



SELECT STATE AGENCY FEES - BACKGROUND DATA AND ANALYSIS

This memorandum provides information related to the following state agency fees: Attorney General's beer and liquor license fees; Department of Corrections and Rehabilitation's (DOCR) supervision fee; and Department of Transportation's (DOT) antique personalized plate fee, antique plate fee, collector personalized plate fee, duplicate decal and registration card issuance fees, and public or nonprofit organization plate fees.

ATTORNEY GENERAL FEES Beer and Liquor Licenses

North Dakota Century Code Sections 5-02-03 and 5-02-04 establish fees for local and state beer and liquor licenses.

Section 5-02-03 pertains to **local** license fees and requires all license fees be set by ordinance or resolution and for a period not to exceed 1 year and provides the following fee structure for beer and liquor licenses:

- **Annual local on and off sale liquor fee** - The license fee must be set by ordinance or resolution at not less than \$200 nor more than \$2,000, except outside the corporate limits of a city the fee shall not exceed \$1,000;
- **Annual local on and off sale beer license** - The license fee must be set by ordinance or resolution at not less than \$50 nor more than \$500;
- **Annual local exclusive on sale liquor license** - The license fee must be set by ordinance or resolution at not less than \$200 nor more than \$2,000, except outside the corporate limits of a city the fee must not exceed \$1,000;
- **Annual local exclusive on sale beer license** - The license fee must be set by ordinance or resolution at not less than \$50 nor more than \$500;
- **Annual local exclusive off sale beer or liquor license** - The license fee must not be more than the fee charged for an on and off sale license; and
- **Fee exception for Sunday operations** - In addition to any other license fee permitted by this section, a license fee may be increased by not more than \$5 for each Sunday the licensee sells alcoholic beverages.

Section 5-02-04 pertains to **state** license fees and establishes the annual state beer or liquor license fee at \$50 for each required license, except in cities over 500 population at the last federal decennial census the fee is \$100 for each license. It also requires the fee to be charged on a calendar-year basis. The section provides for a minimum prorated fee of \$25 and for a reinstatement fee of \$100 in addition to the annual license fee for each license renewal applied for after December 31.

Fee History

Funds collected under Section 5-02-04 are collected by the Attorney General's office and deposited in the general fund. The fees were established in 1967 and no changes have been made to the base fees since that time. The Legislative Assembly did amend Section 5-02-04 in 1991 to authorize a reinstatement fee of \$100 per license if applied for after December 31. Section 5-02-03 was amended in 1993 to authorize the additional \$5 fee for each Sunday the licensee sells alcoholic beverages.

Fee Data

The following table provides information regarding the number of licenses issued, the amount of revenue collected from the fees, and the estimated cost to issue, monitor, and collect fees from the licenses issued during the 2017-19 biennium:

2017-19 Biennium	Beer License	Liquor License
Revenue	\$295,329	\$275,908
Estimated cost to issue licenses ¹	(141,524)	(132,874)
Estimated revenue over/(under) the cost to issue licenses	\$153,805	\$143,034

Licenses issued	3,567	3,349
¹ Estimate provided by the Attorney General's office based on 30 percent of the 2017-19 biennium salaries and wages for the employees responsible for reviewing and issuing the licenses. This cost does not include overhead attributed to the employees or the equipment necessary for the issuance of the licenses.		

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Supervision Fees

Section 12.1-32-07(2) directs the court to order supervision costs and fees of not less than \$55 per month be paid by probationers unless the court makes a specific finding on record that the imposition of fees will result in an undue hardship. Section 54-23.3-04(15) authorizes DOCR to collect these fees. The funds are deposited in DOCR's operating fund.

Fee History

Senate Bill No. 2186 (1991) required probationers to pay supervision costs, if doing so would not materially interfere with other financial obligations.

Senate Bill No. 2144 (1993) established a minimum supervision cost fee of \$30 per month unless the court makes a specific finding on record that the imposition of fees will result in an undue hardship and authorized DOCR to collect the fee.

House Bill No. 1016 (1999) increased the supervision cost fee from \$30 per month to \$36 per month.

