

FISCAL NOTE
Requested by Legislative Council
01/15/2007

Bill/Resolution No.: HB 1388

1A. **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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$50,000		\$100,000
Expenditures				\$2,000		\$2,000
Appropriations				\$2,000		\$2,000

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **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 1388 requires the NDDOT to establish a logo program by contract with a qualified business.

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.*

NDDOT studied a similar bill during the 2003 legislative session. During this study, it was found that the majority of states contract their logo signing operation to a consulting/contracting company. As a result, costs to the state are minimal. We determined that Montana and Minnesota receive approximately \$50,000 per year from a similar arrangement in the infancy of their programs. Those revenue estimates were used as a 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 from 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 and Minnesota, we estimate we would receive approximately \$50,000 of income from signing contractors per year. It's assumed that it would take a year to get the program 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 assumed that a contractor would need to be selected through a "Request for Proposal" process, which would result in a printing and advertising costs. One or more public meetings may also be needed. It is assumed 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 is also included in the executive budget or relates to a*

continuing appropriation.

The DOT would need an additional \$2,000 to implement the provisions of this bill.

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