

FISCAL NOTE
Requested by Legislative Council
01/12/2015

Amendment to: HB 1198

- 1 A. **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.*

| | 2013-2015 Biennium | | 2015-2017 Biennium | | 2017-2019 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | \$(172,072) | | \$(172,072) |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| | 2013-2015 Biennium | 2015-2017 Biennium | 2017-2019 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | \$(60,280) | \$(60,280) |
| Cities | | \$(34,250) | \$(34,250) |
| School Districts | | | |
| Townships | | \$(7,398) | \$(7,398) |

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

This bill provides that ND residents who are current or retired National Guard members may register one motor vehicle not exceeding 26,000 lbs. at no cost.

- 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.*

We can only determine the impact this bill would have on revenues. We do know that implementation of the bill would have an impact on expenditures for a rewrite of a major portion of the current Vehicle Registration and Titling System (VRTS); at this time we do not know what that rewrite would cost.

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.*

Based on the current registrations for individuals qualifying for a no cost vehicle registration under this bill, we estimate the total reduction in revenues generated would be approximately \$274,000 per biennium. This reduction in revenue would be allocated as follows: counties – 22% (\$60,280), cities -12.5% (\$34,250), townships – 2.7% (\$7,398), transit (administered by NDDOT) – 1.5% (\$4,110), NDDOT – 61.3% (\$167,962).

The revenue impact shown in part 1A above consists of the revenue reduction to transit (\$4,110) plus the revenue reduction to NDDOT (\$167,962).

- 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.*

At this time, while we know that this bill would result in an increase in expenditures, we are unable to determine the amount of that increase. To implement the change resulting from this bill would involve the rewrite of a major portion of the registration process in the VRTS system. The costs associated with this rewrite, while not determinable at this

time, would likely be fairly substantial. Furthermore, it should be noted that these expenditures would be incurred for a significant system change that would only be used for about one year as a new vehicle registration and titling system will be implemented in the summer of 2016, at which time the current VRTS system will be retired.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Shannon L. Sauer

Agency: NDDOT

Telephone: 328-4375

Date Prepared: 01/20/2015

FISCAL NOTE
Requested by Legislative Council
01/12/2015

Bill/Resolution No.: HB 1198

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|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
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Name: Shannon L. Sauer

Agency: NDDOT

Telephone: 328-4375

Date Prepared: 01/20/2015

2015 HOUSE TRANSPORTATION

HB 1198

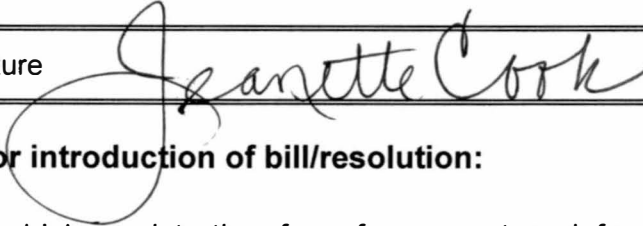
2015 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee Fort Totten Room, State Capitol

HB 1198
1/29/2015
#22791

☐ Subcommittee
Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to motor vehicle registration fees for current and former National Guard members.

Minutes:

Attachment #1 - 3

Chairman Dan Ruby opened the hearing on HB 1198.

Representative Silbernagel, District 22, introduced HB 1198. He provided written testimony. See attachment # 1.

Representative Gary Paur: Twenty- six thousand pounds sounds like a hefty vehicle. What do you have in mind with that?

Representative Silbernagel: I believe that is to include the four-wheel drive ¾ ton pick-ups. It might be even a motor home.

Vice Chairman Lisa Meier: Did this come to you as a request from National Guard members in your area?

Representative Silbernagel: Yes.

Chairman Dan Ruby: This has no requirement that they be a disabled veteran, low income or no means testing. They have 3-4 vehicles, but one of them would be free. Would this be every year?

Representative Silbernagel: That is correct. It would be primarily used for a recruitment and retention tool.

Rep. Mark Owens: There are a number of states that have done this, dating back to the 1950's. It has been a passenger vehicle only, and it is for the individual that is in the National Guard. If there is county or city tax, they still have to pay that, but the state portion and registration is free. It recognizes both active and current members. Is that correct?

Representative Silbernagel: That is correct. I do not know which states. This bill is only for while they are active, and when they reach the retirement level.

(8:00)

Keith Magnusson spoke on behalf of the National Guard Association of North Dakota to support HB 1198. He provided written testimony. See attachment #2.

Keith Magnusson: Addressing the fiscal note, it refers to having to rewrite the current Vehicle Registration System (VRS). We already do this for former POWs. I'm not sure how hard it would be. They are going to get a new system, so we could put a delayed effective date on this, so it could be programed into the new system. We think the money should come from the General Fund and not have an impact on the Highway Tax Distribution Fund. If the Guard is going to get a benefit, it should come from the General Fund.

Representative Gary Paur: If this bill is intended to enhance recruiting and retention, why are you standing in front of us instead of General Sprynczynatyk or another level in the National Guard?

Keith Magnusson: I represent the National Guard Association. Our leaders can see trouble coming, and they want to prevent it.

Representative Lois Delmore: In one place in the bill it says "current and former" and other it says "current and retired". Do you have the numbers as to how many are "current and former" versus "current and retired"?

Keith Magnusson: The title says former and is intended to be retired. I presume the fiscal note was done with retired in mind, because no one has statistics on former.

