

FISCAL NOTE
HOUSE BILL NO. 1382
LC# 25.1043.02000
02/12/2025

1 - 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.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$42,096,346		\$42,112,378
Expenditures				\$42,035,841		\$42,041,804
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties		\$17,876,268	\$17,879,796
Cities		\$10,156,971	\$10,158,975
School Districts			
Townships		\$14,002,601	\$14,003,034

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

Section 1 increases the registration fees for electric and hybrid vehicles. Sections 2-5 increases fuel taxes 3 cents per gallon. In addition, it also creates the city, county, and township road fund; populates it with the fuel tax increase; and specifies the allocation method for the fund.

4 - Fiscal Impact Sections Detail

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 would increase the electric vehicle road use fee to \$150, the plug-in hybrid vehicle road use fee to \$60, and the electric motorcycle road use fee to \$25. Currently, there are 1,237 electric vehicles, 912 plug-in-hybrid vehicles, and 18 electric motorcycles registered. The estimated revenue in the first year totals \$46,320. The number of registered vehicles in this section is estimated to increase 8% each year, which reflects the national

adoption rate of electric vehicles.

Section 3 of the bill creates a City, County, and Township Road Fund and populates it with a three cent per gallon fuel tax increase; this is estimated to generate approximately \$42 million per biennium for the new fund. The legislation specifies that the moneys in the fund must be distributed to cities, counties, and townships in non - oil producing counties to be used for the purpose of funding road infrastructure.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

The estimated revenue in section 1 would be distributed through the Highway Tax Distribution Fund. The state fiscal impact (State Highway Fund (61.3%) and public transit (1.5%)) would be \$59,060 and \$1,445, respectively in the 25-27 biennium and \$68,887 and \$1,686, respectively in the 27-29 biennium. The fiscal impact to counties (22%), cities (12.5%), and townships (2.7%) would be \$21,196, 12,043 and \$2,601 respectively for the 25-27 biennium and \$24,723, 14,047 and \$3,034 respectively for the 27-29 biennium.

One cent of motor vehicle fuel tax and special fuel tax is assumed to general \$7 million/year or \$14 million/biennium, therefore three cents would generate \$42 million per biennium. The additional three cents is to fund the city, county, and township road fund. The revenue will flow through the State Treasurer's office to be distributed to cities, counties, and townships through the newly created fund in this bill. Two thirds of the moneys in the fund shall be distributed to eligible counties and cities using the highway tax distribution fund formula established in subsection 4 of section 54-27-19 calculated to be \$17,855,072 to counties and \$10,144,928 to cities per biennium. One third of the moneys in the fund shall be distributed to eligible townships using the formula established in 54-27-19.4 calculated to be \$14 million per biennium.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

The State Treasurer's office will have distributions of funds in the city, county and township road fund that will be allocated to cities, counties, and townships.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

N/A

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