FISCAL NOTE

Requested by Legislative Council 02/03/2021

Amendment to: Engrossed HB 1464

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.

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$55,068,000		
Expenditures						
Appropriations						

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties		\$19,200,000	
Cities		\$11,000,000	
School Districts			
Townships		\$2,400,000	

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).

Engrossed HB 1464 increases the motor and special fuels tax rates from \$.23 to \$.29 per gallon. It also increases the road use fees for electric and hybrid automobiles and electric motorcycles.

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 engrossed HB 1464 increases the annual road use fees for electric and hybrid automobiles and electric motorcycles.

Sections 2 of engrossed HB 1464 increases the motor vehicle fuels tax, and Section 3 increases the special fuels tax. These fuels tax rates are increased from the current law rate of \$.23 to \$.29 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.

If enacted, engrossed HB 1464 is expected to increase highway tax distribution fund revenues by a total of \$87.668 million in the 2021-23 biennium. Of this amount, \$68,000 is from the electric vehicle road fee increases, and \$87.6 million is from the fuels tax increases. Additionally, \$55.068 million will be the DOT and Transit share, with the remainder for counties, cities, and townships, as shown above.

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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