

FISCAL NOTE
 Requested by Legislative Council
 03/04/2011

REVISION

Amendment to: SB 2207

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				\$3,277,795		\$3,277,795
Expenditures				\$183,960		\$183,960
Appropriations				\$183,960		\$183,960

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
			\$1,110,349	\$630,880		\$1,110,349	\$630,880	

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).*

As amended, this bill imposes certain registration requirements on non-resident vehicles that will be operating in ND for 90 or more consecutive days, or are gainfully employed.

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.*

Sections 1 and 2 of this measure establish registration fees for vehicles that will be operating in ND for 90 or more consecutive days, or are gainfully employed. These sections will generate additional revenue for the Highway Tax Distribution Fund and also will result in additional costs for NDDOT.

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 not possible to positively determine the impact that this legislation would have on revenues as we have no reliable method to determine the additional motor vehicles that would be registered as a result of this legislation. However, we can assume a hypothetical scenario and assign revenues according to the scenario.

This scenario assumes that there are approximately 12,000 oil field jobs with 60 percent of those jobs filled by out of state residents. It is assumed that each oil field worker has one light vehicle (20,000 lbs or less) and that we will achieve approximately 75% compliance with a new temporary registration law. ND currently has about 1,400 temporary registrations in place. These assumptions would result in approximately 4,350 additional light vehicles being registered.

It is assumed that "company vehicles" are primarily heavy vehicles (greater than 20,000 lbs). We assumed that there would be 500 heavy vehicles in each individual weight class.

Finally, it is assumed that the revenues generated by temporary registrations on trailers and motorcycles will be minimal and the additional revenue impact from non-oil production areas in the state would also be minimal. Likewise, it is assumed that revenues from fines for violation of this act will be relatively immaterial.

Based on the scenario criteria outlined above, the following revenue scenario could result:

ADDITIONAL GROSS ANNUAL VEHICLE REGISTRATION REVENUES:

Light Vehicles (20,000 lbs and less):

4,350 vehicles X \$130 registration fees = \$565,500

Heavy Vehicles:

20,001-42,000 lbs: 500 vehicles X \$450 registration fees = \$225,000

42,001-62,000 lbs: 500 vehicles X \$770 registration fees = \$385,000

62,001-82,000 lbs: 500 vehicles X \$1,070 registration fees = \$535,000

82,001-105,500 lbs: 500 vehicles X \$1,810 registration fees = \$905,000

Total annual additional revenue - heavy vehicles = \$2,050,000

Total gross additional annual registration revenues - all classes:

Light vehicles \$565,500 + Heavy vehicles \$2,050,000 = \$2,615,500

Total additional biennial registration revenues - all classes: \$2,615,500 annual revenues X 2 = \$5,231,000

REVENUE IMPACT OF ADDITIONAL MOTOR VEHICLE EXPENSES

Because the costs of the NDDOT Motor Vehicle Operating Expenses are netted off of the gross motor vehicle registration proceeds before deposit into the Highway Tax Distribution Fund, the additional revenues generated by this bill must be considered net of the related expenses. As detailed in Section 3B below, the additional expenses that will be incurred by NDDOT pursuant to this bill total \$183,960. Therefore, the revenues available for distribution through the Highway Tax Distribution Fund will be \$5,047,040 (\$5,231,000 gross revenues generated less \$183,960 NDDOT expenses funded directly from gross revenues). Additionally, the \$183,960 of expenses deducted from the proceeds will also be added to NDDOT's revenues because this represents revenues to the agency to fund the additional costs incurred as a result of this measure.

IMPACT OF ADDITIONAL REVENUES (NET OF EXPENSES) DISTRIBUTED THRU THE HIGHWAY TAX DISTRIBUTION FUND \$5,047,040:

Allocation through the Highway Tax Distribution Fund:

Cities (12.5%) \$630,880

Counties (22%) \$1,110,349

Townships (2.7%) \$136,270

Transit (1.5%) \$75,706

NDDOT (61.3%) \$3,093,835

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.*

TOTAL NDDOT COSTS ASSOCIATED WITH BILL = \$183,960

Decal costs (12,000 X \$.98) \$11,760

Postage and envelopes (12,000X \$.60) \$7,200

Awareness Campaign \$100,000

Credit Card Merchant Fees \$65,000

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 will require an addition to the appropriation in the amount of \$183,960 to cover the additional expenditures associated with this measure.

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