

FISCAL NOTE
Requested by Legislative Council
12/27/2000

REVISION

Bill/Resolution No.: SB 2073

Amendment to:

1A. **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.*

1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$6,000		\$6,000
Expenditures			(\$1,700)		(\$1,700)
Appropriations					

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

There are **58** registered aircraft dealers in the state. We believe that this increase of fees will reduce the dealers licensing in the state to a more believable (true) number of **30**, these people are in reality the dealerships operating with aircraft sales across the state. The increase is requested due to the fact that at \$25.00 a year that the agency is actually losing money in the processing of the applications.

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.

The agency will have a positive cash flow on the administration of the dealership regulatory function. From an approx <\$500.00> net loss a biennium to a \$7,200.00 positive revenue position. These funds will be deposited into the *Commission Special Fund* and will be used to bolster the *pilot safety seminars, aviation educational efforts and the charts and directory programs.* There is one other benefit. The staff believes that at least 28 additional aircraft will be applied to the Aircraft Excise Tax collections. There are several dealerships that have one aircraft on the Demo-Tag books, the dealership does not pay Excise Tax on Demo aircraft, thus a loop hole in the NDCC creates a tax free safe haven. A dealership can be established and any aircraft held in inventory will not be taxed until resold. An estimated excise tax, **one time wind-fall**, to the Air Service Grant Fund in the amount of \$100,000.00 could take place when the loopholed aircraft revert off the demo-tag position. These funds in the ASGF are used to

help capture FEDERAL dollars, at a \$9 federal to \$1 local bases, for airport improvements at the Air Service Airports across the state.

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 expenditures will be less due to the reduced workload on the numbers of excepted true dealerships. No FTE changes are required, other agency programs will prosper because more time will be spent on those projects that benefit the industry.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The effect on appropriations are N/A because this regulatory function does not a specific line item in the budget it is a part of the whole regulatory function of the agency.

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Agency: Aeronautics Commission #412
Date 12/27/2000
Prepared: