

**2025 HOUSE TRANSPORTATION**

**HB 1484**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Transportation Committee Room JW327E, State Capitol

HB 1484  
1/30/2025

Relating to the imposition of motor vehicle excise tax and an exemption for motor vehicle excise tax paid or not assessed in other states; and to provide an effective date.

9:01 a.m. Chairman D. Ruby called the meeting to order.

Members Present: Chairman D. Ruby, Vice Chairman Grueneich, Representatives Christianson, Dressler, Frelich, Finley-DeVille, Hendrix, Johnston, Kasper, Koppelman, Maki, Morton, Osowski, Schatz

### Discussion Topics:

- Vehicle age
- Out of State vehicles
- Usage tax
- Loss of highway funding

9:05 a.m. Chairman D. Ruby opened the hearing.

9:05 a.m. Representative Jared Hagert introduced the bill and submitted testimony #32892 and #32893.

9:10 a.m. Mathew Larsgaard, President, Automobile Dealers Association of ND, testified in opposition.

9:13 a.m. Kory Peterson, ND League of Cities, testified in opposition and submitted testimony #32785.

9:15 a.m. Mathew Larsgaard stood for questions.

9:20 a.m. Chairman D. Ruby closed the hearing.

9:23 a.m. Representative Koppelman moved a Do Not Pass.

9:23 a.m. Representative Morton seconded the motion.

Representatives	Vote
Representative Dan Ruby	Y
Representative Jim Grueneich	Y
Representative Nels Christianson	Y
Representative Ty Dressler	Y
Representative Lisa Finley-DeVille	Y
Representative Kathy Frelich	N
Representative Jared Hendrix	Y

Representative Daniel Johnston	N
Representative Jim Kasper	Y
Representative Ben Koppelman	Y
Representative Roger A. Maki	Y
Representative Desiree Morton	Y
Representative Doug Osowski	Y
Representative Mike Schatz	Y

9:33 a.m. Motion passed 12-2-0.

9:33 a.m. Representative Maki will carry the bill.

9:33 a.m. Chairman D. Ruby closed the meeting.

*Janae Pinks, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**HB 1484 ([25.1004.01000](#))**

**Transportation Committee (Rep. D. Ruby, Chairman)** recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1484 was placed on the Eleventh order on the calendar.



January 30, 2025

House Transportation

HB 1484

Representative Dan Ruby, Chair

For the record, my name is Kory Peterson. I am appearing before you today on behalf of the North Dakota League of Cities, in opposition to HB 1484. Prior to working with the North Dakota League of Cities, I was the Mayor of Horace for 8 years, from June 2016 to July 2024.

The League of Cities is concerned about the possible loss of highway funding if this bill were to be approved. Reviewing the fiscal reporting on this bill, the state is projected to not collect roughly 84 million dollars. This will translate into less money being distributed from the Flexible Transportation Fund to local subs.

While no one wants to pay taxes, removing these types of collections will reduce the amount of dollars to help maintain roads. During a time when cities are trying to understand how their budget could be affected by possible caps, this bill adds another layer of uncertainty in funding road work within a city.

The League would like to see consistency in road funding during this upcoming biennium and would appreciate Do Not Pass on this bill.

Thank you.

Kory Peterson

Hager  
1484

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Lt. Gov. Miller,

I am reaching out to you tonight regarding some shenanigan's I have experienced with the North Dakota DMV.

Originally, I am from the Northwood, ND and Tolna, ND area but recently I move back to ND for a new opportunity and be closer to Dad.

The problems have originated from the Fargo DMV branch trying to charge me an excise tax with regards to Administrative Code: Article 81-05.1 / Motor Vehicle Excise Tax when trying to license two vehicles I purchased and paid for when living in Montana.

The definition of a excise tax, as I understand, is a tax imposed at the time of purchase. Since I did not live in North Dakota at the time and the purchase was multiple years prior to the move, the State from my understanding does not have the legal right to charge me an excise tax for a transaction that occurred when I was not a North Dakota resident and thereby would not be considered a legitimate excise tax.

For clarification, in Subpart 81-05.1-02-02. Motor Vehicle Excise Tax Imposed, Section 3 it states that, "A credit will be allowed for sales, use, or motor vehicle excise tax paid in another state on all motor vehicles purchased or acquired outside this state if the state in which the motor vehicle was purchased or acquired allows a similar credit. If the state in which the motor vehicle was purchased does not impose a sales tax or a motor vehicle excise tax, the North Dakota motor vehicle excise tax must be paid on the full purchase price of the vehicle before license and registration will be issued in this state.

If the motor vehicle has been previously licensed and registered in a state which imposes no sales tax or motor vehicle excise tax, the North Dakota motor vehicle excise tax will apply at the fair market value of the vehicle upon registration in this state."

From the Administrative Rule, it specifically states if the vehicle had sales tax paid, meaning over the course of the lifetime of the vehicle, because no point in time is referenced, the one vehicle that I was trying to license falls into this domain because the vehicle was originally purchased in Washington State. Which from my interpretation would satisfy this administrative rule that is referenced in the North Dakota Century Code.

The other vehicle I purchased in Montana was a original Montana but the purchase occurred in 2017. So the time of transaction is currently over 6-years old.

This means the State of North Dakota is trying to impose a excise tax on a purchase that happened over a 6-years ago when I was not a North Dakota resident.

Following the definition of a excise tax, with a tax being levied at the time and place/State of purchase.

This North Dakota vehicle excise from my understanding is a very large stretch and in my opinion illegal in that this is taxation without representation or any benefits provided by North Dakota.

Since I was not a resident of North Dakota at the time of purchase when living in Montana, I have a simple question:

What goods or services did North Dakota provide me over the course of that time when the vehicle was purchased in Montana that would justify paying the excise tax?

Had I been a North Dakota resident at time of the vehicle purchase, then by rights I have to pay the tax.

However, trying to charge a retroactive sales tax/excise tax on the vehicle 6-years after the transaction is very problematic because the State of North Dakota feels empowered to collect a tax that they were not entitled to 6-years prior.

It make no logical sense, so moving on.

This brings me to the issue at the Fargo DMV License Bureau this late summer.

When I went into license my vehicles I made three appointments to get my vehicles licensed, the lady that was there told me was was only entitled to two title transactions per day and scrubbed my two time slots. From my understanding it is two transactions per appointment which is the reason I blocked out a larger time slot to get the title work accomplished.

However, the DMV employee took a combative demeanor, disparaged me about me making a multiple session reservation, and cancelled my time allocated time slots, I was informed that I had to pay excise taxes. These excise taxes were to be valued on vehicles I had purchased while being a Montana resident.

The two vehicles were, arbitrarily valued by the DMV employee, at close to \$50,000, which would mean I would have to pay close to \$2,500 excise tax; not including the license plates.

I don't know too many people that have \$2,500 laying around for a excise tax, especially with our high inflation and buying a house in North Dakota.

Moving on, when I was told I had to pay a sales tax on vehicles that I paid for in Montana, I was disgusted and started to argue that this was highway robbery, in that I had to pay a tax on a transaction that occurred years prior to moving to North Dakota. This was after initial belittling by the DMV employee that set the bad and ongoing tone.

When the exchange was over, I was told by the DMV staff member that if I didn't like it, I need to get a appraisal of the vehicles.

Which I did and was really disgusted when I found out that the vehicle valuation was over half of what was quoted to me by the DMV.

This is a very serious problem that to me in my opinion borders on bad faith or potential criminal intent but I am no lawyer.

I can provide the DMV assessed paperwork and the dealership appraisal for comparison, on demand, if needed. It should be noted that the appraisals are a couple months old and will be lower with the reduced cost of used vehicles.

It is my opinion that the DMV was trying to defraud me out over \$1,000 in excise taxes by over-valuation of my vehicles.

Since the DMV's are now privately operated, I have another basic question.



Do employees of the privatized DMV receive bonuses for the amount of tax revenue they can collect from citizens that try register their vehicles?

As of today, 11/30/2023, I went to the DMV to license two vehicles. During todays DMV appointment, I brought a copy of Article 81-05.1 to argue that the excise tax was not applicable to one vehicle purchased by the original owner from Washington State. The other vehicle was my old college car, originally from ND. Was able to get one done but I was able to reach an agreeable resolution for the vehicle from Washington.

At that point I was told to call Bismarck because they did not have the authority to make a determination after discussing with the branch manager.