Representative Lois Delmore: Do you know what that population is? How many current and retired members do we have?

Keith Magnusson: I don't have those figures with me. The tags office would have them.

Representative Lois Delmore: You mentioned that the federal government is trying to reduce benefits and drill pay, etc. Can you name specific legislation that is in Congress right now that does that?

Keith Magnusson: I don't have specific legislation right now. Everything that I talked about are proposals that are coming out of the current administration, and the pentagon is going along with those. The make-up of Congress is changing. There are fewer members in Congress in either party that have **any** military background. That is a concern. We are trying to look toward the future.

Vice Chairman Lisa Meier: Would you be able to provide the committee a current list of all the benefits that our National Guard in North Dakota receive, both active and retired?

Keith Magnusson: We can get that for you.

Chairman Dan Ruby: Does the state contribute anything to the pay and/or benefits for National Guard, or does it all come from the federal government?

Keith Magnusson: Now, most of the pay and benefits come from the federal government. The exception is when they are on state active duty. Then it is a set state pay. It does not include any benefits.

Chairman Dan Ruby: Overall, wouldn't it be better if the state just made a commitment to add to the pay through the General Fund, rather than have something that affects other agencies.

Keith Magnusson: That could be an alternative or an addition. They do have a very good tuition benefit.

There was no further support for HB 1198.

John Jacobson: I joined the Guard National Guard in 1953 and served through 1965. I reenlisted in the Guard in 1975 through 1977 with the intention of finishing 20 years for retirement. In 1977 I was offered a commission in the US Army Reserve, which was a benefit to me. I took the commission and spent 17 more years in the Army Reserve. All the time I was in North Dakota. That is a total of 30 years of military time and would not be eligible for this benefit. I feel that I am being left out. I just wanted to bring this forward to the committee. There are a lot of other retired reserve officers that started out in the National Guard.

Chairman Dan Ruby: Sir, thank you for your service. You are reading it correctly. It would not apply technically to you, even though you served this country very well. Thank you for your perspective.

There was no further opposition to HB 1198.

Linda Sitz, Director of Motor Vehicle Division for the North Dakota Department of Transportation spoke in a neutral position on HB 1198. See attachment # 3.

Chairman Dan Ruby: Could you explain to us how you arrived at the numbers that you used for the fiscal note?

Linda Sitz, Director of Motor Vehicle Division for the North Dakota Department of Transportation: As far as the numbers that we have for the National Guard, the fiscal note was based on around 1,400 current registrations, which totals around \$137,000 yearly. The \$274,000 is based on how it affects the cities and townships and the state. The state alone would be \$172,000 of direct revenue loss. There was a comment made that we already have this set up in the DAV system. The Department of Transportation is in transit from our old vehicle registration system, so I can't get a fiscal note on that. The IT department informed me that this would be a big IT change on a system that we would not be having a year from now. We also don't have a projection on how this would affect the new vehicle registration system, which will go into effect in the fall of 2016.

Chairman Dan Ruby: If we chose to go through with this, there would be some sense to delay it. Then we could make sure that it was just part of the new system.

Linda Sitz: That is correct. It will still be a revenue loss for the state.

Representative Chris Olson: You show 1,375 current registrations. Do you know if those are current National Guard or retired National Guard members?

Linda Sitz: We are using the individuals that currently have a National Guard plate. We have no knowledge if they are retired or not.

Representative Chris Olson: Could a former National Guard member have that plate?

Linda Sitz: As long as we have a document from the Adjutant General's Office, we allow them to have the plate. They give us the authorization to give them the plate.

Representative Robin Weisz: The \$100 that you are using for an average registration, is that just based on the overall registration that the state has, or are you narrowing it down to the average registration from the National Guard plates?

Linda Sitz: The dollar amount that we are basing off is the current registration, according to how this is reading, on any vehicle that is 26,000# or less. It is based on the actual number of National Guard plates that we have now.

Representative Lois Delmore: How did you reach the price? There could be a big difference in vehicles.

Linda Sitz: We ran a systems report, and we calculated it out based on what is in this section of code that is looking to be revised. Those numbers were specifically for the vehicles that do not exceed the 26,000. We didn't look at particular type; we just looked at the category that this bill was addressing.

Chairman Dan Ruby: When discussing the size of a vehicle, if someone is going to register a motor home, what would the cost of something like that be?

Linda Sitz: It basically depends on the weight. They possibly will use the heaviest vehicle.

Representative Lois Delmore: Could we get that information? Does the fee only have to do with weight or is it age also?

Linda Sitz: The age of the vehicle comes into play also.

Representative Robin Weisz: An average new car is \$139 and an old one is \$73, if it is more than 13 years old. There are categories in between. A heavy pick-up is \$271 for a vehicle 6 years old or less, but \$125 if it is 13 years or older.

Linda Sitz: We have a sheet that we print out on a yearly basis that would give that kind of information.

There was no further testimony on HB 1198.

The hearing was closed in HB 1198.

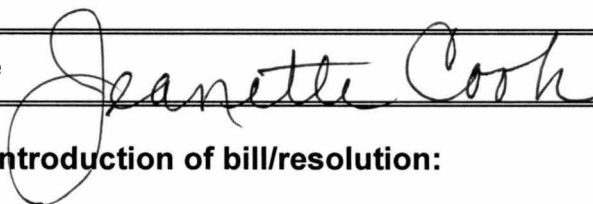
2015 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1198
2/5/2015
#23356

☐ Subcommittee
Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to motor vehicle registration fees for current and former National Guard members.

