

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

SB 2435

(List bill or resolution and number, if available, or subject)

Amendment to: Senate Bill Number 2435

(List bill or resolution and number)

Requested by: Senate State and Federal Government Committee

Date of receipt: January 30 19 79

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed, attach a supplementary sheet. (Please type)

Additional Costs to Highway Fund

Appraisal Committee	\$1,013,407.00
Appraisal Committee (For condemnation)	132,684.00
Additional Legal Costs	440,640.00
3 additional Employees and Equipment	157,000.00
Relocation Assistance payments (Moving)	32,000.00
Relocation Assistance payments (In lieu of moving)	25,000.00
Capital Gains tax	<u>Unknown</u>
TOTAL KNOWN	\$1,800,731.00

The Capital Gains tax is a complete unknown, however this amount could be very substantial.

Signed

Charles Reimers

Typed Name Charles Reimers, Controller

Date Prepared: 1/31/79

Department State Highway Department

SENATE BILL 2435

Cost Analysis for Appraisal

Committee to Include One Fee Appraiser

I. Fees: (Based on 614 units per biennium)
(On the basis of one fee appraisal on each unit from which right of way is acquired; appraisals done according to Federal Standards)

614 units X \$1000 fee per unit ----- \$614,000

II. Salaries: (For two selected local individuals)

2 persons X \$100 per day X 2.5 days X 614 units --- \$307,000

III. Expenses: (For two selected local individuals)

Meals

614 units X \$5/day X 2.5 days X 2 persons ----- \$ 15,350

Mileage

614 units X \$.20/mi. X 100 mi. X 2 persons ----- \$ 24,560

Paperwork (prepared by Committee)

614 units X 2 pages typed X \$10/page X 2 persons -- \$ 24,560

Telephone (By Committee)

(4 long distance calls per case)

614 units X \$2/call X 4 calls ----- \$ 4,912

Supplies (Additional maps, plats, etc., for Committee)

614 units X 4 items X 3 X \$3/item ----- \$ 22,104

Reproduction (Reports, etc., for Committee to check, etc., regarding property descriptions, list of ownership, comparable sales, plats, plans, etc.)

614 units X 10 pages X 3 X \$.05/page ----- \$ 921

* Biennium cost for committee of two plus a fee appraiser - \$1,013,407

* Does not include additional costs for ^{three} ~~two~~ extra employees within the Right of Way Division.

SENATE BILL 2435

Cost For Condemnation Work By

Appraisal Committee

(One Committee Member is a Fee Appraiser)

Fees: 10% of units end up in condemnation. Requires 4 days work for fee appraiser per case @ \$250/day.

614 X .10 X 4 X \$250 ----- \$ 64,000

Mileage for fee appraiser:

64 cases X 200 mi. X \$.20/mi. ----- \$ 2,560

Salaries:

61 cases X 4 days X 2 members X \$100/day ----- \$ 48,800

Lodging:

3 days X 2 persons X 61 cases X \$20/night ----- \$ 7,320

Food:

4 days X 61 cases X 2 members X \$13/day ----- \$ 6,344

Travel:

150 mi. X 61 cases X 2 X \$.20/mi. ----- \$ 3,660

Total Committee Condemnation Costs ----- \$132,684

Additional Attorney Costs: Estimate 5% additional court cases =
30 cases per biennium at estimated
attorney fee of \$10,000 per case ---- \$300,000

Plus Legal Costs: Correspondence (Committee) and paperwork
\$1000/case X 30 cases ----- \$ 30,000

Extra Witnesses and Consultant Fees: \$3000/case X 30 cases ----- \$ 90,000

Mileage: (Witness & Attorneys) 30 cases X 4 X 200 mi. X \$.20/mi.- \$ 4,800

Meals & Lodging: 4 X 30 cases X \$33/day X 4 days ----- \$ 15,840

Total Additional Legal Costs ----- \$440,640

Total Costs Recapped:

Total Biennium Appraisal Committee Cost -----	\$1,013,407
Total Committee Condemnation Cost -----	132,684
Total Additional Legal Costs -----	<u>440,640</u>
Total Cost Analysis, Biennium Basis -----	\$1,586,731

ADDITIONAL EMPLOYEES REQUIRED

SENATE BILL 2345

3 Employees at Agent II Classification

Grade 25 \$1,269.00 to \$1,700.00

Salary - 1st Year:

$\$1,485.00 \times 12 = \$17,820.00 \times 3 =$ \$53,460.00

Payroll Additive - 1st Year:

(22% of gross) $\$53,460.00 \times .22 =$ \$11,761.20

Salary Increase - 1st Year:

$\$1,485.00 \times .065 = \$96.52/\text{month}$
Say $\$97.00 \times 3 = \$291.00/\text{month increase}$
for 2nd year - Thus -

Salary - 2nd Year:

$\$1,485.00 + \$97.00 = \$1,582.00 \times 3 = \$4,746.00$
 $\$4,746.00 \times 12$ \$56,952.00

