

**2013 SENATE APPROPRIATIONS**

**SB 2326**

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2326  
02-05-2013  
Job # 18268

☐ Conference Committee

Committee Clerk Signature

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact NDCC relating to the issuance of license plates; and to provide an appropriation.

### Minutes:

See attached testimony

Vice Chairman Bowman called the committee to order on Tuesday, February 05, 2013 at 10:00 am in regards to SB 2326. All committee members were present. Brady Larson from Legislative Council was also present.

Senator Holmberg It's been a since we've made changes in the license plates issue. In 2013 we have the money in the bank to reissue a new license plate for ND. Approximately 45 states have newer plates than us. North Dakota does not have a policy for reissuing license plates. The bill before you would allow the re-issuance of new plates. One of the positive effects of reissuing new license plates would be immediately flagging non registered vehicles. You will pick up some folks that are not following the law. Some plates are so old, they lost their reflectivity and you can't read them. This bill does not contemplate setting a schedule for reissuance of plates this leaves it up to the legislature and leaves open as to the design. We would not increase the fees to the public. It is a onetime thing. For the subcommittee it would be prudent if they had more time to finish. To have it done by 2015, you have to be sure. I don't think the sponsors of the bill don't have a problem with that. As long as we put the money on the plate, we spend money on design and all that; it is a "we need to pay upfront" process. You'll hear testimony about the number of different plates that we have. We want to look at other language there, regarding trying to track all those different plates. The fiscal note is \$6.2M you might hear from some there may be additional costs in the area of Rough Rider. The subcommittee needs to address that, they might recommend, if they like the bill, to fold it into the DOT bill.

Ed Gruchalla District 45 here in support of this bill I was on the last bill with Senator Nething. This is long overdue. 20 some years of the same design plate. The reflectivity is gone, from the law enforcement perspective there are a lot of license plate readers, the cameras that catch the plates and need a good reflectivity.

Tom Kelsch, on behalf of 3M in support of this bill Testimony attached # 1 which includes pictures of degraded plates. The 3<sup>rd</sup> page shows state by state license plate replacement.

Plates lose fifty percent of their reflectivity after a seven year period. Having the customer choose the same alpha numeric would be difficult for North Dakota Department of Transportation (DOT) and Rough Rider. If the committee would want to keep that option, one of the suggestions I would make would be to charge a fee for that. North Dakota Department of Transportation (DOT) and Rough Rider would need additional time to do it. We would not be opposed to the delay, from 2 years to 4 years, and the money be set aside now we do recommend a do pass on 2326 or if it is folded in to the DOT budget, we are agreeable to that.

Senator Kilzer On your last page you recommend a move to digital plate production.

Tom Kelsch Digital plate production is a flat plate, stamped by a stamping machine. Plates now are embossed; the machinery they use goes back to WWII days. There has been talk whether the machine should be replaced or repaired, that is up to North Dakota Department of Transportation (DOT) and Rough Rider. We are not going to tell them what process to use. One of the advantages of digital plates is that we are getting more of the specialized plates.

Chairman Holmberg is the reflectivity life span of the digital plate more or less than the embossed plate?

Tom Kelsch because of the process of stamping it makes it a little bit weaker, in areas of water and salt, if you have a flat digital plate, sheeting is the same, and reflectivity is the same, probably a little stronger, not stretched. What the lessening it would be. Of course over 20 years all of it would be somewhat degraded.

Chairman Holmberg you are not the one that will make that determination and neither, according to this bill, is the Legislature. It would be North Dakota Department of Transportation (DOT) to follow within the dollar amounts that they receive what is the best thing to do.

Senator Krebsbach: do you know if the appropriation amount covers the new machine for the digital plate.

Tom Kelsch I don't know if that is built in there. I know there are ways to fund that process. On the fiscal note, DOT figured their costs, and put a cost in for Rough Rider.

Senator Krebsbach: would it be easier to duplicate the plate, if someone would want to manufacture (other than the state) with digital equipment?

Tom Kelsch: I am not aware of counterfeit plate problems. Embossing machine is an unwieldy piece of machinery that most people would not have. The research that 3M has done on states that have done the reissue, a lot of going with digital plates, more people are being caught that are not paying for their renewals, because you have a new plate with a somewhat different design.

Senator Wanzek: I am assuming that the requirement would be that when your annual renewal would come in, at that point you would get your new plates?

Tom Kelsch: I assume that would be so. That would be up to North Dakota Department of Transportation (DOT) to make that determination the bill does not require that. You would get your new plate as your annual fee come up you pay your registration.

Chairman Holmberg I think Linda will mention the sticker shock. If they do not put them where they are supposed to, it would be a class B misdemeanor but I don't think people are getting arrested. .

Tom Kelsch they are all supposed to be up in the corner, one of the things is that if you get a new vehicle, if you sell your old vehicle you can transfer that license plate over to the new one, I kind of hate to put the old plate on your new vehicle. More people are keeping their same plate.

Linda Butts, Deputy Director for Driver and Vehicle Services at the DOT we asked if Roughrider industries could be here. I am favor of this legislation. Getting new plates is far more complex than anyone can think. It is not only that we have to fight the hurdles of the ugly plate; we all know beauty is in the eyes of the beholder, another thing is that you dropped the price of a special letter plate from \$100 down to \$25. We are one of the states that have the largest number of that type of plates in the nation per capita. The flat special letter plate is 42 thousand. The other thing is that you allowed organizational plates. Now we have organizational plates and special letter organizational plates. We issue 63 different kinds of plates, on different vehicles, by the time it gets all mixed into our computer system we have 382 combinations of choices that we need to make for the purpose of attaching registration fees. We need new plates. (She passed used plates around to the committee as examples of deterioration and loss of reflectivity). We recognize that after twenty years the degradation of the plates is probably significant. The plate with owner law had the unintended consequence of "can I have my old number back", yes and we'll charge you \$5. Theoretically it is a special letter plate at that point because it no longer is a random number. The way this current bill is worded, is basically any person that likes their old number can keep it, so the population of special letter plate could be even far greater than the 42 thousand that we have already got on the book. We wanted to wrestle with that a little bit. We also asked consideration for time. One of the things we desperately need is a replacement for our registration system. The current system does not have the accounting package; auditors are always writing us up for reconciliation, the money collected we can't get it the right piles, so to speak. We would like the new DRTS system. Another thing coming down the pipes is e-titling and e-liens, so when we sat down to request budget we thought long and hard about the new plate. We thought we would like to get the computer system up and running and then next legislative session we would come back and address the new plates. The other thing, with this tremendous amount of growth, is trying to deliver services in the manner in which have grown accustomed to doing. We are looking to outsource more of our services, in addition to that we are struggling with delivery from our branches, they have experienced tremendous turnover right now this snapshot in time there is a lot that is being placed on Motor Vehicles from an expectancy and delivery point of view. We ask for the gift of time, lets fund it, so that we got it set aside and we'll continue to develop a work-out plan. Regarding the fiscal note, we have met with Rough Rider, they would have significant. Costs that is not included in our fiscal note. Digital plate production, after being in the market, some states are going back to the embossed



plates, from a readability standpoint. Now we would do more investigation and do what, long term, is best for the state.

Vice Chairman Bowman; with all the people doing business in ND what is the requirement for them to have a license plate in ND, why shouldn't they purchase ND plates. In Montana you have to have a plate on

Linda Butts The law says if you are employed in ND, you need to be plated in ND. In an effort to accommodate the oil patch, we created an on line renewal or temporary registration you can go online 6 or 12 month renewal, it is a yellow sticker that goes in the window. The problem is enforcement; in ND it's a secondary offense, so Highway Patrol (the only ones authorized right now to sell these temporary registrations). They have pull some one over for some other reason, and query them to find out if they are working in the state, if they are they can ticket them, they can swipe it right in the car and make the sale. It comes in as a batch overnight and we will get that to them. At the end of last biennium we did an extensive media campaign. Because it's a secondary offense we though knowledge was the way to get them to get in compliance; we had billboards, we sent out letters, went to their corporate offices. We saw a significant increase this biennium we are at we are making progress, after that campaign, some look at the regulation and saw it is cheaper to plate it in North Dakota, so we saw the plating and titling activity increasing more rapidly that the temporary registration. I know there is significant frustration in the oil patch, but trying to pass a blanket piece of legislation is difficult.

Rick Gardner, Director of Rough Rider Industries testified in a neutral position regarding SB 2326 and provided Testimony attached # 3 outlining their concerns with this bill: the timeframe of July 1, 2013 to June, 30 2015 which puts a heavy burden on RRI and the retention of old plate numbers/letters which would be considered specialty plates that slow down the manufacturing process; last the financial investment .RRI is proud to have the opportunity to manufacture license plates for the state of North Dakota.

Senator Warner you would be getting new equipment for the embossed plates, regardless?

Rick Gardner: Yes, on a general re-issue we would need a dedicated brake press just assigned to do the license plates themselves. We still need the other equipment to continue with the other metal fabrication.

Chairman Holmberg would you provide a cost estimate of the embossed plates and then the digital plates. So we can have that for our consideration.

Senator O'Connell: what kind of income will this generate for RRI, above your expenses?

Rick Gardner Looking forward I can't say what it will generate, I can say last year we profited a little over \$15,000, it does employ inmates, we provide a valuable service to the state.

Senator O'Connell: I assume this issue for motorcycles, trailers, everything.

