

2011 SENATE TRANSPORTATION


SB 2207

2011 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

SB 2207
January 27, 2011
13524

☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

Minutes:

One attached testimony

Senator G. Lee opened the hearing on SB 2207 relating to temporary motor vehicle registration and excise tax.

Senator Lyson, District 1, said that he had introduced a bill earlier similar to SB 2207. He said he had asked to have the first bill withdrawn but was unable to do that so he had asked the committee to kill it and it was killed. He then introduced SB 2207. "The reason this bill was introduced is because we have so many vehicles in the state of North Dakota that their owners are living and working in ND but they are registered and licensed in other states."

Senator Lyson presented an amendment to correct an error in the language.

Senator Nething clarified that the worker immediately had to register, he then asked, what this bill changed in regard to that requirement.

Senator Lyson said that it changes the license sticker and it is made so it cannot be moved from one vehicle to another. This sticker is good for 6 months or one year depending on the length of time the owner of the vehicle purchases.

Linda Butts, Deputy Director for Driver and Vehicle Services, NDDOT explained the bill and Senator Lyson's amendment. Written testimony #1

Senator Nodland asked if all the companies had to register with the Secretary of State.

Ms. Butts answered, yes.

Senator Nodland asked where the \$100 fees went.

Colonel Prochniak said he was in support of SB 2207 and said that the fees went to the Highway fund.

Senator Nodland asked if the \$100 fee assessment was a stronger incentive for enforcement.

Colonel Prochniak said he didn't want to say that but did say that at a \$20 fee it almost pays for the driver of the vehicle to take the chance and not register the vehicle.

Senator Sitte applauded the online process but asked if they had the manpower to get this out.

Ms. Butts said that they had a methodology in place that would have minimum impact on their staff.

Senator Sitte asked if there were ways of marketing to the companies on sight.

Colonel Prochniak replied that they could do this but officer time on the road is premium. That is what they stress from their operational standpoint.

Senator Lee asked how they were going to know if the people are here 40 days or 60 days or whatever.

Colonel Prochniak said that is a challenge. He said the officers in the area seeing the same vehicle could be an indicator. By educating and giving warnings he feels most vehicle owners will become compliant.

Senator Lee asked for the fiscal note to be explained.

Ms. Butts explained the fiscal note and explained how they came up with the numbers.

Senator Mathern asked if it was possible to contract out the marketing and registering of these vehicles at companies and man camps, etc.

Ms. Butts stated that this borders on an enforcement question that she would like the colonel to help answer. She said they had asked county sheriffs if they would be willing to help with the selling of registrations and they said no, they were too busy.

Colonel Prochniak said that they could not drive up and down the highways stopping people with an out of state plate. There has to be a reason to stop them and then they can check their registration.

Ms Butts said that they don't want to be hurting the tourist industry by pulling over out of state license plates.

Colonel Prochniak said they were in support of SB 2207. He clarified that \$100 for the violation or citation would go to the school fund and as far as any fees associated with that licensing would go to the Highway fund.

Ms Butts explained what they were presently doing to get the word out about registering and stated that they were open to ideas. She expressed her concern about the authority of contractors and whether they had the authority to contract this out.

No opposing testimony.

Senator Lee closed the hearing on SB 2207.

Senator Nething moved to adopt amendment 11.0609.01001.

Senator Mathern seconded motion.

Roll call vote 6-0-0. **Amendment adopted.**

Senator Nething moved a **Do Pass as Amended and Rerefer to Appropriations.**

Senator Oehlke seconded the motion.

Roll call vote 6-0-0. **Motion passed.**

Carrier is **Senator Nething.**

FISCAL NOTE
Requested by Legislative Council
04/07/2011

Amendment to: Engrossed
SB 2207

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$3,258,445		\$3,258,445
Expenditures				\$133,960		\$133,960
Appropriations				\$133,960		\$133,960

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$1,121,349	\$637,130		\$1,121,349	\$637,130	

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

As amended, this bill imposes certain registration requirements on non-resident vehicles that will be operating in ND for 90 or more consecutive days, or are gainfully employed. It also effectively limits costs for promotion of the new law to not more than \$50,000.

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.*

Sections 1 and 2 of this measure establish registration fees for vehicles that will be operating in ND for 90 or more consecutive days, or are gainfully employed. These sections will generate additional revenue for the Highway Tax Distribution Fund and also will result in additional costs for NDDOT.

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.*

It is not possible to positively determine the impact that this legislation would have on revenues as we have no reliable method to determine the additional motor vehicles that would be registered as a result of this legislation. However, we can assume a hypothetical scenario and assign revenues according to the scenario.

This scenario assumes that there are approximately 12,000 oil field jobs with 60 percent of those jobs filled by out of state residents. It is assumed that each oil field worker has one light vehicle (20,000 lbs or less) and that we will achieve approximately 75% compliance with a new temporary registration law. ND currently has about 1,400 temporary registrations in place. These assumptions would result in approximately 4,350 additional light vehicles being registered.

It is assumed that "company vehicles" are primarily heavy vehicles (greater than 20,000 lbs). We assumed that there would be 500 heavy vehicles in each individual weight class.

Finally, it is assumed that the revenues generated by temporary registrations on trailers and motorcycles will be minimal and the additional revenue impact from non-oil production areas in the state would also be minimal.

Likewise, it is assumed that revenues from fines for violation of this act will be relatively immaterial.

Based on the scenario criteria outlined above, the following revenue scenario could result:

ADDITIONAL GROSS ANNUAL VEHICLE REGISTRATION REVENUES:

Light Vehicles (20,000 lbs and less):

4,350 vehicles X \$130 registration fees = \$565,500

Heavy Vehicles:

20,001-42,000 lbs: 500 vehicles X \$450 registration fees = \$225,000

42,001-62,000 lbs: 500 vehicles X \$770 registration fees = \$385,000

62,001-82,000 lbs: 500 vehicles X \$1,070 registration fees = \$535,000

82,001-105,500 lbs: 500 vehicles X \$1,810 registration fees = \$905,000

Total annual additional revenue - heavy vehicles = \$2,050,000

Total gross additional annual registration revenues - all classes:

Light vehicles \$565,500 + Heavy vehicles \$2,050,000 = \$2,615,500

Total additional biennial registration revenues - all classes: \$2,615,500 annual revenues X 2 = \$5,231,000

REVENUE IMPACT OF ADDITIONAL MOTOR VEHICLE EXPENSES

Because the costs of the NDDOT Motor Vehicle Operating Expenses are netted off of the gross motor vehicle registration proceeds before deposit into the Highway Tax Distribution Fund, the additional revenues generated by this bill must be considered net of the related expenses. As detailed in Section 3B below, the additional expenses that will be incurred by NDDOT pursuant to this bill total \$133,960. Therefore, the revenues available for distribution through the Highway Tax Distribution Fund will be \$5,097,040 (\$5,231,000 gross revenues generated less \$133,960 NDDOT expenses funded directly from gross revenues). Additionally, the \$133,960 of expenses deducted from the proceeds will also be added to NDDOT's revenues because this represents revenues to the agency to fund the additional costs incurred as a result of this measure.

IMPACT OF ADDITIONAL REVENUES (NET OF EXPENSES) DISTRIBUTED THRU THE HIGHWAY TAX DISTRIBUTION FUND \$5,097,040:

Allocation through the Highway Tax Distribution Fund:

Cities (12.5%) \$637,130

Counties (22%) \$1,121,349

Townships (2.7%) \$137,620

Transit (1.5%) \$76,456

NDDOT (61.3%) \$3,124,485

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.*

TOTAL NDDOT COSTS ASSOCIATED WITH BILL = \$133,960

Decal costs (12,000 X \$.98) \$11,760

Postage and envelopes (12,000 X \$.60) \$7,200

Awareness Campaign \$50,000

Credit Card Merchant Fees \$65,000

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 is also included in the executive budget or relates to a continuing appropriation.*

NDDOT will require an addition to the appropriation in the amount of \$133,960 to cover the additional expenditures associated with this measure.

Name:	Shannon L. Sauer	Agency:	NDDOT
Phone Number:	328-4375	Date Prepared:	04/07/2011

FISCAL NOTE

Requested by Legislative Council
03/04/2011

REVISION

Amendment to: SB 2207

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$3,277,795		\$3,277,795
Expenditures				\$183,960		\$183,960
Appropriations				\$183,960		\$183,960

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$1,110,349	\$630,880		\$1,110,349	\$630,880	

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

As amended, this bill imposes certain registration requirements on non-resident vehicles that will be operating in ND for 90 or more consecutive days, or are gainfully employed.

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.*

Sections 1 and 2 of this measure establish registration fees for vehicles that will be operating in ND for 90 or more consecutive days, or are gainfully employed. These sections will generate additional revenue for the Highway Tax Distribution Fund and also will result in additional costs for NDDOT.

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.*

It is not possible to positively determine the impact that this legislation would have on revenues as we have no reliable method to determine the additional motor vehicles that would be registered as a result of this legislation. However, we can assume a hypothetical scenario and assign revenues according to the scenario.

This scenario assumes that there are approximately 12,000 oil field jobs with 60 percent of those jobs filled by out of state residents. It is assumed that each oil field worker has one light vehicle (20,000 lbs or less) and that we will achieve approximately 75% compliance with a new temporary registration law. ND currently has about 1,400 temporary registrations in place. These assumptions would result in approximately 4,350 additional light vehicles being registered.

It is assumed that "company vehicles" are primarily heavy vehicles (greater than 20,000 lbs). We assumed that there would be 500 heavy vehicles in each individual weight class.

Finally, it is assumed that the revenues generated by temporary registrations on trailers and motorcycles will be minimal and the additional revenue impact from non-oil production areas in the state would also be minimal. Likewise, it is assumed that revenues from fines for violation of this act will be relatively immaterial.

