

FISCAL NOTE
 Requested by Legislative Council
 02/15/2011

Amendment to: Reengrossed
 HB 1191

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$480,831		(\$887,574)
Expenditures				\$292,784		
Appropriations				\$292,784		

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$65,955	\$39,880		(\$311,303)	(\$188,230)	

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill as amended would replace the current single and multi-year registration provisions for semi-trailers with a single, lifetime registration fee.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill as amended would result in a first biennium net gain in revenues due to the conversion of all currently registered (single year and multi-year registration) trailers to the new, lifetime registration program. Each subsequent biennium would realize a net revenue loss in comparison to revenues generated under current law.

The net semi-trailer registration revenues are deposited in the Highway Tax Distribution Fund (HTDF) and subsequently distributed to various entities. Therefore, the revenue and expenditure impacts resulting from this bill will affect the following entities:

- Counties (21.5%)
- Cities (13%)
- Townships (2.7%)
- Public Transportation (1.5%)
- NDDOT (61.3%)

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.*

ADDITIONAL NET REVENUES GENERATED - 1ST BIENNIUM

2011-2013 REVENUES THAT WOULD BE GENERATED UNDER PROPOSED LAW:

The first biennium revenues under the new law from currently registered trailers would be approximately \$2,064,900 (41,298 trailers X \$50 fee).

New trailer registration revenues each biennium would be approximately \$340,000 (3,400 trailers/year X 2 years in biennium X \$50 fee).

Approximately 581 of the existing registrations are for trailers registered under the current multi-year provisions. These trailers would be entitled to a refund of unexpired registration fees at the time of conversion to the new registration provisions. This would result in a total refund of approximately \$17,430.

Total revenues that would be generated during the 2011-2013 biennium under the new proposal = \$2,387,470
(\$2,064,900 + \$340,000 - \$17,430)

2011 -2013 REVENUES THAT WOULD BE GENERATED UNDER EXISTING LAW:

Averaged biennial revenues generated under current law for single and multi-year registered trailers = 41,298 trailers X \$20 fee X 2 years in biennium = \$1,651,920. Note: the multi-year registrations generate \$120 every six years. For purposes of this analysis, the multi-year structure is averaged at \$20 per year.

New trailer revenues during the biennium would be approximately \$136,000 (3,400 trailers/year X 2 years in biennium X \$20 fee).

Total revenues that would be generated during the 2011-2013 biennium under the existing law = \$1,651,920 + \$136,000 = \$1,787,920.

GROSS REVENUE GAIN DURING THE FIRST BIENNIUM:

Total revenues that would be generated during the 2011-2013 biennium under the new proposal less total revenues that would be generated during the 2011-2013 biennium under the existing law = \$599,550 (\$2,387,470-\$1,787,920).

NET DISTRIBUTED REVENUE GAIN DURING THE FIRST BIENNIUM

The additional expenses resulting from the proposed legislation (as identified in part 3 B below) must be deducted from the gross proceeds for the HTDF. This results in a net figure which will distribute through the Highway Tax Distribution Fund. Accordingly, the net HTDF revenues (for the first biennium) and related distribution are computed as follows: \$599,550 additional gross revenue for HTDF - \$292,784 additional costs incurred by NDDOT to issue and administer the provisions of this bill = \$306,766 net proceeds available for distribution through the HTDF.

Distribution of net revenue gain through the HTDF - \$306,766:

Counties (21.5%) = \$65,955

Cities (13%) = \$39,880

Townships (2.7%) = \$8,283

Public Transportation (1.5%) = \$4,601

NDDOT (61.3%) = \$188,047

TOTAL 1ST BIENNIUM REVENUES SHOWN IN PART 1A ABOVE:

\$188,047 (NDDOT HTDF fund distribution) + \$292,784 (revenue to NDDOT to cover design, production, issuance, and administration costs) = \$480,831

TOTAL 1ST BIENNIUM REVENUES SHOWN IN PART 1B ABOVE:

\$65,955 = Counties share of HTDF

\$39,880 = Cities share of HTDF

NET REVENUE LOSS - 2013-2015 AND EACH SUBSEQUENT BIENNIUM

BIENNIAL REVENUES GENERATED UNDER CURRENT LAW

Biennial revenues generated under current law for currently registered single and multi-year registered trailers = 41,298 trailers X \$20 fee X 2 years in biennium = \$1,651,920. Note: the multi-year registrations generate \$120 every six years. For purposes of this analysis, the multi-year structure is averaged at \$20 per year.

New trailer revenues during the biennium would be approximately \$136,000 (3,400 trailers/year X 2 years in biennium X \$20 fee).

Total registration revenues that would be generated under existing law = \$1,787,920 (\$1,651,920 + \$136,000)

BIENNIAL REVENUES GENERATED UNDER PROPOSED LAW

Biennial revenues that would be generated under the proposed law for bienniums subsequent to 2011-2013 = \$340,000 (3,400 new trailer registrations per year X 2 years X \$50 registration fee)

NET REVENUE LOSS AND DISTRIBUTION

Net revenue loss for 2013-2015 and each subsequent biennium: \$340,000 revenue generated under new proposal - \$1,787,920 revenues that would have been generated under existing law = \$1,447,920 net revenue loss

Distribution of net revenue loss through the HTDF - (\$1,447,920):

Counties (21.5%) = (\$311,303)

Cities (13%) = (\$188,230)

Townships (2.7%) = (\$39,094)

Public Transportation (1.5%) = (\$21,719)

NDDOT (61.3%) = (\$887,574)

TOTAL 2ND BIENNIUM REVENUE LOSS SHOWN IN PART 1A ABOVE:

(\$887,574) - NDDOT HTDF fund distribution

TOTAL 2ND BIENNIUM REVENUES SHOWN IN PART 1B ABOVE:

(\$311,303) = Counties share of HTDF

(\$188,230) = Cities share of HTDF

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.*

2011-2013 BIENNIUM ADDITIONAL EXPENDITURES THAT WOULD RESULT FROM PROPOSED LEGISLATION:

License plate design costs - \$1,500

Plate production, administration, and distribution costs - 41,298 existing trailers X \$6.69 cost = \$276,284

IT programming cost - \$15,000

Total 2011 - 2013 additional expenditures that would result from proposed legislation = \$292,784 (\$1,500 + \$276,284 + \$15,000)

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

NDDOT would require an addition to its appropriation in the amount of \$292,784 for the 2011-2013 biennium to carry out the provisions of this measure.

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