Chairman Holmberg: yes, this is all license plates that are manufactured in the state.

Linda Butts: there are some plates that have a white background, they are fleet plates, and they would be subject to renewal. If it has the art work you would see, the buffalo plate and Lewis and Clark (general issue plates would not be changed)

Chairman Holmberg could you over the next days any research that other states had when they have the new issue of picking up the folks when they didn't register.

Senator Robinson: did we not have a later issue of the Lewis and Clark plate? Would those plates be replaced at the tail end?

Linda the Yes With regards 2<sup>nd</sup> question, that is a possibility.

Chairman Holmberg there are 630,000 active buffalo plates right now, and roughly 15, 699, Lewis and Clark plates enacted in 1999.

Senator O'Connell: if you work in SD, would you want the subcommittee maybe changing the law for ND.

Linda Butts the transportation committee, Senator Lyson, introduced a bill last session that clarified the conditions under which one was to be plated; they did an exhaustive study on that. I might suggest, maybe visit with Senator Lyson and see what his thoughts are on it.

Chairman Holmberg: Closed the hearing.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee

Harvest Room, State Capitol

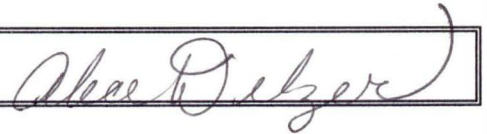
SB 2326 Subcommittee

02-08--2013

Job # 18593 & 18595

☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing in regards to Issuance of license plates

### Minutes:

See attached testimony.

**Chairman G. Lee** called the subcommittee hearing in regards to SB 2326 at 10:30 am in the Harvest Room. All subcommittee members were present: Senator Gary Lee , Senator Holmberg, Senator Wanzek and Senator O'Connell. Brady Larson from Legislative Council and Tammy R. Dolan from OMB were also present.

**Chairman G Lee** what we asked is for from the original meeting the Rough Rider Industries to provide a cost estimate.

**(0:01:27) Rick Gartner, Roughrider Industries:** I broke this down under the assumption we would be replacing 1.2 Million plates, taking financing out over a 7 year period, the reissue of 900,00 plates over a five year period. 2.1 million Plates over 7 years. Brake down of equipment needs, \$680 thousand for embossing equipment, and 3.6 million for material costs.

**(0:02:55) Senator Holmberg** wanted an explanation of the 6.2 million in the other budget and what are they buying.

**Chairman G. Lee** also is asking what the difference is between the motor vehicle section.

**Rick Gartner:** this is what it would cost to buy the raw materials, and equipment needs.

**Chairman G. Lee** so your request is 4.28 million

**(0:03:56) Dave Krabbenhoft, Dept. of Corrections. (DOC)** It is duplicate, we would need that increase in our appropriation authority, to purchase the materials, and then Motor Vehicle would buy the plates from Rough Rider. He is not sure what the 6.2 million is for Motor Vehicle but the 4.2 to increase for production costs in for SB 2015

**(0:04:35) Senator Holmberg** that is your production costs would that be figured in if we in this budget put in to DOT budget, 4.2 for production, that is run through this budget. It's

nice to keep things together, that goes to Roughrider for production. Are we spending 4.2 million, what are we spending 6.2 on? We don't want to tell the legislative ten and half million dollars when we are only...

**(0:05:32) Dave Krabbenhoft:** Rough rider is a business, the cost to produce and what they would sell the plates to Motor Vehicle that would be my guess the profit would be in there the 4.2 does not include the profit to rough rider. It is not the revenue side, which would be what we would bill per plate.

**Senator Holmberg** the 6.2 the amount of money that DOT needs to buy the plates?

**(0:06:19) Chairman G. Lee** is Rough Rider saying they need 4.2 to do the job to get them ready for sale; you sell them to Motor Vehicle for that amount or whatever.

**(0:6:28) Rick Gartner** The big part of the cost is the material costs, our capital investment, embossment equipment, all our raw material costs, that will be ongoing, so it will be a revolving, pay as you go. I don't know if it's an additional cost that is the cost it will take for Rough Rider to produce these plates. They will generate a profit off these plates.

**(0:7:18) Chairman G. Lee** discusses the breakdown of costs and profit for Rough Rider.

**Senator Holmberg** the 3.6 coming from the 6.2?

**(0:07:39) Dave Krabbenhoft** DOT will have their own costs. What we are looking for on the expenditure side to buy materials and update equipment. The revenue side is different.

**(0:08:32) Brady Larson:** This option you could appropriate the general funded dollars directly to Rough Rider and a portion to DOT for their costs.

**(0:08:51) Senator Holmberg** I don't like double counting. It makes it a lot easier to explain on the floor. What I see we have the 6.2 plus 680 would get us started, then you have this money flow back and forth, and part of the cost, the plate is your material.

**(0:09:34) Dave Krabbenhoft** you have general fund one time in MV budget, it would be special funds in ours. There are no other costs. The costs of materials in the DOC budget general funds then that number would decrease in MV. We would bill them back. We do this with the State Hospital and pay them directly. It's general funds for our budget it's special funds for the State Hospital budget.

**(0:10:50) Senator Holmberg** special funds and general funds is in both pots.

**(0:11:08) Chairman G Lee** (to Brady Larson) if the numbers would be 6.2 in production and material costs, it would really only be 6.8 you would only be spending that amount of money?



**Brady Larson** I believe you are correct. The money would only be counted once and not have to flow through both general fund and the eventually the special funds.

**(0:11:49) Senator Holmberg** we end up having a concept which we may put in DOT budget, we are lucky we have 2 out of the 3 on the Corrections budget. What will it cost for the new issue? What are the actual general costs?

**Chairman G. Lee** so they understand how much is being spent on the project.

**(0:12:57) Senator O'Connell:** how many workers now doing the plates, will it increase your number?

**Rick Gartner:** currently 6 workers, it would increase, with the additional equipment. It would be an increase of 2 or 3 workers.

**(0:13:45) Senator O'Connell:** What are the costs of the plates right now? Manufacture and sell.

**Rick Gartner:** manufacture price for plates its \$3.27 per plate, and current sell rate to MV is \$3.95

**(0:14:21) Senator O'Connell** What would be the new cost for reissue?

**Rick Gartner** looking at a pay back over 7 years. It would add 35 cents to embossing, and digital printing method 70 cent increase.

**(0:14:59)** There is a discussion about the sell back rate to MV. About a 75 cent markup.

**(0:15:20) Chairman G Lee** the original language, everyone having original plate back was that factored in?

**Rick Gartner:** We would be a specialty plate, in terms of reissue process it would slow the process down. The time frame in the bill would be hard to accommodate the time frame.

**(0:15:59) Chairman G. Lee** discussed the language change and the quicker method if that was considered and the process and plates.

**(0:16:19) Rick Gartner:** we factored the additional costs on to the specialty plates. If you are presented with keeping the plate you have or take a new issue plate without any finical tie personally I would keep the plates that I have for no reason if there is no tie to the plates to take the plates because I think that it would add to the time frame.

**(0:17:07) Senator Holmberg** the committee needs to make a decision on embossed or digital and let that be known, it will determine the cost of the equipment. My opinion is embossed.

**Chairman G. Lee** Mr. Ziegler brought some examples of flat and embossed, embossed more visible there is an advantage to the embossed.

**(0:18:17) Senator Wanzek** asked if there was a suggestion of a personal or vanity plate that or if we do charge.

**(0:18:38) Rick Gartner** we charge a higher rate for that plate. It is not a problem to do that but the time frame is a problem. That is under the embossed format. We can do 300,000 plates a year. The digital process is a faster less tedious process.

**(0:19:44) Senator O'Connell** I like new technology. I like the embossed plates though.

**(0:20:14) Senator Wanzek** I am not sure yet, I do like the embossed it takes more time for the personal plates. I am surprised there is no technology out there that it would change the dyes itself.

**Senator O'Connell** the new tech the plates should last longer last longer?

**(0:21:00) Rick Gartner:** there is advantages and disadvantages. The digital are harder to read, the graphics are not as good, the embossed is a sturdier plate, we incorporated that, some states don't have that, they don't have that special rim dye around the edge.

**(0:21:49) Senator Holmberg** as I understand it the challenge of allowing the issuance of the same number is really a separate question because if we remove that language, if we took that language out, anyone coming in to buy the vanity plate but they would have to pay the extra fee.

**(0:23:02) Chairman G. Lee** I may have been remembering some states said the flat plates did not work as well,

**(0:23:21) Rick Gartner** they stopped in Florida a stayed with the embossed plates. Rough Rider we don't care which one, the flat plates were easier to counterfeit. Cost wise, they say there is a savings, the cost will be almost the same for us. Investment in initial equipment.

**(0:24:12) Senator Holmberg** the history of the ND legislator, 22 years, since we dared to do it I would hope we would take the sturdier plate.

**(0:25:06) Chairman G. Lee** anything else, we are looking towards the embossed. Agreeable with all committee members. We had a request for DOT for the SCOFFLAW.

**(0:26:13) Linda Butz, Dep. Director of License Division of DOT** we did go through the state of Nebraska to talk to, they picked up about 1 to 2 percent of the population, the other advantage each year when there was an expiration the highway patrol was able to pull individuals over to enforce the new plates. In 21 years it could be significant larger than that in North Dakota.

