

1999 HOUSE TRANSPORTATION

HB 1314

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1314

House Transportation Committee

Conference Committee

Hearing Date January 28, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-4.3
Committee Clerk Signature <i>Luvahen</i>			

Minutes:

CHAIRMAN KEISER OPENED THE HEARING ON HB 1314; A BILL TO PROVIDE FOR THE PROTECTION OF THE INTELLECTUAL PROPERTY RIGHTS IN THE DESIGN OF VEHICLE NUMBER PLATES.

REP. DOUG LEMIEUX introduced HB 1314. (See written testimony).

CHAIRMAN KEISER asked if the fee will be transferred to the general fund.

REP. LEMIEUX said yes.

REP. SVEEN questioned if there is going to be a new license plate.

REP. LEMIEUX said yes, that was the general understanding and that this is a very good chance for North Dakota to sell itself - to promote the tourism industry. This is just another mechanism to generate funds for the state. If someone is going to use our design we should maybe get a few dollars from it.

REP. JENSEN asked who had to copyright to our license plates right now.

REP. LEMIEUX said he assumed the state of North Dakota did but that we have never really put them out on bidding.

CHAIRMAN KEISER CLOSED THE HEARING ON HB 1314.

February 4, 1999

COMMITTEE ACTION

REP. LEMIEUX moved a DO PASS on HB 1314. REP. KEMPENICH seconded the motion.

The motion carried.

ROLL CALL - 15 YEA, 0 NAE, 0 ABSENT AND NOT VOTING.

FLOOR ASSIGNMENT - REP. LEMIEUX

FISCAL NOTE

(Return original and 10 copies)

Resolution No.: HB 1314 Amendment to: _____

Requested by Legislative Council Date of Request: 1-13-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. .

Narrative:

It is not possible to estimate the fiscal impact of this bill as it is not possible to determine the number of parties which may be interested in using the license plate design. It is also not possible to estimate the price that interested parties would be willing to pay for use of the design.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						

3. What, if any, is the effect of this measure on the budget for your agency or department:

a. For rest of 1997-99 biennium:

b. For the 1999-2001 biennium:

c. For the 2001-03 biennium:

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

Signed: _____

Typed Name: Keith Kiser, Motor Vehicle Director

Department: Department of Transportation

Phone Number: 328-2725

Date Prepared: 1-15-99



Date: 2/14
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1814

House Transportation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By REP LEMIEUX Seconded By REP KEMPENICH

Representatives	Yes	No	Representatives	Yes	No
Representative Keiser, Chair	✓		Representative Thorpe	✓	
Representative Mickelson, V. Ch.	✓				
Representative Belter	✓				
Representative Jensen	✓				
Representative Kelsch	✓				
Representative Kempenich	✓				
Representative Price	✓				
Representative Sveen	✓				
Representative Weisz	✓				
Representative Grumbo	✓				
Representative Lemieux	✓				
Representative Mahoney	✓				
Representative Meyer	✓				
Representative Schmidt	✓				

Total (Yes) 15 No 0

Absent _____

Floor Assignment REP LEMIEUX

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

REPORT OF STANDING COMMITTEE (410)
February 4, 1999 4:21 p.m.

Module No: HR-23-1958
Carrier: Lemieux
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1314: Transportation Committee (Rep. Keiser, Chairman) recommends DO PASS
(15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1314 was placed on the
Eleventh order on the calendar.

1999 SENATE TRANSPORTATION

HB 1314

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1314

Senate Transportation Committee

Conference Committee

Hearing Date March 12, 1999

Tape Number	Side A	Side B	Meter #
1		x	1,234-2955
March 19, 1999 - Tape 1	x		3,530-3994
Committee Clerk Signature <i>Devi S. Schaeffer</i>			

Minutes:

SENATOR B. STENEHJEM opened the hearing on HB 1314. Committee members present included: Sens. Bob Stenehjem, R. Schobinger, D. Mutch, D. Cook, D. O'Connell, V.

Thompson, and D. Bercier.

REPRESENTATIVE DOUG LEMIEUX, DISTRICT 9 testified in support of HB 1314. This bill was conceived when Governor Schafer proposed a new license plate for the Lewis and Clark Bicentennial. In order to do this, we knew we needed funds to create a good design for a license plate. When you invest money like that you need to be sure that you protect those intellectual property rights that you've procured through the expenditure of those funds. If you buy something and someone else wants to use it, they should pay you to use it. This protects the intellectual property rights in the backdrop of the license plate and it provides an avenue that the director can put out on bids.

SENATOR BERCIER Couldn't this be done through a contractual agreement? The contract would explicitly imply that the person is giving up that design and the intellectual property right to that design.

REPRESENTATIVE LEMIEUX That could be a part of how the design is found but we need to protect the rights for the state of ND.

SENATOR BERCIER If you contract with an Ad agency couldn't you put that in the contract?

SENATOR B. STENEHJEM The design belongs to the state and this bill says the design belongs to the state and no other citizen can make a replica of that design or anything similar. This says the state will retain all of the royalties from the intellectual property design.

JOANNE BURKE, TOURISM DEPARTMENT testified in opposition to HB 1314 (see testimony).

SENATOR THOMPSON Do you have an image of the present ND license plate anywhere in the state?

JOANNE BURKE No, you are restricting the use of it with this bill.

