

# MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

2308

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Deanna Ballerito  
Operator's Signature

10/22/03  
Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2308

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Deanna Hallen  
Operator's Signature

10/22/03

Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2308

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 02-05-03

Tape Number	Side A	Side B	Meter #
1	XXXX		0
Committee Clerk Signature <i>Jessalyn Berkem</i>			

Minutes: Chairman Mutch opened the hearing on SB 2308. All Senators were present.

SB 2308 is a bill for an Act to amend and reenact subsection 1 of section 39-16.1-09 and subsection 1 of 39-16.1-19 of the North Dakota Century Code, relating to proof of insurance.

Senator Tallackson introduced the bill.

**Testimony in support of SB 2308**

Keith Magnusson, North Dakota Department of Transportation, also spoke in support of the bill. He explained that the bill would allow a \$1.00 (one dollar) fee for electronic filing. It would also change the filing time from one year to three years.

He states that this would be beneficial for everyone. The Department, the insurance agencies, as well as the driver because their claims would get in quicker.

Senator Klein: Would it be a hassle to go back to the three year filing time?

Keith: Not if we could do it electronically.

Senator Mutch: Is the cost of this electronic equipment quite excessive?

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*Deanna Tallackson*  
Operator's Signature

10/22/03  
Date

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number 2308

Hearing Date 02-05-03

**Senator Mutch:** Is there a way you can provide this service without charging a dollar?

**Keith:** The fiscal note is 51,000 dollars, however the dollar charge that.

**Senator Krebsbach:** So could we sunset this bill in 2-4 years?

**Keith:** That's correct. We don't need to collect anymore money than what we would need to cover the initial cost.

**Senator Heitkamp:** How do you go about collecting the dollar?

**Keith:** We add it to the monthly statement.

**Lynn Hunert,** Department of Transportation, interjected to answer committee questions.

(meter no. 940)

There was no opposing testimony.

Hearing closed. No action taken at this time.

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*Deanna D. Hall*  
Operator's Signature

10/22/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2308

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 02-11-03

Tape Number	Side A	Side B	Meter #
1		xxx	4300

Committee Clerk Signature *Lisa Van Berken*

Minutes: Senator Mutch opened the committee discussion on SB 2308. All Senators were present.

SB 2308 relates to proof of insurance.

Senator Espegard proposed several informal amendments.

Chairman Mutch requested that he have the amendments prepared and presented at the next hearing.

Senator Krebsbach suggests a sunset of 2-3 years.

The committee adopts amendments.

Senator Krebsbach moves to AMEND. Senator Every seconds.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Senator Espegard moved to AMEND. Senator Klein seconded.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Senator Espegard moved a DO NOT PASS AS AMENDED. Senator Heitkamp seconded.

Roll Call Vote: 5 yes. 2 no. 0 absent.

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*Deanna Waller*  
Operator's Signature

*10/22/03*  
Date

Page 2  
Senate Industry, Business and Labor Committee  
Bill/Resolution Number 2308  
Hearing Date 02-11-03  
Carrier: Senator Espgaard.

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Deanna Ballarino  
Operator's Signature

10/22/03  
Date

**FISCAL NOTE**  
 Requested by Legislative Council  
 03/12/2003

Amendment to: SB 2308

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$104,400		\$104,400
Expenditures				\$51,381		\$4,000
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

With passage of SB2308, insurance companies can file clients' SR-22 & SR-26 filings electronically with the Drivers License and Traffic Safety Division of the NDDOT, for a nominal fee of \$1.50 per filing.

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 1,200 cancellations and 1,700 SR-22 filings per month (total of 2,900 transactions), increased revenue of \$104,400 may be realized during the 2003-2005 biennium.

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

The DOT expects to incur initial, one-time computer programming costs of approximately \$47,381. In addition, we expect to incur approximately \$4,000 per biennium in on-going system maintenance costs.

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.

The estimated expenditures were not included in the Department's budget request or the related IT plan. The DOT would need additional appropriation authority of \$51,381 for the '03-'05 biennium.

Name:	Marsha Lembke	Agency:	NDDOT
Phone Number:	328-4865	Date Prepared:	03/12/2003

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Deanna Hall 10/22/03  
 Operator's Signature Date

**FISCAL NOTE**  
 Requested by Legislative Council  
 02/14/2003

Amendment to: SB 2308

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$34,800		\$1,450
Expenditures				\$51,381		\$4,000
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

With passage of SB2308, insurance companies can file clients' SR-22 & SR-26 filings electronically to the Drivers License and Traffic Safety Division of the NDDOT, for a fee of \$1 per filing. This bill was amended to include a start date (on or after effective date) and sunset clause (July 31, 2005).

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

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

The DOT processes an approximate average of 1,200 cancellations and 1,700 SR-22/26 filings per month (total of 2,900 transactions). If 50% of the filings are filed electronically the first biennium, at a \$1 fee per filing the DOT would realize revenue of \$34,800 for the 03-05 biennium. During the 2005-2007 biennium, only one month (July 2005) is represented for revenue because of the sunset clause.

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

The DOT expects to incur initial, one-time computer programming costs of approximately \$47,381. In addition, we expect to incur approximately \$4,000 per biennium in on-going system maintenance costs.

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

<b>Name:</b>	Shannon Sauer	<b>Agency:</b>	NDDOT
<b>Phone Number:</b>	328-4375	<b>Date Prepared:</b>	02/19/2003

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Deanna Walker 10/22/03  
 Operator's Signature Date



**FISCAL NOTE**  
 Requested by Legislative Council  
 01/23/2003

Bill/Resolution No.: SB 2308

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$34,800		\$52,200
Expenditures				\$51,381		\$4,000
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

With passage of SB2308, insurance companies can file clients' SR-22 & SR-26 filings electronically to the Drivers License and Traffic Safety Division of the NDDOT, for a fee of \$1 per filing.

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

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

The DOT processes an approximate average of 1,200 cancellations and 1,700 SR-22/26 filings per month (total of 2,900 transactions). If 50% of the filings are filed electronically the first biennium, and 75% are filed electronically the second biennium, at a \$1 fee per filing the DOT would realize revenue of \$34,800 and \$52,200 for the 03-05 and 05-07 bienniums respectively.

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

The DOT expects to incur initial, one-time computer programming costs of approximately \$47,381. In addition, we expect to incur approximately \$4,000 per biennium in on-going system maintenance costs.

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

<b>Name:</b>	Shannon L. Sauer	<b>Agency:</b>	NDDOT
<b>Phone Number:</b>	328-4375	<b>Date Prepared:</b>	01/28/2003

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Deanna Waller 10/22/03  
 Operator's Signature Date

30660.0101  
Title.0200

Adopted by the Industry, Business and Labor  
Committee  
February 11, 2003

*JCB*  
2-11-03

PROPOSED AMENDMENTS TO SENATE BILL NO. 2308

Page 1, line 2, after "insurance" insert "; to provide for application; and to provide an expiration date"

Page 2, after line 7, insert:

**"SECTION 3. APPLICATION.** Section 2 of this Act applies to proof of responsibility required on or after the effective date of this Act.

**SECTION 4. EXPIRATION DATE.** Section 1 of this Act is effective through July 31, 2005, and after that date is ineffective."

Renumber accordingly

Page No. 1

30660.0101

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*Deanna Ballarino*  
Operator's Signature

10/22/03  
Date

Date: 2-11-03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2308

Senate \_\_\_\_\_ Committee \_\_\_\_\_

Check here for Conference Committee

Legislative Council Amendment Number (sunset #1 fee to July 31, 2005)

Action Taken DO Amend

Motion Made By Krebsbach Seconded By Every

Senators	Yes	No	Senators	Yes	No
Sen. Jerry Klein, Vice Chairman	X				
Sen. Karen Krebsbach	X				
Sen. Dave Nething	X				
Sen. Joel Heitkamp	X				
Sen. Mike Every	X				
Sen. Duane Espegard	X				
Sen. Duane Mutch, Chairman	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

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Operator's Signature Deanna Ballantyne Date 10/22/03

Date: 2/1-03  
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2308

Senate \_\_\_\_\_ Committee \_\_\_\_\_

Check here for Conference Committee

Legislative Council Amendment Number (not retro-active) \_\_\_\_\_

Action Taken Do Amend \_\_\_\_\_

Motion Made By Espegard \_\_\_\_\_ Seconded By Klein \_\_\_\_\_

Senators	Yes	No	Senators	Yes	No
Sen. Jerry Klein, Vice Chairman	X				
Sen. Karen Krebsbach	X				
Sen. Dave Nething	X				
Sen. Joel Heitkamp	X				
Sen. Mike Every	X				
Sen. Duane Espegard	X				
Sen. Duane Mutch, Chairman	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

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Operator's Signature: Deanna Wallin Date: 10/22/03

Date: 2-11-03  
Roll Call Vote #: 3

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2308

Senate \_\_\_\_\_ Committee

Check here for Conference Committee

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

Action Taken Do Not Pass As Amended

Motion Made By Espgaard Seconded By Heitkamp

Senators	Yes	No	Senators	Yes	No
Sen. Jerry Klein, Vice Chairman		X			
Sen. Karen Krebsbach		X			
Sen. Dave Nething	X				
Sen. Joel Heitkamp	X				
Sen. Mike Every	X				
Sen. Duane Espgaard	X				
Sen. Duane Mutch, Chairman	X				

Total (Yes) 5 No 2

Absent 0

Floor Assignment Espgaard

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

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Deanna Wallin 10/22/03  
Operator's Signature Date

**REPORT OF STANDING COMMITTEE (410)**  
February 13, 2003 2:21 p.m.

Module No: SR-28-2620  
Carrier: Espegard  
Insert LC: 30860.0101 Title: .0200

**REPORT OF STANDING COMMITTEE**

**SB 2308: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO NOT PASS (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2308 was placed on the Sixth order on the calendar.**

Page 1, line 2, after "insurance" insert "; to provide for application; and to provide an expiration date"

Page 2, after line 7, insert:

**"SECTION 3. APPLICATION.** Section 2 of this Act applies to proof of responsibility required on or after the effective date of this Act.

**SECTION 4. EXPIRATION DATE.** Section 1 of this Act is effective through July 31, 2005, and after that date is ineffective."

Renumber accordingly

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Deanna Hall  
Operator's Signature

10/22/03  
Date

Date: ~~3~~ 4-0203  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

Senate \_\_\_\_\_ 2308 Committee

Check here for Conference Committee

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

Action Taken Do Not Concur

Motion Made By Espegard Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Sen. Mutch, Chairman	X				
Sen. Klein, Vice Chairman	X				
Sen. Krebsbach	X				
Sen. Nothing	X				
Sen. Heitkamp	X				
Sen. Every	X				
Sen. Espegard	X				

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Every  
Espegard  
Krebsbach

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Deanna Hall  
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10/22/03  
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2308

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Deanna Hallmark  
Operator's Signature

10/22/03

Date



2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2308

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 10, 2003

Tape Number	Side A	Side B	Meter #
1	x		26.3-end
1		x	0.0-2.0
Committee Clerk Signature <i>Judith Hanna</i>			

Minutes: Chairman Keiser opened the hearing on SB 2308.

Rep. Aarsvold, District 20, introduced the bill on behalf of its prime sponsor Senator Tallackson and testified orally in support of SB 2308.

Kent Olson, Executive Director of North Dakota Professional Insurance Agents Association, testified in support of SB 2308. (See attached #1)

Rep. Ekstrom: This is a start up fee, and in terms of logistics, is the Department ready at this time to take electronic filings?

Olson: DOT could answer that better than I, but I understand that they are not ready just yet to accept electronic filings.

Chairman Keiser: In regards to the fiscal note attached to this, why don't we just do \$1.50 for the first couple years and make it a break even, why should we absorb costs for the first two years? The fiscal note indicates that we'll lose \$17,000 in the biennium.

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*Deanna Tallackson*  
Operator's Signature

*10/22/03*  
Date

Page 2  
House Industry, Business and Labor Committee  
Bill/Resolution Number SB 2308  
Hearing Date March 10, 2003

**Olson:** There should actually be a surplus because the dollar will generate about \$70,000 and start up costs are estimated at \$50,000. I haven't seen the fiscal note. The industry won't object to the \$1.50 fee.

**Rep. Klein:** Does this only apply to people involved in DUI's or other problems regarding license revocations? It doesn't apply across the board, does it?

**Olson:** Correct. It applies to people who lost their license. Driving without insurance is currently three years now. You drive without insurance, have an accident, you have to show proof for three years. This will now be concurrent with the alcohol related violations.

**Rep. Severson:** On a three year insurance, are insurance companies willing to provide that?

**Olson:** Contract for insurance can be a monthly requirement. The requirement to maintain the license will be three years.

**Lynn Helmert, Drivers License and Traffic Safety Division of the Department of Transportation,** testified in support of SB 2308. She stated that DOT has no objection to the three year requirement. However, they do want to do the filing electronically. There is a cost estimate of \$51,000 to put electronic filing into place. If insurance companies could help defray start up costs, DOT would have no objections.

**Rep. Dosch:** Can people still file by paper? Is there a charge for that?

**Helmert:** No, the charge would be for those who wish to file electronically.

**Rep. Dosch:** Shouldn't those who file by paper be charged more in order to save DOT administrative costs and time? Why not charge paper filers more to encourage them to file electronically?

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*Deanna O'Connell*  
Operator's Signature

10/22/03  
Date

Page 3  
House Industry, Business and Labor Committee  
Bill/Resolution Number SB 2308  
Hearing Date March 10, 2003

**Heinert:** We put together the easiest way to collect the fee. Wisconsin does it this way. We decided to leave it up to the Legislature's discretion to find the biggest bang for the buck.

**Chairman Keiser:** Why is there a deficit on the fiscal note? The deficit is based on a \$1 charge per transaction. If that was upped to \$1.50, it would break even.

**Heinert:** I don't have an answer for you on that.

**Rep. Kasper:** Isn't it exorbitant, \$ 47,000 for one time computer program set up?

**Heinert:** All insurance companies would go through the same system. We do business with over 1500 insurance firms. To coordinate electronic transmission for all those, we go through the Association of Motor Vehicles Network. We have to purchase software, do the installation, undergo testing and training.

**Rep. Boe:** Who initiated this? The fiscal note states that there would be a 50% participation.

**Heinert:** The insurance industry with input from the DOT brought this legislation together.

When Mr. Olson did the research on this he determined that there are only a few companies that write 50% of the policies. Getting those major carriers on line would constitute the 50% participation.

As there was no one else present to testify either in support of or opposition to SB 2308, the hearing was closed.

**Rep. Severson:** I move that we amend the fees from \$1 to \$1.50. That's on page 1, line 16.

**Rep. Zaiser** seconded the motion.

**Rep. Kasper:** I support the motion but I think the fiscal note is a joke. I want to know who this company is and I want to see an itemization of those costs.

**Heinert:** I'll get that information for you.

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10/22/03  
Date

Page 4  
House Industry, Business and Labor Committee  
Bill/Resolution Number SB 2308  
Hearing Date March 10, 2003

**Rep. Froseth:** Do you think any of those major insurance providers will object to the \$1.50 fee?

**Rep. Wald:** I wouldn't think so. State Farm, Progressive, NoDak, American Family and Dakota Fire write 80% of the business. Won't this bill have to go over to Appropriations?

**Chairman Keiser:** I support the amendments but I do think Rep. Dosch made a good point. The insurance companies will pass this fee on to the offenders. You don't pay this fee if you have a good driving record. It's to our advantage to go electronic and get away from paper filing.

**Rep. Froseth:** If this passes, it's the smaller companies that can't afford the electronic filing.

**Rep. Boe:** Wouldn't those writing 80% of the policies, with their participation, wouldn't that change the fiscal note? Why not charge the fee for all filings?

**Rep. Dosch:** We might spend \$50,000 on a computer program and companies could still submit on paper, rather than pay the fees.

**Rep. Thorpe:** I agree with Rep. Boe. I think it should be charged across the board.

**Rep. Severson:** Maybe we could further amend the amendment by removing "electronic transmitting" on line 13 & 16 and inserting "filing".

**Rep. Ruby:** I think encouraging the incentive to electronically file has merit. Maybe we should charge \$2 to file by paper.

**Rep. Severson** moved to further amend the amendment "The director may charge the insurance carrier filing a certificate a fee of \$1.50".

**Rep. Froseth:** If we take off the electronic filing, DOT might take the money and run.

**Rep. Dosch:** Let's keep it so that "the Director may charge \$2.00 for a paper, \$1.50 for electronic filing".

**Rep. Zaiser** seconded the motion to amend the amendment.

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Deanna Walcott  
Operator's Signature

10/22/03  
Date

Page 5  
House Industry, Business and Labor Committee  
Bill/Resolution Number SB 2308  
Hearing Date March 10, 2003

Neil will draft the language. A voice vote carried the motion to amend the amendment.

**Rep. Froseth moved a Do Pass As Amended with a Referral to the Appropriations Committee.**

**Rep. Boe seconded the motion.**

**Chairman Keiser: We need a new fiscal note on this, please, since it will be going to the Appropriations Committee..**

**The results of the roll call vote was: 11-0-3.**

**Rep. Boe will carry this on the floor.**

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Deanna Hall  
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10/22/03  
Date

30860.0201  
Title.0300

Adopted by the Industry, Business and Labor  
Committee

March 10, 2003

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2308

Page 1, line 16, after "transmitting" insert "or manually submitting" and after "dollar" insert "and  
fifty cents"

Renumber accordingly

Page No. 1

30860.0201

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Deanna Hall  
Operator's Signature

10/22/03  
Date

Date: 3/10/03  
Roll Call Vote #: |

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2308

House INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number 30660.0201  
.0300

Action Taken Do Pass As Amended and Referred to Appropriate Committee

Motion Made By Froseth Seconded By Boe

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Boe	✓	
Vice-Chair Severson	✓		Ekstrom	✓	
Dosch	✓		Thorpe	✓	
Froseth	✓		Zaiser	✓	
Johnson					
Kasper					
Klein	✓				
Nottestad					
Ruby	✓				
Tieman	✓				

Total (Yes) 11 No 0

Absent 3

Floor Assignment Rep Boe

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

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Deanna Hall Operator's Signature 10/22/03 Date

REPORT OF STANDING COMMITTEE (410)  
March 11, 2003 8:58 a.m.

Module No: HR-43-4421  
Carrier: Bce  
Insert LC: 30660.0201 Title: .0300

**REPORT OF STANDING COMMITTEE**

SB 2308, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2308 was placed on the Sixth order on the calendar.

Page 1, line 16, after "transmitting" insert "or manually submitting" and after "dollar" insert "and fifty cents"

Renumber accordingly

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*Deanna D. Hall*  
Operator's Signature

*10/22/03*  
Date



2003 HOUSE APPROPRIATIONS

BB 2308

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Deanna Hall  
Operator's Signature

10/22/03

Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2308

House Appropriations Committee

Conference Committee

Hearing Date 03-20-03

Tape Number	Side A	Side B	Meter #
1	X		3.0 - <del>25.0</del> 25.0

Committee Clerk Signature *Chris S. Nyhus*

Minutes:

**Chairman Svedjan** Opened SB 2308 for discussion. A quorum was present.

**Rep. Kaiser** Introduced the bill and gave an overview.

**Rep. Kerzman** Is this normal? (referring to need for monthly registration)

**Rep. Kaiser** They are following our statues.

**Rep. Kerzman** What if you don't lose your license?

**Rep. Kaiser** They won't charge.

**Rep. Delzer** Did they have to file every month?

**Rep. Kaiser** I guess so.

**Rep. Delzer** Now you're extending the registration period to 3 years, how will this impact their insurance expenditures?

**Rep. Kaiser** Filing electronically reduces the costs.. The department and the industry recommend we pass this.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

*Deanna Ballerino*  
Operator's Signature

10/22/03  
Date

Page 2  
House Appropriations Committee  
Bill/Resolution Number SB 2308  
Hearing Date 03-20-03

**Rep. Delzer** If they file every month this seems to be more than they'd need to do.

**Rep. Brusegaard** You also put a fee on those filing with paper?

**Rep. Kaiser** That is probably where it came from.

**Rep. Timm** That extension bothers me. The companies have to file SR24s for 1 year now and you will require it for 3 years?

**Rep. Kaiser** These are high-risk drivers who frequently drop their insurance.

**Rep. Timm** This applies to all traffic violations?

**Rep. Kaiser** Yes, to all people who lose their license.

**Rep. Wald** First of all, the company filing is a year at a time. I think the reason they want to go online is because some people pay that monthly or quarterly. The premium is charged for three years whether you go back to one year or not because the premium developed by the company is based on their driving record, not the SR26.

**Rep. Skarphol** Most individuals who are subject to SR22 filing, when they purchase insurance, how much is their typical liability coverage?

**Rep. Wald** 25,000 and \$50,000 and \$25,000.

**Rep. Skarphol** Well, that concerns me because I don't think that is adequate insurance. We are in some ways, causing some people to buy less insurance. I submit to you the DUI and the guy that loses his license and in those situations. Those who lose it due to points won't purchase a larger policy because the cost of that is higher.

**Rep. Wald** Some companies allow them to purchase a higher limit.

**Chairman Svedjan** With revenues exceeding expenses, does that revenue go into a fund?

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*Deanna Wald*  
Operator's Signature

10/22/03  
Date

Page 3  
House Appropriations Committee  
Bill/Resolution Number SB 2308  
Hearing Date 03-20-03

**Rep. Kaiser** No, the committee could cut back the fee if they wanted.

**Rep. Timm** I think the balance would go the Highway Trust Fund.

**Rep. Kaiser** Yes, it would.

**Rep. Aarsvold** This issue comes up every campaign.

**Rep. Kroeber** OMB and LC can help us with the fiscal note.

**Alan Knudson, LC** We'd need to contact the department to find out.

**Rep. Delzer** How does this affect the youth license?

**Rep. Kaiser** That wasn't discussed.

**Rep. Wald** I move a Do Pass. 2nd by Rep. Carlisle.

**Rep. Kempenich** They forgot the sunset on the fiscal note. The fiscal note is wrong.

**Chairman Svedjan** It is right for the 03-05 biennium.

**Rep. Wald** The only issue is the \$1.50 for transactions. Its a moot point.

**Rep. Delzer** I can't vote for this. Relatively, innocent drivers will be adversely impacted.

**Motion Carries 16-5-2. Rep. Boe will carry this bill on the floor.**

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Deanna D. Hall  
Operator's signature

10/22/03  
Date

Date: 3-20  
 Roll Call Vote #: 1

**2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2308**

House Appropriations Committee

Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Wald Seconded By Carlisle

Representatives	Yes	No	Representatives	Yes	No
Rep. Svedjan (Chairman)	✓		Rep. Glassheim	✓	
Rep. Timm (Vice-Chairman)		✓	Rep. Kroeber	✓	
Rep. Martinson	✓		Rep. Warner	✓	
Rep. Brusegaard	✓		Rep. Delzer		✓
Rep. Monson	✓		Rep. Wanke	✓	
Rep. Rennerfeldt	✓		Rep. Bellew		✓
Rep. Wald	✓		Rep. Kempenich		✓
Rep. Aarsvold	✓		Rep. Kerzman	✓	
Rep. Guleson	✓		Rep. Metcalf	✓	
Rep. Carlisle	✓				
Rep. Carlson					
Rep. Koppleman	✓				
Rep. Skarphol		✓			
Rep. Thoreson					

Total (Yes) 16 No 5

Absent 2

Floor Assignment IBL Carrier BOE

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

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Deanna Waller 10/22/03  
 Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)  
March 21, 2003 9:26 a.m.