**(0:27:00)** There is a discussion about the Highway Patrol pulling individuals over that had expired plates, and the percentage rate of 1 to 2 % was a very conservative number.

**Chairman G. Lee** any additional info or questions.

**(0:28:18) Chairman G. Lee:** you could do about 300,000 a year; we are looking at 3 to 4 years to do a million plates.

**(0:28:36) Rick Gartner** we can work extended hours. With the new equipment will speed up process. 2 years.

**(0:29:10) Senator Holmberg** would pushing the date back help. And I know DOT feels pushing the date back would help. We wanted to be sure the money is in the budget this year. We should dedicate the money now, spend it.

**(0:29:54) Rick Gartner** if we say from whenever we chose, if there is a two year time frame, we can accomplish that. From our perspective we could meet that.

**(0:30:18) Senator Holmberg** not as big an issue then with Rough Rider than with DOT

**(0:30:30) Linda Butz** I asked for the gift of time, new computer system transitioned, talked to the tax department, gave themselves a year, give yourself 18 months, by pushing that out to June 30 of 17. Then we could live with that time line.

**(0:30:13) Chairman G Lee** expected to be done, June 30, 2017.

**(0:31:25) Senator Holmberg** in that time line when would the first new plate hit the street?

**(0:32:04) Linda Butz** we have to start sometime in May or June of 15, the preplanning and the prework,

**(0:32:40) Chairman G Lee** where would all the money be in this budget or the next one?

**(0:32:56) Rick Gartner** we would be the one to get the ball rolling, I would assume we make that decision, it wouldn't take us that long, getting the leg work done to manufacture these plates.

**(0:33:19) Senator Holmberg** it will take a little time, if there is going to be a change in the design of the plate. It seems quite reasonable that the gift of time should be considered. The money has to be appropriated now. For example you buy it, and then the leg tells you won't get the money.

**(0:34:18) Chairman Lee** it needs to be here now to start the process.

**(0:34:25) Senator O'Connell** what kind of bottle neck will there be when the new equipment comes.

**(0:34:40) Rick Gartner** a larger foot print on the floor, we could continue to manufacture the way we are right now.

**(0:35:07) Chairman G. Lee** budget this year and expect to be completed by 2017.

**(0:35:20) Senator Holmberg** as Brady puts together the language there would have to be carry over authority.

**Brady Larson** that is correct.

**Chairman G. Lee** anything else.

**(0:35:57)** There is discussion about removing peace garden state from the license plates

**(0:36:22) Linda Butz** I only thought I did, if we remove the language, it would be helpful, I sort of like this number keep that for unique situations.

**Chairman G Lee** any other info we might need. We will adjourn.

New job # 18595

**(0:00:09)** Discussion about interest expense and if this was a bank loan or monies that comes directly from appropriations. What DOT pays Rough Rider will be part of the bottom line.

**(0:01:40) Dave Krabbenhoft** when Rick put this together, it would be under the business model that Rough Rider does. It would be like MV coming to us, we would invest in capitol for the equipment, and we would eventually get it back with the sales of the plate. Go to the bank and get a loan for 7 years then we would also have working capital loans for raw materials. The way you were talking about it earlier, that would do away the need for a loan. If you were going to appropriate general funds for the equipment and raw material up front. .

**(0:02:44) Senator Holmberg** that is existing model that has worked.

The subcommittee hearing was closed on SB 2326.



# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee

Harvest Room, State Capitol

SB 2326 Subcommittee

02-12-2013

Job # 18848

☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing in regards to issuance of license plates.

### Minutes:

See attachment

Chairman Lee opened the subcommittee hearing on 2326. Other members present were Senator Holmberg and Senator Wanzek and Senator O'Connell. Brady Larson from Legislative Council and Tammy R. Dolan from OMB were also present.

**(0:00:38) Brady Larson** walk through the amendments #13.0725.03001. Testimony attached # 1. Explained the amendments. (2.310)

**(0:02:31) Senator Holmberg** I know there is duplicative dollars here the 680 thousand is that part of the equipment for Rough Rider is that part of the 4.28?

**Brady Larson:** yes it is part of the 4.28

**Senator Holmberg** That's not duplicative?

**(0:02:55) Brady Larson** yes, that expense is passed on to DOT who will be paying for that expense.

**(0:03:04) Senator Holmberg** so if we had to cash out right now this bill with this amendment we give them 6.2 million to DOT and in essence for 4.280 would slide to over corrections department for their costs

**Brady Larson** that is correct.

**(0:03:53) Senator Wanzek:** can you explain why we remove the reference to vanity plates?

**(0:04:06) Brady Larson** that was a request of a person that sponsored this amendment. There was discussion about that, keeping their vanity plates.

**(0:04:35) Senator Holmberg** if you had if your license plate was part of the general series, you wouldn't be able to go in and grab that plate automatically. The agency has leeway under administrative rules, it's just as we as legislators if they have to make some rule changes they have to go into the rules committee and do it.

**(0:05:50)** There is a discussion about if one is able to buy there vanity plate.

**Linda Butz:** We would issue a new plate, no graphic, we talked through a lot of complexities, and in general those who have vanity plates will have the chance to get vanity plates again. As we go through this process of discovery, we would like the freedom, if you had a randomly generated number. We would honor a vanity plate a second time.

**(0:08:20) Chairman G Lee** 3904 how the director has some flexibility and language in there as well, internal policies on how you can handle the issues.

**(0:08:46) Mr. Levi:** You are correct. There is additional guidance in state statute. We believe we have sufficient guidance and to do a general issuance, we want to thank you for that.

**Chairman G. Lee** any other questions.

**(0:09:30) Senator Holmberg** how to frame this. On the floor. About the difference in the digital and the embossed, one is heavy metal and cardboard.

**Chairman G. Lee** the flat ones are harder to see. Anything else.

**(0:10:21) Senator Holmberg** I would ask as we are proceeding on 2012 folding this bill into 2012 and that would be an amendment structured so it is easily visible. This section is the license plate when they have to have an up and down vote.

**Senator Holmberg** I would move those amendments. **Senator O'Connell** seconded.

**Senator Holmberg** if we decide to move this into 2012 do you takes it as is.

**Brady Larson** we would pull out the 3 sections in the bill and put it into 2012.

**Chairman G. Lee** any other discussion on the motion. **Chairman G. Lee** yes, **Wanzek** yes, **O'Connell** yes, **Holmberg** yes. Motion carried.

We should be done with that or if we move it into 2012. We will close the hearing.

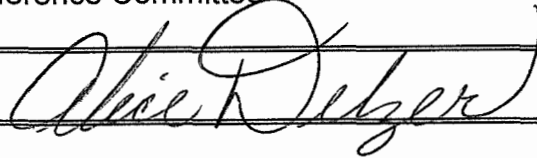
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2326  
02-20-2013  
Job # 19225

☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL re: issuance of license plates (Do Not Pass)

### Minutes:

You may make reference to "attached testimony."

**Chairman Holmberg** called the committee to order on Wednesday, February 20, 2013. All committee members were present.

Brady Larson - Legislative Council  
Joe Morrisette- OMB

**Chairman Holmberg:** Senator Lee wants to make a motion on SB 2326.

**Senator Gary Lee :** I move a Do Not pass on 2326. 2<sup>nd</sup> by Senator Wanzek.

**Chairman Holmberg:** I'll carry it if you want. 2326 is folded into 2012 but it will be divisible so if the body doesn't like a absolutely critically needed license plate issue they will have the opportunity to vote up or down on it anyway. And we felt it was better strategy to send it over to the House if it passes in the bill. Discussion.

Chairman Holmberg: Call the roll on a DO NOT PASS on 2326.

**A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.**

**Chairman Holmberg will carry the bill on the floor.**

The hearing was closed on SB

Date: 2-20-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2326

Senate Appropriations Committee

☐ Check here for Conference Committee

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

Action Taken DNP

Motion Made By Lee Seconded By Wanzek

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent \_\_\_\_\_

Floor Assignment Holmberg

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



**REPORT OF STANDING COMMITTEE**

**SB 2326: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2326 was placed on the Eleventh order on the calendar.

**2013 TESTIMONY**

**SB 2326**

## License Plate Replacement

- License plates degrade over time.
- Most plates lose 50% of their reflectivity after 7 years.
- Older plates are more difficult for law enforcement to read.
- Most states have a policy for plate replacement in place or have replaced plates in the last 10 years.
- North Dakota License plates are among the oldest in the nation.

