

**FISCAL NOTE**  
**Requested by Legislative Council**  
03/13/2007

**REVISION**

Amendment to: Engrossed  
HB 1089

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
<b>Revenues</b>				(\$15,000)		(\$15,000)
<b>Expenditures</b>						
<b>Appropriations</b>						

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).*

The amendment to this bill changes the tax on motor vehicle certificate titles identified in NDCC 39-26-12 for passenger motor vehicle and truck motor vehicle from \$2.00 to \$1.50 and eliminates the suspension of the tax.

**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.*

Currently a \$2.00 fee is collected for each vehicle registration and deposited into the abandoned auto fund. If on the first day of July in any year the amount of uncommitted money is in excess of \$250,000 the extra is transferred to the highway fund. If the fund is less than \$100,000 the tax is reinstated in January. The amendment to this bill eliminates the suspension of the tax and changes the fee to \$1.50 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.*

The revenue for this bill is collected by the Department of Transportation and deposited into the abandoned auto fund. If the amendment passes it is estimated that they will process 82,000 registrations per year at \$1.50 per registration for a biennial total of \$246,000. If the amendment does not pass the average collection per biennium at the \$2. fee is \$261,000 or a net reduction of \$15,000 if the amendment is passed.

**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.*

The Department of Health will expend \$250,000 per biennium from the abandoned auto fund by issuing contracts to communities to identify and remove abandoned vehicles. The Department is concerned about the \$1.50 tax included in this amendment. As indicated in the fiscal note the revenue is less than expenditures and we are concerned about the sustainability of the fund especially if registrations do not reach 82,000 per year. An option would be to collect \$1.75 or \$2.00 with excess funds being transferred to the highway fund.

**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 appropriation for this project is included in the Health Department's Appropriation bill (Engrossed HB1004).

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