

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2159

2001 SENATE TRANSPORTATION

SB 2159

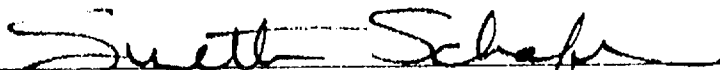
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2159

Senate Transportation Committee

Conference Committee

Hearing Date 1-18-01;2-16-01

Tape Number	Side A	Side B	Meter #
1		x	10.7-End
2	x		0-22.2
2-16	1	x	23-End;0-23;51-End
2-16	2	x	0-3.4
Committee Clerk Signature 			

Minutes:SB 2159 relating to vehicle registration fees; and to provide an effective date.

Tom Freler: (DOT; Supports) Introduces bill.

Keith Kiser: (DOT; Supports) DOT has 2 main sources for revenue. This bill is one of them.

Essentially, this bill raises registration fees \$15 on everything but motorcycles and trailers.

Snowmobiles and ATV's are exempt because they don't need to be licensed.

Celeste Kubasta: (DOT; Supports) Submits a proposed amendment to the bill. (See attached)

Tom Frier: Federal funds coming into state has been \$62-\$65 million yearly. State needs to match federal funds 80/20. The state needs \$12.5 million to match. The costs on new license plates will be \$3.3 million. We need more money for road construction and maintenance. The

DOT basically exists through federal funds. Therefore we need to match our share to get these funds.

Mark Johnson: (ND Assoc. Of Counties; Supports) See attached testimony.

Senator Trenbeath: Your testimony is very general, can we get numbers and statistics?

Mark Johnson: We can get that info for you.

Connie Spryczartek: (ND League of Cities; Supports) Supports the bill.

Leroy Ernst: (ND Motor Carrier Assoc.; Supports; Lobbyist #18) See attached testimony)

Marv Skar: Hands out information packet. (Attached) States that last year has been the most devastating in trucking history because of fuel costs. His bottom line went down \$250,000 last year. On January 2, 3300 trucks and 1100 owner-operators were put out of business. States that we can not continue to look as trucking as a cash crop. Says too that the impact of \$15 added on to already high registration fee will add to the devastation.

Curt Peterson: (Assoc. Of General Contractors of ND; Supports) Supports bill.

Senator Stenehjem: (States to everyone in room) "More information is needed and this bill will be ongoing."

Brian Kramer: (ND Farm Bureau; Neutral; Lobbyist #255) Says the bill places farmers with undue burden due to the fact that farmers have many vehicles and they are seasonally ran.

Bill Butcher: (NFIS; Neutral; Lobbyist #89) States that this would be a burden on small business owners, particularly farmers. Asks chairman to take a long hard look at bill.

Mark Titz: (ND Farmer's Union, Drake farmer; Opposes) States fact that farmers have many vehicles.

Hearing closed.

Committee reopened on 2-16-01.

Senator Stenejem: The bottom line is how we are going to raise the dollars to sufficiently fund the highway construction operation. To me, there are some areas that we haven't looked at. How many motorcycles are registered in ND and the registration amount?

Keith Kiser: About 16,000 motorcycles. The registration amount is \$22. Of that \$2 goes into the Public Transportation Fund, \$5 goes to Motorcycle Safety Fund, and \$15 goes into the Highway Tax Distribution Fund.

Senator Stenehem: How many pickups are registered in ND and where do they fit into this fee structure?

Keith Kiser: About 175,00-180,00 pickups. Pickups pay fees in area of page 2. Pickups are generally licensed at 4,6,8,10, or 12 thousand pounds. The weight is determined by doubling it's empty weight and then rounding it up to the next even ton. So a standard pickup that weighs 3500 lbs, double it's weight to 7000 lbs. And therefore falls into the 6000-8000 lb. weight category. Most standard pickups depending on if it's 4-wheel drive or not, and depending on the size of the motor generally fall into the 6000-8000 lb. range or the 8001-10000 lb. range.

Seantor Stenehem: So if it was brand new we are looking at \$73 or \$78 under the proposal?

Keith Kiser: Correct.

Senator Stenejem: Brand new pickups are running about \$25,000-\$30,000. If I had a car that I payed \$25,000-\$30,000 for, where would I fit into this fee schedule?

