

FISCAL NOTE
SENATE BILL NO. 2133
LC# 25.0580.01000
01/14/2025
Revised - 01/14/2025

1 - 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.

| | 2023-2025 Biennium | | 2025-2027 Biennium | | 2027-2029 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | \$3,664,214 | | \$4,171,151 |
| Expenditures | | | | \$1,035,694 | | \$466,062 |
| Appropriations | | | | \$1,035,694 | | \$466,062 |

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

| | 2023-2025 Biennium | 2025-2027 Biennium | 2027-2029 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | | \$920,819 | \$1,297,961 |
| Cities | | \$523,193 | \$737,478 |
| School Districts | | | |
| Townships | | \$113,010 | \$159,295 |

3 - 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 requires NDDOT to issue a Blackout number plate and to charge related fees.

4 - Fiscal Impact Sections Detail

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 the bill requires NDDOT to issue blackout plates upon receiving all registration fees required for the vehicle, a one-time initial fee of \$15 and an annual payment of the \$25 personalized plate fee. It should be noted that, as written, the bill is interpreted as requiring the \$25 personalized plate fee. This fiscal note was prepared with that interpretation of the bill.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

It is estimated that ten percent of the qualifying vehicles would purchase blackout plates during the 25-27 biennium (estimated to result in 76,097 car/truck registrations and 4,230 motorcycle registrations under the blackout plate provisions) and five percent of the remaining qualifying vehicles would purchase blackout plates during the 27-29 biennium (estimated to result in 34,244 car/truck registrations and 1,903 motorcycle registrations under the blackout plate provisions). NDCC 39-04-39 provides that the revenue to cover the expenses of the Motor Vehicle operations comes off the top of the revenues generated by the Motor Vehicle operations, accordingly an amount equal to the expenditures related to this measure are added to the "other funds" revenues in addition to the statutory distribution through the Highway Tax Distribution Fund (HTDF) of the revenues generated by this measure.

The distribution of the \$15 and \$25 fees, net of the coverage for the related expenditures incurred in the motor vehicle fund, through the HTDF for the 2025-2027 biennium in accordance with the HTDF provisions as set forth in NDCC 54-27-19 is as follows:

- State Highway Fund and Public Transportation Fund (61.3% and 1.5% respectively) \$2,628,520
- Cities (12.5%) \$523,193
- Counties (22%) \$920,819
- Townships (2.7%) \$113,010
- The "off the top" coverage of the related Motor Vehicle Division expenditures is \$1,035,694. This amount has been netted off the amounts distributed above but is included as Other Funds revenue related to the Motor Vehicle Fund.

The distribution of fees, net of the related expenditures, for the 2027-2029 biennium is as follows:

- State Highway Fund and Public Transportation Fund (61.3% and 1.5% respectively) \$3,705,089
- Cities (12.5%) \$737,478
- Counties (22%) \$1,297,961
- Townships (2.7%) \$159,295
- The "off the top" coverage of the related Motor Vehicle Division expenditures is \$466,062. This amount has been netted off the amounts distributed above but is included as Other Funds revenue related to the Motor Vehicle Fund.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Per unit costs associated with this measure consist of \$7.00 for license plate manufacturing and \$6.20 for shipping for a standard plate, and \$5.95 for license plate manufacturing and \$1.43 for shipping for a motorcycle plate.

Based on the per unit costs and the estimated number of blackout plate registrations identified in part 5 of this fiscal note, the estimated total license plate manufacturing and postage costs would be \$1,035,694 for the 2025-2027 biennium and \$466,062 for the 2027-2029 biennium.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

To cover the additional expenditures associated with this measure, NDDOT would need an addition to the 25-27 and 27-29 biennia appropriations of \$1,035,694 and \$466,062 respectively.

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