Revised
Bill/Resolution No.: 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.

|  |  |  |  | 2015-2017 Biennium |  | 2017-2019 Biennium |  |
| :--- | :--- | :--- | :--- | ---: | ---: | ---: | :---: |
|  | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |  |
| Revenues |  |  |  | $\$ 747,221$ |  | $\$ 318,253$ |  |
| Expenditures |  |  |  | $\$ 335,196$ |  | $\$ 156,336$ |  |
| Appropriations |  |  |  | $\$ 335,196$ |  | $\$ 156,336$ |  |

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 |  | $\$(35,023)$ | $\$(27,354)$ |
| Cities |  | $\$(19,900)$ | $\$(15,542)$ |
| School Districts |  |  |  |
| Townships |  | $\$(4,298)$ |  |

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 requires 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 listed in the accompanying attachments. 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 attachments for the calculation of the fiscal effects.
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 3-5 on the accompanying attachments 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 on the accompanying attachments 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.

NDDOT would require and additional appropriation of $\$ 335,196$ for the 2015-2017 biennium to cover the requirements of this bill.

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Date Prepared: 01/26/2015

## HB1360 <br> Calculation of Fiscal Impacts <br> Expenditures

## EXPENDITURES

| Schedule 1 - NDDOT Expenditures | 1st yr |  | 2015-2017Biennium |  |  |  | $\frac{\text { 2017-2019 }}{\text { Biennium }}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | 2nd yr |  |  |  |  |
| Temporary Salaries | \$ | 58,128 | \$ | 58,128 | \$ | 116,256 | \$ | 116,256 |
| Plate Design |  | 4,500 |  |  |  | 4,500 |  |  |
| Mailing Costs |  | 49,440 |  | 4,944 |  | 54,384 |  | 9,888 |
| Purchase cost of plates |  | 140,960 |  | 14,096 |  | 155,056 |  | 28,192 |
| Computer programming costs |  | 4,000 |  | 1,000 |  | 5,000 |  | 2,000 |
| Estimated Total Costs | \$ | 257,028 | \$ | 78,168 | \$ | 335,196 | \$ | 156,336 |

Schedule 2 - Allocation of Expenditure Impact to Revenues distributed

|  | through the | Allocation <br> Percentage | Biennium <br> Revenue Reduction |
| :--- | ---: | ---: | ---: |
| NDDOT | $61.3 \%$ | $\$$ | 205,475 |
| Public Transportation Fund | $1.5 \%$ | $\$$ | 5,028 |
| Cities | $12.5 \%$ | $\$$ | 41,900 |
| Counties | $22.0 \%$ | $\$$ | 73,743 |
| Townships | $2.7 \%$ | $\$$ | 9,050 |
| Total | $\$$ | 335,196 |  |

## SCENARIO ASSUMPTIONS

Cost to NDDOT to purchase one set of plates
Design costs (3 designs @ \$1,500 each)
Mailing cost per set of plates
Temporary employees to handle initial issue
Temporary employees to handle additional demand after 1st biennium
Temporary Employee rate per hour
Computer programming costs - 1st year
Computer programming costs - following years
Computer programming costs following years
Estimated number of plates upon initial issue
Estimated number of plates per year after initial issue (10\%/yr)
Initial Issue Fee Revenue per set of plates
Annual Surcharge Revenue per set of plates
Highway Tax Distribution Fund share of initial issue fee
Veteran's Postwar Trust Fund share of initial issue fee
8.81
4,5002 14
$\$ 10$
10

2017-2019
Reduction

| $\$$ | 95,834 |
| :--- | ---: |
| $\$$ | 2,345 |
| $\$$ | 19,542 |
| $\$$ | 34,394 |
| $\$$ | 4,221 |
| $\$$ | 156,336 |

HB1360
Calculation of Fiscal Impacts
Revenues

## REVENUES

| Schedule 3 - Fee Revenues | 2015-2017 Biennium |  |  |  |  |  | 2015-2017 Biennium |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1st year |  |  |  |  |  | 2nd year |  |  |  |  |  | 2017-2019 Biennium - 2 Years |  |  |  |  |  |
|  | Total |  | Highway Tax Distribution Fund |  | Veteran's Postwar Trust Fund |  |  |  | Highway Tax Distribution Fund |  | Veteran's <br> Postwar <br> Trust Fund |  |  Highway Tax <br> Distribution <br> Fund <br> Total Funt |  |  |  | Veteran's <br> Postwar <br> Trust fund |  |
|  |  |  |  | Total |  |  |  |  |  |  |  |  |  |  |  |  |
| Initial Fee | \$ | 320,000 |  |  | \$ | 160,000 | \$ | 160,000 | \$ | 32,000 | \$ | 16,000 | \$ | 16,000 | \$ | 64,000 | \$ | 32,000 | \$ | 32,000 |
| Annual Surcharge |  | 160,000 |  |  |  | 160,000 |  | 176,000 |  |  |  | 176,000 |  | 208,000 |  |  |  | 208,000 |
| Total | \$ | 480,000 | \$ | 160,000 | \$ | 320,000 | \$ | 208,000 | \$ | 16,000 | \$ | $\underline{ }$ | \$ | 272,000 | \$ | 32,000 | \$ | 240,000 |


| Schedule 4 -Allocation of Revenue Impact through Highway Tax Distribution Fund | Allocation <br> Percentage | 2015-2017 Biennium |  | 2017-2019 <br> Biennium |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| NDDOT | 61.3\% | \$ | 107,888 | \$ | 19,616 |
| Public Transportation Fund | 1.5\% | \$ | 2,640 | \$ | 480 |
| Cities | 12.5\% | \$ | 22,000 | \$ | 4,000 |
| Counties | 22.0\% | \$ | 38,720 | \$ | 7,040 |
| Townships | 2.7\% | \$ | 4,752 | \$ | 864 |
| Total |  | \$ | 176,000 | \$ | 32,000 |


| Schedule 5 - Net Impact of Revenues and Expenditure Impact on Highway Tax Distribution Fund Recipients | 2015-2017 <br> Biennium |  | 2017-2019 <br> Biennium |  |
| :---: | :---: | :---: | :---: | :---: |
| State Entities |  |  |  |  |
| Veteran's Postwar Trust Fund | \$ | 512,000 | \$ | 240,000 |
| NDDOT Motor Vehicle "Off the Top" funding for expenditures |  | 335,196 |  | 156,336 |
| NDDOT Share of impact to Highway Tax Distribution Fund |  | $(97,587)$ |  | $(76,218)$ |
| Public Transportation share of impact to Highway Tax Distribution Fund |  | $(2,388)$ |  | $(1,865)$ |
| Total Net Revenue Impact to State Entities | \$ | 747,221 | \$ | 318,253 |

Cities, Counties, and Townships
Cities Share of impact to Highway Tax Distribution Fund
Counties share of impact to Highway Tax Distribution Fund
Townships share of impact to Highway Tax Distribution Fund

| $(19,900)$ | $(15,542)$ |
| ---: | ---: |
| $(35,023)$ | $(27,354)$ |
| $(4,298)$ | $(3,357)$ |
| $(59,222)$ | $(46,254)$ |

## SCENARIO ASSUMPTIONS

Cost to NDDOT to purchase one set of plates
Design costs (3 designs @ \$1,500 each)
Mailing cost per set of plates
Temporary employees to handle initial issue
Temporary employees to handle additional demand after 1st biennium
emporary Employee rate per hour
Computer programming costs - 1st year
Computer programming costs - following years
Estimated number of plates upon initial issue
Estimated number of plates per year after initial issue ( $10 \% / \mathrm{yr}$ )
Initial Issue Fee Revenue per set of plates
Annual Surcharge Revenue per set of plates
Highway Tax Distribution Fund share of initial issue fee
Veteran's Postwar Trust Fund share of initial issue fee