SENATOR B. STENEHJEM You may not actually have the background of the present license plate but other companies do have that similarity.

JOANNE BURKE Yes.

SENATOR MUTCH So even if there was a variation or one very similar to the design, it would still be a violation.

JOANNE BURKE Yes.

KEITH KISER, DIRECTOR OF MOTOR VEHICLE DIVISION, DOT answered questions pertaining to the bill. We do not pay for the design of license plates. We are not spending the

taxpayers money. The designs are presented to us through the 3M company who designs the plates at no cost. If you intend to pass this bill you may want the money to go into the highway fund if you want to generate any revenue.

SENATOR BERCIER Suppose 3M is no longer the company of choice, do most companies do this service at no cost?

KEITH KISER 3M is the only domestic company that provides those services. We would not anticipate that we would pay.

SENATOR B. STENEHJEM We will close the hearing on HB 1314.

March 19, 1999 - Tape 1

SENATOR SCHOBINGER I motion for a Do Not Pass.

SENATOR COOK I second.

SENATOR THOMPSON The tourism department had some concerns about this but I haven't seen where the plate is being used in any of that type of stuff. I will vote "no" for the Do Not Pass.

SENATOR B. STENEHJEM I have seen in gas stations license plate replicas that look very similar to our license plate. They would be illegal with this bill and I think it would be hard for us to enforce that.

SENATOR BERCIER The state is getting it for free anyway and the people who would have the copyright don't have the copyright and are providing it for free. I am concerned about this one myself.

SENATOR COOK I agree with Senator Bercier.

The roll call vote was taken on HB 1314 (6 Yeas, 1 Nay, and 0 Absent and Not Voting).

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Senate Transportation Committee
Bill/Resolution Number Hb 1314
Hearing Date March 12, 1999
Senator Cook will carry HB 1314.

Date: 3-19-99
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1314

Senate Transportation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Sen. Schobinger Seconded By Sen. Cook

Senators	Yes	No	Senators	Yes	No
Sen. B. Stenehjem-Chairman	✓				
Sen. R. Schobinger-V. Chair	✓				
Sen. Duane Mutch	✓				
Sen. Dwight Cook	✓				
Sen. David O'Connell	✓				
Sen. Vern Thompson		✓			
Sen. Dennis Bercier	✓				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Senator Cook

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

REPORT OF STANDING COMMITTEE (410)
March 19, 1999 2:30 p.m.

Module No: SR-50-5226
Carrier: Cook
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1314: Transportation Committee (Sen. B. Stenehjem, Chairman) recommends DO NOT PASS (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1314 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

HB 1314

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TESTIMONY FOR HB 1314

Prepared by Representative Doug Lemieux

Thursday, January 28, 1999

Chairman Keiser and members of the House Transportation Committee, I am Representative Doug Lemieux and I represent District 9, Rolette County.

When Governor Schaffer announced the plan to promote the bicentennial of the Lewis and Clark expedition and the plan for a new license plate for cars that would commemorate that historic event.

Some nay sayers were proclaiming the cost of new plates would be too much for the state, but others were saying we can find the money.

While copy writing is not new, it could be a vehicle to help the state of North Dakota afford the commemorative plates of the Lewis and Clark Bicentennial.

A Do Pass on HB 1314 is just good business.

Testimony of Joanne Burke, North Dakota Tourism Department
Senate Transportation Committee

Mr. Chairman and members of the committee—I am Joanne Burke, Deputy Director of the North Dakota Tourism Department and I am here to oppose House Bill 1314.

As the marketing arm for the State, the Tourism Department works very hard to develop a recognizable image of North Dakota. Hopefully, you are familiar with the logo North Dakota, Discover the Spirit. This is called branding. We use this logo in our advertising, on our stationary, marketing pieces, and retail items to mention a few uses. All of these items make someone think of North Dakota and they are seen all over the country and the world. Yesterday, we had a group of Russian visitors that came into our office and they paid us to so they can wear a shirt that says North Dakota, Discover the Spirit. We want to get this image out.

Another example of branding North Dakota is the image created for the Lewis and Clark Expedition. This image again is used in our advertising to identify the expedition with North Dakota. Sites along the trail or close to it have asked our Department if they could use this same image as they develop their promotions. The Lewis and Clark Interpretive Center is using this image on their website. Hazen is using this image for a mobile billboard. People seeing this image will connect the Lewis and Clark Expedition with North Dakota. We want to get this image out.

The license plate design is another example of branding North Dakota. Every time a North Dakotan drives somewhere the license plate identifies them with this state. People are able to recognize a license plate design and know what state someone is from. I am sure all of you can. For me, I readily recognize the green and white Colorado license plate.

The Tourism Department supports the use of the license plate background design for purposes other than on the plates. Like our Discover the Spirit logo, the background design might be used on items that will be seen around the country and around the world and make someone think of North Dakota. If the design is used for other purposes, it helps to distribute an image of North Dakota. We want to get this image out.

By making the public bid for the use of the design, House Bill 1314 will make it difficult to use the license plate background design for other purposes. When restrictions make it difficult to use, people won't use it. If people don't use it, there won't be royalties to collect. By not restricting the design to be used for other purposes, items could be sold and sales taxes collected. The Tourism Department does not charge for the use of our images.

Passing House Bill 1314 will ultimately limit spreading a positive image of North Dakota. The Tourism Department stands in opposition to this Bill.