# Improve Visibility & Safety at Night

5 cpl

7 year old plate

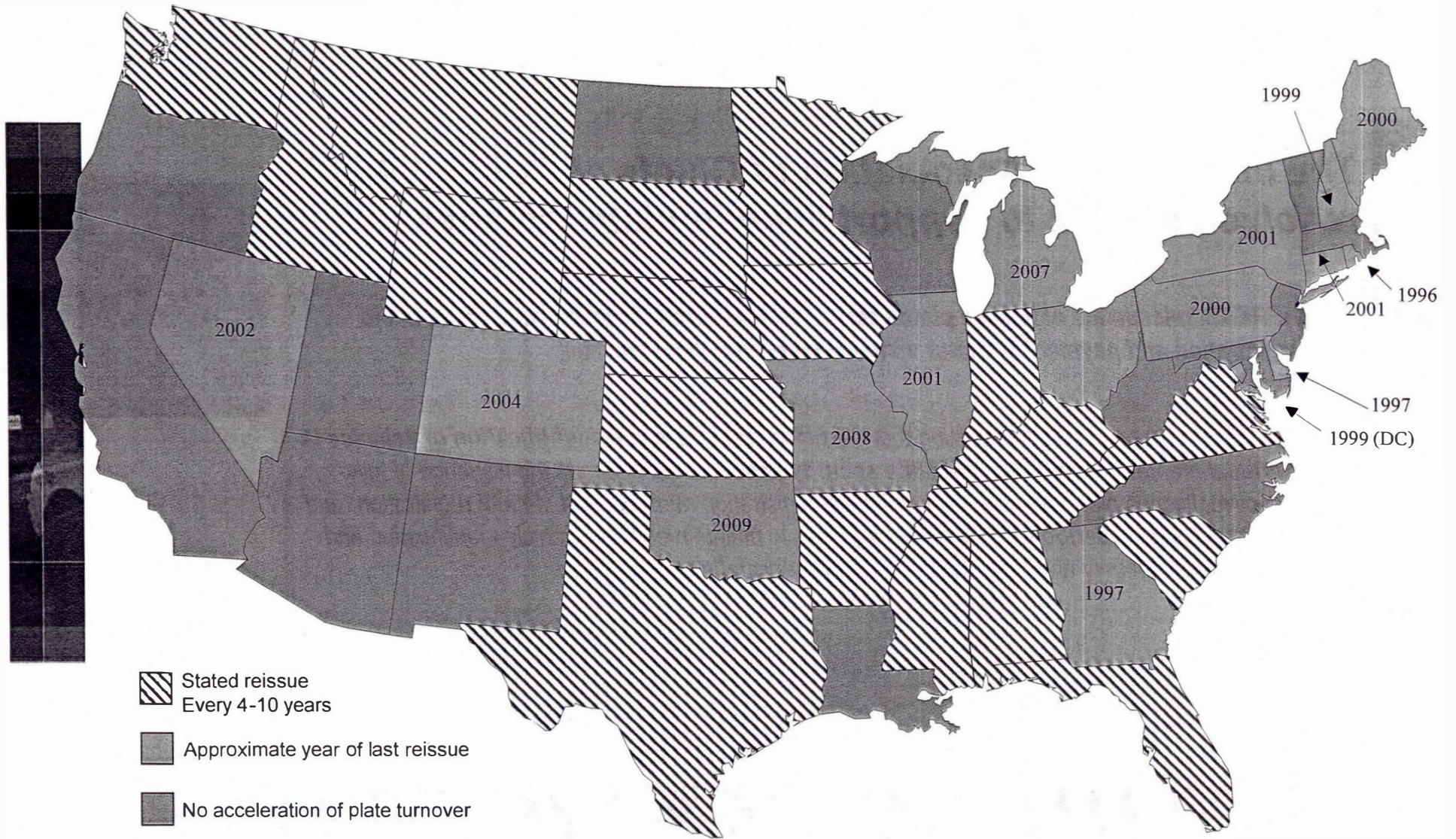
25 cpl

new plate

250 Feet



# Planned License Plate Replacement



# Law Enforcement *Support from Police Chiefs*

***The International Association of Chiefs of Police (IACP) resolved in 2002 to support license plate reissues***

***...WHEREAS, reissuance of license plates serves as a deterrent to those who would avoid registration and payment of motor vehicles fees; now, therefore, be it***

***RESOLVED, that the ...IACP, recognizing that the efficient and reliable identification of vehicles is a critical element of national and state security procedures, supports the issuance of fully-reflective, license plates with clearly identifiable registration numbers and state of registration, and urges that states periodically issue new plates to maintain effective vehicle identification and to protect the security and integrity of the vehicle registration process.***



**Reissues encourage compliance and help with security**



## Samples of ND Degraded Plates



# Recommendation

- Adopt a policy for ND License plate replacement
- Charge and optional fee of \$10 for customers to keep their same alpha numeric.
- Move to digital plate production
  - *Lower cost of metal, longer plate life, flexible production*



**Senate Appropriations Committee**  
**February 5, 2013 – 10 a.m. – Harvest Room**

**North Dakota Department of Transportation**  
**Linda Butts, Deputy Director for Driver and Vehicle Services**

**SB 2326**

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Mr. Chairman and members of the committee, I'm Linda Butts, Deputy Director for Driver and Vehicle Services with the North Dakota Department of Transportation (DOT). Thank you for allowing me the opportunity to present information to you today.

The DOT recognizes the need to replace the current general issue plate or often referred to as the "buffalo plate" with a new design. The current plate has been in use since 1991 and features can degrade over time, affecting reflectivity and other markings on the plate.

We have concerns in respect to the amount of time designated for the process. Currently, the Motor Vehicle Division has many priority projects to work on over the next biennium to meet the growing demand for timelier vehicle services including: upgrading an old computer software system (VRTS), as well as enhancing central office and branch office processes across the state.

Replacing and issuing license plates is a complex project, therefore we would like to respectfully ask to work with the sub-committee on this process and to potentially extend the timeline for completion to June 30, 2017.

While the department's fiscal note is \$6.2 million, we are concerned that our cost estimate doesn't reflect all the costs for a plate issue. In visiting with Rough Rider Industries, they informed us they will incur significant costs which are not included in this number.

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



	DESCRIPTION	PLATE CODE	REGISTRATION MONTH QTY
	ANTIQUE	Antique	
2	ANTIQUE - MOTORCYCLE	Antique	
3	ANTIQUE - MOTORCYCLE - SPECIAL LETTER PLATE	Antique SLP	
4	ANTIQUE - SPECIAL LETTER PLATE	Antique SLP	
5	ANTIQUE MILITARY		
6	COLLECTOR	Collector	
7	COLLECTOR - SNOWMOBILE	Collector	
8	COLLECTOR - SPECIAL LETTER PLATE	Collector SLP	
9	DISABLED AMERICAN VETERAN	POW/DAV	12
10	HOUSE CAR - AMATEUR RADIO	Radio	12
11	HOUSE CAR - CHOOSE LF	Organization	12
12	HOUSE CAR - CHOOSE LF SLP	Organizatn SLP	12
13	HOUSE CAR - COWBOY	Organization	12
14	HOUSE CAR - COWBOY SLP	Organizatn SLP	12
15	HOUSE CAR - DSU	Organization	12
16	HOUSE CAR - DSU SLP	Organizatn SLP	12
17	HOUSE CAR - DUCKS	Organization	12
18	HOUSE CAR - DUCKS SLP	Organizatn SLP	12
19	HOUSE CAR - FFA	FFA	12
20	HOUSE CAR - FFA SLP	FFA SLP	12
21	HOUSE CAR - FIREFIGHTER	Firefighter	12
22	HOUSE CAR - FIREFIGHTER SLP	Firefighter SLP	12
23	HOUSE CAR - GOLD STAR	Veteran	12
24	HOUSE CAR - GOLD STAR SLP	Veteran SLP	12
25	HOUSE CAR - HIT INC	Organization	12
26	HOUSE CAR - HIT INC SLP	Organizatn SLP	12
27	HOUSE CAR - LEWIS/CLARK	LC	12
28	HOUSE CAR - LEWIS/CLARK SLP	LC SLP	12
29	HOUSE CAR - MOBILITY IMPAIRED	Standard	12
30	HOUSE CAR - MOBILITY IMPAIRED SLP	SLP	12
31	HOUSE CAR - MSU ALUMNI	Organization	12
32	HOUSE CAR - MSU ALUMNI SLP	SLP	12
33	HOUSE CAR - NATIONAL GUARD	NG	12
34	HOUSE CAR - NATIONAL GUARD - SLP	NG SLP	12
35	HOUSE CAR - NDSU	Organization	12
36	HOUSE CAR - NDSU SLP	Organizatn SLP	12
37	HOUSE CAR - PHEASANTS	Organization	12
38	HOUSE CAR - PHEASANTS SLP	Organizatn SLP	12
39	HOUSE CAR - SPECIAL LETTER PLATE	SLP	12
40	HOUSE CAR - STANDARD	Standard	12
41	HOUSE CAR - SUPPORT	Organization	12
42	HOUSE CAR - SUPPORT SLP	Organizatn SLP	12
43	HOUSE CAR - VCSU	Organization	12
44	HOUSE CAR - VCSU SLP	Organizatn SLP	12
45	HOUSE CAR - VET LOGO AIR FORCE	Veteran	12
46	HOUSE CAR - VET LOGO AIR FORCE SLP	Veteran SLP	12
47	HOUSE CAR - VET LOGO ARMY	Veteran	12
48	HOUSE CAR - VET LOGO ARMY SLP	Veteran SLP	12
49	HOUSE CAR - VET LOGO COAST GUARD	Veteran	12
50	HOUSE CAR - VET LOGO COAST GUARD SLP	Veteran SLP	12
51	HOUSE CAR - VET LOGO MARINES	Veteran	12



