15.0683.01000

FISCAL NOTE Requested by Legislative Council 01/16/2015

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

Tevele 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				\$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)	\$(3,357)

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

Calculation of Fiscal Impacts

Expenditures

EXPENDITURES

	2015-2017Biennium						<u>017-2019</u>
Schedule 1 - NDDOT Expenditures	1st yr	st yr 2nd yr Total 1st Biennium		В	Biennium		
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 Highway Tax Distribution Fund		2015-2017 Allocation Biennium ercentage Revenue Reduction		2017-2019 Biennium Revenue Reduction				
NDDOT	61.3%	\$	205,475	\$	95,834			
Public Transportation Fund	1.5%	\$	5,028	\$	2,345			
Cities	12.5%	\$	41,900	\$	19,542			
Counties	22.0%	\$	73,743	\$	34,394			
Townships	2.7%	\$	9,050	\$	4,221			
Total	•	\$	335,196	\$	156,336			

SCENARIO ASSUMPTIONS

Cost to NDDOT to purchase one set of plates	\$ 8.81
Design costs (3 designs @ \$1,500 each)	\$ 4,500
Mailing cost per set of plates	\$ 3.09
Temporary employees to handle initial issue	2
Temporary employees to handle additional demand after 1st biennium	2
Temporary Employee rate per hour	\$ 14
Computer programming costs - 1st year	\$ 4,000
Computer programming costs - following years	\$ 1,000
Estimated number of plates upon initial issue	16,000
Estimated number of plates per year after initial issue (10%/yr)	1,600
Initial Issue Fee Revenue per set of plates	\$ 20
Annual Surcharge Revenue per set of plates	\$ 10
Highway Tax Distribution Fund share of initial issue fee	\$ 10
Veteran's Postwar Trust Fund share of initial issue fee	\$ 10

HB1360 Calculation of Fiscal Impacts Revenues

REVENUES

Schedule 3 - Fee Revenues		2015-2017 Biennium			20	2015-2017 Biennium											
		1st year					2nd year			2017-2019 Biennium - 2 Years					ars		
			High	hway Tax	Veteran's	_		Hię	hway Tax	V	eteran's			H'	ighway Tax	V	/eteran's
		Distribution Postwar		Distribution Postwar				ostwar			Distribution Postwa		Postwar				
		Total		Fund	Trust Fund		Total		Fund	Tre	ust Fund		Total		Fund	Tr	rust Fund
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	Ś	480.000	Ś	160.000	\$ 320,000	Ś	208.000	Ś	16,000	Ś	192.000	Ś	272.000	Ś	32.000	Ś	240,000

Schedule 4 - Allocation of Revenue Impact through Highway Tax Distribution Fund	Allocation Percentage	_	015-2017 Siennium	2017-2019 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	 15-2017 ennium	2017-2019 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	(19,900)		(15,542)		
Counties share of impact to Highway Tax Distribution Fund	(35,023)		(27,354)		
Townships share of impact to Highway Tax Distribution Fund	(4,298)		(3,357)		
Total Net Revenue Impact to Cities, Counties, and Townships	(59,222)		(46,254)		

SCENARIO ASSUMPTIONS

Cost to NDDOT to purchase one set of plates	\$	8.81
Design costs (3 designs @ \$1,500 each)	\$	4,500
Mailing cost per set of plates	\$	3.09
Temporary employees to handle initial issue		2
Temporary employees to handle additional demand after 1st biennium		2
Temporary Employee rate per hour	\$	14
Computer programming costs - 1st year	\$	4,000
Computer programming costs - following years	\$	1,000
Estimated number of plates upon initial issue		16,000
Estimated number of plates per year after initial issue (10%/yr)		1,600
Initial Issue Fee Revenue per set of plates	\$	20
Annual Surcharge Revenue per set of plates	\$	10
Highway Tax Distribution Fund share of initial issue fee	\$	10
Veteran's Postwar Trust Fund share of initial issue fee	Ś	10