Minutes:

Attachments #1-2

Chairman Dan Ruby brought HB 1198 before the committee.

A handout was provided that Keith Magnusson provided to show veterans' benefits. This information was previously requested by the committee. See attachment #1.

Rep. Mark Owens provided amendments to HB 1198 (15.0201.02001). See attachment #2. It matches some of the other items that we have in Code currently.

Representative Chris Olson: I am concerned if this bill waters down the tribute that lawmakers wanted to give to POWs and 100% disabled veterans. They have been given something that not everyone should be entitled to, this registration waiver. Now, we are going to open this up to every current and retired National Guard member in the state.

Rep. Mark Owens: I modeled the bill after what I know happens in other states. It is restricted to a National Guard license plate. It is only one per member who is currently serving in the National Guard. I only added retiree member because that is what the sponsors wanted. I modeled it after Section O as far as the size of the vehicle.

Rep. Mark Owens moved the amendments with the change of 2017 to 2016.
Vice Chairman Lisa Meier seconded the motion.

Chairman Dan Ruby: We may have to request another fiscal note on the bill.

Clarification on the bill and amendment were given.

Representative Marvin Nelson: Does retired mean anyone who has been in the Guard or people that spent 20 years or longer?

Chairman Dan Ruby: Only those that officially retired from the Guard (20 years or more).

Representative Chris Olson: I have notes about putting a sunset clause on the bill to see if it is actually effective as far as a recruitment tool. We may also want to get an amendment to limit this to just passenger cars only, and then city and county tax will still be paid, since that has been done since the 50s. That may be appropriate.

Rep. Mark Owens: That is the way that they do it in Alabama, but there the county and the city are delineated in the registration, so it is still paid. What he said is accurate. Here we just redistribute the money through the Highway Distribution Fund.

Representative Robin Weisz: I don't think there is an easy way to fix that. It would be a small amount.

Representative Gary Paur: Do we know what the fiscal note would be? It seems to me the Department of Transportation did not know exactly how many plates this would be.

Chairman Dan Ruby: Reviewed the fiscal note.

Rep. Mark Owens: The contingency effective date eliminates the problem with the new software.

Discussion of fiscal note. May not have to have a new fiscal note.

A roll call vote was taken on amendment 15.0201.02001.

Aye 13 Nay 0 Absent 1

The motion carried.

Chairman Dan Ruby: The main purpose for the bill is for recruitment and retention. We have to decide if we think it will do that, and if it is worth doing.

Vice Chairman Lisa Meier: Since this bill came forward, I have not had any individuals from the National Guard come forward to ask for this. So, I don't know if it actually would be a recruitment or retention piece.

Rep. Mark Owens: I do know that it may sound silly and as little as it may be, it was always one of the perks for joining the National Guard when I was growing up. Now the benefits are hugely different. I suppose that it may not help recruitment as much as it used to.

Representative Chris Olson: I am concerned about the potential unintended consequences of the bill, because it becomes another "me too" thing. There was someone here the day of the hearing. My other concern is that this could water down what has already been done for the POW's and the 100% disability veterans.

Representative Rick C. Becker: As far as marketing retention, it may be a perk not to have to pay the dollars every year. It seems to me that as far a marketing recruitment that the people that are in the guard could proudly proclaim that they are in the guard with a

bumper sticker. With free tuition I can't imagine that it will actually have any significance on retention. We do have so many bills that are intended to show respect and appreciation for police officers, first responders, and guardsmen and military. It is an interesting quandary because if you don't support them, then apparently that means that you don't support the group. I just don't think that is the proper role for law. Everyone should be treated equally. You shouldn't carve out exemptions because you respect a profession and appreciate the profession. That is for us to walk up to those people and say, "Thanks for your service." To use the law to show appreciation for a select group of people, **no matter how noble they are**, starts this trail of, if you don't do this for others, it means that you don't respect them as much. It would be good to have the frame of reference that lawmaking shouldn't be about trying to show appreciation for certain groups, again, no matter how noble they are.

Chairman Dan Ruby: The National Guard plated is already in existence, but they do play for it. They don't have to pay as a vanity plate.

Representative Chris Olson: Regardless of what may or may not happen with the bill, I do think we need to insert the sunset clause that would sunset Jan. 1, 2021 as was suggested.

Representative Chris Olson: I would move the amendment for the sunset clause.

Chairman Dan Ruby: That would expire right before we start a session.

Representative Chris Olson: I withdraw my motion.

Representative Robin Weisz: I think that if we are going to pass this, we shouldn't change it in a few years after the Department of Transportation has gone to all the trouble to program it into their system. Maybe we shouldn't do it.

Representative Ben Hanson moved a DO NOT PASS as amended on HB 1198.
Representative Chris Olson seconded the motion.

A roll call vote was taken: Aye 9 Nay 4 Absent 1
The motion carried.

Representative Robin Weisz will carry HB 1198.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1198

Page 1, line 3, after "members" insert "; and to provide a contingent effective date"

Page 1, replace lines 7 through 9 with:

"A passenger motor vehicle, house car, or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] registered gross weight and which is owned and operated by a resident who is serving as a member of or is a retired member of the North Dakota national guard is entitled to display a national guard license plate issued by the department upon the payment of a fee of five dollars. This exemption applies to no more than one license plate for each national guard member or retired member at any one time.