	DESCRIPTION	PLATE CODE	REGISTRATION MONTH QTY
	HOUSE CAR - VET LOGO MARINES SLP	Veteran SLP	12
	HOUSE CAR - VET LOGO NAVY	Veteran	12
54	HOUSE CAR - VET LOGO NAVY SLP	Veteran SLP	12
55	HOUSE CAR - VET LOGO PURPLE HEART	Veteran	12
56	HOUSE CAR - VET LOGO PURPLE HEART SLP	Veteran SLP	12
57	HOUSE CAR - VETERAN	Veteran	12
58	HOUSE CAR - VETERAN AIR FORCE	Veteran	12
59	HOUSE CAR - VETERAN AIR FORCE SLP	Veteran SLP	12
60	HOUSE CAR - VETERAN ARMY	Veteran	12
61	HOUSE CAR - VETERAN ARMY SLP	Veteran SLP	12
62	HOUSE CAR - VETERAN COAST GUARD	Veteran	12
63	HOUSE CAR - VETERAN COAST GUARD SLP	Veteran SLP	12
64	HOUSE CAR - VETERAN MARINES	Veteran	12
65	HOUSE CAR - VETERAN MARINES SLP	Veteran SLP	12
66	HOUSE CAR - VETERAN NAVY	Veteran	12
67	HOUSE CAR - VETERAN NAVY SLP	Veteran SLP	12
68	HOUSE CAR - VETERAN PURPLE HEART	Veteran	12
69	HOUSE CAR - VETERAN PURPLE HEART SLP	Veteran SLP	12
70	HOUSE CAR - VETERAN SLP	Veteran SLP	12
71	HOUSE MOVER - SPECIAL LETTER PLATE	House Mover SLP	12
72	HOUSE MOVER - STANDARD	House Mover	12
73	LOW SPEED VEHICLE	Standard	24
	MOB IMPAIRED DISABLED AMERICA VETERAN	Veteran	12
	MOBILE HOME	Standard	12
	MOTORCYCLE - DAV	POW/DAV	12
77	MOTORCYCLE - MOBILITY IMPAIRED	Standard	12
78	MOTORCYCLE - MOBILITY IMPAIRED SLP	SLP	12
79	MOTORCYCLE - SPECIAL LETTER PLATE	SLP	12
80	MOTORCYCLE - STANDARD	Standard	12
81	MOTORCYCLE DISABLED AMERICA VETERAN	POW/DAV	12
82	OFF HIGHWAY - DECAL	Standard	24
83	OFF HIGHWAY - FLEET DECAL	Fleet	24
84	OFF HIGHWAY - FLEET PLATE	Fleet	24
85	OFF HIGHWAY - PLATE	Standard	24
86	OFF HIGHWAY - PLATE SLP	SLP	24
87	OFFICIAL - DRIVERS EDUCATION	Official	
88	OFFICIAL - EXPERIMENTAL	Official	
89	OFFICIAL - HIGHWAY PATROL	Official	
90	OFFICIAL - LEWIS/CLARK	Official LC	
91	OFFICIAL - LOW SPEED VEHICLE	Official	
92	OFFICIAL - MOTORCYCLE	Official	
93	OFFICIAL - MOTORCYCLE - SPECIAL LETTER PLATE	Official SLP	
94	OFFICIAL - OFF HIGHWAY DECAL	Official	
95	OFFICIAL - OFF HIGHWAY PLATE	Official	
96	OFFICIAL - POLICE	Official	
	OFFICIAL - SHERIFF	Official	
	OFFICIAL - SNOWMOBILE	Official	
99	OFFICIAL - SPECIAL LETTER PLATE	Official SLP	
100	OFFICIAL - STANDARD	Official	
101	OFFICIAL - STATE FLEET	Official	
102	OFFICIAL - STATE FLEET - TRAILER	Official	



	DESCRIPTION	PLATE CODE	REGISTRATION MONTH QTY
	OFFICIAL - TRAILER	Official	
	OFFICIAL - TRAILER SLP	Official	
105	OFFICIAL - UNCONVENTIONAL	Official	
106	PASSENGER - AMATEUR RADIO	Radio	12
107	PASSENGER - CHOOSE LF	Organization	12
108	PASSENGER - CHOOSE LF SLP	Organizatn SLP	12
109	PASSENGER - COWBOY	Organization	12
110	PASSENGER - COWBOY SLP	Organizatn SLP	12
111	PASSENGER - DSU	Organization	12
112	PASSENGER - DSU SLP	Organizatn SLP	12
113	PASSENGER - DUCKS UNLIMITED	Organization	12
114	PASSENGER - DUCKS UNLIMITED SLP	Organizatn SLP	12
115	PASSENGER - EDEALER	Standard	12
116	PASSENGER - FFA	FFA	12
117	PASSENGER - FFA SLP	FFA SLP	12
118	PASSENGER - FIREFIGHTER	Firefighter	12
119	PASSENGER - FIREFIGHTER SLP	Firefighter SLP	12
120	PASSENGER - FLEET	Fleet	12
121	PASSENGER - FLEET SPECIAL LETTER PLATE	Fleet SLP	12
122	PASSENGER - GOLD STAR	Veteran	12
123	PASSENGER - GOLD STAR SLP	Veteran SLP	12
124	PASSENGER - HIT INC	Organization	12
	PASSENGER - HIT INC SLP	Organizatn SLP	12
	PASSENGER - LEWIS/CLARK	LC	12
	PASSENGER - LEWIS/CLARK SLP	LC SLP	12
128	PASSENGER - MOBILITY IMPAIRED	Standard	12
129	PASSENGER - MOBILITY IMPAIRED SLP	SLP	12
130	PASSENGER - MSU ALUMNI	Organization	12
131	PASSENGER - MSU ALUMNI SLP	Organizatn SLP	12
132	PASSENGER - NATIONAL GUARD	NG	12
133	PASSENGER - NATIONAL GUARD - SLP	NG SLP	12
134	PASSENGER - NDSU ALUMNI	Organization	12
135	PASSENGER - NDSU ALUMNI SLP	Organizatn SLP	12
136	PASSENGER - PHEASANTS	Organization	12
137	PASSENGER - PHEASANTS SLP	Organizatn SLP	12
138	PASSENGER - SPECIAL LETTER PLATE	SLP	12
139	PASSENGER - STANDARD	Standard	12
140	PASSENGER - SUPPORT	Organization	12
141	PASSENGER - SUPPORT SLP	Organizatn SLP	12
142	PASSENGER - VCSU	Organization	12
143	PASSENGER - VCSU SLP	Organizatn SLP	12
144	PASSENGER - VET LOGO AIR FORCE	Veteran	12
145	PASSENGER - VET LOGO AIR FORCE SLP	Veteran SLP	12
146	PASSENGER - VET LOGO ARMY	Veteran	12
147	PASSENGER - VET LOGO ARMY SLP	Veteran SLP	12
	PASSENGER - VET LOGO COAST GUARD	Veteran	12
	PASSENGER - VET LOGO COAST GUARD SLP	Veteran SLP	12
150	PASSENGER - VET LOGO MARINES	Veteran	12
151	PASSENGER - VET LOGO MARINES SLP	Veteran SLP	12
152	PASSENGER - VET LOGO NAVY	Veteran	12
153	PASSENGER - VET LOGO NAVY SLP	Veteran SLP	12



	DESCRIPTION	PLATE CODE	REGISTRATION MONTH QTY
	PASSENGER - VET LOGO PURPLE HEART	Veteran	12
5	PASSENGER - VET LOGO PURPLE HEART SLP	Veteran SLP	12
156	PASSENGER - VETERAN	Veteran	12
157	PASSENGER - VETERAN AIR FORCE	Veteran	12
158	PASSENGER - VETERAN AIR FORCE SLP	Veteran SLP	12
159	PASSENGER - VETERAN ARMY	Veteran	12
160	PASSENGER - VETERAN ARMY SLP	Veteran SLP	12
161	PASSENGER - VETERAN COAST GUARD	Veteran	12
162	PASSENGER - VETERAN COAST GUARD SLP	Veteran SLP	12
163	PASSENGER - VETERAN MARINES	Veteran	12
164	PASSENGER - VETERAN MARINES SLP	Veteran SLP	12
165	PASSENGER - VETERAN NAVY	Veteran	12
166	PASSENGER - VETERAN NAVY SLP	Veteran SLP	12
167	PASSENGER - VETERAN PURPLE HEART	Veteran	12
168	PASSENGER - VETERAN PURPLE HEART SLP	Veteran SLP	12
169	PASSENGER - VETERAN SLP	Veteran SLP	12
170	PICKUP - AMATEUR RADIO	Radio	12
171	PICKUP - CHOOSE LF	Organization	12
172	PICKUP - CHOOSE LF SLP	Organizatn SLP	12
173	PICKUP - COWBOY	Organization	12
174	PICKUP - COWBOY SLP	Organizatn SLP	12
175	PICKUP - DSU	Organization	12
	PICKUP - DSU SLP	Organizatn SLP	12
176	PICKUP - DUCKS UNLIMITED	Organization	12
8	PICKUP - DUCKS UNLIMITED SLP	Organizatn SLP	12
179	PICKUP - FFA	FFA	12
180	PICKUP - FFA SLP	FFA SLP	12
181	PICKUP - FIREFIGHTER	Firefighter	12
182	PICKUP - FIREFIGHTER SLP	Firefighter SLP	12
183	PICKUP - FLEET	Fleet	12
184	PICKUP - FLEET SPECIAL LETTER PLATE	Fleet SLP	12
185	PICKUP - GOLD STAR	Veteran	12
186	PICKUP - GOLD STAR SLP	Veteran SLP	12
187	PICKUP - HIT INC	Organization	12
188	PICKUP - HIT INC SLP	Organizatn SLP	12
189	PICKUP - LEWIS/CLARK	LC	12
190	PICKUP - LEWIS/CLARK SLP	LC SLP	12
191	PICKUP - MOBILITY IMPAIRED	Standard	12
192	PICKUP - MOBILITY IMPAIRED SLP	SLP	12
193	PICKUP - MSU ALUMNI	Organization	12
194	PICKUP - MSU ALUMNI SLP	Organizatn SLP	12
195	PICKUP - NATIONAL GUARD	NG	12
196	PICKUP - NATIONAL GUARD -SLP	NG SLP	12
197	PICKUP - NDSU ALUMNI	Organization	12
198	PICKUP - NDSU ALUMNI SLP	Organizatn SLP	12
	PICKUP - PHEASANTS	Organization	12
	PICKUP - PHEASANTS SLP	Organizatn SLP	12
199	PICKUP - SPECIAL LETTER PLATE	SLP	12
202	PICKUP - STANDARD	Standard	12
203	PICKUP - SUPPORT	Organization	12
204	PICKUP - SUPPORT SLP	Organizatn SLP	12