Based on the scenario criteria outlined above, the following revenue scenario could result:

ADDITIONAL GROSS ANNUAL VEHICLE REGISTRATION REVENUES:

Light Vehicles (20,000 lbs and less):

4,350 vehicles X \$130 registration fees = \$565,500

Heavy Vehicles:

20,001-42,000 lbs: 500 vehicles X \$450 registration fees = \$225,000

42,001-62,000 lbs: 500 vehicles X \$770 registration fees = \$385,000

62,001-82,000 lbs: 500 vehicles X \$1,070 registration fees = \$535,000

82,001-105,500 lbs: 500 vehicles X \$1,810 registration fees = \$905,000

Total annual additional revenue - heavy vehicles = \$2,050,000

Total gross additional annual registration revenues - all classes:

Light vehicles \$565,500 + Heavy vehicles \$2,050,000 = \$2,615,500

Total additional biennial registration revenues - all classes: \$2,615,500 annual revenues X 2 = \$5,231,000

REVENUE IMPACT OF ADDITIONAL MOTOR VEHICLE EXPENSES

Because the costs of the NDDOT Motor Vehicle Operating Expenses are netted off of the gross motor vehicle registration proceeds before deposit into the Highway Tax Distribution Fund, the additional revenues generated by this bill must be considered net of the related expenses. As detailed in Section 3B below, the additional expenses that will be incurred by NDDOT pursuant to this bill total \$183,960. Therefore, the revenues available for distribution through the Highway Tax Distribution Fund will be \$5,047,040 (\$5,231,000 gross revenues generated less \$183,960 NDDOT expenses funded directly from gross revenues). Additionally, the \$183,960 of expenses deducted from the proceeds will also be added to NDDOT's revenues because this represents revenues to the agency to fund the additional costs incurred as a result of this measure.

IMPACT OF ADDITIONAL REVENUES (NET OF EXPENSES) DISTRIBUTED THRU THE HIGHWAY TAX DISTRIBUTION FUND \$5,047,040:

Allocation through the Highway Tax Distribution Fund:

Cities (12.5%) \$630,880

Counties (22%) \$1,110,349

Townships (2.7%) \$136,270

Transit (1.5%) \$75,706

NDDOT (61.3%) \$3,093,835

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.*

TOTAL NDDOT COSTS ASSOCIATED WITH BILL = \$183,960

Decal costs (12,000 X \$.98) \$11,760

Postage and envelopes (12,000X \$.60) \$7,200

Awareness Campaign \$100,000

Credit Card Merchant Fees \$65,000

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 is also included in the executive budget or relates to a continuing appropriation.*

NDDOT will require an addition to the appropriation in the amount of \$183,960 to cover the additional expenditures associated with this measure.

Name:	Shannon L. Sauer	Agency:	NDDOT
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Phone Number: 328-4375

Date Prepared: 03/07/2011

FISCAL NOTE

Requested by Legislative Council
02/01/2011

Amendment to: SB 2207

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$3,252,640		\$3,252,640
Expenditures				\$118,960		\$118,960
Appropriations				\$118,960		\$118,960

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$1,124,649	\$639,005		\$1,124,649	\$639,005	

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

As amended, this bill imposes certain registration requirements on non-resident vehicles that will be operating in ND for 90 or more consecutive days, or are gainfully employed.

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.*

Sections 1 and 2 of this measure establish registration fees for vehicles that will be operating in ND for 90 or more consecutive days, or are gainfully employed. These sections will generate additional revenue for the Highway Tax Distribution Fund and also will result in additional costs for NDDOT.

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.*

It is not possible to positively determine the impact that this legislation would have on revenues as we have no reliable method to determine the additional motor vehicles that would be registered as a result of this legislation. However, we can assume a hypothetical scenario and assign revenues according to the scenario.

This scenario assumes that there are approximately 12,000 oil field jobs with 60 percent of those jobs filled by out of state residents. It is assumed that each oil field worker has one light vehicle (20,000 lbs or less) and that we will achieve approximately 75% compliance with a new temporary registration law. ND currently has about 1,400 temporary registrations in place. These assumptions would result in approximately 4,350 additional light vehicles being registered.

It is assumed that "company vehicles" are primarily heavy vehicles (greater than 20,000 lbs). We assumed that there would be 500 heavy vehicles in each individual weight class.

Finally, it is assumed that the revenues generated by temporary registrations on trailers and motorcycles will be minimal and the additional revenue impact from non-oil production areas in the state would also be minimal. Likewise, it is assumed that revenues from fines for violation of this act will be relatively immaterial.

Based on the scenario criteria outlined above, the following revenue scenario could result:

ADDITIONAL GROSS ANNUAL VEHICLE REGISTRATION REVENUES:

Light Vehicles (20,000 lbs and less):

4,350 vehicles X \$130 registration fees = \$565,500

Heavy Vehicles:

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42,001-62,000 lbs: 500 vehicles X \$770 registration fees = \$385,000

62,001-82,000 lbs: 500 vehicles X \$1,070 registration fees = \$535,000

82,001-105,500 lbs: 500 vehicles X \$1,810 registration fees = \$905,000

Total annual additional revenue - heavy vehicles = \$2,050,000

Total gross additional annual registration revenues - all classes:

Light vehicles \$565,500 + Heavy vehicles \$2,050,000 = \$2,615,500

Total additional biennial registration revenues - all classes: \$2,615,500 annual revenues X 2 = \$5,231,000

REVENUE IMPACT OF ADDITIONAL MOTOR VEHICLE EXPENSES

Because the costs of the NDDOT Motor Vehicle Operating Expenses are netted off of the gross motor vehicle registration proceeds before deposit into the Highway Tax Distribution Fund, the additional revenues generated by this bill must be considered net of the related expenses. As detailed in Section 3B below, the additional expenses that will be incurred by NDDOT pursuant to this bill total \$118,960. Therefore, the revenues available for distribution through the Highway Tax Distribution Fund will be \$5,112,040 (\$5,231,000 gross revenues generated less \$118,960 NDDOT expenses funded directly from gross revenues). Additionally, the \$118,960 of expenses deducted from the proceeds will also be added to NDDOT's revenues because this represents revenues to the agency to fund the additional costs incurred as a result of this measure.

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Allocation through the Highway Tax Distribution Fund:

Cities (12.5%) \$639,005

Counties (22%) \$1,124,649

Townships (2.7%) \$138,025

Transit (1.5%) \$76,681

NDDOT (61.3%) \$3,133,680

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.*

TOTAL NDDOT COSTS ASSOCIATED WITH BILL = \$118,960

Decal costs (12,000 X \$.98) \$11,760

Postage and envelopes (12,000X \$.60) \$7,200

Awareness Campaign \$100,000

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 is also included in the executive budget or relates to a continuing appropriation.*

NDDOT will require an addition to the appropriation in the amount of \$118,960 to cover the additional expenditures associated with this measure.

Name:	Shannon L. Sauer	Agency:	NDDOT
Phone Number:	328-4375	Date Prepared:	02/01/2011

FISCAL NOTE

Requested by Legislative Council
01/14/2011

Bill/Resolution No.: SB 2207

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.*

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Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$1,124,649	\$639,005		\$1,124,649	\$639,005	

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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.*

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Heavy Vehicles:

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42,001-62,000 lbs: 500 vehicles X \$770 registration fees = \$385,000

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Total gross additional annual registration revenues - all classes:

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Total additional biennial registration revenues - all classes: \$2,615,500 annual revenues X 2 = \$5,231,000

REVENUE IMPACT OF ADDITIONAL MOTOR VEHICLE EXPENSES

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IMPACT OF ADDITIONAL REVENUES (NET OF EXPENSES) DISTRIBUTED THRU THE HIGHWAY TAX DISTRIBUTION FUND \$5,112,040:

Allocation through the Highway Tax Distribution Fund:

Cities (12.5%) \$639,005

Counties (22%) \$1,124,649

Townships (2.7%) \$138,025

Transit (1.5%) \$76,681

NDDOT (61.3%) \$3,133,680

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.*

TOTAL NDDOT COSTS ASSOCIATED WITH BILL = \$118,960

Decal costs (12,000 X \$.98) \$11,760

Postage and envelopes (12,000X \$.60) \$7,200

Awareness Campaign \$100,000

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 is also included in the executive budget or relates to a continuing appropriation.*

NDDOT will require an addition to the appropriation in the amount of \$118,960 to cover the additional expenditures associated with this measure.

Name:	Shannon L. Sauer	Agency:	NDDOT
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Phone Number: 328-4375

Date Prepared: 01/21/2011

January 25, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2207

Page 1, line 13, overstrike "for any"

Page 1, line 14, overstrike "purpose and are not gainfully employed or stationed in this state"

Renumber accordingly

Date: 1-27-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2207

Senate Transportation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0609, 01001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Nething Seconded By Senator Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator Tim Mathern	✓	
Vice Chairman Dave Oehlke	✓				
Senator Dave Nething	✓				
Senator George Nodland	✓				
Senator Margaret Sitte	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Nething

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

Date: 1-27-11
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2207

Senate Transportation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0609.01001

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Mathern Seconded By Senator Oehlke

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator Tim Mathern	✓	
Vice Chairman Dave Oehlke	✓				
Senator Dave Nething	✓				
Senator George Nodland	✓				
Senator Margaret Sitte	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Mathern

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

REPORT OF STANDING COMMITTEE

SB 2207: Transportation Committee (Sen. G. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2207 was placed on the Sixth order on the calendar.

Page 1, line 13, overstrike "for any"

Page 1, line 14, overstrike "purpose and are not gainfully employed or stationed in this state"

Renumber accordingly

2011 SENATE APPROPRIATIONS

SB 2207

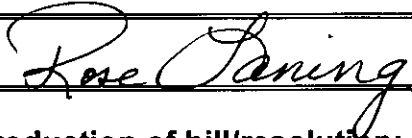
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2207
February 7, 2011
Job #14073

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to temporary motor vehicle registration.

Minutes:

See attached testimony - #1

Chairman Holmberg called the committee hearing to order on SB 2207.

Roxanne Woeste: Legislative Council; **Tad H. Torgerson** - OMB.

Linda Butts, Deputy Director, Driver and Vehicle Services, NDDOT

Testified in favor of SB 2207. She said they testified several times before the interim committee that Senator O'Connell was chairman of. There were many questions on temporary vehicle registration especially as it applied to the NW. The DOT sat down with the Highway Patrol to craft a piece of legislation that could serve the needs of the public and was acceptable to the two parties. They worked with Senator Lyson and what they came up with was an easy online process, and in addition law enforcement can also sell them, and registration is also available in Motor Vehicle offices. She presented the decal that they came up with. (See attachment #1). The biggest obstacle has been how do we know when a company comes into the state? Last summer we attended a big energy conference in the state and pulled a business card off of every table. We picked up on the web site all the companies that were drilling. She explained other avenues that they used or could use to try to get the word out. She talked about expenses, the tables, and the fiscal note. She also talked about law enforcement and what is an appropriate traffic stop.