SECTION 2. CONTINGENT EFFECTIVE DATE. This Act is effective on the date the director of the department of transportation certifies to the secretary of state that the new motor vehicle registration software for the department is installed and functioning and not earlier than January 1, 2017."

Renumber accordingly

170
2-5-15

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**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1198**

House Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0201.02001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Mark Owens Seconded By Vice Chairman Lisa Meier

| Representatives | Yes | No | Representatives | Yes | No |
|---------------------|-----|----|-----------------|-----|----|
| Chairman Ruby | X | | Rep. Delmore | X | |
| Vice Chairman Meier | X | | Rep. Hanson | X | |
| Rep. Rick Becker | X | | Rep. Nelson | X | |
| Rep. Frantzvog | A | | | | |
| Rep. Hawken | X | | | | |
| Rep. Olson | X | | | | |
| Rep. Owens | X | | | | |
| Rep. Paur | X | | | | |
| Rep. Schatz | X | | | | |
| Rep. Sukut | X | | | | |
| Rep. Weisz | X | | | | |
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Total (Yes) 13 No 0

Absent 1

Floor Assignment _____

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

With change - 2017 to 2016

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1198**

House Transportation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0201.02001

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Ben Hanson Seconded By Representative Chris Olson

| Representatives | Yes | No | Representatives | Yes | No |
|---------------------|-----|----|-----------------|-----|----|
| Chairman Ruby | X | | Rep. Delmore | | X |
| Vice Chairman Meier | X | | Rep. Hanson | X | |
| Rep. Rick Becker | X | | Rep. Nelson | X | |
| Rep. Frantzvog | A | | | | |
| Rep. Hawken | X | | | | |
| Rep. Olson | X | | | | |
| Rep. Owens | | X | | | |
| Rep. Paur | X | | | | |
| Rep. Schatz | | X | | | |
| Rep. Sukut | | X | | | |
| Rep. Weisz | X | | | | |
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Total (Yes) 9 No 4

Absent 1

Floor Assignment Representative Robin Weisz

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

REPORT OF STANDING COMMITTEE

HB 1198: Transportation Committee (Rep. Ruby, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (9 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1198 was placed on the Sixth order on the calendar.

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Renumber accordingly

2015 TESTIMONY

HB 1198

#1

HB1198

1-29-15

1 of 2

Mr. Chairman and members of the committee, for the record my name is Pete Silbernagel, I am a Representative from District 22 and I live in Casselton, ND. I am here to testify in support of House Bill 1198. This bill allows for current and former national guard members to register for free one personal vehicle that does not exceed 26,000 pound gross vehicle weight

This bill is being brought forward at the request of North Dakota National Guard members. The bill is designed to enhance recruiting and retention efforts for the North Dakota National Guard.

Recruiting is becoming more challenging for several reasons. The December issue of the "VFW" magazine, reported on a recent Wall Street Journal article that says, "71% of youths, ages 17-24, would fail to qualify for military service because of physical, behavioral or educational deficiencies". Once recruited, it is imperative to retain well qualified and trained leaders in the Guard for a career. When the Guard is needed for a mobilization or a natural disaster, there is no time to find and train leaders. Currently, the federal government is trying to drastically cut benefits and drill pay and that will make it even more difficult to recruit and retain, especially to retain for a career.

In Washington, D.C. today the federal Military Compensation and Retirement Modernization Committee is presenting it's long-awaited report to the U.S. Congress. The detailed legislation intends to phase out the current retirement plan. Advance reports indicate cuts over the current plan. I believe you will hear some of the details in this new plan from speakers that will follow me. You certainly will be reading about this report in the next few weeks and it's impact to recruiting.

In addition to helping with recruiting and retention, even though the amount is small, this bill does provide recognition of Guard service. This bill would also benefit every Guard member as opposed to benefitting a select few.

Based on feedback from the fishing and hunting license bill that was defeated, I would ask that this committee consider amending this bill as presented. I would ask that the amendment would make this effort a pilot program with a four year sunset clause. It would allow for the National Guard and legislators to assess the effectiveness of this bill's incentive. If there is no positive impact to recruiting efforts after four years, the program would end.

Our Governor, in his State of the State Address, described it well when he stated, "Whether responding to natural disasters here at home or defending our nation on overseas missions, the members of the North Dakota National Guard continue to demonstrate their expertise and competency as a trained and ready force. Since the Sept. 11th attacks on America, our Guard has mobilized nearly 7,000 soldiers and airmen in support of the Global War on Terrorism, an impressive contribution to our nation's military might."

Mr. Chairman, members of the committee, I would appreciate your support and approval of HB 1196.

HB 1198
1-29-15

#2

1 of 6

HOUSE TRANSPORTATION COMMITTEE

HB 1198

Keith C. Magnusson

On Behalf of the National Guard Association of North Dakota

We are here today in support of HB 1198 and ask for your favorable consideration.

The National Guard Association of North Dakota (NGAND) is an officer association advocating for the well-being of the soldiers and airmen of the North Dakota National Guard and educating and promoting the well-being of our state and nation. NGAND is made up of both active guardsmen and retirees. As of October 1, 2014, membership consisted of 100% of the 137 air and 445 army active officers in the state, along with 239 retirees. We also are speaking for the 522 members of the Enlisted Association. Our parent organization is the National Guard Association of the United States (NGAUS).