Payroll Additives - 2nd Year:

(22% of gross) $\$56,952.00 \times .22$ \$12,529.44

TOTAL - Salary & Payroll Additives for 2 years \$134,702.64

Say \$134,703.00

Equipment: Required for additional staff of three

<u>Option</u>	<u>Item</u>	<u>Price Range</u>	<u>Number Required</u>	<u>Cost</u>
1	Desk (steel)	\$450-\$500 ea.	3	\$1,425.00
2	Desk (wood)	\$275-\$300 ea.	3	\$ 900.00
1 & 2	Calculator with display and printout	\$175.00 ea.	3	\$ 525.00
1 & 2	Typewriter	\$450.00 ea.	1	\$ 450.00
1	File Cabinet (steel)	\$225.00 ea.	3	\$ 675.00
2	File Cabinet (wood)	\$150.00 ea.	3	\$ 450.00
1 & 2	Chairs	\$150.00 ea.	3	<u>\$ 450.00</u>

EQUIPMENT TOTAL - Option 1 (steel) ----- \$3,525.00

EQUIPMENT TOTAL - Option 2 (wood) ----- \$2,775.00

MEALS & LODGING

Meals:

There are approximately 254 working days per year.
Therefore, $254 \times 3 = 762$ possible working days per year for the ~~two~~ ^{three} employees.
Say of this amount a "possible" 80% could require travel for research, owner contacts, etc.

(1) Therefore, $762 \times .80 = 610$ work-travel days

Thus, $610 \times \$13.00 =$ \$ 7,930.00
(House Bill No. 1207-based on increase)

Lodging:

Average 3 nights out per week for
52 weeks \times \$20.00 (House Bill No. 1207-based on increase)

52 weeks \times 3 \times 3 people \times \$20.00 = \$ 9,360.00

TOTAL - Meals & Lodging - Two years \$ 17,290.00

Mileage:

52 weeks \times an approximate 350 miles per week = 5,250 miles \times 13.5¢/mi. = \$ 2,457.00

RECAP:

Total Cost for biennium (Option 1 - Steel Furn.) \$157,975.00

Total Cost for biennium (Option 2 - Wood Furn.) \$157,225.00

(1) On all projects there will be the first quarter that at times will be ineligible on the day travel is stated as well as the third quarter returning to home station. This should be offset by those weeks where the above employees will be leaving on Monday rather than Tuesday.

M E M O R A N D U M

TO: Robert E. King
Right of Way Engineer

FROM: John A. Dawson
Relocation Officer

SUBJECT: Legislative intent for change in
Section 54-01.1-03 of N. D. Century Code
Relocation Assistance

On January 26 the following business firms and persons were contacted:
Allied Van Lines, Inc., Charles Peterson; United Van Lines, Clyde Wright; and
North American Van Lines, Jerry Vetter.

Each of these firms were asked to review our present move cost schedule,
and they concluded that the schedule was equitable for local moves. However,
for a move from state to state because of certain regulations, additional
charges may have to be considered.

The moving industry is governed by various regulations. The ICC established
certain tariff rates and regulations for moving of household items from state to
state. The state PSC establishes rates for the hauling within the state boundary.
However, rates for local moves is more or less established by local competition.
In the past couple years in the principle towns in North Dakota, the rate has
fluctuated from \$20 to \$30 per hour for two men and a Van depending on the local
competition. The following is an example household move.

EXAMPLE

Figures supplied by industry people
Typical 6 room home

7,000 lbs.	= average weight of personal property
750 lbs.	= average weight two men can move in one hour
\$30	= per hour rate for two men and a Van (high)

15
\$6.00

= estimated the number of cwt cartons to pack
= cost per carton to pack

7,000 - 750 = 9.33 hours to move
\$30 x 9.3 = \$279.00
15 cartons @ \$6.00 = \$90.00

Our present schedule would pay this same person \$400.00. Schedule recently submitted which will be in effect in future would pay \$475.00.

It should be considered that all moves under relocation assistance program are considered local moves and generally within the same neighborhood. Also relocatee has the option of selecting either the move cost schedule or the actual cost after the move has been accomplished, whichever method gives him the greater monetary benefit.

EXAMPLE

A single person living in a two room furnished apartment
Present schedule ----- \$235.00
Proposed schedule ----- \$435.00

Since the inception of Public Law No. 91-646 in January 1971, although any relocatee may appeal his monetary payments, we have not had one appeal. Conclusion - relocatees must be satisfied with the benefits under this program.

Based on the present letting schedules over the next two year time frame, this proposed change would cost the state an estimated additional amount of \$32,000. This is based on the relocation of some 63 persons and a portion of this additional cost would have to be shared by the local municipality involved.

PROPOSED CHANGE FOR 'IN LIEU PAYMENT'

Although present proposed letting schedule does not include many businesses to be relocated it is estimated that such change would cost the state in excess of \$25,000.