

# FISCAL NOTE

Requested by Legislative Council

01/14/2003

Bill/Resolution No.: HB 1335

1A. **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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

It is not possible to accurately determine the fiscal impact of HB 1335 because we do not know how many miles would be added to the state system in any biennium. We can provide a basic estimate of the range of costs based on minimum (zero) and maximum (fifty) mileage additions per year to the state system.

If no additional miles are added to the system, there would be no additional fiscal impact.

If we assume the maximum of 50 miles per year are added there would be several issues to consider, including the current condition of the roadways added to the system; the additional staffing and equipment costs required to maintain the added mileage; and, assuming the use of federal highway funds on the additional mileage, the costs to bring roadways up to federal standards. The following assumptions can be used to estimate the biennial cost of adding the maximum allowable mileage to the system:

- Roads added to the system would be low-volume routes.
- The current right-of- way is 33 feet on each side of the section line. Where grading is required, an additional 67 feet would be needed on each side of the section line.
- Half of the additional mileage would need to be graded and resurfaced, at an estimated cost of \$300,000 per mile ( $\$300,000 \times 50 \text{ miles} = \$15,000,000$ ).
- One-fourth of the additional mileage would need only to be resurfaced, at an estimated cost of \$150,000 per mile ( $\$150,000 \times 25 \text{ miles} = \$3,750,000$ ).
- One-fourth of the additional mileage would need no work.
- Maintenance costs include \$2,350 annually per mile for routine maintenance activities such as crack sealing, patching, snow removal, signing, mowing, and chip seals ( $\$2,350 \times (50 \text{ 1st year miles} + 100 \text{ miles 2nd year miles}) = \$352,500$ .)

Based on these assumptions, the additional costs for adding the maximum allowable mileage to the system would be \$19,102,500.

Thus, the minimum first biennium costs would range between \$0 and \$19,102,500, dependent upon the amount of mileage (0-100 miles) added to the state system.

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.*

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.*

As detailed in the narrative section, the expenditures would vary, depending on the mileage added to the system.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The DOT would require additional appropriations equal to the level of expenditures needed to support the additional mileage.

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