	DESCRIPTION	PLATE CODE	REGISTRATION MONTH QTY
	PICKUP - VCSU	Organization	12
205	PICKUP - VCSU SLP	Organizatn SLP	12
207	PICKUP - VET LOGO AIR FORCE	Veteran	12
208	PICKUP - VET LOGO AIR FORCE SLP	Veteran SLP	12
209	PICKUP - VET LOGO ARMY	Veteran	12
210	PICKUP - VET LOGO ARMY SLP	Veteran SLP	12
211	PICKUP - VET LOGO COAST GUARD	Veteran	12
212	PICKUP - VET LOGO COAST GUARD SLP	Veteran SLP	12
213	PICKUP - VET LOGO MARINES	Veteran	12
214	PICKUP - VET LOGO MARINES SLP	Veteran SLP	12
215	PICKUP - VET LOGO NAVY	Veteran	12
216	PICKUP - VET LOGO NAVY SLP	Veteran SLP	12
217	PICKUP - VET LOGO PURPLE HEART	Veteran	12
218	PICKUP - VET LOGO PURPLE HEART SLP	Veteran SLP	12
219	PICKUP - VETERAN	Veteran	12
220	PICKUP - VETERAN AIR FORCE	Veteran	12
221	PICKUP - VETERAN AIR FORCE SLP	Veteran SLP	12
222	PICKUP - VETERAN ARMY	Veteran	12
223	PICKUP - VETERAN ARMY SLP	Veteran SLP	12
224	PICKUP - VETERAN COAST GUARD	Veteran	12
225	PICKUP - VETERAN COAST GUARD SLP	Veteran SLP	12
226	PICKUP - VETERAN MARINES	Veteran	12
227	PICKUP - VETERAN MARINES SLP	Veteran SLP	12
228	PICKUP - VETERAN NAVY	Veteran	12
229	PICKUP - VETERAN NAVY SLP	Veteran SLP	12
230	PICKUP - VETERAN PURPLE HEART	Veteran	12
231	PICKUP - VETERAN PURPLE HEART SLP	Veteran SLP	12
232	PICKUP - VETERAN SLP	Veteran SLP	12
233	PRISONER OF WAR	POW/DAV	12
234	SNOWMOBILE - STANDARD	Standard	24
235	SOIL CONSERVATION	Soil Con	12
236	TRAILER - FLEET	Fleet	12
237	TRAILER - MULTI YEAR		72
238	TRAILER - PRORATE		12
239	TRAILER - RENTAL	Standard	12
240	TRAILER - SMALL STANDARD	Standard	12
241	TRAILER - SPECIAL LETTER PLATE	SLP	12
242	TRAILER - STANDARD	Standard	12
243	TRAILER - UTILITY	Standard	12
244	TRUCK - FARM	Farm Truck	12
245	TRUCK - PRORATE		12
246	TRUCK (LARGE) - AMATEUR RADIO	Radio	12
247	TRUCK (LARGE) - CHOOSE LF	Organization	12
248	TRUCK (LARGE) - CHOOSE LF SLP	Organizatn SLP	12
249	TRUCK (LARGE) - COWBOY	Organization	12
250	TRUCK (LARGE) - COWBOY SLP	Organizatn SLP	12
251	TRUCK (LARGE) - DSU	Organization	12
252	TRUCK (LARGE) - DSU SLP	Organizatn SLP	12
253	TRUCK (LARGE) - DUCKS	Organization	12
254	TRUCK (LARGE) - DUCKS SLP	Organizatn SLP	12
255	TRUCK (LARGE) - FFA	FFA	12



	DESCRIPTION	PLATE CODE	REGISTRATION MONTH QTY
	TRUCK (LARGE) - FFA SLP	FFA SLP	12
7	TRUCK (LARGE) - FIREFIGHTER	Firefighter	12
258	TRUCK (LARGE) - FIREFIGHTER SLP	Firefighter SLP	12
259	TRUCK (LARGE) - FLEET	Fleet	12
260	TRUCK (LARGE) - FLEET SPECIAL LETTER PLATE	Fleet SLP	12
261	TRUCK (LARGE) - GOLD STAR	Veteran	12
262	TRUCK (LARGE) - GOLD STAR SLP	Veteran SLP	12
263	TRUCK (LARGE) - HIT INC	Organization	12
264	TRUCK (LARGE) - HIT INC SLP	Organizatn SLP	12
265	TRUCK (LARGE) - LEWIS/CLARK	LC	12
266	TRUCK (LARGE) - LEWIS/CLARK SLP	LC SLP	12
267	TRUCK (LARGE) - MOBILITY IMPAIRED	Standard	12
268	TRUCK (LARGE) - MOBILITY IMPAIRED SLP	SLP	12
269	TRUCK (LARGE) - MSU ALUMNI	Organization	12
270	TRUCK (LARGE) - MSU ALUMNI SLP	Organizatn SLP	12
271	TRUCK (LARGE) - NATIONAL GUARD	NG	12
272	TRUCK (LARGE) - NATIONAL GUARD SLP	NG SLP	12
273	TRUCK (LARGE) - NDSU	Organization	12
274	TRUCK (LARGE) - NDSU SLP	Organizatn SLP	12
275	TRUCK (LARGE) - PHEASANTS	Organization	12
276	TRUCK (LARGE) - PHEASANTS SLP	Organizatn SLP	12
277	TRUCK (LARGE) - SPECIAL LETTER PLATE	SLP	12
	TRUCK (LARGE) - STANDARD	Standard	12
	TRUCK (LARGE) - SUPPORT	Organization	12
278	TRUCK (LARGE) - SUPPORT SLP	Organizatn SLP	12
281	TRUCK (LARGE) - VCSU	Organization	12
282	TRUCK (LARGE) - VCSU SLP	Organizatn SLP	12
283	TRUCK (LARGE) - VET LOGO AIR FORCE	Veteran	12
284	TRUCK (LARGE) - VET LOGO AIR FORCE SLP	Veteran SLP	12
285	TRUCK (LARGE) - VET LOGO ARMY	Veteran	12
286	TRUCK (LARGE) - VET LOGO ARMY SLP	Veteran SLP	12
287	TRUCK (LARGE) - VET LOGO COAST GUARD	Veteran	12
288	TRUCK (LARGE) - VET LOGO COAST GUARD SLP	Veteran SLP	12
289	TRUCK (LARGE) - VET LOGO MARINES	Veteran	12
290	TRUCK (LARGE) - VET LOGO MARINES SLP	Veteran SLP	12
291	TRUCK (LARGE) - VET LOGO NAVY	Veteran	12
292	TRUCK (LARGE) - VET LOGO NAVY SLP	Veteran SLP	12
293	TRUCK (LARGE) - VET LOGO PURPLE HEART	Veteran	12
294	TRUCK (LARGE) - VET LOGO PURPLE HEART SLP	Veteran SLP	12
295	TRUCK (LARGE) - VETERAN	Veteran	12
296	TRUCK (LARGE) - VETERAN AIR FORCE	Veteran	12
297	TRUCK (LARGE) - VETERAN AIR FORCE SLP	Veteran SLP	12
298	TRUCK (LARGE) - VETERAN ARMY	Veteran	12
299	TRUCK (LARGE) - VETERAN ARMY SLP	Veteran SLP	12
300	TRUCK (LARGE) - VETERAN COAST GUARD	Veteran	12
	TRUCK (LARGE) - VETERAN COAST GUARD SLP	Veteran SLP	12
	TRUCK (LARGE) - VETERAN MARINES	Veteran	12
303	TRUCK (LARGE) - VETERAN MARINES SLP	Veteran SLP	12
304	TRUCK (LARGE) - VETERAN NAVY	Veteran	12
305	TRUCK (LARGE) - VETERAN NAVY SLP	Veteran SLP	12
306	TRUCK (LARGE) - VETERAN PURPLE HEART	Veteran	12



