

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Amendment to: HB 1084

- 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				\$ (259,042)		\$ (264,622)
Expenditures				\$ (696,350)		\$ (711,350)
Appropriations				\$ (696,350)		\$ (711,350)

- 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		\$153,197	\$156,497
Cities		\$87,044	\$88,919
School Districts			
Townships		\$18,801	\$19,206

- 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).*

This bill would change to a one plate requirement for all registered motor vehicles instead of displaying two plates.

- 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.*

Section 3 of the bill replaces the requirement that all registered vehicles display two plates with a requirement that all registered vehicles display a single plate. This bill will result in one time programming costs, on-going reductions in costs for license plates and postage, and a change in the revenues available for distribution through the Highway Tax Distribution Fund.

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.*

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 reduction will be the same as their corresponding reduction in costs.

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%).

The amounts shown in Section 1A are a composite of the amounts impacting the Motor Vehicle Division of NDDOT (off the top), the 61.3% NDDOT Highway Tax distribution, and the 1.5% transit Highway Tax distribution.

See attached supporting calculations.

- 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 \$15,000 for computer programming costs. License plate costs will reduce approximately \$1.70 per unit issued. Postage costs will decrease approximately \$.57 per unit issued from the central office.

See attached supporting calculations.

- 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 reduced expenditures of \$696,350 and \$711,350 for the 2017-2019 and 2019-2021 bienniums respectively. Accordingly, the division would need less appropriations by those amounts.

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Fiscal Note Support

Assumptions:

Number of license plate sets ordered per biennium	400,000
Number of license plate sets mailed from MV Central Office per biennium	55,000
Reduction per plate set cost as a result of using one plate	\$ 1.70
Reduction per plate set mailing cost as a result of using one plate	\$ 0.57
One time programming costs	\$ 15,000.00
Highway Tax Distribution Fund Percentages	
NDDOT	61.30%
Cities	12.50%
Counties	22.00%
Townships	2.70%
Transit (NDDOT)	1.50%

Reduction in Total Plate Costs (Ongoing) \$1.70 x400,000	\$ (680,000)	
Reduction in Central Office Mailing Costs (Ongoing) \$.57 x 55,000	\$ (31,350)	
Total Ongoing Cost Reduction		\$ (711,350)
One Time Programming Costs		\$ 15,000
Total First Biennium Costs		<u>\$ (696,350)</u>

Revenue (HTDF) Impact Due to Expenditure Reduction

First Biennium:

MVD - Off the Top Reduction (NDDOT)		\$ (696,350)
Revenue Addition throught HTDF Distribution		
NDDOT (61.3%)	\$ 426,863	
Cities (12.5%)	\$ 87,044	
Counties (22%)	\$ 153,197	
Townships (2.7%)	\$ 18,801	
Transit (NDDOT) (1.5%)	\$ 10,445	
		\$ 696,350

Second Biennium:

MVD - Off the Top Reduction (NDDOT)		\$ (711,350)
Revenue Addition throught HTDF Distribution		
NDDOT (61.3%)	\$ 436,058	
Cities (12.5%)	\$ 88,919	
Counties (22%)	\$ 156,497	
Townships (2.7%)	\$ 19,206	
Transit (NDDOT) (1.5%)	\$ 10,670	
		\$ 711,350

17-19	19-21
Other Funds	Other Funds

Fiscal Note Section 1A - State Fiscal Impact:

Revenues	\$ (259,042)	\$ (264,622)
Expenditures	\$ (696,350)	\$ (711,350)
Appropriations	\$ (696,350)	\$ (711,350)

17-19	19-21
Biennium	Biennium

Fiscal Note Section 1B - City, County, School District, and Township Fiscal Impact:

Counties	\$ 153,197	\$ 156,497
Cities	\$ 87,044	\$ 88,919
School Districts		
Townships	\$ 18,801	\$ 19,206