 estimate.

Glenn Jackson/Business Operations Manager/Motor Vehicle Division/701-328-4792/gjackson@nd.gov

03/07/2007