Module No: HR-51-5396  
Carrier: Boe  
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE  
SB 2308, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)  
recommends DO PASS (16 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING).  
Engrossed SB 2308 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-51-5396

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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Operator's Signature

10/22/03  
Date



2003 SENATE INDUSTRY, BUSINESS AND LABOR

CONFERENCE COMMITTEE

SB 2308

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Deanna Halko  
Operator's Signature

10/22/03

Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2308

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 04-08-03

Tape Number	Side A	Side B	Meter #
no tape			
Committee Clerk Signature <i>Lisa Huber Kern</i>			

Minutes: Before the conference committee was called to order, the Senate Acceded to the House amendments. Senator Krebsbach moved to Accede and Rep. Nottestad seconded.

There was no discussion from the committee

Roll Call Vote: Senator Espegard: Yes

Senator Krebsbach: Yes.

Senator Every: Yes.

Rep. Nottestad: Yes.

Rep. Dosch: Yes.

Rep. Boe: Yes.

Motion passes for the Senate to accede to the House amendments.

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*Deanna Ballin*  
Operator's Signature

*10/22/03*  
Date





**REPORT OF CONFERENCE COMMITTEE (420)**  
April 10, 2003 2:57 p.m.

Module No: SR-65-7368

Insert LC: .

**REPORT OF CONFERENCE COMMITTEE**

**SB 2308, as engrossed:** Your conference committee (Sens. Espgaard, Krebebach, Every and Reps. Nottestad, Dosch, Boe) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 958 and place SB 2308 on the Seventh order.

Engrossed SB 2308 was placed on the Seventh order of business on the calendar.

(2) DESK, (2) COMM

Page No. 1

SR-65-7368

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Deanna Ballantyne  
Operator's Signature

10/22/03  
Date

2003 TESTIMONY  
SB 2308

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Deanna Hall  
Operator's Signature

10/22/03

Date

**BILL NO:** SB 2308 # 1

**TO:** House IBL Committee

**From:** Kent Olson, Executive Director  
NDPIA

**POSITION:** Please SUPPORT

Committee Members:

SB 2308 passed the Senate 27-18.

The Bill does TWO things:

1. Section 2 amends the current one-year proof of insurance filing requirement to three-years.

Reasons:

- a. A three-year filing proof would be concurrent with the 3-year filing requirement for having an accident while driving without insurance.
  - b. Drivers with alcohol violations or multiple driving convictions have a high tendency not to maintain auto liability insurance to protect the public from their future actions.
  - c. The current one-year filing requirement is a short term inconvenience for a major driving conviction.
  - d. Over 50% of highway fatalities in ND are alcohol related. If public policy is to reduce alcohol impaired drivers and protect the public via liability insurance requirements, the alcohol impaired driver ought to be required to maintain the "proof of insurance" filing for 3 years after conviction.
  - e. Prior to 1989 the "proof of insurance" filing was for 3 years. It was reduced to one-year at the request of DOT in hopes of reducing paper work from the monthly filings and lapses. This did not happen as much as expected. According to recent DOT statistics 1500 problem drivers drop their "proof of insurance" filing every month. In addition, every month there are about 1700 filings from DUI (one-year) and DWOI (three-year) drivers for a total monthly count of 3200 pieces of paper which equates to approximately 38,000 per year.
2. Section 1 adds a sentence which provides "The director MAY charge an insurance carrier electronically transmitting a certificate fee of one dollar". Section 4 Provides for a "Sunset" of the \$1.00 fee in Section 1 above. The \$1.00 filing fee will provide one-time start-up costs for DOT by providing the necessary software and IT program time to allow companies to transfer the filings electronically.

We respectfully ask for your support with a "DO PASS" on this bill.

*Kent Olson*

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*Deanna Waller*  
Operator's Signature

10/22/03  
Date