HB 1198 provides for one personal motor vehicle registration at no cost for a current or retired National Guard member. This is what is now done for disabled veterans and former prisoners of war, except they both get two free registrations.

Why provide resident National Guard members, current and retired, with a complimentary vehicle registration? There may be many reasons, but I will concentrate on two: recognition of career service and recruiting and retention.

Recognition of career service. It is in the best interests of North Dakota and our country to have National Guard officers and enlisted make their service a career. Think about the next flood, tornado, or other natural disaster. We want the Guard well trained and well led at these crucial times. This only happens if they are inclined toward a career in the Guard, which often is at great sacrifice to their personal life, family, and civilian career. The National Guard is no longer just weekend drills and summer camp ("weekend warriors")! They have dual state and national roles and missions. Having everyone serve for a minimum number of years, and then get out, will not work. Then we lose the benefit of that valuable training and the leaders necessary to accomplish the mission. We need incentives to keep our valuable National Guard ready. In fact, we should go further and look at other incentives than licenses; there are other bills to work on that.

Recruiting and Retention. The Military Officers Association of America (MOAA) recently published an online article, "Retention Trouble Looming?" which, while talking about active duty forces, can apply as well to reserve forces. The article actually is concerning both recruiting and retention. Very troubling is that 17-24 year olds are ineligible for the military in frightening numbers. What does that mean for recruiting? The *Wall Street Journal* published an online article that has been picked up by other media across the country as it seemed to hit home in many places. That article, which is included, says that the "Defense Department estimates that 71% of the 34 million 17- to 24-year olds in the U.S. would fail to qualify to enlist in the military if they tried"

The article discusses this further. In North Dakota, this may be even more troubling, with our rate of obesity and alcohol use, and that percentage may be higher. The federal government is trying to reduce benefits and even drill pay. Then, what would be the incentive to stay, when the spouse and family say it is no longer worth it?

The question comes up as to why HB 1198, as drafted, only applies to the National Guard and not other reserve forces or veterans in general. The North Dakota National Guard is a state force that is called out on numerous state missions, whether it is to do a community project or fight a flood. Other reserve forces are part of the federal government and normally not called out for state missions. On a practical level, for ease of administration, the Guard is homogeneous and The Adjutant General's office has the records to confirm membership, which could be done online. Adding other categories greatly complicates administration for the Department of Transportation; we do not want to create a burden for them. Expansion is left to the wisdom of the Legislature.

Are reduced fee registrations a complete answer, considering they do not save an individual much money? That is often the argument against bills such as this. No, but they are a tool along with other things. Money is not everything! Consider HB 1198 a "gesture of appreciation" for the valuable work the National Guard has done for North Dakota and continues to do every day.



Retention Trouble Looming?



Text Size



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Print

October 31, 2014

Senior Army leaders and some members of Congress are beginning to express concern that a confluence of factors could seriously hamper recruiting and retention in the coming years.

The services have routinely met or exceeded recruiting and retention goals over the past decade, but the current drawdown may be masking a growing problem.

Recent history illustrates some of the potential impacts that a drawdown and compensation cuts can have on recruiting and retention.

During the last major drawdown in the 1990s, the services significantly reduced their recruiting and retention goals which in turn made it easier for them to achieve them. But years of military pay caps created a 13.5 percent pay gap with the private sector, out-of-pocket housing costs rose to 18 percent and REDUX cut retired pay by 25 percent.

By the late 1990s these cuts coupled with a booming economy led the services to experience serious difficulties attracting and retaining the quality personnel that they needed. To meet their needs the services were forced to use expensive bonuses, and Congress eventually responded to the crisis by reversing compensation cuts.

The services may now be repeating this dangerous mistake. In a typical year the Army fills almost half of its annual recruiting needs through the Delayed Entry Program (DEP), but in 2015 only 30 percent of recruiting needs will be filled through DEP.

According to Maj Gen Allen Batschelet, commanding general of US Army Recruiting Command, 40 percent of Army recruits never finish their first term. About 15 percent of enlistees fail to make it through initial-entry training, and another 25 percent leave the service during their first permanent duty assignment.

A growing economy, continued military pay and compensation cuts, retirement reform, increasing operational tempo with a smaller force, the perception of limited career prospects, and other societal changes may challenge the Army's ability to recruit and retain the best and brightest servicemembers.

The return of sequestration in FY 2016 would force even deeper cuts. MOAA will continue to educate members of Congress on the need to maintain parity with the private sector to avoid harming recruiting and retention in the future.

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201 N. Washington St., Alexandria, Va. 22314

(800) 234-6622

Recruits' Ineligibility Tests the Military
More Than Two-Thirds of American Youth Wouldn't Qualify for Service, Pentagon Says

By MIRIAM JORDAN

June 27, 2014 6:59 p.m. ET



David Monzon, who lost over a hundred pounds and plans to join the Army, pours a cup of water after jogging near his home in Los Angeles. *Patrick T. Fallon for The Wall Street Journal*

More than two-thirds of America's youth would fail to qualify for military service because of physical, behavioral or educational shortcomings, posing challenges to building the next generation of soldiers even as the U.S. draws down troops from conflict zones.

The military deems many youngsters ineligible due to obesity, lack of a high-school diploma, felony convictions and prescription-drug use for attention-deficit hyperactivity disorder. But others are now also running afoul of standards for appearance amid the growing popularity of large-scale tattoos and devices called ear gauges that create large holes in earlobes.



