

Bill/Resolution No.: SB 2398 Amendment to: _____

Requested by: Legislative Council Date of Receipt: 1/19/83

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

See Attached.

State Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>

County and City Fiscal Effect:

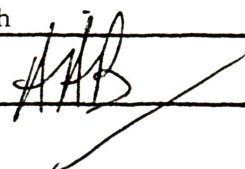
<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Date prepared: 1/26/83

Signed 

Typed Name C. William Cudworth

Department TAX 

SB 2398

Statistics from the Highway Department and reports of railroads filed with the Tax Commissioner indicates that there are approximately 6,900,000 train miles per year in North Dakota or 1,725,000 train miles per quarter.

Highway Department figures indicate that there are approximately 6,000 public railroad crossings in North Dakota including crossings at grade, separated crossings and pedestrian crossings.

The potential tax revenue per quarter is as follows:

1,725,000 train miles @ .21	\$362,250
6,000 crossings @ \$150 = 900,000/yr. quarterly installments	<u>225,000</u> \$587,250

The tax is not implemented until 350 miles of track have been abandoned after July 1, 1983. From 1936 to present approximately 500 miles of track have been abandoned in North Dakota. We do not expect that the 350 mile abandonment threshold will be reached during the 1983-85 Biennium, and therefore, the tax would not be implemented during this time.

Another consideration is the federal legislation prohibiting the discriminatory taxation of railroads. (The 4R Act.) At least one federal court has held that the 4R Act applies to taxes other than ad valorem property taxes. If the appeal courts uphold this decision, it appears that the tax proposed by SB 2398 would not be enforceable.