

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2123

2005 SENATE FINANCE AND TAXATION

SB 2123

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2123

Senate Finance and Taxation Committee

☐ Conference Committee

Hearing Date January 12, 2005

Tape Number	Side A	Side B	Meter #
#1	X		0.6 - 4.1
Committee Clerk Signature <i>Sharon Kenyon</i>			

Minutes: All committee members present except Sen. Bercier.

**SEN. URLACHER:** called the committee to order and opened the hearing on SB 2123.

**GARY ANDERSON**, Director of Income, Sales and Special Taxes Division of the State Tax Commissioner appeared in support with written testimony stating SB 2123 is a motor vehicle excise tax bill. It proposes to remove the sixty day limitation that is currently provided to a disabled veteran seeking a refund of motor vehicle excise tax. The reason for this is to remove the sixty day limitation for a qualifying veteran to request a refund of motor vehicle excise taxes they may have paid at the time of the vehicle's registration.

**SEN. URLACHER:** mentioned the fiscal note so that all committee members were aware of it.

**SEN. COOK:** questioned the 3 yrs with Mr. Anderson answering that the normal statute of limitations on refund eligibility on the motor vehicle excise tax is 3 years.

**NO OPPOSITION.**

Hearing was closed.

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Senate Finance and Taxation Committee

Bill/Resolution Number SB 2123

Hearing Date January 12, 2005

**SEN. TOLLEFSON** made a motion for DO PASS, seconded by Sen. Every.

**NO FURTHER DISCUSSION.**

Roll call vote taken for DO PASS, 5-0-1, (*Sen. Bercier absent*), Sen. Wardner will carry the bill.

**FISCAL NOTE**  
**Requested by Legislative Council**  
12/23/2004

Bill/Resolution No.: SB 2123

**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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			(\$8,800)	(\$800)		
<b>Expenditures</b>						
<b>Appropriations</b>						

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

SB 2123 removes the time limit on refunding motor vehicle excise tax paid on a vehicle purchased or leased 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.*

If enacted, SB 2123 is expected to reduce state general fund and state aid distribution fund revenues by \$9,600 during the 2005-07 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.*

**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>	Kathryn L. Strombeck	<b>Agency:</b>	Office of Tax Commissioner
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	01/11/2005

Date: 1-12-05  
Roll Call Vote #: 1

**2005 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 2123**

Senate Finance and Taxation Committee

☐ Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Sen. Tollefson Seconded By Sen. Every

Senators	Yes	No	Senators	Yes	No
Sen. Urlacher	✓		Sen. Bercier		
Sen. Wardner	✓		Sen. Every	✓	
Sen. Cook	✓				
Sen. Tollefson	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Sen. Wardner

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

**REPORT OF STANDING COMMITTEE (410)**  
January 12, 2005 3:11 p.m.

**Module No: SR-07-0367**  
**Carrier: Wardner**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2123: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2123 was placed on the Eleventh order on the calendar.**

2005 HOUSE FINANCE AND TAXATION

SB 2123



2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **SB 2123**

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date **February 15, 2005**

Tape Number	Side A	Side B	Meter #
<b>1</b>	<b>X</b>		<b>19.9</b>
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

**REP. WES BELTER, CHAIRMAN** Called the committee hearing to order.

**GARY ANDERSON, DIRECTOR OF INCOME, SALES & SPECIAL TAXES, STATE TAX DEPARTMENT.** Testified in support of the bill. See attached written testimony.

**REP. BELTER** In order to come up with that fiscal note, is that based on previous claims?

**GARY ANDERSON** That is correct. In talking with motor vehicle, they had to deny six to eight claims this past year as a result, under the law, a disabled veteran is able to maintain up to two vehicles in this situation.

**JOHN JACOBSEN, CHAIRMAN OF THE LEGISLATIVE COMMITTEE OF THE NORTH DAKOTA VETERANS COORDINATING COUNCIL** Testified in support of the bill. See attached written testimony.

With no further testimony, the hearing was closed.

**COMMITTEE ACTION**

Page 2  
House Finance and Taxation Committee  
Bill/Resolution Number **SB 2123**  
Hearing Date **February 15, 2005**

**REP. NICHOLAS** Made a motion for a **do pass**

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

**13 YES      0 NO      1 ABSENT**

**REP. OWENS** Was given the floor assignment.

Date: 2-15-05  
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2123

House FINANCE & TAXATION

Committee

☐ Check here for Conference Committee

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

Action Taken

Do Pass

Motion Made By

Rep. Nicholas

Seconded By

Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
BELTER, WES, CHAIRMAN	✓				
DROVDAL, DAVID, V-CHAIR	✓				
BRANDENBURG, MICHAEL	✓				
CONRAD, KARI	✓				
FROELICH, ROD	✓				
GRANDE, BETTE	✓				
HEADLAND, CRAIG	✓				
IVERSON, RONALD	✓				
KELSH, SCOT	✓				
NICHOLAS, EUGENE	✓				
OWENS, MARK	✓				
SCHMIDT, ARLO	✓				
WEILER, DAVE	✓				
WRANGHAM, DWIGHT	✓				

Total (Yes)

13

No

0

Absent

1

Floor Assignment

Rep. Owens

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

**REPORT OF STANDING COMMITTEE (410)**  
February 15, 2005 11:36 a.m.

**Module No: HR-30-2936**  
**Carrier: Owens**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2123: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2123 was placed on the Fourteenth order on the calendar.**

2005 TESTIMONY

SB 2123

**TESTIMONY BEFORE THE SENATE**  
**FINANCE AND TAXATION COMMITTEE**

**SB 2123**

**Gary Anderson**

**January 12, 2005**

Chairman Urlacher, and Members of the Committee:

**INTRODUCTION**

My name is Gary Anderson. I am the director of Income, Sales & Special Taxes Division of the Office of State Tax Commissioner, and I am here to testify in support of SB 2123.

