

FISCAL NOTE
Requested by Legislative Council
04/07/2015

Amendment to: HB 1360

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$47,297		\$80,507
Expenditures				\$28,020		\$5,904
Appropriations				\$28,020		\$5,904

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$(1,657)	\$6,797
Cities		\$(940)	\$3,862
School Districts			
Townships		\$(203)	\$834

- 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 provides for NDDOT to issue “patriotic” motor vehicle 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 as we don’t know how many people will choose to purchase a patriotic license plate, we can estimate a fiscal impact based on an assumed scenario. These assumptions are shown below. Note that the impact to investment earnings from the Veteran’s Postwar Trust Fund was not included in the scenario as this impact will likely be minimal. Please see the accompanying attachment for the calculation of the fiscal effects. Significant assumptions used for this scenario are:

- * Cost to NDDOT to purchase one set of plates - \$8.81
- * Design Costs (3 designs X \$1,500) - \$4,500
- * Mailing cost per set of plates - \$3.39
- * Computer programming costs - 1st year - \$4,000
- * Computer programming costs - following years - \$1,000
- * Estimated number of plates upon initial issue - 1,600
- * Estimated number of plates per year after initial issue (10%) - 160
- * One time fee revenue(3 designs X \$1,500) - \$4,500
- * Annual surcharge revenue per set of plates - \$25
- * Highway Tax Distribution Fund share of annual surcharge revenue - \$10 per registration
- * Veteran’s Postwar Trust Fund share of annual surcharge revenue - \$15 per registration

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.*

Please see schedules 3, 4, and 5 in the accompanying attachment for the calculation of the revenue effects.

- 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.*

Please see schedules 1 and 2 in the accompanying attachment for the calculation of the expenditure effects.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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HB1360 - with Senate Amendments

Calculation of Fiscal Impacts

EXPENDITURES

<i>Schedule 1 - NDDOT Expenditures</i>	<u>2015-2017 Biennium</u>			<u>2017-2019</u>
	1st yr	2nd yr	Total 1st Biennium	Biennium
Plate Design		4,500	4,500	
Mailing Costs		5,424	5,424	1,085
Purchase cost of plates		14,096	14,096	2,819
Computer programming costs		4,000	4,000	2,000
Estimated Total Costs	\$ -	\$ 28,020	\$ 28,020	\$ 5,904

<i>Schedule 2 - Allocation of Expenditure Impact to Revenues distributed through the Highway Tax Distribution Fund</i>	Allocation Percentage	<u>2015-2017</u>		<u>2017-2019</u>
		Biennium	Revenue Reduction	Biennium Revenue Reduction
NDDOT	61.3%	\$ 17,176		\$ 3,619
Public Transportation Fund	1.5%	\$ 420		\$ 89
Cities	12.5%	\$ 3,503		\$ 738
Counties	22.0%	\$ 6,164		\$ 1,299
Townships	2.7%	\$ 757		\$ 159
Total		\$ 28,020		\$ 5,904

REVENUES

	<u>2015-2017 Biennium</u>			<u>2015-2017 Biennium</u>			<u>2017-2019 Biennium - 2 Years</u>		
	1st year			2nd year					
	Total	Highway Tax Distribution Fund	Veteran's Postwar Trust Fund	Total	Highway Tax Distribution Fund	Veteran's Postwar Trust Fund	Total	Highway Tax Distribution Fund	Veteran's Postwar Trust Fund
Initial Fee									
Annual Surcharge				\$ 4,500	\$ 4,500				
Total	\$ -	\$ -	\$ -	\$ 40,000	\$ 16,000	\$ 24,000	\$ 92,000	\$ 36,800	\$ 55,200
	\$ -	\$ -	\$ -	\$ 44,500	\$ 20,500	\$ 24,000	\$ 92,000	\$ 36,800	\$ 55,200

<i>Schedule 4 - Allocation of Revenue Impact through Highway Tax Distribution Fund</i>	Allocation Percentage	<u>2015-2017</u>		<u>2017-2019</u>
		Biennium	Biennium	Biennium
NDDOT	61.3%	\$ 12,567	\$ 22,558	
Public Transportation Fund	1.5%	\$ 308	\$ 552	
Cities	12.5%	\$ 2,563	\$ 4,600	
Counties	22.0%	\$ 4,510	\$ 8,096	
Townships	2.7%	\$ 554	\$ 994	
Total		\$ 20,500	\$ 36,800	

<i>Schedule 5 - Net Impact of Revenues and Expenditure Impact on Highway Tax Distribution Fund Recipients and Veteran's Postwar Trust Fund</i>	<u>2015-2017</u>		<u>2017-2019</u>	
	Biennium	Biennium	Biennium	Biennium
<u>State Entities</u>				
Veteran's Postwar Trust Fund	\$ 24,000	\$ 55,200		
NDDOT Motor Vehicle "Off the Top" funding for expenditures	28,020	5,904		
NDDOT Share of impact to Highway Tax Distribution Fund	(4,610)	18,939		
Public Transportation share of impact to Highway Tax Distribution Fund	(113)	463		
Total Net Revenue Impact to State Entities	\$ 47,297	\$ 80,507		
<u>Cities, Counties, and Townships</u>				
Cities Share of impact to Highway Tax Distribution Fund	\$ (940)	\$ 3,862		
Counties share of impact to Highway Tax Distribution Fund	(1,654)	6,797		
Townships share of impact to Highway Tax Distribution Fund	(203)	834		
Total Net Revenue Impact to Cities, Counties, and Township	\$ 2,798	\$ 11,492		

Minor Math Variances are due to spreadsheet rounding

Prepared by NDDOT Financial Management Division
April 8, 2015