Senate Bill No. 2135 (2001) amended Subsection 2 to require that if the offender has not paid the full amount of supervision fees and costs before completion or termination of probation, the court may issue an order, after opportunity for hearing, to determine the amount of supervision fees and costs that are unpaid. The order may be filed, transcribed, and enforced by DOCR in the same manner as civil judgments rendered by a district court of this state.

Senate Bill No. 2015 (2005) increased the supervision cost fee from \$36 per month to \$40 per month.

House Bill No. 1015 (2007) increased the supervision cost fee from \$40 per month to \$45 per month.

Senate Bill No. 2015 (2013) increased the supervision cost fee from \$45 per month to \$55 per month.

Fee Data

The following table provides information regarding the number of fee orders, the amount of revenue collected from the fees, and the estimated cost to issue, monitor, and collect fees during the 2017-19 biennium:

2017-19 Biennium	Supervision Fee
Billed fees	\$7,320,000
Allowance for uncollectable fees	(4,670,000)
Uncollected billings	(280,000)
Revenues collected	\$2,370,000
Estimated associated costs ¹	(506,559)
Estimated revenue over/(under) the cost of supervision ²	\$1,863,441
Total billings	23,000

¹Associated costs are estimated based on information included in DOCR's biennial audit. Of the \$506,559, administrative costs are \$116,514 and parole and probation costs are \$390,045. This cost does not include overhead attributed to the employees or the equipment necessary for the supervision.

²Excess revenue remains in DOCR's operating fund and is used for the operations of the department.

DEPARTMENT OF TRANSPORTATION FEES

Highway Tax Distribution Fund Background

Motor vehicle registration and license fee revenue is deposited in the highway tax distribution fund for allocation through the highway tax distribution formula to DOT (61.3 percent), counties and cities (34.5 percent), townships (2.7 percent), and public transportation (1.5 percent); however, DOT receives revenues from licensing and registration for operating costs of the Motor Vehicle Division before it is subject to allocation through the highway tax distribution formula.

Section 11 of Article X of the Constitution of North Dakota provides:

Revenue from gasoline and other motor fuel excise and license taxation, motor vehicle registration and license taxes, except revenue from aviation gasoline and unclaimed aviation motor fuel refunds and other aviation motor fuel excise and license taxation used by aircraft, after deduction of cost of administration and collection authorized by legislative appropriation only, and statutory refunds, shall be appropriated and used solely for construction, reconstruction, repair and maintenance of public highways, and the payment of obligations incurred in the construction, reconstruction, repair and maintenance of public highways.

Antique License Plate Fees

Section 39-04-10.4(1) authorizes any motor vehicle which is at least 40 years old to be permanently licensed by DOT upon the payment of a one-time registration fee of \$10. Section 39-04-10.4(2) authorizes any motor vehicle which is at least 40 years old may, if not licensed under subsection 1, to be permanently licensed using a personalized plate issued under Section 39-04-10.3, in which case a one-time fee of \$100 is due. These funds are deposited in the highway tax distribution fund.

Fee History

Senate Bill No. 2069 (1981) establishes the antique license plate and \$10 registration fee in Section 39-04-10.4(1). There have been no subsequent changes to the fee.

House Bill No. 1091 (1985) establishes the personalized antique license plate and \$100 registration fee in Section 39-04-10.4(2). There have been no subsequent changes to the fee.

Fee Data

The following tables provide information regarding the number of license plates issued, the revenue collected, and the estimated cost to issue, monitor, and collect fees during the 2017-19 biennium:

Antique Plate	Registration Fee
Estimated antique plate (one-time fee) revenue	\$75,150
Estimated cost to issue ¹	(98,296)
Estimated revenue over/(under) the cost of registration	(\$23,146) ²
Antique plate registrations	7,515

¹The estimated cost to issue was calculated by multiplying the number of antique plate registrations during the 2017-19 biennium by the estimated cost per plate, provided by DOT, of \$13.08. This cost does not include overhead attributed to the employees or the equipment necessary for the issuance of the license plates.

²Costs in excess of revenue reduces funding available for allocation through the highway tax distribution fund formula to DOT, counties and cities, townships, and public transportation.