Brittany Crippen, from Fort Worth, Texas, was disqualified because of a tattoo on the back of her neck. *Mei-Chun Jau for The Wall Street Journal*

A few weeks ago, Brittany Crippen said she tried to enlist in the Army, only to learn that a tattoo of a fish on the back of her neck disqualified her. Determined to join, the 19-year-old college student visited a second recruiting center in the Dallas-Fort Worth area and was rejected again.

Apologetic recruiters encouraged her to return after removing the tattoo, a process she was told would take about year. "I was very upset," Ms. Crippen said.

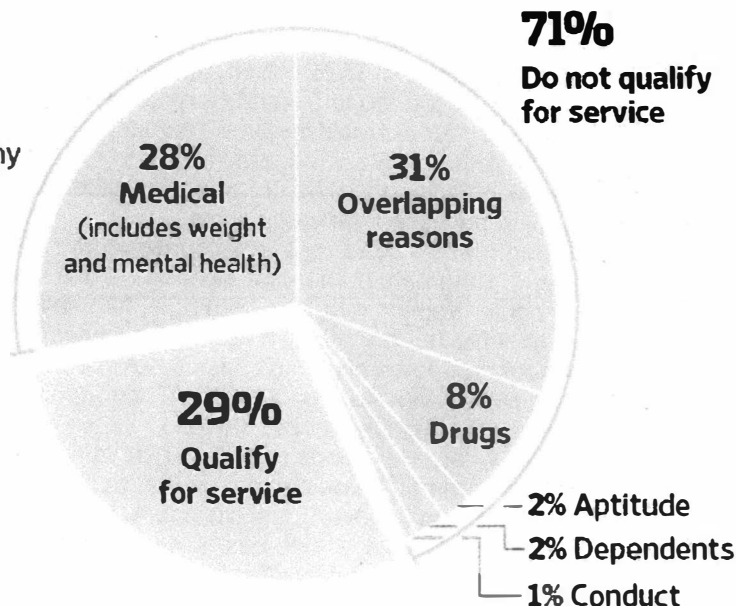
The military services don't keep figures on how many people they turn away. But the Defense Department estimates 71% of the roughly 34 million 17- to 24-year-olds in the U.S. would fail to qualify to enlist in the military if they tried, a figure that doesn't even include those turned away for tattoos or other cosmetic issues. Meanwhile, only about 1% of youths are both "eligible and inclined to have a conversation with us" about

5 of 6

military service, according to Major Gen. Allen Batschelet, commanding general of U.S. Army Recruiting Command.

Turned Away

Pentagon estimates for why 17- to 24-year-olds wouldn't qualify for the military, excluding cosmetic reasons.



Note: Figures don't add up to 100 due to rounding
Source: Department of Defense, Q&A Study 2013

U.S. Army's enlistment requirements*

- Between 17 (with parental consent) and 34 years of age
- Scored a minimum of 33 out of 99 on Armed Forces Qualification Test, which assesses English, math, science and cognitive skills
- No felony convictions
- No persistent illegal drug use
- No insulin-dependent diabetics
- Meet height/weight standards for age group
- U.S. citizen or foreign national with legal status
- No tattoos on fingers, neck or face
- No ear gauges
- No ADHD medication in past 12 months
- High school diploma or GED with some college credits

*Doesn't include all requirements, and some can be waived at the Army's discretion.

The Wall Street Journal

Comparable data aren't available for earlier years because the Pentagon began tracking eligibility only recently. But experts said seniors graduating from high school this year face the longest odds to qualify for military service since the draft was abolished in 1973.

"The quality of people willing to serve has been declining rapidly," said Gen. Batschelet.

Each year, about 180,000 young men and women successfully volunteer for America's active-duty forces. An additional 110,000 join the services' reserve and National Guard units. Individual services manage their own recruiting and have the authority to grant waivers to applicants who don't meet broad standards.

When the military faced escalating foreign engagement in recent years, recruiting standards were loosened:

In 2007, only 79% of those who enlisted in the Army had completed high school, compared with 90% in 2001, while the Army also accepted recruits with more excess body fat during the height of the Iraq war.

"We have not adopted a zero-defect mentality. We evaluate each applicant from a whole-person perspective," said Nathan Christensen, a Defense Department spokesman, who added that military services have been meeting their recruiting targets in recent years.

To some degree, that has been aided by enlistment bonuses. From 2000 to 2008, the Defense budget for enlistment bonuses more than doubled to \$625 million, and it jumped more than 50% to \$1.4 billion for selective re-enlistment bonuses, according to a Rand Corp. analysis.

Obesity, the single biggest reason for disqualifying new recruits, and other obstacles, such as poor educational attainment, led 90 retired military leaders in 2009 to form Mission: Readiness, a nonprofit aimed at raising awareness and seeking solutions. The group has lobbied state and federal officials to improve nutrition in schools and expand access to early education.

"We're trying to make decision makers see this is a national-security matter—and they need to prioritize it," said retired Major Gen. Allen Youngman. In the past, he said, "a drill sergeant could literally run the weight off a soldier as part of the regular training program," but now, "we have young people showing up at the recruiter's office who want to serve but are 50 or more pounds overweight."

About a quarter of high-school graduates also can't pass the Armed Forces Qualification Test, which measures math and reading skills, Gen. Youngman said. "They aren't educationally qualified to join the military in any capacity, not just the high-tech jobs," he said.

