

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1325

2001 HOUSE FINANCE AND TAXATION

HB 1325

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1325

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date January 23, 2001

Tape Number	Side A	Side B	Meter #
1		X	120
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN, Opened the hearing.

REP. BILL PIETSCH, DIST. 22, Introduced the bill at the request of a disabled veteran who is a constituent in his district. He found out last summer that a motor vehicle exemption on a second vehicle, which is allowed to have a distinctive license plate, according to the law, was not eligible for the motor vehicle tax exemption. At his request, I have had this bill drafted.

He also submitted an amendment prepared by the legislative council. The amendment would re-define disabled American veterans. We would want to make another change to the amendment, which would make the eligibilty for a distinctive license plate line up with the eligibility for a motor vehicle tax exemption.

REP. CARLSON Stated, we cannot remove the reference to the federal law?

REP. PIETSCH It is my understanding, without that reference, you may have people with a very minor disability, eligible for this.

REP. DROYDAL Related to section 2, a motor home would also be exempt from the taxes?

REP. PIETSCH It is my understanding, it does relate to vehicles of 10,000 pounds or less.

REP. DROYDAL You are taking that language out, if this passes, as presented, any vehicle regardless if it is a car, truck, 18 wheeler, or RV, would meet that exemption?

REP. PIETSCH I really couldn't say.

REP. WINRICH The fiscal note says, this bill would have a fiscal effect of less than \$5,000, current department policy is to allow an exemption for a second vehicle, owned and operated by a disabled veteran. In effect, what this bill does is codify current practice.

REP. PIETSCH That is my understanding.

REP. OLE AARSVOLD, DIST. 20, Testified in support of the bill. See attached written testimony. He also supported the amendments presented by Rep. Pietsch.

BOB HANSON, COUNCIL OF VETERANS, Testified in support of the bill. He pointed out that Line 8, did mention taking out vehicles of 10,000 pounds. He also supported the amendments presented.

REP. PIETSCH Stated he would have another amendment drafted.

KEITH KEISER, DIRECTOR OF MOTOR VEHICLE DIVISION IN THE DEPT. OF TRANSPORTION, Testified in support of the bill. Gave an explanation of how the bill came about. He referred to the reference in federal law, which defines who is qualified. It limits that qualification to those veterans who receive financial assistance from the veteran's administration if they have suffered loss of limb or eyesight and that they need special controls in motor vehicles to operate those vehicles. That reference was always there, and that was how it was interpreted. The legislature had also granted a tax exemption for a vehicle registered under this statute. In

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House Finance and Taxation Committee

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1987, the legislature expanded that, to include two vehicles. It did not change the past exemption statute, which is section 2 of this bill to include two vehicles being tax exempt also. We incorrectly interpreted that, in fact, there was a second tax exemption. Since 1987, we have allowed a second tax exemption for vehicles for veterans who require a vehicle which meets the registration exemption.

Mr. Keiser stated he would check the amendments to make sure they were drafted in proper form.

With no further testimony, the hearing was closed.

COMMITTEE ACTION Tape 2, Side A, Meter #4900 1-23-01

REP. LLOYD Made a motion to adopt the amendments which were presented.

REP. CLARK Second the motion. **MOTION CARRIED BY VOICE VOTE**

REP. SCHMIDT Made a motion for a **DO PASS AS AMENDED.**

REP. RENNER Second the motion. **MOTION CARRIED**

14 Yes 0 No 1 Absent

REP. BRANDENBERG Was given the floor assignment.

FISCAL NOTE
 Requested by Legislative Council
 01/17/2001

Bill/Resolution No.: HB 1325

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

HB 1325 is expected to have a fiscal impact of less than -\$5000. (Current Department policy is to allow an exemption for a second vehicle owned and operated by a disabled veteran.)

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	01/22/2001

Date: 1-23-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1325

House FINANCE & TAXATION Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Rep. Schmidt Seconded By Rep. Renner

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	A	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. Brandenburg

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

REPORT OF STANDING COMMITTEE

HB 1325: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1325 was placed on the Sixth order on the calendar.

Page 1, line 10, remove the overstrike over "~~under the provisions of Public Law 70-663 (38 U.S.C.)~~", after "4004" Insert "3901", and remove the overstrike over the overstruck end bracket

Page 1, line 11, replace "as defined in 5 U.S.C. 2108," with "or who has a one hundred percent service-connected disability as determined by the department of veterans affairs"

Page 1, line 18, after "~~veterans~~" Insert "veteran" and remove the overstrike over "~~under the provisions of Pub. L. 70-663 (38 U.S.C.)~~"

Page 1, line 19, after "4004" Insert "3901" and remove the overstrike over the overstruck end bracket

Page 1, line 23, replace "veteran, as defined in 5 U.S.C. 2108," with "or who has a one hundred percent service-connected disability as determined by the department of veterans affairs"

Renumber accordingly

2001 SENATE FINANCE AND TAXATION

HB 1325

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1325

Senate Finance and Taxation Committee

☐ Conference Committee

Hearing Date 3/7/01

Tape Number	Side A	Side B	Meter #
1	x		0-7,6
	x		19,4-24
Committee Clerk Signature <i>Lyndell G. Kraybill</i>			

Minutes:

Senator Urlacher: Opened the hearing on HB 1325, relating to motor vehicle excise tax exemptions for motor vehicles acquired or leased by disabled veterans.

Senator Wardner and Senator Christmann absent.

Representative Bill Pietsch: Co-sponsored the bill, testified in support. This bill is at the request of a disabled veteran, who thought that something needed to be done legislatively in order to clarify and bring the exemption on motor vehicle excise tax into concurrence with the policies that the Highway Dept. has been implementing. In 1987, disabled veterans became eligible to license two vehicles. They overlooked granting the excise tax exemption on that second car at the same time that they allowed for the licensing of a second car with the distinctive license plate. They have been granting it all along. This would extend what the department had been doing and include it in the Century Code. There is no fiscal note to continue to provide that exemption.