Personalized Antique Plate	Registration Fee
Estimated personalized antique plate (one-time fee) revenue	\$167,000
Estimated cost to issue ¹	(21,844)
Estimated revenue over/(under) the cost of registration	\$145,156 ²
Personalized antique plate registrations	1,670

¹The estimated cost to issue was calculated by multiplying the number of personalized antique plate registrations during the 2017-19 biennium by an estimated cost per plate, provided by DOT, of \$13.08. This cost does not include overhead attributed to the employees or the equipment necessary for the issuance of the license plates.

²Excess revenue is deposited in the highway tax distribution fund to be allocated through the highway tax distribution fund formula to DOT, counties and cities, townships, and public transportation.

Collector Personalized Plate Fee

Section 39-04-10.6 authorizes the director of DOT to register a motor vehicle that is at least 25 years old but that is not eligible for registration under Section 39-04-10.4. The motor vehicle is registered as a collector's motor vehicle on the payment of a one-time registration fee of \$60. The registration is valid as long as the collector's motor vehicle is owned by the person who applied for the registration under this section. These funds are deposited in the highway tax distribution fund.

Fee History

The following table provides information regarding the number of license plates issued, the revenue collected, and the estimated cost to issue, monitor, and collect fees during the 2017-19 biennium:

2017-19 Biennium	Registration Fee
Estimated collector personalized plate (one-time fee) revenue	\$18,240
Estimated cost to issue ¹	(3,977)
Estimated revenue over/(under) the cost of registration	\$14,263 ²
Collector personalized plate registrations	304

¹The estimated cost to issue was calculated by multiplying the number of collector personalized plate registrations during the 2017-19 biennium by an estimated cost per plate, provided by DOT, of \$13.08. This cost does not include overhead attributed to the employees or the equipment necessary for the issuance of the license plates.

²Excess revenue is deposited in the highway tax distribution fund to be allocated through the highway tax distribution fund formula to DOT, counties and cities, townships, and public transportation.

Duplicate License Plate, Decal and Registration Card Fee

Section 39-04-13 requires that if any number plate, tab, sticker, or registration card issued under the provisions of this chapter is lost, mutilated, or becomes illegible, the person who is entitled thereto shall make immediate application for and obtain a duplicate or substitute upon furnishing information of such fact satisfactory to the department and upon payment of the cost of issuing the duplicate item, not to exceed the sum of \$5 for each duplicate number plate, tab, sticker, or registration card issued. The department may issue a duplicate number plate, tab, sticker, or registration card at no cost to the owner when satisfied the vehicle owner did not receive the original number plate, tab, sticker, or registration card which was issued. These funds are deposited in the highway tax distribution fund.

Fee History

House Bill No. 268 (1927) required that in the event that any number plate or registration card issued hereunder shall be lost, mutilated or shall have become illegible, the person who is entitled thereto shall make immediate application for and obtain a duplicate or substitute therefor upon furnishing information of such fact satisfactory to the department and upon payment of the required fees.

Senate Bill No. 271 (1933) established a fee of \$1 for each set of duplicate number plates applied for.

Senate Bill No. 42 (1959) increased the fee for a duplicate plate or registration card from \$1 to a maximum of \$3.

House Bill No. 727 (1963) reduced the maximum fee for a duplicate plate or registration card from \$3 to \$1.

House Bill No. 1435 (1971) increased the maximum fee for a duplicate plate or registration card from \$1 to \$3.

Senate Bill No. 2221 (1983) increased the maximum fee for a duplicate plate or registration card from \$3 to \$5.

Senate Bill No. 2140 (1989) authorized the issuance of a duplicate plate at no cost to the owner when satisfied the vehicle owner did not receive the original number plate, tab, sticker, or registration card which was issued.

Fee Data

The following tables provide information regarding the number of duplicate decal and registration cards issued, the revenue collected, and the estimated cost to issue, monitor, and collect fees during the 2017-19 biennium:

Duplicate Decal and Registration Card	Registration Fee
Estimated duplicate decal and registration card revenue ¹	\$104,870
Estimated cost to issue ²	(56,210)
Estimated revenue over/(under) the cost of replacement	\$48,660 ³
Duplicate decal and registration cards issued	41,948

¹The estimated revenue was calculated by averaging the replacement tabs fee of \$3 and a replacement registration card fee of \$2 and multiplying it by the number of duplicate decal and registration cards issued during the 2017-19 biennium.

