

FISCAL NOTE
Requested by Legislative Council
01/16/2017

Bill/Resolution No.: 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$50,000		\$100,000
Expenditures				\$2,000		
Appropriations				\$2,000		

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 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).*

HB 1360 would require the NDDOT to establish a logo sign program internally or through a contract with a qualified business entity.

- 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.*

The majority of states contract their logo signing operation to a business entity. This method generates some revenue and keeps costs to the state at a minimal level. For example, Minnesota receives approximately \$150,000 per year and Montana receives \$50,000 per year from a similar arrangement. We used Montana's experience as the basis for this fiscal note.

A few states own their own signs (South Dakota for example) and charge for individual signs. We have no projection of income for that example.

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 experience of Montana, we estimated we would receive approximately \$50,000 of income from the signing contractor per year. It is assumed that it would take a year to get into place should this bill be enacted, thus only one year of the next biennium would see 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.*

It is anticipated that a contractor would need to be selected through a 'Request for Proposal' process, this would result in some printing and advertising costs. One or more public meetings may also be needed. It is anticipated that the contractor would handle the majority of the logo implementation process as well as the ongoing costs of maintaining the program.

- 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.*

NDDOT's appropriation request for the 2017-2019 biennium did not include any additional amount for this bill. Therefore, an additional appropriation of \$2,000 would be needed.

Name: Shannon L. Sauer

Agency: ND Dept of Transportation

Telephone: 328-4375

Date Prepared: 01/19/2017