Senate Bill 2123 is a motor vehicle excise tax bill. It proposes to remove the sixty day limitation that is currently provided to a disabled veteran seeking a refund of motor vehicle excise tax.

**BACKGROUND**

The North Dakota motor vehicle excise tax currently provides a motor vehicle excise tax exemption to a resident disabled veteran who has a one hundred percent (100%) service-connected disability as determined by the Department of Veterans Affairs. The exemption applies when a qualifying veteran has acquired a motor vehicle and applied for a Disabled American Veteran (D.A.V.) license plate.

In the event a qualifying disabled veteran has not yet received confirmation from the Department of Veterans Affairs office verifying their eligibility of the 100% related disability, the person would not qualify for the exemption from motor vehicle excise tax at the time of registration. In such instances, the veteran may later be eligible for a refund of the taxes paid if they later receive or provide information attesting to their eligibility as a qualifying resident disabled veteran, provided they do so within sixty days after acquiring or leasing the motor vehicle.

## **REASON FOR SENATE BILL 2123**

The reason for this bill is to remove the sixty day limitation for a qualifying veteran to request a refund of motor vehicle excise taxes they may have paid at the time of the vehicle's registration. We have situations where an individual has paid the tax at the time of registration, and did receive verification of their eligibility as a qualifying disabled veteran at a later date. However the sixty day period available to them for refund has expired. In other instances, the qualifying veteran may have simply overlooked their eligibility for this exemption, and when they became aware of the oversight, the time period to request a refund had expired.

## **EXPLANATION OF THE BILL**

Senate Bill 2123 proposes the removal of the language that restricts a qualifying disabled veteran from eligibility for a refund of motor vehicle excise taxes. As noted on Lines 12 through 15, this language would be removed.

By removing this language, a qualifying resident disabled veteran will have three years in which to claim a refund on motor vehicle excise taxes that may have been paid as a result of oversight or in the event the veteran had not yet received verification of their disability at the time of acquisition or leasing of this vehicle.

## **CONCLUSION**

The Tax Commissioner requests Committee's favorable consideration of Senate Bill 2123. If there are any questions, I will be glad to respond.

## North Dakota Veteran's Coordinating Council

My name is John L. Jacobsen. I am the chairman of the Legislative Committee of the North Dakota Veterans Coordinating Council. I am a member of both the VFW and the American Legion. I am also a member of the VFW National Legislative Committee. We work directly with our Members of Congress on legislation at the national level.

I served 29 years in the ND National Guard and the US Army Reserve, retiring in 1995 with the rank of Colonel. I served on active duty in 1991 in the Persian Gulf stationed in the United Arab Emirates.

The NDVCC membership is comprised of 15 members representing the five (5) veterans' organizations in the state. (3 from each organization) They are:

- American Legion
- AMVETS
- Disabled American Veterans (DAV)
- Veterans of Foreign Wars (VFW)
- Vietnam Veterans of America (VVA)

These organizations represent approximately 60,000 veterans currently living in North Dakota.

I am a member of the Legislative Committee of the NDVCC. I am not a member of the NDVCC but report directly to them. In order for the Legislative Committee to support any bill brought up before our Legislature, concurrence must be unanimous, that is all 15 members must agree that we should support the bill. A single negative response will kill our support.



**TESTIMONY BEFORE THE HOUSE  
FINANCE AND TAXATION COMMITTEE**

**SB 2123**

**Gary Anderson**

**February 15, 2005**

Chairman Belter, and Members of the Committee:

**INTRODUCTION**

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In the event a qualifying disabled veteran has not yet received confirmation from the Department of Veterans Affairs office verifying their eligibility of the 100% related disability, the person can not qualify for the exemption from motor vehicle excise tax at the time of registration. In such instances, the veteran may later be eligible for a refund of the taxes paid if they later receive or provide information attesting to their eligibility as a qualifying resident disabled veteran, provided they do so within sixty days after acquiring or leasing the motor vehicle.

### **REASON FOR SENATE BILL 2123**

The reason for this bill is to remove the sixty day limitation for a qualifying veteran to request a refund of motor vehicle excise taxes they may have paid at the time of the vehicle's registration. This will address the situations where an individual has paid the tax at the time of registration, and subsequently receives verification of their disability after the sixty day period for refund has expired; or where the qualifying veteran may have simply overlooked their eligibility for this exemption, only to find that the time period to request a refund had expired.

### **EXPLANATION OF THE BILL**

Senate Bill 2123 proposes the removal of the language that restricts a qualifying disabled veteran from eligibility for a refund of motor vehicle excise taxes. As noted on Lines 12 through 15, this language would be removed.

By removing this language, a qualifying resident disabled veteran will have three years in which to claim a refund on motor vehicle excise taxes that may have been paid as a result of oversight or in the event the veteran had not yet received verification of their disability at the time of acquisition or leasing of this vehicle.

### **CONCLUSION**

The Tax Commissioner requests Committee's favorable consideration of Senate Bill 2123. If there are any questions, I will be glad to respond.