

FISCAL NOTE

Requested by Legislative Council
01/16/2007

Bill/Resolution No.: HB 1495

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			(\$64,673,000)	\$44,286,795	(\$64,673,000)	\$44,286,795
Expenditures						
Appropriations						

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
			\$13,407,056	\$7,237,830		\$13,407,056	\$7,237,830	

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).*

This bill results in the transfer of fifty percent of the motor vehicle excise tax to the highway tax distribution fund, and reduces that amount from the tax collections to be considered in the state aid distribution fund.

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 1 of this bill requires that not less than 15% of the funds allocated to each county and city under this section must be used for transportation priorities approved by the director of the DOT under the county and city strategic transportation plan. This would likely result in the DOT extending the current highway performance classification system to the county level. This may result in some additional expenses to the NDDOT, however at this time we have no way of determining what those costs may be. Likewise, we have no way of determining what, if any, fiscal impact the 15% requirement may have on the cities and counties.

Section 2 of the bill would change the funds into which 50% of the motor vehicle excise tax proceeds are deposited. Instead of depositing approximately \$70,296,500 into the state general fund (\$64,673,000) and the State Aid Distribution Fund (\$5,623,500), the funding would be deposited into 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.*

Based on the executive projection of motor vehicle excise tax to be transferred to the general fund and state aid distribution fund, \$70,296,500 will be transferred to the highway tax distribution fund.

The net effect of the revenue transfers are as follows:

Revenue reductions:

General Fund		\$64,673,000
State Aid Distribution Fund		
Counties	\$2,761,139	
Cities	2,603,680	
Townships	<u>258,681</u>	
Total State Aid Dist. Fund		<u>5,623,500</u>

Total Revenue Reductions to General Fund & State Aid Dist Fund \$70,296,500

Revenue increases:

State Highway Fund	\$44,286,795	
Counties	16,168,195	
Cities	9,841,510	
Townships	0	
Total Revenue Increases to Highway Tax Distribution Fund		\$70,296,500

Net Changes Resulting from Bill:

General Fund	\$(64,673,000)	
State Highway Fund	44,286,795	
Counties	13,407,056	
Cities	7,237,830	
Townships	(258,681)	
Total Net Change		\$ 0

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, 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.*

Name:	Shannon L. Sauer	Agency:	NDDOT
Phone Number:	328-4375	Date Prepared:	01/24/2007