

FISCAL NOTE
Requested by Legislative Council
01/12/2015

Amendment to: HB 1198

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(172,072)		\$(172,072)
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$(60,280)	\$(60,280)
Cities		\$(34,250)	\$(34,250)
School Districts			
Townships		\$(7,398)	\$(7,398)

- 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).*

This bill provides that ND residents who are current or retired National Guard members may register one motor vehicle not exceeding 26,000 lbs. at no cost.

- 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.*

We can only determine the impact this bill would have on revenues. We do know that implementation of the bill would have an impact on expenditures for a rewrite of a major portion of the current Vehicle Registration and Titling System (VRTS); at this time we do not know what that rewrite would cost.

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.*

Based on the current registrations for individuals qualifying for a no cost vehicle registration under this bill, we estimate the total reduction in revenues generated would be approximately \$274,000 per biennium. This reduction in revenue would be allocated as follows: counties – 22% (\$60,280), cities -12.5% (\$34,250), townships – 2.7% (\$7,398), transit (administered by NDDOT) – 1.5% (\$4,110), NDDOT – 61.3% (\$167,962).

The revenue impact shown in part 1A above consists of the revenue reduction to transit (\$4,110) plus the revenue reduction to NDDOT (\$167,962).

- 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.*

At this time, while we know that this bill would result in an increase in expenditures, we are unable to determine the amount of that increase. To implement the change resulting from this bill would involve the rewrite of a major portion of the registration process in the VRTS system. The costs associated with this rewrite, while not determinable at this

time, would likely be fairly substantial. Furthermore, it should be noted that these expenditures would be incurred for a significant system change that would only be used for about one year as a new vehicle registration and titling system will be implemented in the summer of 2016, at which time the current VRTS system will be retired.

- 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.*

Name: Shannon L. Sauer

Agency: NDDOT

Telephone: 328-4375

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