²The estimated cost was calculated by multiplying the number of duplicate decal and registration cards issued during the 2017-19 biennium it by an estimated cost to renew a registration, provided by DOT, of \$1.34. This cost does not include overhead attributed to the employees or the equipment necessary for the issuance of the duplicate decal and registration card.

³Excess revenue is deposited in the highway tax distribution fund to be allocated through the highway tax distribution fund formula to DOT, counties and cities, townships, and public transportation.

Duplicate License Plate	Registration Fee
Estimated duplicate license plate revenue ¹	\$61,500
Estimated cost to issue ²	(160,884)
Estimated revenue over/(under) the cost of replacement	(\$99,384) ³
Duplicate license plates issued	12,300

¹The estimated revenue was calculated by multiplying the replacement license plate fee of \$5 by the number if of duplicate license plates issued during the 2017-19 biennium.

²The estimated cost was calculated by multiplying the number of duplicate replacement license plates issued during the 2017-19 biennium by an estimated cost to issue the plates, provided by DOT, of \$13.08. This cost does not include overhead attributed to the employees or the equipment necessary for the issuance of the duplicate license plates.

³Costs in excess of revenue reduces funding to be allocated through the highway tax distribution fund formula to DOT, counties and cities, townships, and public transportation.

Public or Nonprofit Organizational Plate Fee

Section 39-04-10.13 authorizes the director of DOT to develop an organization number plate program for distinctive number plates for qualifying public and nonprofit organizations recognized by the Internal Revenue Service as tax exempt under 26 U.S.C. 501(c)(3), for which organizations requesting such plate must pay a one-time fee of \$1,500. The section also establishes nonqualifying organizations and an additional fee of \$25. Of the \$25 additional fee, \$10 is deposited in the highway tax distribution fund and \$15 is transferred to the respective organization to support programs of that organization.

Fee History

Senate Bill No. 2368 (2005) created Section 39-04-10.13 and established an additional annual fee of \$25 for the issuance of public or nonprofit organizational license plates. This section provides that of the \$25 additional fee, \$10 is deposited in the highway tax distribution fund and \$15 is transferred to the respective organization to support programs of that organization.

Senate Bill No. 2360 (2007) requires organizations, requesting a license plate be available for distribution on its behalf, pay a one-time fee of \$1,500.

Fee Data

The following table provides information regarding the number of license plates issued, the revenue collected, and the estimated cost to issue, monitor, and collect fees during the 2017-19 biennium:

2017-19 Biennium	Registration Fee
Estimated public or nonprofit organizational plate revenue ¹	\$26,000
Estimated cost to issue ²	(3,484)
Estimated revenue over/(under) the cost of registration ³	\$22,516 ⁴
Active public or nonprofit organizational plates for 1 fiscal year	1,300

¹The estimated revenue was calculated by multiplying the number of selected active public or nonprofit organizational plate registrations for 1 fiscal year by 2 and multiplying that by \$10.

²The estimated cost was calculated by multiplying the number of selected active public or nonprofit organizational plate registrations for a given point of time by 2 and multiplying that by an estimated cost for registration renewal, provided by DOT, of \$1.34. No new registrations for the selected plates were reported. Most new registrations occur within the first year or two of issuing a new plate type. Accordingly, most annual registration activity is for renewals which does not incur additional plate costs. This amount represents renewals only, since no new plates were issued during this time period.

³In the case of new registrations, the revenue is \$10, and the cost is \$13.08 resulting in revenue over/(under) for the cost of the service of (\$3.08). Costs in excess of revenue reduces funding available for allocation through the highway tax distribution fund formula to DOT, counties and cities, townships, and public transportation.

⁴Excess revenue is deposited in the highway tax distribution fund to be allocated through the highway tax distribution fund formula to DOT, counties and cities, townships, and public transportation.