

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1415 Amendment to: _____

Requested by: Legislative Council Date of Receipt: _____

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:

This proposed legislation will have a fiscal impact only if and when our current law which limits the tax exemption for gasoline and special fuels that are blended with qualifying alcohols manufactured in other states is held by a court to be unconstitutional.

The size of the fiscal impact will be dependant on whether the court rules that the non-reciprical (\$.04) 4 cent tax is unconstitutional, and whether or not the ruling is made retroactive.

The fiscal note is based on anticipated gasohol sales (gallonage) during the 1989-91 biennium:

If consumption remains at the current level (12 percent of market share) and if the gallonage shipped in from other states remains at the same level as it was during 1988, the revenue loss during the next biennium would be approximately \$300,000.

However, in order to remain consistent with earlier revenue projections prepared by the department, the fiscal impact statement is based on the assumption that gasohol consumption during the 1989-91 biennium will be approximately 15 percent of the market share.

There is also the possibility of more ethanol being brought into the state if the exemption for alcohols manufactured in other states is increased. It is impossible at this time to determine what the fiscal impact will be.

State Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>
	(\$125,000)		(\$125,000)		(\$125,000)

County and City Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
(\$45,000)	(\$30,000)	(\$45,000)	(\$30,000)	(\$90,000)	(\$60,000)

If additional space is needed, attach a supplemental sheet.

Signed Reyne Buchholz

Typed Name Finance Director

Date Prepared: 1-20-89

Department ND State Highway Dept.

GASOHOL CONSUMPTION STATISTICS
1988 FISCAL YEAR

STATE OF ORIGIN

IOWA	3,558,462	GALLONS (8.6%)
	X .03	EXEMPTION NOT ALLOWED
	<u>\$106,753.86</u>	

MINNESOTA	1,657,011	GALLONS (4.0%)
	X .02	EXEMPTION NOT ALLOWED
	<u>\$ 33,140.22</u>	

NEBRASKA	1,478,849	GALLONS (3.6%)
	X .01	EXEMPTION NOT ALLOWED
	<u>\$ 14,788.49</u>	

NORTH DAKOTA	34,872,164	GALLONS (83.8%)
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\$ 41,566,486 GALLONS - TOTAL GASOHOL CONSUMED