Senator Bowman asked if they had checked with Montana on how they handle vehicles when they come into their state to do business. He said that they were really strict over there. There are a lot of Wyoming vehicles in ND.

Ms. Butts replied that they are aware that Montana has very strict laws about their fees and they can pull people over. Senator Lyson would like this in the west but if you take the same laws over to the east and the border cities, this could be a problem. This process was a compromise that could work for ND.

Senator O'Connell stated that Linda has put a lot of work into this. Could you explain what the law is now and the sticker?

Ms. Butts said that currently to get registrations, it says "Law enforcement may sell." It is inefficient. The new decal cannot be duplicated or manipulated. This is a 3M tag and if you try to put it on another vehicle, it will destruct.

Senator O'Connell the temporary permit that we have is very much cheaper than what we could register for.

Ms. Butts said that they are sold in one month increments. Motor vehicle is not able to keep ahead. So in the new temporary registration they can be purchased in 6 months or one year increments.

Chairman Holmberg asked in a 1.5 billion dollar budget why highway patrol can't find the money for this.

Ms. Butts said that at DOT, they will say, we can do that, but that take money off the roads. They say when you give money to DOT it should go to the roads.

Senator Christmann asked where that sticker goes on the vehicle.

Ms. Butts replied that we are giving DOT that ability to decide.

Senator Christmann said that given the general rule, which individuals in state are supposed to register their vehicles in the state.

Ms. Butts said that in this bill we tried to clean up language of defining what a resident is. She said they tried to be very broad. If you are employed in ND, you should be getting a temporary registration.

Senator Christmann asked, even if you live in Moorhead.

Ms. Butts replied that there are exemptions and explained them.

Senator O'Connell said what we were looking at was anybody who doesn't sleep in ND.

Chairman Holmberg if the fiscal note is current, and changes made were minor, if this bill passes, the state will gain in other funds \$3.2M, and it will cost, \$118,000 for stuff and money for marketing. You're asking for \$118,000 out of the expected gains from the bill.

Ms. Butts said that she thought his theory was correct. She said \$5.2M is the total amount that they are expecting but of that amount \$3.2M goes to the state and the rest to counties and cities.

Senator Wanzek asked what we are collecting now.

Ms. Butts said there were 1400 temporary registrations on books right now.

Senator Wanzek so the passage of this bill will help with the collecting from those who are not paying now. How are we going to enforce this?

Ms. Butts she said that the fine will increase and she went back to her original statement – the hardest thing is to get the word out and enforcement.

Chairman Holmberg said that you feel pretty confident that if we pass this bill your agency will collect more than \$118,000. It will not be a negative impact on the roads.

Ms. Butts replied that is correct.

Captain David Kleppe, North Dakota Highway Patrol

Testified in favor of SB 2207.

He said that they can sell temporary registration as part of an enforcement act and with the additional fines this should encourage better compliance. Getting the word out is starting to have an impact. He said with the online system we should be able to get to that system easily and generate the actual transaction and get the permit sent to them. One of the issues that the NDHP has is that law enforcement can't just stop someone for an out-of-state plate. There has to be another violation. It's more difficult to do the enforcement.

Senator Bowman – When companies come in with big rigs, they have to apply for a permit. That would be a perfect time to tell them they also need temporary license registration. The difficult ones are the service pickups that do business in the state and are harder to identify.

Captain Kleppe agreed that the bigger companies may be easier to get registered and some of the smaller service vehicles are harder. That is where DOT is suggesting that we get access to the bigger companies so friendly mailing can be used because they feel the companies want to be in compliance. They just haven't taken the time to do it. It is a big part of this program, trying to get voluntary compliance.

Senator Christmann asked why people with out of state plates that have been living in this community and everyone knows they are working in the oil field, is that enough reasonable cause to check into it.

Captain Kleppe said that if there is a trouper that lives in that community and is able to make that determination, there could be probable cause at some point. He said that they did not want to be overly aggressive.

Senator Christmann said that he heard that there are big delays in getting and renewing CDLs, if we add this temporary registration process is DOT going to be able to keep up with their work.

Ms. Butts replied that this is motor vehicle side of the house that deals with this, so this would be treated like a registration tab. She said they do have tremendous backup in the CDL's. That part of DOT's business (CDL) has grown 36% in the last year. The reason this is the most pliable for the motor vehicle side of the world is that by going online, it will automatically trigger our system to then print in batches these particular registration tabs and then we can mail them out.

Senator Wanzek asked if the department had any authority in a situation that it is pretty obvious that there are out of state employed people with out of state registrations, can they be contacted and made aware of this temporary registration requirement.

Ms. Butts said the answer to that would be yes, if we know how to get hold of them. We're trying to get ND addresses. We have no efficient way of doing this.

Senator O'Connell asked if law enforcement have authority to drive onto sites and talk to people.

Captain Kleppe answered yes, they have that authority. There are questions with private property, but when there is a big crew we try to coordinate with company leadership. He said they are spread thin so when it comes to doing administrative things we have to be careful because it takes officers off the road. He believes the online system will catch on in the future.

Senator Christmann asked how many tickets are written per year for these registration issues.

Captain Kleppe replied that he didn't have that information but could get it for the committee.

Ms. Butts talked about the tremendous turnover they have had in staff and seven have went to work in the oil fields.

Senator Erbele asked that if the Highway Patrol stop someone who is not registered properly, are they fined or told to register.

Captain Kleppe said that if it's been a few days, then we give a warning. Generally, we are fairly aggressive and we don't give a lot of time for that. They allow a few days from start of employment but immediately upon gainful employment the citation is issued.

Chairman Holmberg closed the hearing on SB 2207. He said that this bill seems to close loopholes and help people who should be registering their vehicles on a temporary basis. As for the fiscal note, it is revenue enhancement.

Senator O'Connell moved Do Pass SB 2207

Senator Wardner seconded.

A Roll Call vote was taken. Yea: 12 Nay: 0 Absent: 1

Motion carried and the bill will be sent back to the Transportation committee and Senator Nething will carry the bill.

Date: 2-7-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2207 + send back to transportation

Senate Appropriation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Sen. O'Connell Seconded By Sen. Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	A	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment back to transportation Committee

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

Sen. Nothing will be carried

REPORT OF STANDING COMMITTEE

SB 2207, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed SB 2207 was placed on the Eleventh order on the calendar.

2011 HOUSE TRANSPORTATION

SB 2207

2011 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

SB 2207
03/10/11
Job # 15281

☐ Conference Committee

Committee Clerk Signature

Jeannette Cook

Explanation or reason for introduction of bill/resolution:

SB 2207 is a bill relating to temporary motor vehicle registration and excise tax; and relating to motor vehicle registration; and to declare an emergency.

Minutes:

Attachment #1

Senator Stan Lyson, District 1 in Williston, introduced SB 2207 and spoke in support of the bill. He brought the bill forward because he has had complaints about people driving around Williston with out-of-state plates, and it is not possible to determine if they have a temporary license or not. He explained that the old temporary license is a black and white sheet of paper with a number that is affixed to the windshield. It is difficult to see and keep attached. There have even been people who made fake permits. The Highway Patrol and the Department of Transportation assisted in coming up with this new system for temporary licenses. In way of information, the licensing division in Williston has issued licenses for every state in the Union except Delaware and Hawaii.

Linda Butts, Deputy Director for Driver and Vehicle Services at the North Dakota Department of Transportation, spoke to support SB 2207 and provided written testimony. See attachment #1.

Chairman Ruby: I don't see an exemption for military personnel in this.

Linda Butts: That is because that is already in law, 3904.18 Subsection 2I.

Representative Weisz: I don't understand the section where we are doing the temporary on commercial vehicles, when we already prorate registration and fuel tax and everything else. What is the point of having the temporary registration for commercial vehicles?

Linda Butts: Are you talking about to the IRP where they have a cab card and have registered?

Representative Weisz: Maybe a carrier is in North Dakota, but they still have to show the miles that they run in North Dakota versus Wyoming, where they came from. So, they still can't get around paying the registration to North Dakota for that amount of time. Why are we setting up this schedule for commercial vehicles?

Linda Butts: There is a recognition that if you are in the IRP program you pay a prorated share based on the miles that you drive in North Dakota. This was put in the schedule as a catch all if they are any of the large vehicles in the state that need to be registered. This is a mechanism to do that. I can tell you how we arrived at the fees in 3904.19. They are in 2,000 pound increments. Then we grouped them into 22,000 pound increments and took the top number. If you look in the book, it would be 42,000 pounds; we rounded that number up and divided by 2 to get 6. This policy body could certainly change those fees.

Representative Weisz: Outside of farm plates, they are all under that if you are operating interstate, correct? What other group are you interested in catching here?

Linda Butts: I didn't sit in on all of the discussion.

Representative Gruchalla: If an oil rig comes in, are you not only looking for the passenger vehicles but looking for the ton trucks, such as welding trucks, that need to register also? They would not be in IRP or prorated statewide. They are licensed in Wyoming and operating here?

Representative Weisz: These are not too many ton trucks that are 100 and 5/5. They are commercial vehicles that are operating interstate. They don't have a choice as far as I understand it.

Representative Gruchalla: This does talk about the ton trucks. It wouldn't have anything to do with the commercial vehicles. This would be the ton trucks and the passenger vehicles.

Representative Weisz: Then why do we have fees for 82,000 pounds and 105,500 pounds? I am specifically addressing these, and wondering why that is in there for temporary permits when we are already catching those vehicles.

Linda Butts: Is your concern that the weight category on line 17-20 goes too high?

Representative Weisz: I am not concerned that it goes to high. I am just saying that we are already catching them. Why would anyone do a temporary permit when they are already prorated and paying those fees to the state of North Dakota now?

Linda Butts: The committee felt that there could be categories of vehicles that could fall into the category, that weren't apportioned or proportioned through the IRP, and if they were in the state then this would be the guideline. I could try to research this.

