

FISCAL NOTE

Requested by Legislative Council
01/18/2005

Bill/Resolution No.: SB 2255

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$14,600,000		\$16,800,000
Expenditures				\$60,000		\$60,000
Appropriations				\$60,000		\$60,000

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$13,800)	(\$8,400)		(\$13,800)	(\$8,400)	

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill will generate approximately \$14.6 million per biennium in additional motor vehicle excise tax collections that will be deposited to the Highway Fund. It will also create an increased workload for the Motor Vehicle Division that is estimated to cost \$60,000 per biennium.

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 estimated this bill will generate \$14.6 million for the Highway Fund in the next biennium and \$16.8 million in the 2007-2009 biennium.

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.*

The change in the tax rate will generate confusion for the general public and we anticipate an increased volume of communications from the public and an increased volume of title applications that we can not process because the tax is computed incorrectly. We may need a budget enhancement for \$40,000 for temporary salaries, \$2,000 for printing expenses, and \$18,000 for additional first class postage. We anticipate the need will also exist in the 2007-2009 biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

We will need a budget enhancement to cover the costs of the expenditures detailed above.

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