U.S. Army First Sgt. James Sawyer, who heads recruiting across a swath of Los Angeles County, said tattoos have become the most common cosmetic reason that applicants are disqualified. The Army already banned tattoos on the face, neck and fingers, but according to regulations in effect May 1, soldiers also can't have more than a total of four visible tattoos below the elbows and knees, and tattoos must be relatively small. The goal of the tattoo rules is to maintain a professional-looking Army, Sgt. Sawyer said. He added that "the average person in California has a tattoo."

Gabby Guillen, director of tattoo removal at Homeboy Industries, a Los Angeles nonprofit that provides services to former gang members, said that "on a daily basis, people come in saying they don't qualify for the military because of their tattoos. They have visible tattoos. Sometimes it's behind the neck area, on the hands, face, ears."

Sgt. Sawyer's El Monte, Calif., recruiting center serves towns with a total population of 325,000 people. It enlists 10 to 15 people a month. "A lot of times, we don't even get to the interview stage," said the sergeant on a recent afternoon as some would-be soldiers dropped in.

One young man showed up with two gaping holes in his earlobes, the result of wearing ear gauges. "Come back when they're closed," the recruiter said, after jotting down the applicant's information.

David Monzon, a 23-year-old East Los Angeles man, said he had long wanted to join the Army but wasn't able to enlist after graduating; at 5 feet 6 inches tall, he weighed 300 pounds. After researching weight-loss programs, Mr. Monzon eliminated pizza, chili-cheese fries and other fatty foods from his diet, and he began riding his bike everywhere.

In February, Mr. Monzon walked into the recruiting center weighing 210 pounds. Sgt. Sawyer told him he was impressed but that he still needed to drop a few more pounds.

"I was pretty confident I would make it," Mr. Monzon said. He did. Now 190 pounds, Mr. Monzon is heading to South Carolina for basic training in September.

Ms. Crippen, meanwhile, said she was still considering whether to remove her fish tattoo, the only one of four tattoos she has that is problematic. "My parents said they'll pay for it, but right now I really don't know what I'll do," she said. "My tattoo isn't offensive."

Write to Miriam Jordan at miriam.jordan@wsj.com

HB 1198
1-29-15

#3

House Transportation Committee
January 29, 2015 – 9:30 a.m. – Fort Totten

North Dakota Department of Transportation
Linda Sitz, Director of Motor Vehicle Division
House Bill 1198

Mr. Chairman and members of the committee - I'm Linda Sitz, Director of the Motor Vehicle Division at the North Dakota Department of Transportation (DOT). Thank you for giving me the opportunity to present information to you today.

DOT is neutral on HB1198. The way the bill reads it states it provides that North Dakota residents who are current or retired National Guard members may register one motor vehicle not exceeding 26,000 lbs. at no cost.

It is difficult for the DOT to estimate the impact this bill would have on revenue. The fiscal note has been calculated to show a loss of (\$274,000) based on 1,375 current registrations which totaled \$137,000 yearly. That loss in revenue would be shared by the DOT, cities, counties and townships as shown in the fiscal note.

In addition to impacts on the revenue collections for registration fees, DOT would also be required to update the current vehicle registration and titling system (VRTS). To date we have been unable to estimate the cost of this update to the existing VRTS system. It should be noted that expenditure in the update to the existing VRTS system would provide benefit only for a short period of time as the current VRTS system is being replaced, with a new vehicle registration system anticipated to be online by the fall of 2016.

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

#1

HB 1198
2-5-15

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NATIONAL
GOVERNORS
ASSOCIATION



State and Territorial Support For Members of the Military, Veterans and Their Families

A Report by the
National Governors Association

With the Support of the
Department of Defense

July 2011


#1

HB1198
2-5-15

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throughout the three-phase deployment process.

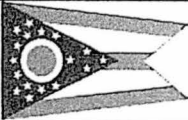
- East Carolina Universities "Operation Re-entry North Carolina" (ORNC). ORNC is a university-wide initiative to address the rehabilitation and re-entry concerns of military personnel, combat veterans, and their families. See more here: <http://www.ecu.edu/cs-dhs/ah/ornc/>