Colonel Jim Prochniack: We were trying to avoid limiting any scenario when we came across that option. We didn't want to stop it at 42,000 or 82,000, so we went up to 105,500, which is a common figure. Obviously, the increments that are included there just seemed to fall in line with what the rest of the bill was trying to accomplish. We understand Representative Weisz's comment, and it is accurate. We were trying to alleviate any exception to that.

Representative Delmore: Do they do something like this in other states? Where in particular they single out these people and seem to gouge them more than their own residents?

Linda Butts: I don't know that we studied rates in other states. There is nothing magic about these numbers. There was, however, a recognition that when they come into the state, they don't pay any excise tax or other fees. So, is this the appropriate number to charge them? I don't know. We got some feedback from oil producing counties that these vehicles are tearing up their roads, and they want them to make a contribution. They are comfortable with this fee schedule. If you are not, you are the policy makers, so you have to change it.

Chairman Ruby: I'm not sure that the question was as much about the fees, as it was about charging if you are here 90 days or more.

Colonel Jim Prochniack: States all around us do the very same thing. Senator Lyson indicated that Montana is much higher than what we are looking at in this proposed measure.

Representative Delmore: Do they use the same 90 days that they are basing that on?

Colonel Jim Prochniack: I am not sure about the time frame. It is within a certain time, but it is within a certain time that you have to apply for a temporary registration as well.

Representative R. Kelsch: If we pass this bill, is it going to help to capture those additional temporary permits, and if so, how?

Colonel Jim Prochniack: We are certainly in support of this bill. There are some hurdles when it comes to enforcement of this. For example, we can't just stop people for having an out-of-state plate. The mechanism as described by Senator Lyson, the piece of paper that can be falsified; we have come across them on occasion. They can develop their own, and they get quite good at it. By moving to this plate example it will allow our officers to easily identify the temporary permit. The officers will have to have a reason to stop a driver first, but then they can pursue a line of questioning about a temporary permit if they don't have one. We also feel that creating that kind of visibility makes it evident for those that are out-of-state, that they need to get in compliance if they don't have a permit. Now, there seems to be no effort at all.

Representative Delmore: The non-moving violation, is that a \$20 fine? How are you going to charge someone for a non-moving violation?

Colonel Jim Prochniack: Someone might have gone through the registration process, but they are not displaying the tag. That would be a non-moving violation, when they have paid the fees, but do not have the "tag" displayed.

Representative Gruchalla: Referring to the heavier fees in the schedule, weren't they included because there were some instances of semi-trucks in the state that weren't or didn't have to be a member of the IRP? Do you remember what those were?

Colonel Jim Prochniack: Yes, there were some. I don't recall exactly what they were. When we met to figure out this schedule, those very examples were what we concentrated on in the interim discussion.

Chairman Ruby: Is the 90 days cumulative or consecutive?

Colonel Jim Prochniack: It is consecutive.

Chairman Ruby: In other states if they have something like this, are there people that stay in the state for a couple of months and then leave when they get close to the 90 days?

Colonel Jim Prochniack: Yes, I think some do try to play that game.

Chairman Ruby: If you pull someone over, how can you prove that they weren't gone for awhile?

Colonel Jim Prochniack: It can be difficult. Often time it may come down to personal knowledge or relying on what the operator of the vehicle is giving us for information. This is not unlike most of our laws; voluntary compliance is paramount. Most people want to be legal. We are finding in most of our situations, particularly in oil country, these folks are working such long days that they don't have the time to get this done to be in compliance. We are trying to make that process easier for them. We are not going to tell you that it is foolproof and will capture everyone.

Chairman Ruby: It seems to me that our mechanism of paying for roads through the gas tax, which they buy when they are in North Dakota, is a user fee, and they pay it. That is not voluntary; everyone pays it. This looks like only the honest people pay.

Colonel Jim Prochniack: When we were approached about this issue, we tried to develop a mechanism that would tighten it up and make it apparent to North Dakota residents that we are not ignoring their concerns. We tried to develop a system and a fee structure that seemed to satisfy many of those concerns. I have dually noted your comment, Chairman Ruby.

Linda Butts: We did do research in other states. Montana has a sixty day period. Wyoming has a 120 day period. South Dakota has a 90 day period. We also looked at fees, and I will get those for you. Representative Weisz, we can do some more research on the IRP if you want us to. Charlie Sheeley, who is an attorney in our office, helped us write the legislation. He is here with us. The 90 days is one of many caveats by which we declare you a resident, and then you would have to temporarily register. So, it is not 90 days and being gainfully employed, or 90 days and working here, or 90 days and living here. We tried to capture any combination of those that someone would be declared a resident.

Chairman Ruby: Is there a definition for gainfully employed? We need a way for law enforcement to make a determination if someone is a resident. How do they prove it?

Charlie Sheeley, Attorney for the Department of Transportation: This bill does not specifically define gainfully employed. I would like to remind the committee this bill simply clarifies what is already in law. The extra words provide a little more clarification for the temporary workers, the North Dakota Department of Transportation workers, the law enforcement, prosecutors, judges, or whoever the case may get to to explain who has to register. It is a difficult process. I would like to stress that this bill is just a clarification of what is already in law.

Representative R. Kelsch: Is "gainfully employed" defined anywhere in code, or is it standard language that is used to identify a person who is employed in the state?

Charlie Sheeley: It came from language that is already in code. I'm not sure if "gainfully employed" is defined somewhere.

Representative Onstad: I agree that the situation is increasing because you see all these out-of-state plates, and the Highway Patrol tries to follow up to get them registered. But, what is the rule when someone has to get a registration? Is it 30 days?

Charlie Sheeley: At this point to my knowledge there is no specific day requirement in the motor vehicle registration section for a time someone would come into the state. Again, the general rule is that any vehicle has to be registered that comes into the state. There are certain exceptions. For a new resident that would come into the state, if their vehicle was registered in another state and displayed that registration, they would be exempt from registration unless they were gainfully employed in the state and a resident for any purpose.

Representative Onstad: We have teachers in our area that are from out-of-state, and they drive with their out-of-state plates all year. Shouldn't they also have to apply for a North Dakota driver's license after they are here for 30 days?

Charlie Sheeley: The time for a driver's license is 90 days.

Representative Onstad: When applying for a driver's license, that would be a good place to let them know that they also need to have their vehicle registered.

Charlie Sheeley: For the 'gainfully employed' question, note that the words after that in the bill state "or engages in any trade profession or occupation within the state". That expands the direction of the statute and what 'gainfully employed' is supposed to mean.

Representative R. Kelsch: This is not totally on this bill, but if you are a student in the state, you don't have to get a different license. But, what if you are a student in the state, and attending a private online university that is not located in the state? Do you have to get a North Dakota driver's license?

Charlie Sheeley: I would have to do some research to answer that.

Representative Delmore: There can be so many "what if's". It will be difficult figuring out who it is that we really want to do this. Linda, why an additional fee of \$10 for these stickers?

Linda Butts: The 3M product that they are made out of is quite expensive. So, we were just trying to recapture the cost of the material, the mailing, and handling. We know that this is imperfect. It might be better than what we have, but the other thing that we were always cognizant of when drafting this bill, is that from an enforcement standpoint you do not want the highway patrol pulling over shoppers who have come down from Canada for the weekend, for example. We worked at finding where to draw the line. You are correct. This is messy. It is a little bit better than what we have. It was driven by people in the west that really want to see some sort of mark on a vehicle that says they are contributing to the upkeep of the roads. If you can help us to improve it, we are certainly open to that.

Chairman Ruby: There is existing law. Apparently the view is that we are not capturing many of these vehicles that are from out-of-state and thus giving us the fiscal note, which is saying that we will capture a lot more people. That will give us a lot more money than what we have now. So, we are going to add more requirements to try to capture the ones that we are not capturing now with enforcement. I don't know if the fiscal note is accurate. It may be a bit optimistic.

Linda Butts: That is possible. We had to guess about the economic activity going on, particularly in the NW.

Chairman Ruby: You mentioned the process for trying to get the word out to register out-of-state vehicles. You could be doing that now to try to have them comply with the current law. That would capture more money without having to put more language in the bill.

Representative Owens: If we assume gainfully employed means gaining something by being employed, what about people that come into the state and work in a volunteer position?

Chairman Ruby: They would be exempt.

Representative Weisz: Linda, can you tell me the section of code that currently tells about temporary registrations.

Linda Butts: I have some notes from Charlie. Temporary registrations must be issued in such a manner as prescribed by the director. That is in 39.04.21.

Representative Frantsvog: Would your troopers have the capabilities to take these temporary registrations in the field?

Colonel Jim Prochniack: Yes, we do have the capabilities. We support this, but don't want to tie up our officers as temporary registration offices on the side of the road. We would like to encourage people to use an online site to register, or to come in to a satellite office. If the officers have to do this on the side of the road, it will become too burdensome, especially in the NW where we are talking about.

Chairman Ruby: In the testimony it does say that the Highway Patrol will continue to sell the registrations. So, you may have to be prepared to step that up if this passes.

Colonel Jim Prochniack: We have always been able to sell those for as long as I can remember. Putting this online, would simplify things for us. I will give you an example of how we currently try to handle a situation like that. If we know that a group of workers are going to come into the area to do some construction, we work through their supervisors. We go over, collect the registrations, and bring them back to the central office. We have one receipt, one transaction, and the officer goes back and hands the material back. That is the most efficient use of our resources. Then we are still assisting, enforcing the law, and helping out with compliance.

Representative R. Kelsch: During the legislative session, do you look ahead at the legislation to see if you would have the manpower to enforce all the new duties that will be added if the bills pass and are added to law?

Colonel Jim Prochniack: We do have a lot of those discussions. The simple answer is yes. In 2009 when we saw a jump in the fatality rate, my officers were instructed to focus on accident causation factors, and then some of these types of things may take a backseat. We have to prioritize, and we go strongly toward the safety measures.

Representative R. Kelsch: Many people here have said that a lot of these bills are focusing on issues in the west. Does that mean that you are going to have to concentrate more of your efforts out in the west and perhaps move some of your law enforcement officers?

Colonel Jim Prochniack: We have taken that into consideration, and especially in the last couple of years, we have opened up the west to transfers and had very little interest. We are trying to accomplish that, but there is also a difference of opinion there. We understand the pressure in the west. However, there isn't any less pressure anywhere else. It is a sensitive issue.

Representative Sukut: Are you looking at the enforcement of this issue just through the Highway Patrol? When you drive around Williston in the new residential areas, every license plate that you see is from a different state than North Dakota. Will local law enforcement people also be involved in solving this issue?

Colonel Jim Prochniack: Local police departments and sheriff's offices can certainly enforce this law. I don't know if I understand your question.

Representative Sukut: I am just wondering if they are going to part of this effort in some way.

Colonel Jim Prochniack: I guess because of the language that is referenced in this bill, it throws us under the bus, so to speak. Some agencies say that it is the Highway Patrol's problem. They may not place their emphasis on it. Not unlike the different situations that Representative R. Kelsch pointed out. There are many different time restraints placed on

all agencies, and they don't look at a registration issue quite like the Highway Patrol does. We could work with those agencies and tell them that if they have those violations, they should refer them to our office, so we can get them registered.

Representative Sukut: It is a problem everywhere. In terms of awareness, maybe we should make the employers aware that these registrations are required.

Linda Butts: I didn't mean to imply that we have done nothing to try to encourage the existing laws. We have been proactive and created a data base with all the companies that we are aware of. We authored a letter that was signed by Francis, the Director, explaining the law. That was our first effort to raise awareness. We struggled with the questions: will we get the compliance we desire, will we get the bang for our buck, and how do we do it in a way that doesn't hassle the people that are rightly here on a temporary basis and don't need to comply with this law? I sense that the committee is struggling with that as well. It is a fine dance and not an easy subject. We also put up posters at the man camps to try to raise awareness.

Representative Gruchalla: Of the amount of temporary permits that were sold last year, how many were sold at an office and how many were sold on a road?

Linda Butts: We have tracked those, but I don't know if I have it right now. I can get back to you on that.

Representative Gruchalla: When you wrote the fiscal note, how many of those did you think would be voluntary registrations and how many did you think would be on the road?

Linda Butts: We didn't make that delineation.

Representative Gruchalla: Would it be fair to say that the vast majority sold last year were sold voluntarily?

Linda Butts: I would guess that it is probably a high percentage.

Colonel Jim Prochniack: I would guess that there are only a couple of hundred that we are writing on the road. It is very minimal.

Chairman Ruby: On the two fiscal notes, the amount of money has changed. What happened to make the difference?

Linda Butts: After we had testified and moved this through the Senate, we realized that we had made no acknowledgement that these are 100% online credit card transactions. We had made no recognition of the costs to run those credit cards. So, you will see a \$65,000 addition in the second fiscal note.

Chairman Ruby: How about the difference in revenue?

Linda Butts: I will have to research that.

Representative Onstad: We can pass this, so that it clarifies the rule more clearly. But, I will guarantee just because you do some awareness, it won't happen until you make some serious effort at enforcement. You could set up a checkpoint. The word will spread through the man camps very quickly, and then you will see a real increase in registration. I believe that they are all aware right now that they need to register.

Colonel Jim Prochniack: We are between a rock and a hard place. We cannot do a checkpoint based off of a registration. It wouldn't hold up in court. We cannot stop a driver just for having an out-of-state plate, unless the officer has personal knowledge. It is a challenge.

**There was no further support of SB 2207.
There was no opposition to SB 2207.**

The hearing was closed on SB 2207.

Representative R. Kelsch: The definition of gainful employment is: work that a person can pursue and perform for money. It is apparently not defined in our statute, but this definition came from Black's Law Dictionary.

The committee will hold SB 2207.

2011 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

SB 2207
03/11/2011
Job #15321

☐ Conference Committee

Committee Clerk Signature

Janette Cook

Minutes:

Chairman Ruby brought SB 2207 before the committee.

Chairman Ruby: I feel that the fiscal note is optimistic, and it won't probably result in capturing that many dollars, but I don't think that makes the bill undesirable in any way.

Representative Weisz: We did have a bill several sessions ago, trying to get those that are employed in the state to register their vehicles. It is a difficult situation. I like the visibility of the new sticker that they made. If we want to make the penalty a little higher, I don't have a problem with that. I question the need for the overall bill because I don't feel that it will significantly change things. The Highway Patrol cannot stop someone just because they have out-of-state plates. Most people don't realize that they need to do this. They wait until their registration runs out in the state that they came from, and then register here. I think that the code just says that they can charge for registration, so, the Department of Transportation could raise the fees.

Chairman Ruby: Keith Magnusson told me that in Montana and South Dakota the counties enforce this and get the money, so it works very well.

Representative Frantsvog: One of the things that will happen if this bill passes is that we are annually going to have to pay the \$183,000 in software, maintenance, etc. So, that is an expense that we are going to have to incur. But, having someone go out to try to find these people and sell them the permits, is at the bottom of their priority list. I also think that the projected revenue is way overstated. I'm not sure why we should do this. There will be no money coming in to the county or city law enforcement, and we have heard them say that it is not a priority for them.

Chairman Ruby: Some money will come back to them through the Highway Distribution Fund.

Representative Gruchalla: Most of the revenue that comes in on these temporary permits is obtained by a voluntary basis. People know that the law requires the permits, and they go in and buy them. In Minnesota along the border, they have squads that go out and aggressively pursue these people and sell them temporary permits. They make a lot of revenue that way. I agree that this bill will not do what we want it to do in the way of

enforcement; however, I do think that the issue will not go away. Apparently, the Department of Transportation thinks that it is a better avenue than we have now.

Representative Gruchalla move a DO PASS on SB 2207.
Representative Sukut seconded the motion.

Representative Heller: In the fiscal note it says that the Department of Transportation feels that they will get 75% compliance. Did Linda say why they think that so many people will comply?

Chairman Ruby: They thought that once they issue a few tickets, more voluntary compliance will kick in.

Representative R. Kelsch: They are going to contact people through their database and let them know they need to register. I don't think they need this bill to do that.

Representative Heller: Did they want the new sticker, so it can't be transferred?

Representative R. Kelsch: It could not be transferred or copied.

Chairman Ruby: What is the period of time that someone can be here before they need the temporary permit?

Representative Gruchalla: I checked on it yesterday. It was an administrative rule. It had to do with gainful employment. In the past we might sell a permit if they are going to be here over 30 days.

Chairman Ruby: This bill says 90 days. So, now they won't have to have the permit until after 90 days? Are we not going to be able to capture those that are here for less than that if this bill passes?

Representative Gruchalla: I believe that is the intent. If you are not here over 90 days, you wouldn't need one. The fees are normally calculated off the schedule, so it is 1/12 of a year of a month plus the \$10 permit fee.

Representative Sukut: I think we all agree this is a difficult thing to enforce. But, this puts more teeth into the bill, and the fines add a little more teeth. The sticker will probably create more awareness. This may not be perfect, but it does address the issue a bit more and is worth passing.

Representative Frantsovog: How long do you have to be in the state before you need a North Dakota driver's license?

Chairman Ruby: It is 90 days.

Vice Chairman Weiler: Can you go over the procedure again for me?

Representative Gruchalla: The person would be given an equipment ticket, which is like a warning ticket. They would have 10 days to get their vehicle registered. At that time we did not have computer follow-up, but now they do. An officer can now enter the name, and if they haven't registered, the officer can go and give them a citation for failure to register. The "stick" is that there is a penalty for not registering. If there is a group that is at an oil rig site, for example, and you stop one vehicle for something and give him a ticket; the next day they are all in to get registered. If the foreman would call, the Highway Patrol could go out and register them all.

Vice Chairman Weiler: When they have to register, is it a full registration, or just a temporary?

Representative Gruchalla: It is a permit for the time that they tell you they are going to be in the state.

Vice Chairman Weiler: If we already have the ability to do this, why do we have this bill?

Representative Weisz: Representative Gruchalla, from your perspective, if you observe an out-of-state vehicle over a period of time, do you have the ability to stop it, just because you have seen the vehicle for three weeks or a month with Wyoming plates?

Representative Gruchalla: If you don't have probable cause for a stop, you cannot just stop a vehicle for thinking that it may not be registered. However, if you have seen the vehicle over that time period, you could stop it.

Representative Weisz: I am inclined to agree with Vice Chairman Weiler if the Department of Transportation can already do the decal, I am questioning the need for the bill.

Vice Chairman Weiler: Maybe we should investigate this some more before we take action on it.

Representative Sukut: All the oil workers are not temporary. We have added 1,000 apartments with another 500 to 1000 to come online in the next 12-18 months. Those are permanent people who will be here for 90 days or more. We will have added another 300-400 homes. Many of those people will be permanent also, and more will be coming. What is the downside if we pass this? There are some points in this bill that are positive and will put a little more teeth into it. I think the fines will have some effect. It will bring awareness to people, and there will be some additional income.

Vice Chairman Weiler: If the oil workers are here permanently, then they need to get a permanent license.

Representative Onstad: The 90 consecutive days is for determination of residence. They would then register the vehicle as a resident. On the temporary side, if you are employed in the state on a temporary or full-time basis, you may elect to do the temporary license. There isn't anything with the 90 days in force in the temporary part. They have a choice. If they are here for 90 consecutive days they can register as a resident. If they live in

Wyoming, but are employed here, they do the temporary vehicle registration. It does go back to enforcement, but it does further clarify the temporary status and the residential status. I agree with Representative Sukut, I don't see a downside. I think it will help and is a step in the right direction.

Representative Weisz: If you look at the fees for a temporary registration permit, they are considerably higher than they are currently. Is that fair?

Vice Chairman Weiler: Mr. Glenn Jackson, could you please answer a question?

Representative Weisz: Couldn't the Department of Transportation currently use the new temporary sticker that they showed us? Is there anything that prohibits them from doing that now? Is there something in this bill that they would need to do that?

Glenn Jackson, Director of the Driver's License Division at the Department of Transportation: I would rather not respond, since that is not my area of expertise.

Chairman Ruby: I think I will resist the motion, because I think they should still be able to give them the temporary permits.

Representative Gruchalla: I think that Representative Onstad is correct. The point of the 90 days is that you will be considered a permanent resident. They will still be issuing temporary permits.

Representative Weisz: I am not sure that is correct. I would like to get clarification from the Department of Transportation before we act.

Chairman Ruby: We will wait to get more input from the Department of Transportation before we make a decision.

**Representative Gruchalla withdrew the motion for a DO PASS.
Representative Sukut withdrew his second.**

Representative Delmore: The \$100,000 ad campaign in this bill bothers me a lot. Other than that there are a lot of things in this bill that I agree with.