	DESCRIPTION	PLATE CODE	REGISTRATION MONTH QTY
	TRUCK (LARGE) - VETERAN PURPLE HEART SLP	Veteran SLP	12
	TRUCK (LARGE) - VETERAN SLP	Veteran SLP	12
309	TRUCK (SMALL) - AMATEUR RADIO	Radio	12
310	TRUCK (SMALL) - CHOOSE LF	Organization	12
311	TRUCK (SMALL) - CHOOSE LF SLP	Organizatn SLP	12
312	TRUCK (SMALL) - COWBOY	Organization	12
313	TRUCK (SMALL) - COWBOY SLP	Organizatn SLP	12
314	TRUCK (SMALL) - DSU	Organization	12
315	TRUCK (SMALL) - DSU SLP	Organizatn SLP	12
316	TRUCK (SMALL) - DUCKS	Organization	12
317	TRUCK (SMALL) - DUCKS SLP	Organizatn SLP	12
318	TRUCK (SMALL) - FFA	FFA	12
319	TRUCK (SMALL) - FFA SLP	FFA SLP	12
320	TRUCK (SMALL) - FIREFIGHTER	Firefighter	12
321	TRUCK (SMALL) - FIREFIGHTER SLP	Firefighter SLP	12
322	TRUCK (SMALL) - FLEET	Fleet	12
323	TRUCK (SMALL) - FLEET SPECIAL LETTER PLATE	Fleet SLP	12
324	TRUCK (SMALL) - GOLD STAR	Veteran	12
325	TRUCK (SMALL) - GOLD STAR SLP	Veteran SLP	12
326	TRUCK (SMALL) - HIT INC	Organization	12
327	TRUCK (SMALL) - HIT INC SLP	Organizatn SLP	12
328	TRUCK (SMALL) - LEWIS/CLARK	LC	12
	TRUCK (SMALL) - LEWIS/CLARK SLP	LC SLP	12
	TRUCK (SMALL) - MOBILITY IMPAIRED	Standard	12
	TRUCK (SMALL) - MOBILITY IMPAIRED SLP	SLP	12
332	TRUCK (SMALL) - MSU ALUMNI	Organization	12
333	TRUCK (SMALL) - MSU ALUMNI SLP	Organizatn SLP	12
334	TRUCK (SMALL) - NATIONAL GUARD	NG	12
335	TRUCK (SMALL) - NATIONAL GUARD -SLP	NG SLP	12
336	TRUCK (SMALL) - NDSU	Organization	12
337	TRUCK (SMALL) - NDSU SLP	Organizatn SLP	12
338	TRUCK (SMALL) - PHEASANTS	Organization	12
339	TRUCK (SMALL) - PHEASANTS SLP	Organizatn SLP	12
340	TRUCK (SMALL) - SPECIAL LETTER PLATE	SLP	12
341	TRUCK (SMALL) - STANDARD	Standard	12
342	TRUCK (SMALL) - SUPPORT	Organization	12
343	TRUCK (SMALL) - SUPPORT SLP	Organizatn SLP	12
344	TRUCK (SMALL) - VCSU	Organization	12
345	TRUCK (SMALL) - VCSU SLP	Organizatn SLP	12
346	TRUCK (SMALL) - VET LOGO AIR FORCE	Veteran	12
347	TRUCK (SMALL) - VET LOGO AIR FORCE SLP	Veteran SLP	12
348	TRUCK (SMALL) - VET LOGO ARMY	Veteran	12
349	TRUCK (SMALL) - VET LOGO ARMY SLP	Veteran SLP	12
350	TRUCK (SMALL) - VET LOGO COAST GUARD	Veteran	12
351	TRUCK (SMALL) - VET LOGO COAST GUARD SLP	Veteran SLP	12
	TRUCK (SMALL) - VET LOGO MARINES	Veteran	12
	TRUCK (SMALL) - VET LOGO MARINES SLP	Veteran SLP	12
354	TRUCK (SMALL) - VET LOGO NAVY	Veteran	12
355	TRUCK (SMALL) - VET LOGO NAVY SLP	Veteran SLP	12
356	TRUCK (SMALL) - VET LOGO PURPLE HEART	Veteran	12
357	TRUCK (SMALL) - VET LOGO PURPLE HEART SLP	Veteran SLP	12

	DESCRIPTION	PLATE CODE	REGISTRATION MONTH QTY
	TRUCK (SMALL) - VETERAN	Veteran	12
	TRUCK (SMALL) - VETERAN AIR FORCE	Veteran	12
360	TRUCK (SMALL) - VETERAN AIR FORCE SLP	Veteran SLP	12
361	TRUCK (SMALL) - VETERAN ARMY	Veteran	12
362	TRUCK (SMALL) - VETERAN ARMY SLP	Veteran SLP	12
363	TRUCK (SMALL) - VETERAN COAST GUARD	Veteran	12
364	TRUCK (SMALL) - VETERAN COAST GUARD SLP	Veteran SLP	12
365	TRUCK (SMALL) - VETERAN MARINES	Veteran	12
366	TRUCK (SMALL) - VETERAN MARINES SLP	Veteran SLP	12
367	TRUCK (SMALL) - VETERAN NAVY	Veteran	12
368	TRUCK (SMALL) - VETERAN NAVY SLP	Veteran SLP	12
369	TRUCK (SMALL) - VETERAN PURPLE HEART	Veteran	12
370	TRUCK (SMALL) - VETERAN PURPLE HEART SLP	Veteran SLP	12
371	TRUCK (SMALL) - VETERAN SLP	Veteran SLP	12
372	UNCONVENTIONAL VEHICLE - SLP	SLP	12
373	UNCONVENTIONAL VEHICLE - STANDARD	Standard	12
374	UNDERCOVER - MOTORCYCLE STANDARD		12
375	UNDERCOVER - OFF HIGHWAY DECAL		24
376	UNDERCOVER - OFF HIGHWAY PLATE		24
377	UNDERCOVER - SNOWMOBILE STANDARD		24
378	UNDERCOVER - STANDARD		12
379	UNDERCOVER - TRAILER STANDARD		12
	WELL DRILLER - LEWIS CLARK	Well Driller LC	12
	WELL DRILLER - SPECIAL LETTER PLATE	Well Driller SLP	12
	WELL DRILLER - STANDARD	Well Driller	12



## Motor Vehicle plate types

For every plate, there is a license type. Currently, VRTS has over 382 different license types to calculate the correct registration fees. Within the 382 different license types, there are 63 plate types available for owners to choose from for the following vehicle types: house car, passenger, pickup, large trucks, and small trucks.

	Plate types for house car, passenger, pickup, large trucks and small trucks:	Count of Active plates
1	AMATEUR RADIO (NDCC 39-04-10 enacted 1951)	545
2	CHOOSE LIFE (NDCC 39-04-10.13 enacted 2005)	81
3	CHOOSE LIFE SLP (NDCC 39-04-10.3)	11
4	COWBOY HALL OF FAME (NDCC 39-04-10.13 enacted 2005)	84
5	COWBOY HALL OF FAME SLP (NDCC 39-04-10.3)	35
6	DICKINSON STATE UNIVERSITY (NDCC 39-04-10.13 enacted 2005)	33
7	DICKINSON STATE UNIVERSITY SLP (NDCC 39-04-10.3)	11
8	DUCKS UNLIMITED (NDCC 39-04-10.13 enacted 2005)	167
9	DUCKS UNLIMITED SLP (NDCC 39-04-10.3)	56
10	FFA (NDCC 39-04-10.12 enacted 2003)	81
11	FFA SLP (NDCC 39-04-10.3)	27
12	FIREFIGHTER (NDCC 39-04-10.11 enacted 2001)	781
13	FIREFIGHTER SLP (NDCC 39-04-10.3)	124
14	FLEET (NDCC 39-04-18)	2,027
15	FLEET SPECIAL LETTER PLATE (NDCC 39-04-18)	2
16	GOLD STAR (NDCC 39-04-10.14 enacted 2009)	11
17	GOLD STAR SLP	46
18	HIT INC (NDCC 39-04-10.13)	64
19	HIT INC SLP (NDCC 39-04-10.3)	2
20	LEWIS/CLARK (NDCC 39-04-09.1 enacted 1999)	15,699
21	LEWIS/CLARK SLP	1,633
22	MOBILITY IMPAIRED (NDCC 39-04-10.2 enacted 1979)	5,903
23	MOBILITY IMPAIRED SLP (NDCC 39-04-10.3)	41
24	MINOT STATE UNIVERSITY ALUMNI (NDCC 39-04-10.13 enacted 2005)	62
25	MINOT STATE UNIVERSITY ALUMNI SLP (NDCC 39-04-10.3)	32
26	NATIONAL GUARD (NDCC 39-04-10.8 enacted 1991)	1,106
27	NATIONAL GUARD –SLP (NDCC 39-04-10.3)	363
28	NDSU (NDCC 39-04-10.13 enacted 2005)	795
29	NDSU SLP (NDCC 39-04-10.3)	363



	Plate types for house car, passenger, pickup, large trucks and small trucks:	Count of Active plates
30	PHEASANTS FOREVER (NDCC 39-04-10.13 enacted 2005)	66
31	PHEASANTS FOREVER SLP (NDCC 39-04-10.3)	36
32	SPECIAL LETTER PLATE (NDCC 39-04-10.3 enacted 1981)	42,550
33	STANDARD	637,292
34	SUPPORT OUR VETERANS (NDCC 39-04-10.13 enacted 2005)	74
35	SUPPORT OUR VETERANS SLP (NDCC 39-04-10.3)	21
36	VALLEY CITY STATE UNIVERSITY FOUNDATION (NDCC 39-04-10.13 enacted 2005)	41
37	VALLEY CITY STATE UNIVERSITY FOUNDATION SLP (NDCC 39-04-10.3)	26
38	VET LOGO AIR FORCE (NDCC 39-04-10.10 enacted 1997)	361
39	VET LOGO AIR FORCE SLP (NDCC 39-04-10.3)	99
40	VET LOGO ARMY (NDCC 39-04-10.10 enacted 1997)	1,004
41	VET LOGO ARMY SLP (NDCC 39-04-10.3)	304
42	VET LOGO COAST GUARD (NDCC 39-04-10.10 enacted 1997)	11
43	VET LOGO COAST GUARD SLP (NDCC 39-04-10.3)	3
44	VET LOGO MARINES (NDCC 39-04-10.10 enacted 1997)	249
45	VET LOGO MARINES SLP (NDCC 39-04-10.3)	82
46	VET LOGO NAVY (NDCC 39-04-10.10 enacted 1997)	294
47	VET LOGO NAVY SLP (NDCC 39-04-10.3)	93
48	VET LOGO PURPLE HEART (NDCC 39-04-10.10 enacted 1997)	54
49	VET LOGO PURPLE HEART SLP (NDCC 39-04-10.3)	45
50	VETERAN (NDCC 39-04-10.10 enacted 1997)	73
51	VETERAN AIR FORCE (NDCC 39-04-10.10 enacted 1997)	198
52	VETERAN AIR FORCE SLP (NDCC 39-04-10.3)	32
53	VETERAN ARMY (NDCC 39-04-10.10 enacted 1997)	589
54	VETERAN ARMY SLP (NDCC 39-04-10.3)	152
55	VETERAN COAST GUARD (NDCC 39-04-10.10 enacted 1997)	9
56	VETERAN COAST GUARD SLP (NDCC 39-04-10.3)	2
57	VETERAN MARINES (NDCC 39-04-10.10 enacted 1997)	144
58	VETERAN MARINES SLP (NDCC 39-04-10.3)	33
59	VETERAN NAVY (NDCC 39-04-10.10 enacted 1997)	176
60	VETERAN NAVY SLP (NDCC 39-04-10.3)	60
61	VETERAN PURPLE HEART (NDCC 39-04-10.10 enacted 1997)	71
62	VETERAN PURPLE HEART SLP (NDCC 39-04-10.3)	27
63	VETERAN SLP (NDCC 39-04-10.3)	31

Depending on what type of vehicle is owned determines what license type is selected in the database.

<b>Type of Vehicle (number of plate types):</b>	<b>Count of Active plates</b>
Antique - (5 - Standard, SLP, Motorcycle, Motorcycle SLP, Military)	31,360
Collector - (3 - Standard, Snowmobile, SLP)	2,968
Disabled American Veteran (1)	1,011
House Car (61 - listed previously except Fleet, Fleet SLP)	
House Mover (2 - Standard, SLP)	100
Low Speed (1)	399
Mobile Home (1)	0
Motorcycle (5 - Standard, DAV, Mobility Impaired, Mobility Impaired SLP, SLP)	37,525
Off Highway (5 - Decal, Fleet Decal, Fleet Plate, Plate, Plate SLP)	28,585
Official (19 - Standard, SLP, Drivers Education, Experimental, Highway Patrol, Lewis/Clark, Low Speed, Motorcycle, Motorcycle SLP, Off Highway Decal, Off Highway Plate, Police, Sheriff, Snowmobile, State Fleet, State Fleet Trailer, Trailer, Trailer SLP, Unconventional)	18,844
Passenger (63 - listed previously)	
Pickup (63 - listed previously)	
Prisoner of War (1)	24
Snowmobile (1)	13,028
Soil Conservation (1)	9
Trailer (8 - Standard, SLP, Fleet, Multi Year, Prorate, Rental, Small Standard, Utility)	144,999
Truck Farm (1) 40,079	40,079
Truck Prorate (1) - 15,168	15,168
Trucks (Large)(63 - listed previously)	
Trucks (Small) (63 - listed previously)	
Unconventional (2 - Standard, SLP)	6
Well Driller (2 - Standard, SLP)	173

NOTE: Numbers above are active registrations as of 01/25/2013

**SENATE APPROPRIATIONS COMMITTEE**  
**Chairman Holmberg**

**Rick Gardner**  
**Director, Rough Rider Industries**  
**North Dakota Department of Corrections and Rehabilitation**  
**Presenting Testimony in Senate Bill 2326**  
**Tuesday, February 5, 2013**

Good morning Chairman Holmberg and members of the Appropriations Committee. My name is Rick Gardner and I am the Director of Rough Rider Industries. I am here on behalf of the Department of Corrections and Rehabilitation to provide neutral testimony regarding Senate Bill 2326.

Rough Rider Industry welcomes the opportunity to develop and manufacture license plates for the State of North Dakota. This work allows Rough Rider Industries to employ inmates teaching them valuable job skills which will aide in their rehabilitative process.

North Dakota's last license plate general issue was in 1991-1992. Many of the existing vehicle license plates currently in use have lost reflectivity, making them very difficult to read. Others plates, such as the ones on my 1998 vehicle, have a very large buildup of registration tabs. A general re-issue would resolve these problems.

Senate Bill 2326 does cause some concern for Rough Rider Industries. First, the bill's timeframe of July 1, 2013 and ending June 30, 2015 for completion of this process, puts a heavy burden on our manufacturing process. We estimate this timeframe would require RRI to generate approximately over 1 million pairs of license plates. Rough Rider Industries would recommend looking at other more workable time options.

Second, SB 2326 allows for the registered owner of a vehicle to retain the distinctive combination of numbers or letters, or both, on present plates for that vehicle. This poses a problem in the current production process in that, Rough Rider Industries would consider these plate requests as specialty plates, which severely slow down our current manufacturing process. Specialty plates don't allow us to make long, uninterrupted runs of alpha numeric plates, which is necessary to meet the given re-issue timeframe. We feel that if motorists are

given a choice, with no financial obligation tied to meeting this request, many motorists will choose to retain their current combination. RRI proposes adding a fee, or financial obligation to accommodating this request. We feel this will limit the number of requests for retaining their combination, which will in turn, speed up the manufacturing process.

Finally, RRI, which is a self-funded division, is concerned with making a huge financial investment in our current production line which produces embossed license plates. There are currently two commonly accepted practices for the manufacturing of license plates. These two processes are embossed license plates, which North Dakota currently uses, and digital flat license plates, which many of our surrounding neighbor State's use. Both of these processes have advantages and disadvantages to them. Both would also require an additional financial investment on the part of Rough Rider Industries. Rough Rider Industries would ask what ever method of production is used, that the State of North Dakota will stay committed to this method for the foreseeable future. This would give RRI a return on its investment to support this general re-issue.

In closing, Rough Rider Industries is proud to have the opportunity to manufacture license plates for the State of North Dakota. We are willing and able to make a financial investment to accommodate the States decision on this bill. .

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

SB 2326 Sub - 2-8-13 AM

## LICENSE PLATE EQUIPMENT ANALYSIS

Rough Rider Industries

February 6, 2013

**Assumption:** Production of 1.2 million license plates over a 2 year period.  
Production of 900,000 plates (180,000 x 5) over next 5 yrs.  
Payback timeframe and plate quantities are over 7 year period.

### Embossed Equipment Needs- \$680,000

1. Brake Press
2. Hot Ink Stamp Rollers- 2 quantity
3. Additional Stamp Dies
4. Repair/Maintenance Cost
5. Miscellaneous Expense (freight, electrical hook-up, labor install)
6. Interest Expense- \$55,591 (\$680,000@2.25% for 7yrs) (interest not added into total)
  - a. *Embossed Raw Material Cost-* \$3,600,000
    - Aluminum
    - Sheeting
    - Envelopes
    - Boxes

### Digital Flat Plate Equipment- \$1,300,000

1. Digital Laser Printer
2. Rim Die
3. Print Heads
4. Repair/Maintenance Cost
5. Miscellaneous Expense (freight, electrical hook-up, labor install, maintenance)
6. Interest Expense- \$118,399 (\$1.3 mil @ 2.25%, 7yrs)(interest not added to total)
  - a. *Digital Raw Material Cost-* \$3,500,000
    - Preprinted sheeting
    - Over laminate
    - Ribbons
    - Aluminum
    - Boxes
    - Envelopes

\*Projected Profit Revenue over years of Re-issue based on 1.2 million plates - \$889,638

\*Project needing an additional \$.35 to fund embossed equipment purchase over 7 years.

\*Project needing an additional \$.70 to fund digital equipment purchase over 7 years.



PROPOSED AMENDMENTS TO SENATE BILL NO. 2326

Page 1, line 2, after "plates" insert "; to provide an exemption"

Page 1, line 12, after "2015" insert "and continuing into the biennium beginning July 1, 2015, and ending June 30, 2017"

Page 1, line 12, remove "Notwithstanding the general issuance and"

Page 1, remove line 13

Page 1, line 14, remove "numbers or letters, or both, on present plates on that vehicle."

Page 1, line 15, after "**APPROPRIATION**" insert "**- DEPARTMENT OF TRANSPORTATION - EXEMPTION**"

Page 1, line 19, after the period insert "The appropriation provided under this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017."

**SECTION 3. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION.** There is appropriated from special funds and other income received, the sum of \$4,280,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for expenses incurred by roughrider industries related to the general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly