

FISCAL NOTE
Requested by Legislative Council
04/07/2015

Amendment to: HB 1360

- 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				\$47,297		\$80,507
Expenditures				\$28,020		\$5,904
Appropriations				\$28,020		\$5,904

- 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		\$(1,657)	\$6,797
Cities		\$(940)	\$3,862
School Districts			
Townships		\$(203)	\$834

- 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 for NDDOT to issue “patriotic” motor vehicle plates.

- 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.*

While it is not possible to fully determine the impact this bill will have as we don’t know how many people will choose to purchase a patriotic license plate, we can estimate a fiscal impact based on an assumed scenario. These assumptions are shown below. Note that the impact to investment earnings from the Veteran’s Postwar Trust Fund was not included in the scenario as this impact will likely be minimal. Please see the accompanying attachment for the calculation of the fiscal effects. Significant assumptions used for this scenario are:

- * Cost to NDDOT to purchase one set of plates - \$8.81
- * Design Costs (3 designs X \$1,500) - \$4,500
- * Mailing cost per set of plates - \$3.39
- * Computer programming costs - 1st year - \$4,000
- * Computer programming costs - following years - \$1,000
- * Estimated number of plates upon initial issue - 1,600
- * Estimated number of plates per year after initial issue (10%) - 160
- * One time fee revenue(3 designs X \$1,500) - \$4,500
- * Annual surcharge revenue per set of plates - \$25
- * Highway Tax Distribution Fund share of annual surcharge revenue - \$10 per registration
- * Veteran’s Postwar Trust Fund share of annual surcharge revenue - \$15 per registration

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.*

Please see schedules 3, 4, and 5 in the accompanying attachment for the calculation of the revenue effects.

- 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.*

Please see schedules 1 and 2 in the accompanying attachment for the calculation of the expenditure effects.

- 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.*

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HB1360 - with Senate Amendments

Calculation of Fiscal Impacts

EXPENDITURES

Schedule 1 - NDDOT Expenditures	2015-2017 Biennium			2017-2019 Biennium
	1st yr	2nd yr	Total 1st Biennium	
Plate Design		4,500	4,500	
Mailing Costs		5,424	5,424	1,085
Purchase cost of plates		14,096	14,096	2,819
Computer programming costs		4,000	4,000	2,000
Estimated Total Costs	\$ -	\$ 28,020	\$ 28,020	\$ 5,904

Schedule 2 - Allocation of Expenditure Impact to Revenues distributed through the Highway Tax Distribution Fund	Allocation Percentage	2015-2017 Biennium Revenue Reduction	2017-2019 Biennium Revenue Reduction
NDDOT	61.3%	\$ 17,176	\$ 3,619
Public Transportation Fund	1.5%	\$ 420	\$ 89
Cities	12.5%	\$ 3,503	\$ 738
Counties	22.0%	\$ 6,164	\$ 1,299
Townships	2.7%	\$ 757	\$ 159
Total		\$ 28,020	\$ 5,904

REVENUES

Schedule 3 - Fee Revenues	2015-2017 Biennium			2015-2017 Biennium			2017-2019 Biennium - 2 Years		
	1st year			2nd year			2017-2019 Biennium - 2 Years		
	Total	Highway Tax Distribution Fund	Veteran's Postwar Trust Fund	Total	Highway Tax Distribution Fund	Veteran's Postwar Trust Fund	Total	Highway Tax Distribution Fund	Veteran's Postwar Trust Fund
Initial Fee				\$ 4,500	\$ 4,500				
Annual Surcharge				40,000	16,000	24,000	92,000	36,800	55,200
Total	\$ -	\$ -	\$ -	\$ 44,500	\$ 20,500	\$ 24,000	\$ 92,000	\$ 36,800	\$ 55,200

Schedule 4 - Allocation of Revenue Impact through Highway Tax Distribution Fund	Allocation Percentage	2015-2017 Biennium	2017-2019 Biennium
NDDOT	61.3%	\$ 12,567	\$ 22,558
Public Transportation Fund	1.5%	\$ 308	\$ 552
Cities	12.5%	\$ 2,563	\$ 4,600
Counties	22.0%	\$ 4,510	\$ 8,096
Townships	2.7%	\$ 554	\$ 994
Total		\$ 20,500	\$ 36,800

Schedule 5 - Net Impact of Revenues and Expenditure Impact on Highway Tax Distribution Fund Recipients and Veteran's Postwar Trust Fund	2015-2017 Biennium	2017-2019 Biennium
<u>State Entities</u>		
Veteran's Postwar Trust Fund	\$ 24,000	\$ 55,200
NDDOT Motor Vehicle "Off the Top" funding for expenditures	28,020	5,904
NDDOT Share of impact to Highway Tax Distribution Fund	(4,610)	18,939
Public Transportation share of impact to Highway Tax Distribution Fund	(113)	463
Total Net Revenue Impact to State Entities	\$ 47,297	\$ 80,507
<u>Cities, Counties, and Townships</u>		
Cities Share of impact to Highway Tax Distribution Fund	\$ (940)	\$ 3,862
Counties share of impact to Highway Tax Distribution Fund	(1,654)	6,797
Townships share of impact to Highway Tax Distribution Fund	(203)	834
Total Net Revenue Impact to Cities, Counties, and Township	\$ 2,798	\$ 11,492

Minor Math Variances are due to spreadsheet rounding

Prepared by NDDOT Financial Management Division
April 8, 2015