Representative Owens: Just to address the \$100,000 for an ad campaign. I work with many other DOTs across the US in my regular job. Many of these departments put together wonderful programs, but no one knows about them because they couldn't advertise them. I do really think it is necessary if we are going to do a program. Sometimes they do need to get the word out to the public on things that we change. I am not necessarily saying that this is one of those times.

Chairman Ruby: We need to clarify if the decal permit can be done currently. We need to look at some of the fee structures. We also need to find out if the temporary permits would be changed. We will get some of that information from the Department of Transportation later this morning, and then discuss this again.

Committee work continued after a hearing on another bill.

Linda Butts, Deputy Director of Driver Vehicle Services: Glen gave me the list of questions that you had.

Chairman Ruby: What would prevent you from using the decal right now?

Linda Butts: When we started looking at this, we put a lot of thought into it. Again, it is not an agency bill. It is something that we were doing at the request of the legislature. So, we began working on it last May. One thing that is somewhat cumbersome is the month to month permit in the sense of the sheer volume. Right now the process is done manually. The Highway Patrol writes them out and sends us a carbon copy with the dollars collected. If this legislation doesn't pass, we would just stay with that process. The sticker is quite expensive; we would like to be able to recover the cost of that

Chairman Ruby: But, if the fee was increased for the 3 month and the 6 month, we wouldn't need necessarily to have a sticker for every one month

Linda Butts: It would not be a wise idea because of the cost. We have not thought through all the ramifications of that. The sticker is tied to the electronic version that we have created. We have created a unique number, so that the enforcement at the site could run that particular vehicle check.

Chairman Ruby: Would this bill remove the one and two month registrations?

Linda Butts: Yes. There are some other programs that are sold by the Highway Patrol that we don't deal with. I received some information from the Motor Carriers about the IRP program. It says: "The IRP program is not mandatory. A motor carrier has the option to base plate in their home state and temporarily register in a state where they are gainfully employed. Some may choose this option if the gainful employment is of shorter duration. North Dakota actually benefits from this arrangement because a motor carrier is paying full fees in both their home state and North Dakota instead of a proportional share if registered under the IRP."

Chairman Ruby: Under this bill would we be better off?

Linda Butts: Yes.

Representative Delmore: If we are not going to do the one month and the other permits, won't there be a loss of revenue in at least one area if we do this bill?

Linda Butts: The reality is that right now there are so few temporary registrations sold, that it is not much of a revenue generator.

Representative Weisz: In the fiscal note it shows the decal cost of \$11, 760, is there any set up cost that is part of another cost?

Linda Butts: Some of the other costs that we would incur would be IT costs. We looked at the temporary permits that the Highway Patrol uses for the custom combiners, and we built off of that, so there would not be any significant IT costs. These stickers can be printed on the same printer that we use for our regular decals, so those printing costs are already in-house. That was another reason that this option was attractive.

Representative Frantsvog: Can the local subdivisions currently issue these temporary permits?

Linda Butts: Theoretically, yes, but it is not occurring. I think we have one county sheriff that is selling them. We thought that we could get a contract person and sell them, until we found out that we don't have the legal authority. That makes it a very difficult piece of legislation.

Paul Seado, Legal Counsel for Department of Transportation: I think it is essentially a law enforcement function.

Chairman Ruby: So, the Department of Transportation couldn't do it, but the Highway Patrol could?

Paul Seado: If they thought it was appropriate.

Chairman Ruby: We heard from a Highway Patrol expert, that they do sometimes initiate contact.

Paul Seado: I'm not sure how that works. We went through some scenarios where someone was stopped for another reason.

Representative Gruchalla: What would prevent Motor Vehicle from calling a business and telling them that they would be there to register everyone that needs a permit?

Paul Seado: That is sort of the ultimate question. Setting up a remote office would be conceivable, I suppose. It is not specifically authorized or expressed in Century Code at this point.

Representative Gruchalla: I know that in the past that it has been done by Motor Vehicle. They have taken the initiative to set up those remote sites and taken care of an issue. Unless something has changed in the law, I don't think that they need express authority to set up a remote site.

Paul Seado: It could be a matter of argument.

Chairman Ruby: Linda, what amount of the expenditure is for computer upgrades and what amount is for the decals?

Linda Butts: On the second page of the fiscal note, it is broken down. (See fiscal note as attached to minutes from 3/10/11.) When Glenn called me he also said that you have questions about the \$100,000 for the awareness campaign. There is nothing magic about

that number. We just thought that since we had taken a conservative approach, we thought that we would try to do an educational component. That would add more awareness.

Chairman Ruby: Couldn't that money be used for the remote office that we discussed?

Linda Butts: We thought about the possibility of sending someone up to sell temporary registrations after advertising in a paper. But, it would be entirely possible that no one would come because they are working from 7 am to 7 pm. We wondered if that would be effective, and if we would get the results that we wanted. It certainly could be used in that manner.

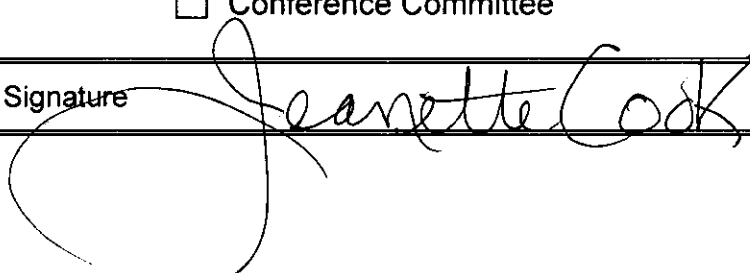
Chairman Ruby stated that the committee will hold the bill for further discussion.

2011 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

SB 2207
03/24/2011
Job # 15976

☐ Conference Committee

Committee Clerk Signature 

Minutes:

Chairman Ruby brought SB 2207 before the committee for consideration. He briefly reviewed the bill. He asked if anyone intended to make some changes.

Representative Weisz: This has been an ongoing problem. It is difficult to get temporary registration permits on the vehicles of the workers from another state that are here to work. I don't see that the bill is going to help anything. I like the sticker, but I think that they could do that now.

Representative Weisz moved a **DO NOT PASS** on SB 2207.
Vice Chairman Weiler seconded the motion.

Chairman Ruby: I was waiting to see if there is possibly going to be an amendment. I don't think there will be one.

Representative Delmore: I am still concerned with the \$100,000 on the fiscal note for an awareness campaign.

Representative Sukut: The Department of Transportation said that they weren't set on the \$100,000 for the advertising campaign. We do need to do something to solve the problem we have in western North Dakota. The sticker is a key part to doing this. I do think that there is merit to this bill. We could reduce the \$100,000 amount, but I am going to resist the DO NOT PASS.

Chairman Ruby: There has been discussion that the county doesn't get the money, but it does go into the Distribution Fund, which they do get a percentage of. If everyone would enforce this, then they would capture some of those dollars that we are hoping to get with this bill.

Representative Delmore: The other thing that intrigues me about this is that they wanted their own bill. I think the same thing can be accomplished without all the hassle and money that is in this bill.

Representative Onstad: I am going to resist the DO NOT PASS, not on the issue of the money, but we do need some clarification on the gainfully employed and a resident, and it

has further explanation of the temporary license. The bill does not have a whole lot of teeth, but it is going in the right direction to make some major clarifications if we have problems with enforcement. It also allows for the avenue of a temporary permit or getting a regular license.

A roll call vote was taken on SB 2207. Aye 6 Nay 5 Absent 3

The motion carried.

Representative Heller will carry SB 2207.

Date: 3/11/11

Roll Call Vote #: _____

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2207

House TRANSPORTATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Gruchalla Seconded By Sukut

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby			Representative Delmore		
Vice Chairman Weiler			Representative Gruchalla		
Representative Frantsvog			Representative Hogan		
Representative Heller			Representative Onstad		
Representative R. Kelsch					
Representative Louser					
Representative Owens					
Representative Sukut					
Representative Vigesaa					
Representative Weisz					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: 3-24-11

Roll Call Vote #: _____

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2207House TRANSPORTATION Committee☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment☐ Rerefer to Appropriations ☐ ReconsiderMotion Made By R. Weiss Seconded By Weiler

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby	X		Representative Delmore	X	
Vice Chairman Weiler	X		Representative Gruchalla		X
Representative Frantsvog			Representative Hogan		X
Representative Heller	X		Representative Onstad		X
Representative R. Kelsch	X				
Representative Louser					
Representative Owens					
Representative Sukut		X			
Representative Vigasaa		X			
Representative Weisz	X				

Total (Yes) 6 No 5Absent 3Floor Assignment Stuller

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

REPORT OF STANDING COMMITTEE

SB 2207, as engrossed: Transportation Committee (Rep. Ruby, Chairman) recommends
DO NOT PASS (6 YEAS, 5 NAYS, 3 ABSENT AND NOT VOTING).
Engrossed SB 2207 was placed on the Fourteenth order on the calendar.

2011 HOUSE APPROPRIATIONS

SB 2207

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2207
3/30/11
16171

☐ Conference Committee

Committee Clerk Signature

Shirley Branning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to temporary motor vehicle registration and excise tax; relating to motor vehicle registration; and to declare an emergency.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: We'll discuss SB 2207 and introducing Representative Ruby.

Representative Dan Ruby, District 38: Introduced the bill, dealing with temporary registration for people working in the state who reside out of state. The dollars are on p. 2 of SB 2207. They estimate 500 vehicles in those heavy vehicle brackets to a total of 2.5M. Combining those two comes to \$2.615M per year or \$5.231M for the biennium. Department of Transportation would take \$183,960 for their expenses and then \$5.47M would go into the highway tax distribution fund. The fiscal note shows it is for both biennia. Continuing to delineate costs and charges.

Chairman Delzer: In section 3 of the bill, that affects all outdated registrations, so when the department messes up and doesn't send out the renewal notices and someone gets picked up, that would go from \$20 to \$100.

Representative Ruby: Yes, and also if somebody is allowing someone else to use their registration....

Chairman Delzer: Is there any way to tie it to just to when someone is trying to get around to what this bill is about. When Department of Transportation messes up and doesn't send a renewal, I don't think it should be a \$100 fine.

