

FISCAL NOTE

Requested by Legislative Council
01/23/2007

Bill/Resolution No.: SB 2360

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$12,754		\$7,560
Expenditures				\$9,756		
Appropriations				\$9,756		

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$4,656	\$2,834		\$2,760	\$1,680	

2A. 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 qualifying organizations to pay a one-time fee to have a distinctive license plate developed for sale to its membership

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.*

Currently there are 12 organizations that have expressed interest in a plate series. For purposes of this fiscal analysis, we will assume that each organization will have 50 members that will buy plates under this provision and these organizations will begin participation the first biennium after the bill is passed. At this level of activity, the DOT will acquire the minimum quantity of plate materials for each organization, which will cost us \$813 per participating organization.

In addition to the \$1,500 organization fee, each set of plates sold will generate an additional \$10 of revenue per year in additional licensing fees. This makes the assumption that the participants are not buying a personalized plate.

If an organization has a substantially different level of participation than was assumed for this analysis, or a substantially different number of organizations participate, the fiscal impacts could be substantially different. Thus, the net revenue realized could be considerably less than shown in this analysis, depending on the actual level of participation. However, it is quite likely that the participation from the majority of organizations that have expressed interest will closely resemble the presented scenario.

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 revenues generated by this bill will be netted of the related expenditures. The balance will be deposited in the Highway Tax Distribution fund which is distributed to the Highway Fund, the counties, and the cities. The revenue figures shown in parts 1A and 1B above represent the revenue after distribution and have already have been reduced by the related expenditures as calculated in part 3B below.

First Biennium

Organizational Fee Revenue	\$1,500
Additional license plate fee revenue (\$10 x 50 participants per organization x 2 years in biennium)	<u>1,000</u>
Additional Revenue per participating organization	\$2,500
Estimated Number of organizations Participating	<u>x 12</u>

Estimated First Biennium Revenue	\$30,000
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Subsequent Bienniums

Additional license plate fee revenue (\$10 x 50 participants per organization x 2 years in biennium)	\$1,000
Estimated Number of Organizations Participating	x 12
Estimated Subsequent Biennial Revenue	\$12,000

Net Revenue Allocation

The net revenue generated under this bill (revenues as calculated in section 3A less expenditures as calculated in section 3B) will be deposited into the Highway Tax Distribution Fund and subsequently distributed to the NDDOT, counties, and cities. This distribution of revenue is what is shown as revenues for 2007-2009 in sections 1A and 2B above.

Estimated first biennium gross revenue:	\$30,000
Estimated first biennium costs (From Part 3B)	9,756
Net available for distribution through the Highway Tax Distribution Fund	\$20,244

Distribution to State Highway Fund	\$12,754
Distribution to Counties	4,656
Distribution to Cities	2,834
Total distribution of revenue net of expenses	\$20,244

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 that would be incurred by the NDDOT under this bill would be netted from the related revenues before such revenue was submitted for deposit in the Highway Tax Distribution Fund. Therefore, the expenditures presented in part 1A above have been deducted from the gross revenue in arriving at the net revenue figures presented in sections 1A and 1B.

First Biennium

Material and production cost to produce minimum quantity of plates per participating organization	\$813
Number of Organizations Participating	x 12
Estimated first biennium costs	\$9,756

Subsequent Bienniums

Additional costs should be minimal in subsequent bienniums unless a large number of additional organizations chose to participate in this program during a later biennium.

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 is also included in the executive budget or relates to a continuing appropriation.*

The DOT would require an addition to its appropriation for the 2007-2009 biennium in the amount of \$9,756 to cover the additional material and production costs that would be incurred.

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