15.0683.02000

FISCAL NOTE
Requested by Legislative Council
02/09/2015

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				$739,278		$290,271
Expenditures				$253,284		$70,104
Appropriations				$253,284		$70,104

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		$21,718	$(1,343)
Cities		$12,340	$(763)
School Districts			
Townships		$2,665	$(165)

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 $253,284 for the 2015-2017 biennium to cover the requirements of this bill.

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Date Prepared: 02/11/2015

HB1360 with 2/9/15 House Amendements
Calculation of Fiscal Impacts
Expenditures

EXPENDITURES

Schedule 1 - NDDOT Expenditures		2015-2017Biennium			2017-2019
		1st yr	2nd yr	Total 1st Biennium	Biennium
Temporary Salaries	$	14,532	$ 14,532	$ 29,064	$ 29,064
Plate Design		4,500		4,500	
Mailing Costs		54,240	5,424	59,664	10,848
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	$	218,232	$ 35,052	$ 253,284	$ 70,104

Schedule 2 - Allocation of Expenditure Impact to Revenues distributed through the Highway Tax Distribution Fund	Allocation Percentage	2015-2017 Biennium Revenue Reduction	2017-2019 Biennium Revenue Reduction
NDDOT	61.3%	$ 155,263	$ 42,974
Public Transportation Fund	1.5%	$ 3,799	$ 1,052
Cities	12.5%	$ 31,661	$ 8,763
Counties	22.0%	$ 55,722	$ 15,423
Townships	2.7%	$ 6,839	$ 1,893
Total		$ 253,284	$ 70,104

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	$	3.39
Temporary employees to handle initial issue		0.5
Temporary employees to handle additional demand after 1st biennium		0.5
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	$	25
Annual Surcharge Revenue per set of plates	$	10
Highway Tax Distribution Fund share of initial issue fee	$	20
Veteran's Postwar Trust Fund share of initial issue fee	$	5

HB1360 with 2/9/15 House Amendments
Calculation of Fiscal Impacts
Revenues

REVENUES

Schedule 3 - Fee Revenues

	2015-2017 Biennium 1st year			2015-2017 Biennium 2nd year			2017-2019 Biennium - 2 Years		
	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	$ 400,000	$ 320,000	$ 80,000	$ 40,000	$ 32,000	$ 8,000	$ 80,000	$ 64,000	$ 16,000
Annual Surcharge	160,000		160,000	176,000		176,000	208,000		208,000
Total	$ 560,000	$ 320,000	$ 240,000	$ 216,000	$ 32,000	$ 184,000	$ 288,000	$ 64,000	$ 224,000

Schedule 4 - Allocation of Revenue Impact through Highway Tax Distribution Fund

	Allocation Percentage	2015-2017 Biennium	2017-2019 Biennium
NDDOT	61.3%	$ 215,776	$ 39,232
Public Transportation Fund	1.5%	$ 5,280	$ 960
Cities	12.5%	$ 44,000	$ 8,000
Counties	22.0%	$ 77,440	$ 14,080
Townships	2.7%	$ 9,504	$ 1,728
Total		$ 352,000	$ 64,000

Schedule 5 - Net Impact of Revenues and Expenditure Impact on Highway Tax Distribution Fund Recipients

	2015-2017 Biennium	2017-2019 Biennium
State Entities		
Veteran's Postwar Trust Fund	$ 424,000	$ 224,000
NDDOT Motor Vehicle "Off the Top" funding for expenditures	253,284	70,104
NDDOT Share of impact to Highway Tax Distribution Fund	60,513	(3,742)
Public Transportation share of impact to Highway Tax Distribution Fund	1,481	(92)
Total Net Revenue Impact to State Entities	$ 739,278	$ 290,271
Cities, Counties, and Townships		
Cities Share of impact to Highway Tax Distribution Fund	12,340	(763)
Counties share of impact to Highway Tax Distribution Fund	21,718	(1,343)
Townships share of impact to Highway Tax Distribution Fund	2,665	(165)
Total Net Revenue Impact to Cities, Counties, and Townships	36,721	(2,272)

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	$ 3.39
Temporary employees to handle initial issue	0.5
Temporary employees to handle additional demand after 1st biennium	0.5
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	$ 25
Annual Surcharge Revenue per set of plates	$ 10
Highway Tax Distribution Fund share of initial issue fee	$ 20
Veteran's Postwar Trust Fund share of initial issue fee	$ 5