

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Bill/Resolution No.: HB 1218

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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 1218 identifies conditions when a vehicle may be towed, towing charges allowed, and creates a towing regulation process where the NDDOT is required to issue a towing company certificate.

- 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.*

HB 1218 identifies conditions when a vehicle may be towed, towing charges allowed, and creates a towing regulation process in Section 7 where the NDDOT is required to issue a towing company certificate. In addition, in Section 7, NDDOT would be required to create a complaint process for consumers and insurers.

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.*

A complete revenue impact for this bill cannot be determined at this time. NDDOT has not regulated towing companies in the past. We have no way of estimating the number of towing companies and storage facilities the NDDOT would be responsible for regulating. The bill allows for NDDOT to set an application fee, however, does not authorize where the certificate fee should be deposited to determine the state revenue impact. At this time, NDDOT is unable to determine what the appropriate certificate fee would be for this process.

Since the motor vehicle division is funded "off the top" of motor vehicle revenues before such revenues are distributed through the Highway Tax Distribution Fund, the Motor Vehicle revenue impact will be the same as their corresponding cost impact.

The net amount of the change in revenues over the change in expenditures is allocated through the Highway Tax Distribution Fund to NDDOT (61.3%, counties (22%), cities (12.5%), townships (2.7%), and transit (goes to NDDOT) (1.5%).

- 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.*

NDDOT Motor Vehicle Division will incur one-time costs of approximately \$300,000 for computer programming costs.

NDDOT would also incur staffing costs dependent upon this bill's intent for NDDOT's role in the towing regulations. At this time, we are unable to determine the level of staffing that would be necessary to support this process. Therefore, we cannot provide detail for those additional expenditures.

- 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.*

The NDDOT Motor Vehicle Division will see increased expenditures of \$300,000 for the 2019-2021 biennium. This covers only those costs that we can estimate at this time; significant costs are unknown and cannot be estimated for appropriation purposes at this time. Accordingly, NDDOT would need an appropriation increase related to this bill.

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