

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Bill/Resolution No.: SB 2251

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$200,000		
Appropriations				\$200,000		

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 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).*

SB2251 provides the option of a credit or a refund of the unused portion of vehicle registrations when a vehicle is transferred.

- 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.*

SB2251 provides for a credit or refund of the unused portion of vehicle registrations when a vehicle is transferred upon payment of a \$5 fee. A complete revenue impact for this bill cannot be determined at this time. NDDOT has not tracked the number of vehicles transferred and not replaced with another vehicle; we have no way of estimating the number of refunds that might result from this bill because we are unable to determine how many vehicles are transferred without a "replacement" vehicle. Any motor vehicle registration fees refunded under this bill and related NDDOT expenditures would result in a loss of funding to the Highway Tax Distribution fund. The Highway Tax distribution fund is distributed between NDDOT (61.3%), cities (12.5%), counties (22%), townships (2.7%), and the transit (1.5%); accordingly, those jurisdictions would realize an undetermined reduction in their revenues from the Highway Tax Distribution Fund. NDDOT would incur a onetime programming cost of \$200,000.

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.*

A complete revenue impact for this bill cannot be determined at this time. NDDOT has not tracked the number of vehicles transferred and not replaced with another vehicle; we have no way of estimating the number of refunds that might result from this bill because we are unable to determine how many vehicles are transferred without a "replacement" vehicle. The bill does provide for a \$5 fee to accompany the application for credit transfer or refund. Any motor vehicle registration fees refunded under this bill would result in a loss of funding to the Highway Tax Distribution fund. The Highway Tax distribution fund is distributed between NDDOT (61.3%), cities (12.5%), counties (22%), townships (2.7%), and transit (1.5%); accordingly, those entities would realize an undetermined reduction in their revenues from the Highway Tax Distribution Fund.

- 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 a one time cost of approximately \$200,000 for computer programming.

NDDOT would also incur staffing costs for expanding processing times related to the processing of registration refunds. At this time, we are unable to determine the level of staffing that would be necessary to support this process. Therefore, we cannot provide detail for those additional expenditures.

- 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 \$200,000 for computer programming. These additional costs were not included in NDDOT's appropriation request for the 2019-2021 biennium.

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