

**2025 SENATE TRANSPORTATION**

**SB 2207**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Transportation Committee Fort Totten Room, State Capitol

SB 2207  
1/23/2025

Relating to a motor vehicle excise tax exemption for tribal governments; and to provide an effective date.

9:45 a.m. Chairman Clemens called the meeting to order.

Members present: Chairman Clemens, Vice Chairwoman Cory, Senator Hogan, Senator Klein, Senator Paulson, Senator Rummel

### Discussion Topics:

- Vehicles included in tax exemption
- Application process for exemption

9:45 a.m. Senator Patten, District 26, introduced SB 2207 and testified in favor.

9:49 a.m. Representative Collette Brown, District 9, testified in favor.

9:51 a.m. Representative Lisa DeVille, District 4A, testified in favor and submitted testimony #30839.

9:55 a.m. Senator Marcellais, District 9, testified in favor.

9:58 a.m. Shannon Fleicher, Associate Director, Office of State Tax Commissioner, testified neutral.

10:03 a.m. Chairman Clemens closed the hearing.

10:05 a.m. Senator Rummel moved a Do Pass.

10:05 a.m. Senator Klein seconded the motion.

Senators	Vote
Senator David A. Clemens	Y
Senator Claire Cory	Y
Senator Kathy Hogan	Y
Senator Jerry Klein	Y
Senator Bob Paulson	Y
Senator Dean Rummel	Y

Motion passed 6-0-0.

Senator Cory will carry the bill.

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10:06 a.m. Chairman Clemens closed the hearing.

*Chance Anderson, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2207 ([25.0457.01000](#))**

**Transportation Committee (Sen. Clemens, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2207 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

## Testimony of Representative Lisa Finley-DeVile

### In support of Senate Bill 2207

Chairman Clemens and members of the Senate Transportation Committee, my name is Representative Lisa Finley- DeVile, representing District 4 A, which includes the MHA Nation. I testify in support of Senate Bill 2207, relating to motor vehicle excise tax exemption for tribal governments.

I support the passage of SB 2207 as it is vital to improving the economic opportunities and quality of life for enrolled tribal members, particularly those living on reservations in North Dakota.

Many households within enrolled tribal nations are low-income families, making purchasing a motor vehicle a significant financial challenge. Exempting tribal members from the motor vehicle excise tax would help make vehicle ownership more affordable for these families, who often rely on personal transportation to access essential services like healthcare, education, and employment.

In North Dakota, most tribal reservations are located more than 50 miles from the nearest motor vehicle dealership. As a result, tribal members often face long delays in receiving vehicles, sometimes waiting for weeks or even months for delivery. This creates additional hardship for individuals and families already facing barriers to accessing necessary services.

Many enrolled tribal members live off the reservation, relocating to larger North Dakota cities for employment, educational, and health care opportunities. These members contribute to the state's workforce and economy and providing them with more affordable access to vehicles supports their continued participation in North Dakota's growth.

For tribal members who remain on the reservation, having reliable transportation is crucial for accessing healthcare, including doctor's appointments and other essential services. Many tribal members are required to travel long distances to receive medical care, and the ability to purchase a vehicle without the added burden of excise taxes would make this process significantly easier.

Additionally, it's important to note that neighboring states like Montana, South Dakota, and Minnesota provide similar sales tax waivers or exemptions for tribal members. Extending this benefit to tribal members in North Dakota would bring consistency to our region and demonstrate fairness and respect for the sovereignty of Native American tribes.

As a member of the Mandan, Hidatsa, and Arikara Nation, I can also point to the significant contributions our tribe has made to North Dakota's economy, particularly through oil and gas taxes. These contributions have helped build the state's Legacy Fund, which now holds billions of dollars. We have been proud stewards of this land for centuries, and North Dakota is our home.

I urge the committee to give SB 2207 a Do-pass recommendation as it will help ensure that tribal members have the resources necessary to support their communities, while also recognizing the important contributions and sovereignty of Native American tribes in North Dakota.

Thank you for your time and consideration.

**2025 HOUSE TRANSPORTATION**

**SB 2207**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Transportation Committee Room JW327E, State Capitol

SB 2207  
3/7/2025

Relating to a motor vehicle excise tax exemption for tribal governments; and to provide an effective date.

10:33 a.m. Chairman D. Ruby opened the hearing.

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

### Discussion Topics:

- Procurement process
- Associated costs
- Raffel prizes

10:33 a.m. Senator Dale Patten, District 26, introduced the bill.

10:37 a.m. Brian Kroshus, Tax Commissioner, ND Office of State Tax Commissioner, stood to provide additional details.

10:42 a.m. Charles Dendy, General Counsel, Office of State Tax Commissioner, stood for questions.

10:43 a.m. Senator Patten stood for questions.

10:44 a.m. Chairman D. Ruby closed the hearing.

10:44 a.m. Representative Koppelman proposed an amendment, testimony #39557.

10:47 a.m. Representative Koppelman moved to adopt amendment LC #25.0457.01001.

10:54 a.m. Representative Frelich seconded the motion.

10:56 a.m. Voice vote - motion passed.

10:56 a.m. Representative Koppelman moved a Do Pass as Amended.

10:56 a.m. Representative Dressler seconded the motion.

