

FISCAL NOTE
Requested by Legislative Council
01/07/2019

Bill/Resolution No.: HB 1301

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$34,700,000		
Expenditures						
Appropriations						

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties		\$37,600,000	
Cities		\$21,300,000	
School Districts			
Townships		\$10,000,000	

- 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).*

House Bill 1301 calls for a life-of-roadway study to be conducted, amends the allocation percentages in the highway tax distribution formula, and increases the state fuel tax by seven cents per gallon.

- 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 HB 1301 calls for DOT to conduct a long-term, life-of-the-road study regarding center rumble strips and report the findings to legislative management.

Section 2 of the bill amends NDCC 54-27-19 by adjusting the allocation percentages used in the highway tax distribution formula.

Sections 3 and 4 of the bill amend NDCC to increase the tax rate on motor vehicle and special fuel sold in the state from 23 cents per gallon to 30 cents per gallon.

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.*

Sections 3 & 4 of House Bill 1301 would increase the tax rate on motor vehicle and special fuel sold in the state by 7 cents per gallon. Based on estimates from the Tax Commissioner's Office and DOT, this increase would generate roughly \$103.6 million in additional revenue which would be deposited into the highway tax distribution fund.

Section 2 of the bill also modifies the allocation percentages within the highway tax distribution fund as follows:

- State Highway Fund - 61.3% to 56.7%
- Township Fund - 2.7% to 3.8%
- Public Transit - 1.5% unchanged
- Counties/Cities - 34.5% to 38%

The combination of increased tax revenue and the allocation changes result in estimated increases in revenue as shown in section 1 above and detailed as follows:

- State Highway Fund - \$33,200,000
- Public Transit Fund - \$1,500,000
- Townships - \$10,000,000
- Counties - \$37,600,000
- Cities - \$21,300,000

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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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