Representative Skarphol: I would think we could amend this to state that. If the fault is on the DOT's part, this fine does not apply.

Representative Ruby: I don't know if one of the subsections of that 390437 would...just referencing just that would. You could have it apply to only the temporary registrations and not the average citizen of North Dakota.

Chairman Delzer: I think that's what we should do. Would you research that for us? Was that a sticking point on this bill?

Representative Ruby: That never came up in our committee.

Chairman Delzer: Is it correct that the emergency clause is off of the bill, Roxanne? It failed on the floor so it is off of the bill.

Roxanne Woeste, Legislative Council: I will have to check with our attorneys who work with enrolling and engrossing to see, because of the rule that the bill came back down.

Representative Ruby: There was some dissent about the \$100,000 for marketing. Within the \$183,000 for marketing. It is not in the bill.

Chairman Delzer: Where is the marketing authority? It's not in the bill? So we'd have to say they could spend only so much if we wanted to restrict that.

Representative Nelson: Would you accept an ag exemption in this bill? *Laughter*

Representative Ruby: For temporary ag people working in the state? No.

Representative Hawken: I notice the Fiscal Notes are different. In the most current one, the revenues go up. Everything goes up in the current one.

Chairman Delzer: I think the department wanted the bill, so the Fiscal Note looks pretty good. The first one is for the Senate, and the second is from the Senate amendments?

Representative Ruby: Yes. I think the revenue they're going to raise is highly optimistic

Chairman Delzer: Do you have the Senate amendment? It doesn't change much, so I'm not sure why it would have changed the Fiscal Note like that. The original was from the Senate and the second from the Senate amendments.

Representative Ruby: I think the revenue they plan to raise is highly optimistic because I don't see any difference in the apportionment side,

Chairman Delzer: Committee, do you have the amendment 01002. It doesn't change much so why would it change the fiscal note? On line 13 it overstrikes "for any" in the original bill and Line 14 it overstrikes "purpose" and "are not gainfully employed or are stationed in the state". That is the only change I see.

Representative Ruby: There was some question on the three month and the six month permit. We asked if this means that are here for one month or two months and now they would not have to pay any more, they responded that they would have to continue to pay as they do now, \$10?

Representative Nelson: There was some question as the enforcement capability of highway patrol, in the floor discussion. Was it ever considered that we allow the fees

collected by local law enforcement to be kept in the county? There might be more of an incentive to look for these then. Is it more of a local issue?

Representative Ruby: We did talk about that, why it's working in Montana, for instance. The vote on the floor for some of the counties to keep some of the overweight penalties....

Representative Nelson: Montana is a state that is having more success identifying these violators. Are they keeping all the fees in the local jurisdiction, or is there a sharing plan?

Representative Ruby: I think they get all of it. We were told law enforcement can't just pull over somebody or just see the out of state plate and go after them, but apparently they do in other states. Law enforcement will have to figure out how to do that. Indirectly they all get a portion of the money because it goes into the distribution fund.

Representative Glassheim: The second one has a \$65,000 estimate for credit card merchant fees and that goes all the way through the distribution.

Representative Brandenburg: Looking at the fees, I'm trying to figure out the cost. A pro plate is somewhere around \$2,500 to \$3,000 depending on mileage. If they are spending \$900 for three months or \$1800 it is really like a commercial plate instate. Is that just a \$50.00 fine if they get caught?

Representative Ruby: I believe it is a \$100 fine. The fees were set to be similar to license fees that are current but slightly more because you buy a couple of temporary ones and you are going to be here a while, you may as well buy an annual one.

Representative Brandenburg: Comparing it to a scenario with harvesters coming into the state.

Representative Ruby: I don't know if it would be that onerous but Department of Transportation did look at possibly going to some of the sites where there are rigs set up and having kind of a mobile permitting, but they didn't have the funds, manpower. Law enforcement has the responsibility to enforce not Department of Transportation.

Chairman Delzer: There's nothing in this bill that changes any of the enforcement activity.

Representative Ruby: Correct, even to the point where they feel they can't go to the man camps and knock on doors and tell them to comply. Having a sticker is already done and is already a fee.

Chairman Delzer: This does change the fee schedule.

Representative Ruby: We didn't have a problem so much as what was going to change as far as enforcement. The fiscal note of the revenues generated is very optimistic.

Chairman Delzer: Addressing Legislative Council, Prepare an amendment that would limit the violation under Section F to the temporary permits to \$100.00...and marketing to limited to \$50,000.

Representative Pollert: On page 3 number 2 section C, motorcycles, \$30.00 for six months and \$60.00 for 12 months? Isn't my registration fee for my bike \$20.00 as a resident?

Representative Ruby: They felt that was very minimal.

Chairman Delzer: Is there any way they can register without changing their title? It looks like the temporary fees are going higher than the actual registration fees.

Representative Ruby: No, except for the titling for the semis as was changed in another bill. If they are from a state that has no excise tax, that has to be added. Our registration is so low that people from other states are licensing here.

Representative Skarphol: My constituents are very frustrated with this issue. They feel there are a considerable number of people not contributing to maintaining the roads they drive on. About 75% of the plates in Tioga today are out of state. There is no enforcement on the laws that we have. How do we get them to do their job?

Representative Ruby: As it shows in the Fiscal Note, there are 1400 temporary registrations currently in place. They buy gas here. I would say they are contributing. Can we do better, yes. There are 1,200 oil field jobs.

Chairman Delzer: Did law enforcement come in with any ideas of what they could change stopping someone with out of state....

Representative Ruby: No. Representative Gruchalla, a retired highway patrolman, said sometimes they would park at work sites where they knew there would be a lot of temporary workers and ask them how long they would work and get them buy their registrations.

Representative Nelson: I think it's pretty practical that if the fines stay local, they'll do a better job of enforcement when there is a violation. Enforcement would go up.

Chairman Delzer: Frankly, if we have law enforcement out there that won't enforce the laws why would they need more money.
Further questions? Hearing none, the hearing is closed.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2207
4/4/11
16314

☐ Conference Committee

Committee Clerk Signature

Meredith Trachsel

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to temporary motor vehicle registration and excise tax; relating to motor vehicle registration; and to declare an emergency.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: Opened discussion on SB 2207 and advised amendments were being handed out. 2207 dealt with temporary vehicle registration and fees. We had some questions about the \$100 fine and making sure that only applied to temporaries. There was also discussion on limiting the marketing. The Fiscal Note said they would use up to \$100,000 for that. It came out transportation committee Do Not Pass, but it was passed on the floor, and that's why it came to us. The first part of the amendments came from Representative Ruby and it changes it to make sure it is temporary tags we are talking about, and also changes the fine to \$50. The bill that said cities could double the fine was still alive, that's why Representative Ruby wanted to lower that. The other part of the proposed amendment puts in legislative intent that the department should only spend up to \$50,000 for marketing of this issue. Most of this can already be done, and it's a question of how much our current laws are being enforced. HB 1278 was the bill about fines.

Allen Knudson, Legislative Council: I just received a message that the bill was defeated on the Senate floor today.

Chairman Delzer: So that bill is gone. Committee, what are your wishes on this bill?

Vice Chairman Kempenich: I move amendment .02003.

Representative Brandenburg: Second.

Chairman Delzer: Discussion.

Representative Nelson: If the \$100 fine was agreed upon in the policy committee, and the only reason that page 4 line 5 was to be changed to \$50 was because of the bill that is now dead, I would further amend that we leave 'one hundred' in the bill. I move a substitute motion.

Representative Dahl: Second.

Chairman Delzer: We have a substitute motion offered, with 100 instead of 50. Discussion? I don't have heartburn one way or the other, so long as it is just for the temporary tags. When the DOT can't keep their stuff together and send out renewal notices correctly for our regular tags, I don't want to end up with a \$100 fee for that.

Representative Nelson: I couldn't agree more.

Chairman Delzer: Further discussion on the substitute motion? Motion carries by voice vote. We have the amended bill before us.

Vice Chairman Kempenich: I move Do Pass as Amended.

Representative Dahl: Second.

Chairman Delzer: Discussion. Seeing none, we'll call the roll for a Do Pass as Amended. Motion carries 13-7-1. Vice Chairman Kempenich will be the carrier.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2207

Page 1, line 5, after "registration" insert "; to provide legislative intent"

Page 4, line 5, after "39-04-37" insert "by an individual by becoming a resident of this state"

Page 4, line 5, replace "one hundred" with "fifty"

Page 4, line 10, replace "39-04-18.2" with "subsection 1 of section 39-04-37 by an individual by becoming a resident of this state"

Page 4, after line 21, insert:

**"SECTION 6. LEGISLATIVE INTENT - TEMPORARY MOTOR VEHICLE
REGISTRATION REQUIREMENTS - MARKETING AND AWARENESS CAMPAIGN.** It
is the intent of the sixty-second legislative assembly that the department of
transportation not incur more than fifty thousand dollars of expenses for a marketing
and awareness campaign for temporary motor vehicle registration requirements, for the
biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

Date: 4/4
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2207

House Appropriations Committee

Legislative Council Amendment Number .02003

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Kempenich Seconded By Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

substitute motion

Date: 4/4
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2207

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Nelson Seconded By Rep. Dahl

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

02003 but do not change page 4 line 5
from one-hundred to fifty (leave one hundred)
voice vote carries

April 4, 2011

112
4/5/11

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2207

Page 1, line 5, after "registration" insert "; to provide legislative intent"

Page 4, line 5, after "39-04-37" insert "by an individual by becoming a resident of this state"

Page 4, line 10, replace "39-04-18.2" with "subsection 1 of section 39-04-37 by an individual by becoming a resident of this state"

Page 4, after line 21, insert:

**"SECTION 6. LEGISLATIVE INTENT - TEMPORARY MOTOR VEHICLE
REGISTRATION REQUIREMENTS - MARKETING AND AWARENESS CAMPAIGN.** It
is the intent of the sixty-second legislative assembly that the department of
transportation not incur more than \$50,000 of expenses for a marketing and awareness
campaign for temporary motor vehicle registration requirements, for the biennium
beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

Date: 4/4
Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2207

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Kempenich Seconded By Rep. Dahl

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland		X
Representative Pollert		X			
Representative Skarphol	X				
Representative Thoreson		X	Representative Glassheim	X	
Representative Bellew		X	Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch		X	Representative Williams	X	
Representative Hawken	X				
Representative Klein					
Representative Kreidt		X			
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 13 No 7

Absent 1

Floor Assignment Rep. Kempenich

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

REPORT OF STANDING COMMITTEE

SB 2207, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 7 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2207 was placed on the Sixth order on the calendar.

