

FISCAL NOTE

Requested by Legislative Council

01/17/2003

Bill/Resolution No.: HB 1368

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$2,520,000)		(\$315,000)
Expenditures				\$4,000,000		\$500,000
Appropriations				\$4,000,000		\$500,000

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$920,000)	(\$560,000)				

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill requires that most license plates display a two letter county designator. The only way to comply with the provisions of this bill is to issue new license plates for most vehicles.

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.*

All MV expenses are funded directly from the HW distribution fund proceeds before distribution. Thus, the \$4 million of additional expenses resulting from this bill would come directly off the top of the HW distribution fund before the balance of the fund is distributed between DOT, and the cities and counties. As a result, the amount available for distribution would decrease by \$4 million dollars. The resulting revenue loss to the DOT for transportation purposes would be \$2.52 million. The loss to the cities and counties would be \$.56 million and \$.92 million respectively.

In order to prevent this revenue loss if this bill were passed, additional revenue of \$4 million would have to be generated. As written, this bill does not provide for this additional revenue.

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 estimated cost for a general issuance of license plates is \$3.5 million. In addition, the Department of Transportation will have to purchase and use more license plates under the provisions of this bill as a result of customers who move from one county to another. Also, each of the 17 offices that issue license plates will need to maintain a larger of license plates for all 53 counties as county residents are not restricted to purchasing their license plates in their county of residence. Finally, some changes will need to be made to our computer system to ensure the correct county plates are issued for each vehicle. The overall estimated cost is

\$4 million.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

None of the anticipated expenditures were included in the proposed Department budget.

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