Keith Kiser: Probably page 1, line 22 ,23 or 24, depending on what it weighed. It might be more helpful to look at equivalent weights between pickups and passenger cars and look at that comparison. If you looked at a pickup that weighed 4200 lbs.,(a pretty standard pickup), that pickup would be licensed at 8001-10000 lbs. And the fee would be \$78. If you looked at that

vehicle as a passenger car, that fee would be \$85. Values do not have a lot to do with how vehicles fit into fee schedules right now.

Senator Stenehjem: Are we looking at the registration business at the right angle? (By weights or by values) How do other states do it?

Keith Kiser: States do all sorts of combination of things. Generally speaking, most states have some sort of vehicle value tied into calculation of registration fees. ND does not.

Senator Stenehjem: Is there a difference on how a person is taxed or is it something that is of no concern anymore?

Keith Kiser: We get this question every tax season. ND fees are not based on any sort of value so therefore, it's not tax deductible.

Senator Stenehjem: So if we went to basing it on the value of a vehicle, would we be creating a mechanism for a tax deduction?

Keith Kiser: That's my impression.

Senator Stenehjem: How many trailers do we currently have licensed in the state?

Keith Kiser: I have a rough estimate. We have several types of trailers that we license. The standard trailers that carry such things as hay bails ,etc. 48000-49000 currently licensed. License fee is \$20. 18,000 recreational vehicle licenses (camper trailers, pop-ups, etc.) That pay a \$20 annual fee. 5000 intrastate trailers (semi-trailers that run both inside and outside ND). We also have trailers that are not required to purchase licenses. Trailers for boats, ATV's, snowmobiles, small utility trailers, etc. They can purchase a license for \$5 if they go out of state with the trailers. We license about 5000-6000 a year of these trailers for \$5.

Senator Stenehjem: Is there a trailer license that is good forever?

Keith Kiser: There is not. There is however a provision which allows for a multi year licensing of trailers if you pay for all of the years that the cycle is good for. I think it has a maximum cap of six years.

Senator Stenehjem: How many trailers do you suspect there are out there that are not licensed?

Keith Kiser: There are about 50000 boats registered and each of those probably has a trailer. If I were to guess I would say another 50000 trailers also exempt from registration and there is some trailers that should be licensed and are not such as livestock trailers. So roughly 100,000+.

Senator Mutch: How much did we raise license fees last session?

Keith Kiser: Went up a total of \$2.

Senator Stenehjem: How do handle farm trucks and other vehicles in comparison to other vehicles in comparison to other states?

Keith Kiser: Hands out 2000 vehicle registration fee sheet comparison.(See Attached) Every two years a comparison of fees is done with surrounding states. The states around us generally charge more for truck registration then we do with the exception of SD. In most all of these states part of that fee is a property tax based on values in addition to the flat \$20 or \$30 registration fee.

Senator Stenehjem: How many semi-trailers are registered in ND?

Keith Kiser: When looking at the total number of trucks that are in weight category of 22000-105000 lbs, there are about 6600 trucks. In addition, there are around 10000 engaged in intrastate commerce that are licensed. So, there are about 10000 trucks that are paying part of our registration fee.

Senator Stenehjem: Assuming that we raised the \$1038 to \$1138, would it be possible to show the committee how much money would be raised?

Keith Kiser: If you raised all of the commercial truck fees \$100, it would generate \$660,000.

Senator Trenbeath: Isn't that subject to the factor of the percentage of miles traveled in ND?

Keith Kiser: Yes and No. The 6600 vehicles pay a full fee. If you raised those intrastate trucks fees, then they would only pay a portion of it according to miles traveled in ND. Average ND intrastate driver pays about 20% of his miles in ND. It does too generate revenue from out of state truck carriers.

Senator Stenehjem: Can you give me a number taking all factors into consideration of the revenue increase from this?

Keith Kiser: About \$800,000-\$900,000 of additional revenue.

Senator Stenehjem: What other revenue sources do we have?

Keith Kiser: Gas Tax and Vehicle Excise Tax.

Senator Stenehjem: With the non-licensed trailer area, if someone came into license a trailer, would you ask for a sale amount to collect an excise tax?

