

FISCAL NOTE
Requested by Legislative Council
01/15/2013

Bill/Resolution No.: HB 1205

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$107,500		
Appropriations				\$107,500		

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **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 reduces the fees associated with Gold Star, POW, and DAV license plates.

- 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.*

While it is not possible to fully determine the impact this bill will have on revenues, we believe any resulting revenue loss will be relatively minor. However, the bill will have a fairly significant impact on NDDOT expenditures and appropriations due to significant costs for computer reprogramming, training, printing, web site changes, decal development, and additional temporary staffing that will be necessary to implement the provisions of this bill.

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.*

While we cannot fully determine the impact that this bill will have on revenues, it is likely that it will result in a fairly minor loss of revenue to the Highway Tax Distribution Fund, the Veteran's Cemetery Trust Fund, and the Veteran's Cemetery Maintenance Fund. We can estimate the revenue impact for section 1 as (24 POW plates + 45 Gold Star plates) X \$25 per year X 2 years per biennium for a total revenue loss of \$3,450 per biennium. This loss would impact the Highway Tax Distribution Fund. We can estimate the revenue impact for section 2 as (20 Gold Star plates per biennium X \$15 initial one-time fee) + (20 Gold Star plates per biennium X \$10 annual surcharge X 2 years per biennium) = \$700 per biennium. The distribution of this loss is \$200 to the Highway Tax Distribution Fund, \$300 to the Veteran's Cemetery Maintenance Fund, and \$200 to the Veteran's Cemetery Trust Fund. It is not possible to fully determine the revenue impact for section 3 as we have no way to determine the extent that disabled veterans currently using the regular buffalo plate will choose to utilize the DAV registration and excise tax exemption. While not certain, it is likely that this impact would also be minimal.

- 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 estimated costs associated with this bill for the first biennium include computer reprogramming (\$12,000), web-site changes (\$5,000), temporary staffing to cover basic operations while full time staff is involved with central and branch office training and program update efforts (\$84,000), and printing (\$5,000), and decal development (\$1,500) for a total first biennium cost of \$107,500. Subsequent biennium costs would be minimal.

- 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 has not included any costs associated with this bill in its 2013-2015 biennium budget request. Accordingly, an additional appropriation of \$107,500 would be necessary for the 2013-2015 biennium.

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