Page 1, line 5, after "registration" insert "; to provide legislative intent"

Page 4, line 5, after "39-04-37" insert "by an individual by becoming a resident of this state"

Page 4, line 10, replace "39-04-18.2" with "subsection 1 of section 39-04-37 by an individual by becoming a resident of this state"

Page 4, after line 21, insert:

**"SECTION 6. LEGISLATIVE INTENT - TEMPORARY MOTOR VEHICLE
REGISTRATION REQUIREMENTS - MARKETING AND AWARENESS
CAMPAIGN.** It is the intent of the sixty-second legislative assembly that the department of transportation not incur more than \$50,000 of expenses for a marketing and awareness campaign for temporary motor vehicle registration requirements, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

2011 SENATE TRANSPORTATION

CONFERENCE COMMITTEE

SB 2207

2011 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

SB 2207
April 12, 2011
16521

☒ Conference Committee

Hauge

Explanation of reason for introduction of bill/resolution:

Minutes:

Conference Committee

Senator Oehlke opened the conference committee on SB 2207. He asked the House to explain their amendments and the purpose for the amendments.

Representative Ruby said that the reason one of the House members from the Appropriation Committee was on the Conference committee is because these changes were made in the Appropriation Committee. The language was put so it would not affect the residents of the state with the higher penalty.

Senator Oehlke replied that as it reads it does affect the person that is becoming a resident. They do not get the resident penalty they have to pay the \$100.

Representative Kempenich said that is what the intent was to identify a non resident. This was to address the need for the temporary license and if they get that the fee can be waived.

Senator Oehlke asked if the appropriations committee added the legislative intent of the limited \$50,000 advertising and marketing money.

Representative Kempenich replied yes and explained that they thought the original amount of money was too high. He said the intent of the bill was aimed at the western part of the state to try to get people employed in the oil fields to buy the temporary licenses.

Senator Mathern asked if we do this anywhere else, when we change a law we have a campaign.

Senator Oehlke said that DOT does have money in their department budget for promotion and advertising. They have referred to that specifically in this session.

Representative Ruby said that it did come from the Senate with \$100,000 appropriation for promotion, education and marketing.

Senator Nething had a question on where the \$100,000 was in the bill before it went to the House.

Senator Oehlke said it was in the Fiscal Note.

There was a short discussion on the credit card fees and why that was added to the fiscal note.

Senator Nething moved the Senate accede to the House amendments.

Representative Kempenich seconded the motion.

Roll call vote: 6-0-0. **Motion passed.**

Senator Oehlke is the carrier.

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Transportation

Bill/Resolution No. SB 2207 as (re) engrossed

Date: 4-12-11

Roll Call Vote #: 6-0-0

Action Taken

- ☒ SENATE accede to House amendments
☐ SENATE accede to House amendments and further amend
☐ HOUSE recede from House amendments
☐ HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) 1295 -

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re)Engrossed)

SB 2207 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Nathan Seconded by: Representative Kempenich

Senators	Y	N	Yes	No	Representatives	Y	N	Yes	No
Senator Oehlke	✓		✓		Rep. Ruby	✓		✓	
Senator Nathan	✓		✓		Rep. Kempenich	✓		✓	
Senator Matheis	✓		✓		Rep. Onstad	✓		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier Senator Oehlke House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

SB 2207, as engrossed: Your conference committee (Sens. Oehlke, Nething, Mathern and Reps. Ruby, Kempenich, Onstad) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1295 and place SB 2207 on the Seventh order.

Engrossed SB 2207 was placed on the Seventh order of business on the calendar.

2011 TESTIMONY

SB 2207

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SENATE TRANSPORTATION COMMITTEE
January 27, 2011 — 9:30 a.m. — Lewis & Clark Room

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

SB 2207

Mr. Chairman, members of the committee, my name is Linda Butts, Deputy Director for Driver and Vehicle Services, North Dakota Department of Transportation. Thank you for giving me the opportunity to address this issue. We support SB 2207.

In the past two years, NDDOT testified several times to the Interim Safety and Transportation Committee. At many of those hearings, inquiries were made regarding the laws that governed temporary registrations and the concerns legislators had with the lack of such registration on vehicles, particularly in the oil fields. While the NDDOT does not enforce laws, Section 39 of the code does define who is required to purchase temporary registrations.

Last summer NDDOT began looking at this issue with the North Dakota Highway Patrol, the entity that has the responsibility to enforce.

In December Senator Lyson introduced a bill addressing this issue. NDDOT had prepared a bill, but at that point chose not to introduce our bill, but instead reached out to Senator Lyson to see if it were possible to combine the elements of both bills. SB 2207 is the result of that collaboration.

Before I begin going over the bill, I'd suggest one cross out the words "for any" on line 13 and all the words on line 14 to the period, which is Senator Lyson's amendment. By doing so, my testimony will make more sense.

The general rule in North Dakota is that all motor vehicles that operate on the highways of the state must be registered in this state. There are, of course, exceptions to the general rule. The intent of section one of the bill is to address temporary registrations.

Section one of the bill amends two subdivisions currently found in section 39-04-18(2). The subdivisions exempt from registration those vehicles which display a valid registration from a different state. However, the subdivision limits this exemption to those who are "not residents of this state for any purpose and are not gainfully employed or stationed in this state." The added words clarify the definition of a resident and define when an individual must register a vehicle.

The updated definition clearly articulates the two elements that must be met which would require registration: The person must be residing and working in the state; commuters who work in North Dakota but do not reside here would not need to register. The result is clear guidance that temporary workers are included in the registration requirements.

The language also requires an individual who, regardless of employment, has been in the state for 90 consecutive days or more to register the individual's vehicles. The 90 day requirement is identical to the time when an individual is considered a resident for purposes of an operator's license (NDCC 39-06-03).

The bill provides clarification that daily commuters and university, college, or technical school students are exempt from registration requirements so long as the other requirements in the subdivision are met.

Section two of the bill adopts a new section that provides more clarity in the temporary registration process. Section 39-04-18.2, subdivision 2, sets new time frames for temporary registration, a 6 month or a 12 month permit. The fees for these lighter vehicles are slightly higher than what our residents pay, and there is no recognition of age of vehicle, therefore, no declining fee. For example, in section 39-04-19, a 20,000 pound, one year old vehicle, pays a fee of \$109; out-of-state workers will pay \$60 for a 6 months and \$120 for 12.

For heavier vehicles, fees are built from the chart found in section 39-04-19 with fewer weight groupings. The fee is determined by using the fee for that upper weight in the chart and rounded up, again for a 6 or 12 month option.

Motorcycles pay a higher fee than North Dakota residents, but again for 6 or 12 month options. Fees for residents are \$15/year; out-of-state workers will pay \$30 for 6 months and \$60 for 12.

There has also been a \$10 fee added to cover the costs associated in issuing the temporary registration.

While out-of-state workers will pay more for the temporary registration, section 39-04-18.2 provides no title fee or excise tax be paid when an individual temporarily registers a vehicle.

Section three of the bill imposes a \$100 moving violation for violating subsection 1 of section 39-04-37. This statute relates to operating a motor vehicle with a canceled or revoked registration, or when an individual does not pay the appropriate registration fees when due. The current fine is \$20. The higher fine would help in enforcement efforts and, hopefully, get more individuals to register vehicles that should be registered. However, it should be noted, this will affect our citizens also as we found it very difficult to carve out an exemption for residents.

Section four of the bill provides that the failure to properly comply with section 39-04-18.2 would result in a \$20 nonmoving violation. An example of this would be an individual who temporarily registers a vehicle, but does not display the registration permit.

Section five of the bill adds a new subsection to section 57-40.3-04. This amendment exempts those who temporarily register a vehicle pursuant to section 39-04-18.2 from paying an excise tax.

In the future all sales will be available online. The Highway Patrol will continue to sell them, they could go to a branch office, or they could complete the transaction from any computer. Once online, the transaction requires giving a credit card number and printing a "cab card." Our system will be notified automatically and a temporary registration "tag" will be generated and mailed.

In this process, we will attempt to capture a North Dakota address to get the "tag" in their hands as quickly as possible.

On the next page, you will see a sample of what the "tag" could look like.

PRINT IN THIS AREA TO BE DEFINED

John R Doe
1234 Easy Street
Address 2
Our Town, ND12345-1234

EXP: 12/31/10



EXP: December 31, 2010
1998 ISUZU RODEO
VIN: 492CM56W94480232

One of the biggest problems we have found is simply to know when these companies set up business in the state. Therefore, we have asked for dollars to market the program by printing posters, sending mailers to companies, once identified, and doing some print and radio announcements. Therefore, you will see dollars in the fiscal note for anticipated marketing costs.

Mr. Chairman, that concludes my testimony. I would be happy to answer any questions.

#1

HOUSE TRANSPORTATION COMMITTEE
March 10, 2011 — 2:00 p.m. — Lewis and Clark Room

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

SB 2207

Mr. Chairman, members of the committee, my name is Linda Butts, Deputy Director for Driver and Vehicle Services, North Dakota Department of Transportation. Thank you for giving me the opportunity to address this issue. We support SB 2207.

In the past two years, NDDOT testified several times to the Interim Safety and Transportation Committee. At many of those hearings, inquiries were made regarding the laws that governed temporary registrations and the concerns legislators had with the lack of such registration on vehicles, particularly in the oil fields. While the NDDOT does not enforce laws, Section 39 of the code does define who is required to purchase temporary registrations.

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The updated definition clearly articulates the two elements that must be met which would require registration: the person must be residing and working in the state; commuters who work in North Dakota but do not reside here would not need to register. The result is clear guidance that temporary workers are included in the registration requirements.

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2207

Page 4, line 5, after "39-04-37" insert "by an individual by becoming a resident of this state"

Page 4, line 5, replace "one hundred" with "fifty"

Page 4, line 10, replace "39-04-18.2" with "subsection 1 of section 39-04-37 by an individual by becoming a resident of this state"

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2207

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campaign for temporary motor vehicle registration requirements, for the biennium
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