Keith Kiser: I can only liken it to what we did in 1973 with snowmobiles. Basically, it's an administration nightmare. There is cost associated with this. There is a lot of paperwork involved with us going out and trying to title trailers which have been exempt before. If we went that route, we would need additional employees.

Senator Espgaard: \$0 .01 gas tax would raise how much money?

Senator Stenehjem: \$10 million per biennium.

Senator Stenehjem: We could talk about driver's license fees. Even if we doubled the fees, it would only raise \$500,000 and over the 4 year cycle of licensing.

Senator Stenehjem: Of the current trailers licensees' do you know how many are commercial and noncommercial and are you aware of any states that do license commercial and noncommercial trailers?

Keith Kiser: I do not. There is not even a good definition of what constitutes one versus the other. I also am not aware of any other states that license this way.

Senator Stenehjem: What happens with homemade trailers with no serial number?

Keith Kiser: We assign them a serial number and license and title it as a homemade vehicle for the current year. Difficulty we have is that a lot of these are not homemade. Boat trailers are not homemade and there are many times no ownership documents. Another thing is that a plate is assigned to a person, not a particular trailer/vehicle so it's difficult to enforce.

Tom Freier: (NDDOT; Supports) Hands out DOT revenue options. See attached testimony.

Senator Stenehjem: For the record, Option 1 is the bill before us raising the vehicle registration fee of \$15 per vehicle that would bring in \$20.4 million total, leaving \$12.8 million for highway funds. Option 3 is a \$.02 per gallon gas tax increase, would generate approximately \$20 million. Counties would get \$4.6, cities would get \$2.8 million, and the State highway fund \$12.6 million. Option 8 would increase the motor vehicle excise tax by half a percent just on new vehicles. This would generate \$5 million per biennium.

Senator Stenehjem: For the record, I have a letter from Gary Anderson from the tax department. States that a 5% motor vehicle excise tax generates \$119,266,000. If raised the tax to 5.5% on all vehicles, it would raise \$130,992,000. So an estimated \$10,788,000 per biennium would be generated for the state.

Seantor Stenehjem: There is a possibility that the moneys could be directly deposited into the Highway fund in opposed to the Highway Distribution fund, correct?

Tom Freier: Correct.

Senator Stenehjem: Is there a formula from the state level on sharing federal dollars?

Tom Freier: As of 1993, the state's share is 75%, and 25% goes to cities and counties.

Senator Stenchjem: Back to what I said earlier, I am bringing up any option. Would I be correct in assuming that the dollars we put into the highway fund or highway distribution fund are the dollars needed to match the 75% that the state gets. Whereas, the cities and counties need to match their 25%?

Senator Stenchjem: That is correct.

Senator Stenchjem: We could possibly make up part of the \$12 million dollars by changing % amount through legislation?

Tom Freier: You could.

Senator Stenchjem: I'm looking at your budget report, where's the total amount of federal funding?

Tom Freier: \$400 million for federal dollar aid. \$300 million going to State projects and \$100 million going to city and county projects.

Senator Stenchjem: What happens to the \$65 million in federal aid if the state did not match it?

Tom Freier: They would go back into a pool and be assigned to other states.

Senator Stenchjem: What does ND get back for every dollar it puts in?

Tom Freier: Approximately \$2 for every \$1 the state puts in.

Senator Stenchjem: Can we get a summary of truck regulatory fees?

Tom Freier: We are anticipating \$19 million dollars. We would have to work with the Highway Patrol to put together some sort of synopsis of that, but we can do that.

Senator Stenchjem: I see that there are some non-dedicated funds within the DOT. The one that sticks out to me is Hay bids, roads, materials, etc. For \$5.8 million. What is that all about?

Tom Freier: That is miscellaneous. I know what hay bids are. As far as the other things, I would have to have our finance department take a look at and give you a more detailed breakdown.

Page 9

Senate Transportation Committee

Bill/Resolution Number SB 2159

Hearing Date 1-18-01;2-16-01

Committee closed.

Committee reopened on 2-16-01.

Senator Stenhjem hands out proposed amendment.

Senator Bercier makes the motion to move the amendment. Seconded by Senator Mutch. Roll

call taken. 6-0-0. Senator Trenbeath moves to Do Pass as amended. Seconded by Senator

Bercier. Roll Call taken. 6-0-0. Floor carrier is Senator Stenhjem.

Committee closed.

