

FISCAL NOTE
Requested by Legislative Council
01/05/2017

Bill/Resolution No.: HB 1158

- 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		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(972,844)		\$(1,956,848)
Expenditures				\$15,000		
Appropriations				\$15,000		

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties		\$(346,060)	\$(685,520)
Cities		\$(196,625)	\$(389,500)
School Districts			
Townships		\$(42,471)	\$(84,132)

- 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 would eliminate the annual Personalized Plate fee, charging a onetime only fee of \$25.

- 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.*

Section 1 of this bill would eliminate the annual Personalized Plate fee resulting in a revenue decrease for the next biennium and each subsequent biennium thereafter. This bill would also require a onetime programming cost of \$15,000.

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.*

There are approximately 62,320 currently issued personalized license plates. Under the provisions of Section 1 of this bill the Highway tax distribution fund will lose approximately \$1,573,000 in revenue the first biennium and \$3,116,000 for each subsequent biennium.

The net loss in revenue of \$1,573,000 in the first biennium and \$3,116,000 in each subsequent biennium is allocated through the Highway Tax Distribution Fund to NDDOT (61.3%, counties (22%), cities (12.5%), townships (2.7%), and transit (goes to NDDOT) (1.5%).

The amounts shown in Section 1A are a composite of the amounts impacting the Motor Vehicle Division of NDDOT (off the top), the 61.3% NDDOT Highway Tax distribution, and the 1.5% transit Highway Tax distribution.

- 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.*

NDDOT Motor Vehicle Division will incur one-time costs of approximately \$15,000 for computer programming costs.

- 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 Motor Vehicle Division will incur additional one-time costs of approximately \$15,000 for computer programming. These additional costs were not included in NDDOT's appropriation request for the 2017-2019 biennium.

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Date Prepared: 01/10/2017

HB1158
2017 Session
Fiscal Note Support

Assumptions:

Number of personalized license plates	62,320
Revenue per plate with one-time fee	\$ 25.00
Revenue per plate with personalized plate fee per biennium (\$25 x 2)	\$ 50.00
One time programming costs	\$ 15,000.00
Highway Tax Distribution Fund Percentages	
NDDOT	61.30%
Cities	12.50%
Counties	22.00%
Townships	2.70%
Transit (NDDOT)	1.50%

Total Revenue collected with one time fee \$25 x 62,320	\$ 1,558,000	
Less current revenue collected for personalized plates \$50 x 62,320	<u>\$ (3,116,000)</u>	
Total Revenue		\$ (1,558,000)
One Time Programming Costs		<u>\$ (15,000)</u>
Total First Biennium Revenue		<u><u>\$ (1,573,000)</u></u>

Revenue (HTDF) Impact Due to Expenditure Reduction

First Biennium:

MVD - Off the Top Reduction (NDDOT)		\$ (1,573,000)
Revenue Addition through HTDF Distribution		
NDDOT (61.3%)	\$ (964,249)	
Cities (12.5%)	\$ (196,625)	
Counties (22%)	\$ (346,060)	
Townships (2.7%)	\$ (42,471)	
Transit (NDDOT) (1.5%)	<u>\$ (23,595)</u>	
		\$ (1,573,000)

Second Biennium:

MVD - Off the Top Reduction (NDDOT)		\$ (3,116,000)
Revenue Addition through HTDF Distribution		
NDDOT (61.3%)	\$ (1,910,108)	
Cities (12.5%)	\$ (389,500)	
Counties (22%)	\$ (685,520)	
Townships (2.7%)	\$ (84,132)	
Transit (NDDOT) (1.5%)	<u>\$ (46,740)</u>	
		\$ (3,116,000)

17-19	19-21
Other Funds	Other Funds

Fiscal Note Section 1A - State Fiscal Impact:

Revenues	\$ (972,844)	\$ (1,956,848)
Expenditures		
Appropriations		

17-19	19-21
Biennium	Biennium

**Fiscal Note Section 1B - City, County,
School District, and Township Fiscal Impact:**

Counties	\$ (346,060)	\$ (685,520)
Cities	\$ (196,625)	\$ (389,500)
School Districts		
Townships	\$ (42,471)	\$ (84,132)