

FISCAL NOTE

Requested by Legislative Council
03/28/2011

Amendment to: Engrossed
SB 2308

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$900,000	\$0	\$1,800,000
Expenditures	\$0	\$0	\$0	\$2,660,000	\$0	\$548,000
Appropriations	\$0	\$0	\$0	\$2,560,000	\$0	\$2,560,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Although the NDHP currently operates an online electronic permit system, it does not have automated routing capabilities. The \$15 fee assessment for each permit transaction would be used to maintain the current application and to prepare it for procurement of an automated routing module.

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 the measure requires assessment of a \$15 fee for every online permit issued. Based on committee discussion, it is assumed the fee would pertain to permits involving a routing component. Section 2 creates the motor carrier electronic permit transaction fund. The NDHP's existing permit system would be enhanced with additional features to provide for procurement of a module for automated routing. Including both NDHP and NDDOT direct costs for the 2011-2013 biennium, estimates range from \$2,094,000 to \$2,660,000.

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.*

An estimate of 120,000 permits involving a routing component are expected to be sold during the 2011-2013 biennium. Transaction fees collected for each permit issued would be deposited in the motor carrier electronic permit transaction fund. If implementation of the \$15 transaction fee could begin in July 2012, an estimated \$900,000 could be collected. Another \$1,800,000 is estimated to be collected during the 2013-2015 biennium. These estimated collections are not included in the executive budget.

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.*

Total expenditures are estimated to range from \$2,094,000 to \$2,660,000 depending on procurement results.

Based on preliminary information, a breakdown of NDHP costs are as follows: Enhancement of the current NDHP permits system to include procurement of a module for automated routing is estimated to cost \$1,294,000: \$100,000 ITD Project Management; \$300,000 to vendor for Core System; \$140,000 to vendor for Permit Administration;

\$350,000 to vendor for Routing, Bridge Analysis, and Restriction Management Software; \$230,000 to ITD for Converting the Receipt System from Powerbuilder to .Net; \$100,000 for Interfaces to Existing E-Permits System; \$74,000 for one year of routing module maintenance. Rough estimates of ongoing maintenance of all other components of the permits system is \$400,000 biennially.

A estimate of NDDOT cost is \$800,000 to hire a vendor to get NDDOT data compatible for use in routing and permitting vehicles electronically.

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 is also included in the executive budget or relates to a continuing appropriation.*

The measure creates a motor carrier electronic permit transaction fund and provides for a continuing appropriation. An amendment provides for a line of credit not to exceed \$2,560,000 from the Bank of ND until June 30, 2015. The assumption is that total costs of this project for both NDHP and NDDOT may be paid from the line of credit and this credit line would be paid back from the electronic permit transaction fund.

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