Representatives	Vote
Representative Dan Ruby	Y
Representative Jim Grueneich	N
Representative Nels Christianson	Y

Representative Ty Dressler	Y
Representative Lisa Finley-DeVille	Y
Representative Kathy Frelich	Y
Representative Jared Hendrix	Y
Representative Daniel Johnston	N
Representative Jim Kasper	N
Representative Ben Koppelman	Y
Representative Roger A. Maki	Y
Representative Desiree Morton	N
Representative Doug Osowski	N
Representative Mike Schatz	N

10:58 a.m. Motion passed 8-6-0.

10:58 a.m. Representative Dressler will carry the bill.

10:58 a.m. Chairman D. Ruby closed the meeting.

*Janae Pinks, Committee Clerk*



March 7, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2207**

Introduced by

Senators Patten, Marcellais, Walen, Weston

Representatives Brown, Davis

3.7.25

10b1

1 A BILL for an Act to amend and reenact subsection 2 of section 57-40.3-04 of the North Dakota  
2 Century Code, relating to a motor vehicle excise tax exemption for tribal governments; and to  
3 provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 57-40.3-04 of the North Dakota  
6 Century Code is amended and reenacted as follows:

7 2. a. Any motor vehicle procured by, owned by, or in possession of the:  
8 a. (1) The federal government;  
9 b. (2) The state government or a;  
10 c. (3) A political subdivision thereof of this state;  
11 d. (4) A tribal government of a federally recognized Indian tribe within the  
12 boundaries of any reservation in this state; or a motor vehicle procured by or  
13 e. (5) A person on behalf of the North Dakota lottery that when the motor vehicle is  
14 to be awarded as a prize in a game or promotion.

15 b. For purposes of this subsection, an "Indian tribe" means a tribal government  
16 agency, instrumentality, or political subdivision that performs essential  
17 government functions. The term does not include a business entity or agency  
18 with the primary purpose of operating a business enterprise.

19 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
20 June 30, 2025.

**REPORT OF STANDING COMMITTEE  
SB 2207**

**Transportation Committee (Rep. D. Ruby, Chairman)** recommends **AMENDMENTS** ([25.0457.01001](#)) and when so amended, recommends **DO PASS** (8 YEAS, 6 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2207 was placed on the Sixth order on the calendar.

**57-39.2-03.10. Bundled telecommunications services including exempt services.**

In the case of a bundled transaction of services that includes telecommunications services, if the price is attributable to services that are taxable and services that are nontaxable, the portion of the price attributable to the nontaxable services is subject to tax under this chapter and chapter 57-40.2 unless the provider can reasonably identify the nontaxable portion of the services from its books and records kept in the regular course of business.

**57-39.2-04. Exemptions.**

There are specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

1. Gross receipts from sales of tangible personal property which this state is prohibited from taxing under the Constitution or laws of the United States or under the Constitution of North Dakota.
2. Gross receipts from the sales, furnishing, or service of passenger transportation service and gross receipts from the sales, furnishing, or service of freight transportation service when provided by a common carrier.
3. Repealed by S.L. 1971, ch. 567, § 1.
4.
  - a. Gross receipts from sales of tickets, or admissions to state, county, district, and local fairs.
  - b. Gross receipts from educational, religious, or charitable activities when the entire amount of net receipts is expended for educational, religious, or charitable purposes. The exemption in this subdivision does not apply to:
    - (1) Gross receipts from taxable sales in excess of ten thousand dollars for an event if the activities are held in a publicly owned facility which is not an event otherwise exempt under subdivision c, d, or e; or
    - (2) Gross receipts from activities if the seller competes with retailers by maintaining inventory, conducting retail sales on a regular basis from a permanent or seasonal location, or soliciting sales from a website prepared for or maintained by the seller.
  - c. Gross receipts derived by an institution of higher education located in this state from tickets or admissions to athletic, musical, dramatic, or scholastic events held, sponsored, hosted, or controlled by the institution of higher education, in which the primary performers or participants consist of students of an institution of higher education.
  - d. Gross receipts derived by any public school district if such receipts are expended in accordance with section 15.1-07-10 or 15.1-07-11.
  - e. Gross receipts of a nonprofit music or dramatic arts organization that is exempt from federal income taxation and is organized and operated for the presentation of live public performances of musical or theatrical works on a regular basis.
5. Gross receipts from sales of textbooks to regularly enrolled students of a private or public school and from sales of textbooks, yearbooks, and school supplies purchased by a private nonprofit elementary school, secondary school, or any other nonprofit institution of higher learning conducting courses of study similar to those conducted by public schools in this state.
6. Gross receipts from all sales otherwise taxable under this chapter made to the United States, an Indian tribe, or to any state, including the state of North Dakota, or any of the subdivisions, departments, agencies, or institutions of any state. A political subdivision of another state is exempt under this subsection only if a sale to a North Dakota political subdivision is treated as an exempt sale in that state. The governmental units exempted by this subsection must be issued a certificate of exemption by the commissioner and the certificate must be presented to each retailer whenever this exemption is claimed. For purposes of this subsection, an Indian tribe means a tribal government agency, instrumentality, or political subdivision that performs essential government functions and does not include business entities or agencies the primary purpose of which is to operate a business enterprise.
7. Gross receipts from the sale of drugs sold under a doctor's prescription.