| NORTH DAKOTA | | Members | Spouses | Children |  |
|--------------------------------|--|---------|---------|----------|---|
| | National Guard | 3,988 | 1,754 | 3,168 | |
| Governor: Jack Dalrymple | Reserves | 517 | 239 | 435 | |
| TAG: MG David A. Sprynczynatyk | Total | 4,505 | 1,993 | 3,603 | |
| Support to state employees | <ul style="list-style-type: none">• 20 days of military leave per calendar year. If the employee is mobilized they receive an additional 10 days• Entitled to leave of absence from civil service for a period of active service without loss of status or efficiency rating• Comprehensive benefit package | | | | |
| Educational benefits | <ul style="list-style-type: none">• Tuition assistance up to 100% combining federal payments with state and school reimbursements.• Rights of Students called to federal service: provides a student with three choices upon receiving federal mobilization orders for fourteen days or longer: withdraw from any/all classes, even after any established deadlines, for a full refund of tuition and mandatory fees; request an incomplete under the school's incomplete policy; work with each instructor and complete the courses early• Education Benefits Advisor- Education Support Center at www.virtualarmory.com• Veterans Centers at schools for education assistance• \$2 million State Tuition Assistance available for each biennium• Free tuition for qualified dependents | | | | |
| Family support | <ul style="list-style-type: none">• Elementary schools identify deployed moms/dads• Reintegration for soldiers, airmen and family. The program is 30, 60, 90 day events which include stations for benefits, workshops and presentations. This is followed by a 1, 3, and 5 year reunion• Deployment/post deployment wellness calls to families/service members• Five Family Assistance Centers located across N.D.• Therapeutic Team – 2 fulltime chaplains, 4 part-time chaplains, 2 fulltime licensed social workers• Referrals and assistance for legal/financial/medical/mental health/childcare/reintegration/access to veteran services• Provide workshops and training: pre-deployment training, family reintegration training prior to redeployment, FRG leader - basic training, P.I.C.K. Single Soldiers training events, Strong Bonds – “Laugh Your Way to a Better Marriage” training, 3 annual “Marriage and Relationship Enrichment” workshops, state volunteer workshop,• 4H Military Youth Camp and State Teen Advisory Council• 199th Wing Family Program ensures that all air guard members’ needs are individually met• Family Executive Council• Casualty Notification Briefings• Suicide Prevention Team• Sexual Assault Response Team• Outreach Program designed to encompass all veterans, families and employers in the state• ND National Guard Foundation – Emergency Relief Fund – provides up to \$2,000 annual grant for Guard soldiers/families in financial crisis related to medical treatment, tragic loss, loss of work, etc.• Tragedy Assistance Program for Survivors (TAPS)-ND – Under the ND National Guard Foundation. Provides grants to families of service members killed in action | | | | |

#1 HB 1198
2-5-15

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| | |
|---|---|
| | or killed in association with mobilization for the Global War on Terror to attend the national grief and healing seminar in Washington, DC. TAPS-ND also supports families of soldiers that have committed suicide. |
| Tax and financial benefits | <ul style="list-style-type: none"> • Special state tax deduction when activated • Veterans' Adjusted Compensation - \$100 a month for NG and Reserves activated under Title 10 if receiving hazardous duty pay; \$50 if not receiving hazardous duty pay • Emergency Relief Fund for soldiers and airmen • Special projects and donation programs • \$5,000 death benefit for families of service members killed on active duty • \$2,500 benefit for service members who receive the Purple Heart • Veterans' bonus - \$100 per month for overseas deployment, \$50 per month for deployment within the United States, not to exceed \$1,800 • Enlistment and re-enlistment bonus • Property tax reduction for veterans with 50% or greater service-related disability • Veterans Affairs Hardship Assistance Grant provides financial assistance to veterans and their spouses, or eligible widows/widowers • Veterans Aid Fund makes loans to eligible veterans and their widows/widowers |
| Licensing, registrations and fees | <ul style="list-style-type: none"> • Special hunting deadlines and privileges • Special license plates to ND National Guard members and veterans |
| Protections, recognition and employment support | <ul style="list-style-type: none"> • ESGR representatives located throughout North Dakota • Veterans' transportation system provides free transportation to a veterans hospital • Veterans cemetery • ND Veterans Home |

| OHIO | | Members | Spouses | Children |  |
|----------------------------|---|---------|---------|----------|---|
| | National Guard | 17,206 | 6,961 | 4,068 | |
| Governor: John Kasich | Reserves | 13,067 | 5,832 | 10,911 | |
| TAG: MG Deborah Ashenhurst | Total | 30,273 | 12,793 | 14,979 | |
| Support to state employees | <ul style="list-style-type: none">• 22 days paid military leave (full salary).• Pay differential between military and state pay for duration of any title 10 federal mobilization.• Continue to receive seniority and longevity pay increases• Allowed to makeup payment to the deferred compensation plan and receive employer contribution.• State employees entitled to return to former employment position or a comparable position at the same pay, seniority and benefit level | | | | |
| Educational benefits | <ul style="list-style-type: none">• 100 percent tuition assistance for NG members attending state schools or, if attending a private school, the average cost of all state schools will be paid toward the cost of the private school tuition. | | | | |
| Family support | <ul style="list-style-type: none">• Six staffed Family Assistance Centers• Conduct Family Readiness Briefs for every member of a deployed member's family.• Morale calls forwarded to anywhere in the state without charge.• Other information about family program available at: http://www.ohionalnationalguard.com/family | | | | |
| Tax and financial benefits | <ul style="list-style-type: none">• Combat zone pay not subject to state taxes.• Members deployed overseas have an automatic 6 month extension to file state tax returns without penalties or interest.• State Death Benefit: \$100,000 for members who die while serving on state active duty, Title 32 homeland defense/homeland security or Title 10.• State reimburses for SGLI premiums while on state active duty, Title 32 homeland | | | | |

#2

15.0201.02001

Title.

HB1198
2-5-15

Prepared by the Legislative Council staff for
Representative Owens

January 30, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1198

Page 1, line 3, after "members" insert "; and to provide a contingent effective date"

Page 1, replace lines 7 through 9 with:

"A passenger motor vehicle, house car, or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] registered gross weight and which is owned and operated by a resident who is serving as a member of or is a retired member of the North Dakota national guard is entitled to display a national guard license plate issued by the department upon the payment of a fee of five dollars. This exemption applies to no more than one license plate for each national guard member or retired member at any one time.

SECTION 2. CONTINGENT EFFECTIVE DATE. This Act is effective on the date the director of the department of transportation certifies to the secretary of state that the new motor vehicle registration software for the department is installed and functioning and not earlier than January 1, 2017."

Renumber accordingly

2016 - corrected