

FISCAL NOTE

Requested by Legislative Council

04/25/2005

Amendment to: Engrossed
SB 2012

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.*

| | 2003-2005 Biennium | | 2005-2007 Biennium | | 2007-2009 Biennium | |
|----------------|--------------------|-------------|--------------------|--------------|--------------------|--------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | \$28,600,000 | | \$31,000,000 |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| 2003-2005 Biennium | | | 2005-2007 Biennium | | | 2007-2009 Biennium | | |
|--------------------|--------|------------------|--------------------|-------------|------------------|--------------------|-------------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | \$5,500,000 | \$3,500,000 | | \$6,300,000 | \$4,100,000 | |

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill has several distinct provisions that impact revenue to the NDDOT, the cities and counties, and the state's general fund. This fiscal note focuses on the impact of those provisions.

The bill also contains the DOT appropriation for the 2005-2007 biennium.

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.*

Section 10 increases the fees for registration of motor vehicles \$10 per year. Paragraph 7 of section 10 provides that \$13 of each motor vehicle registration fee be deposited into the Highway Fund. Section 15 repeals the current allocation of \$3 of each motor vehicle registration to the Highway Fund.

Section 10 also transfers pickup trucks to the passenger motor vehicle category. This increase is phased in over two bienniums.

Sections 12 and 14 increase the motor vehicle fuels and special fuels taxes by 2 cents per gallon. These increases in fuel taxes are deposited in the Highway Distribution Fund.

Section 11 provides that the first 37.5 million dollars received from the motor vehicle excise tax in excess of 150 million dollars be placed into the state highway fund. Current estimates for the total amount of motor vehicle excise tax for the 2005-2007 biennium do not exceed \$150 million, thus this provision will have no impact on this fiscal note.

Section 8 permits the DOT to utilize a bonding mechanism to fund the US Highway 2 project improvements and the Liberty Memorial Bridge replacement.

Section 13 provides for refunds of tax on fuel purchased by native Americans in certain circumstances. We have no way

of determining what the fiscal impact of these provisions may be as we don't know to what degree these provisions may be exercised.

This bill also contains the appropriation for the DOT for the 2005-2007 biennium.

North Dakota Department of Transportation
Synopsis of SB 2012 Revenue Provisions
Prepared by NDDOT Financial Mgmt. Division
April 28, 2005

Revenue Impact for the 2005-2007 Biennium – millions

| | <u>Total</u> | <u>DOT</u> | <u>Cities</u> | <u>Counties</u> |
|-------------------------------|---------------------|-------------------|----------------------|------------------------|
| Motor Vehicle Reg. Provisions | \$13.4 | \$13.4 | | |
| Pickup Truck Provision | 3.8 | 2.4 | \$.6 | \$.8 |
| Fuel Tax Provisions | <u>20.4</u> | <u>12.8</u> | <u>2.9</u> | <u>4.7</u> |
| Total | <u>\$37.6</u> | <u>\$28.6</u> | <u>\$3.5</u> | <u>\$5.5</u> |

Revenue Impact for the 2007-2009 Biennium - millions

| | <u>Total</u> | <u>DOT</u> | <u>Cities</u> | <u>Counties</u> |
|-------------------------------|---------------------|-------------------|----------------------|------------------------|
| Motor Vehicle Reg. Provisions | \$13.4 | \$13.4 | | |
| Pickup Truck Provision | 7.6 | 4.8 | \$1.2 | \$1.6 |
| Fuel Tax Provisions | <u>20.4</u> | <u>12.8</u> | <u>2.9</u> | <u>4.7</u> |
| Total | <u>\$41.4</u> | <u>\$31.0</u> | <u>\$4.1</u> | <u>\$6.3</u> |

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.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: NDDOT
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