Representative Ole Aarsvold: Co-sponsored the bill, testified in support. Written testimony attached.

Keith Kiser: ND DOT, testified in support. A year ago, we discovered we were granting the second exemption incorrectly. The statute that provides for the licensing of disabled veteran vehicles requires a \$5.00 annual fee. In that statute, there is specific language that exempts them from the payment from the state sales and use tax. Based on that, we have always granted an extension. It was an oversight at the law was changed and this is an effort to correct that.

Senator Stenehjem: How does this compare to SB 2209?

Keith Kiser: SB 2209 deals with the other part of this equation with is POW's. The same tax exemption problems exist. That statute is limited to one license plate and one tax exemption.

Senator Stenehjem: So if you're a POW, you get one exemption. If you're a disabled veteran, you get two.

Keith Kiser: That's correct. Those are not new concepts. The POW license plate legislation passed in 1981, no one's ever asked for that two be extended to two.

Senator Nichols: How many individuals fall into this category?

Keith Kiser: Around 200.

Bob Hanson: ND Veterans Coordinating Council, testified in support.

Senator Urlacher: Closed the hearing. Action delayed.

Others signed the roster in support.

Discussion held later.

Senator Stenehjem: I am going to support this bill. I certainly am appreciative to the sacrifices that are military personnel have made. But we can't give them everything. And, I have a

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Senate Finance and Taxation Committee

Bill/Resolution Number 1325

Hearing Date 3/7/01

problem with departments come over here and tell us we need to pass a law to let them do what they're already doing. I'm not trying to be unappreciative.

Senator Urlacher: Makes a statement. Sees the difference between disabled veterans and POWs.

Bill explained to Senator Christmann and Senator Wardner.

COMMITTEE ACTION:

Motion made by Senator Nichols for a DO PASS, Seconded by Senator Kroeplin. Vote was 6 yeas, 0 nays, 0 absent and not voting.

Date: 3/7/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1325

Senate Finance and Taxation Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Nichols Seconded By Kroeplin

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem	✓				
Senator Kroeplin	✓				
Senator Nichols	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Nichols

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

REPORT OF STANDING COMMITTEE (410)
March 7, 2001 11:53 a.m.

Module No: SR-39-5000
Carrier: Nichols
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1325, as engrossed: Finance and Taxation Committee (Sen. Urlacher, Chairman)
recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1325 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1325

**HOUSE TAX & FINANCE COMMITTEE
TESTIMONY, PREPARED BY REPRESENTATIVE AARSVOLD
HOUSE BILL 1325 (1-23-01)**

I APPEAR BEFORE YOU AS A CO-SPONSOR OF HOUSE BILL 1325, AND REPRESENT CONCERNS EXPRESSED TO ME OVER THE PAST SEVERAL MONTHS BY INDIVIDUAL VETERANS AND VETERAN'S ORGANIZATIONS IN MY DISTRICT.

I UNDERSTAND THERE IS A NEED TO CLARIFY THE LAW REGARDING THE AUTOMOBILE USE TAX EXEMPT STATUS OF DISABLED AMERICAN MILITARY VETERANS AND FORMER PRISONERS OF WAR. HOUSE BILL 1325 WOULD RESOLVE THAT SITUATION WITH REGARD TO DISABLED VETERANS. SENATOR LYSON HAS A COMPANION BILL IN THE SENATE THAT DEALS WITH THE FORMER PRISONER OF WAR ISSUE.

I SOLICIT THE COMMITTEE'S ENDORSEMENT OF HOUSE BILL 1325. IT PROVIDES A MODEST TAX BENEFIT FOR THOSE VETERANS WHO HAVE EXPERIENCED CONSIDERABLE PHYSICAL AND EMOTIONAL SUFFERING IN DEFENSE OF OUR COUNTRY.

I WILL BE HAPPY TO ANSWER ANY QUESTIONS.

**SENATE FINANCE & TAX COMMITTEE
HOUSE BILL 1325
PREPARED BY REPRESENTATIVE OLE AARSVOLD
MARCH 7, 2001**

I APPEAR BEFORE YOU AS A COSPONSOR OF HOUSE BILL 1325, AND REPRESENT CONCERNS EXPRESSED TO ME OVER THE PAST SEVERAL MONTHS BY INDIVIDUAL VETERANS AND VETERAN'S ORGANIZATIONS IN MY DISTRICT.

I UNDERSTAND THERE IS A NEED TO CLARIFY THE NORTH DAKOTA POLICY REGARDING THE AUTOMOBILE USE TAX EXEMPT STATUS OF DISABLED AMERICAN MILITARY VETERANS AND FORMER PRISONERS OF WAR. HOUSE BILL 1325 WOULD RESOLVE THAT SITUATION WITH REGARD TO DISABLED VETERANS, BY CODIFYING THE 22-YEAR OLD MISINTERPRETATION THAT HAD GRANTED A USE TAX EXEMPTION TO DISABLED VETERANS. SENATOR LYSON HAS A COMPANION BILL, WHICH HAS PASSED IN THE SENATE, THAT DEALS WITH THE FORMER PRISONER OF WAR ISSUE.

I SOLICIT THE COMMITTEE'S ENDORSEMENT OF HOUSE BILL 1325. IT PROVIDES A MODEST TAX BENEFIT FOR THOSE VETERANS WHO HAVE EXPERIENCED CONSIDERABLE PHYSICAL AND EMOTIONAL SUFFERING IN DEFENSE OF OUR COUNTRY.

I WILL BE HAPPY TO ANSWER ANY QUESTIONS.