As of today, I spoke with Melissa Deiple (I think that is her last name) from the DMV to express my interpretation of the excise tax administrative code and understanding of a excise tax after trying to register two vehicles. I did not register the other vehicle, bought and paid for in MT, because the transmission has failed and is not roadworthy at this junction to warrant licensing.

On the call, with Melissa from the DMV, I made my point clear that the excise tax, from my understanding, occurs a the time of sale, not years later. We spoke for approximately 30-minutes on this matter and Melissa said that she needed to talk to the tax department of North Dakota for resolution. I was requested to send in the valuations of the vehicles provided by the Fargo DMV and the Fargo auto dealerships (Corwin Toyota and Corwin Chrysler Dodge Jeep Ram).

For context on valuation disparities.

The DMV quoted amount (in writing from the DMV employee) for the 1999 Toyota Land Cruiser: \$23,350

The Corwin Toyota quote ( 8/11/2023 by Brant Wilson) for the 1999 Toyota Land Cruiser / KBB Trade-in: \$5,258

The DMV quoted amount (in writing from the DMV employee) for the 2011 Ram 3500: \$24,725

The Corwin Chrysler Dodge Jeep Ram quote (8/10/2023 by Justin Dietz) for the 2011 Ram 3500: \$13,500

The Fargo North Dakota DMV valued the vehicles combined at \$48,125 which equates to a 5% excise tax of \$2,406.25.

The actual valuation of the combined vehicle worth (at that time) is \$18,758 and equates to a 5% excise tax of \$937.90.

The difference being \$1,468.35, which is substantially punitive for any average person having to pay a \$2,400+ excise tax they did not budget. The people I have spoken with on this matter find this excise tax absolutely absurd because I was not a North Dakota resident at the time vehicles were paid-off and purchased.

For completeness, the transmission in the 2011 Ram 3500 has failed. If reappraised, will have a sizable impact on current valuation. The cost of fixing the transmission will be roughly between \$2,000 to \$4,000, if I do the work. I am in the process of saving up to purchase the failed components but if a private business was to fix it would be an additional \$1,000 to \$2,000 depending on how deep the damage.

At the current moment, I am interfacing with Melissa from the DMV and the discussion is on-going.

During the conversation, I was very clear and not joking about this matter on moving back to Montana, that way North Dakota no longer receives any taxes on my wages and property taxes. In retrospect after going through this, I would have never taken the job in North Dakota even though I enjoy the people I work with and opportunities presented with Elinor Coatings in Fargo.

After buying a house, in Caledonia, ND to get away from the crime in Fargo, I am stuck but unless I want to take a huge hit on my house just to prove a point over the unwarranted excise tax.

What is truly troubling, is that the states that do have reciprocity with ND on vehicle taxes, charge their sales tax at time of purchase but North Dakota recognizes the taxes paid. However, a Montana resident is not afforded the same respect in their personal and private transactions but for living in a state that has the benefit of no sales tax. Then when the Montana resident moves to North Dakota for a opportunity, they are penalized by the tax system to register their vehicle(s). This is not good optics.

The retroactive sales tax masquerading as a excise tax to a Montana resident should be removed due to the undue financial burden it places on people that move from MT to ND for a job and support the North Dakota economy.

How would you like it if you were moderately successful and had a Suburban, good pickup or nice car that are valued at collectively \$100,000 to be stuck with a \$5,000 welcome to ND tax when moving from a no sales tax state?

Most people would say, nope, I'll pass on North Dakota.

Ask yourself, what average family or single person income could eat a \$5,000 bill at the drop of a hat?

To me the excise tax, for Montana and other State residents, penalizes trying to be successful and is the antithesis of the "Be Legendary" catch phrase currently used by North Dakota.

Another thing to ask: How many other people moved to North Dakota that may have been potentially defrauded by the DMV offices in the State of North Dakota?

I normally do not reach out but this is a matter that is way bigger than me.

As for resolution, I am not willing to pay this excise tax because I busted my butt for the little that I do have and this is the thanks I get for trying to help grow the North Dakota economy by returning to the state I grew up in.

North Dakota can do better....

If the Lt. Governors office is interested in this matter, I am more than willing to discuss and provide the aforementioned documentation for review.

Best Regards,

Anthony Stamness

Hagert  
1494

Representative Jared Hagert,

I am writing this letter to request that the state of North Dakota revisit the Administrative Code: Article 81-05.1 / Motor Vehicle Excise tax and strike the excise tax from the North Dakota Century Code.

This is based on the fact that an excise tax is levied at the point of sale as specified by the Internal Revenue Service (IRS) in the Small Business and self-employment section. The explicit verbiage is below:

***Excise taxes are taxes imposed on certain goods, services, and activities. Taxpayers include importers, manufacturers, retailers, and consumers, and vary depending on the specific tax. Excise taxes may be imposed at the time of:***

- ***Entry into the United States, or sale or use after importation***
- ***Sale or use by the manufacturer***
- ***Sale or use by retailer***
- ***Use by the consumer***

The link to the IRS website is (<https://www.irs.gov/businesses/small-businesses-self-employed/excise-tax>).

By the US Federal Governments own definition regarding excise tax, the excise tax is imposed at time of sale; which is the point of contention based Federal definitions. The time and use portion of the statement is contradictory when excise taxation is applied multiple years after a purchase to the present day.

The contention is that I bought and paid for vehicles in Montana multiple years prior to moving back home to North Dakota. By the Federal definition of a excise tax, this tax is to be collected at time of sale and since I was not a North Dakota resident at the time of sale, the excise tax is legally moot.

Furthermore, it is taxation without representation, and I will get into this later in the letter based on the initial valuation assessment by the DMV in Fargo last year.

The vehicles in question are a 2011 Ram 3500 and a 1999 Toyota Land Cruiser, the VIN identifiers are listed below:

- VIN# **JT3HT05JXX0070194** – 1999 Toyota Land Cruiser
- VIN# **3D73Y3CL7BG592398** – 2011 Ram 3500

The Ram 3500 is a Montana vehicle that was originally bought and paid for in Montana by the original owner but the 1999 Toyota Land Cruiser was bought in the state of Washington. Montana does not have a sales tax but Washington State does levy an excise/sales tax.

In accordance with the North Dakota Century Code - Subpart 81-05.1-02-02. Motor Vehicle Excise Tax Imposed, there is a caveat. If a sales tax has been paid on the vehicle,

*"A credit will be allowed for sales, use, or motor vehicle excise tax paid in another state on all motor vehicles purchased or acquired outside this state if the state in which the motor vehicle was purchased or acquired allows a similar credit. If the state in which the motor vehicle was purchased does not impose a sales tax or a motor vehicle excise tax, the North Dakota motor*



*vehicle **excise tax must be paid on the full purchase price of the vehicle before** license and registration will be issued in this state."*

Now, the Toyota Land Cruiser does meet the caveat requirements, but the Ram 3500 does not.

The dishonest thing, under the explicit context of this statute, is that I would have to pay full excise tax on the purchase price in accordance with NDCC - Subpart 81-05.1-02-02. This is why I call this taxation without representation. Under this particular subpart, it appears I am required to pay full sales tax on a vehicle that was purchased 7-years prior; which at 5% works out to be \$1500.

Retroactively applying a tax is the definition of dishonest government and outlines one reason of many why people do not want to move to North Dakota for active retention or interest of employment in the state. This is one thing for sure, if an original ND family moving back from Montana to North Dakota is met with a \$5,000 to \$7,500 welcome home tax, most families will say no.

My question is what did North Dakota do for me in that time? The answer is nothing.

The excise tax statute is not about the money it is about the principle.

Another thing that is in conflict is that the DMV was caught over-valuing my "assessed" vehicle price by almost double. This was reported last year and at the time I was told that if I didn't like it then I needed to get the law changed, challenge accepted.

I grew up in North Dakota and I did not know that I would be penalized like this when I moved back for family reasons from Montana.

Had I bought the vehicles while a North Dakota resident, then I would gladly pay the taxes at the time of sale. However, penalizing a Montana resident that moved home to be closer to family is immoral and why this is not taught in schools is beyond me.

In addition, reading into Chapter 57-40.3 on the Motor Vehicle Excise Tax, it is incongruent to Subpart 81.

For the best interest of the state of North Dakota, prior ND residents returning back from Montana should be exempt from paying the excise tax.

I have no problem paying the license fees but I will not pay the excise tax because I was not planning on moving back to ND 7-years ago and laws like this really hinder North Dakota.

For complete context, the letter submitted to Lt. Gov. Miller is displayed below.

In Liberty,

Anthony Stamness