

2009 HOUSE TRANSPORTATION

HB 1526

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1526

House Transportation Committee

☐ Check here for Conference Committee

Hearing Date: 01/29/09

Recorder Job Number: 8189

Committee Clerk Signature

Jeannette Cook

Minutes:

Chairman Ruby asked the committee to come to order to hear HB 1526.

Representative Jerome Kelsh, District 26, introduced and spoke in support of HB 1526.

See attachment #1. He also provided an amendment. See attachment #2. He emphasized that the main purpose of this bill is that the dollars continue to go into the Highway Distribution Fund. The needs are going to continue to be there.

Representative Weisz: I support what this bill does. It is just a little bit more aggressive that what I was doing. Have you taken into account that the State Aid Distribution money will come off of the excise tax, so the counties would actually lose a little bit? Would you be willing to look at an amendment that would make sure that the counties don't lose money before you take out the excise tax and move it into the Distribution Fund?

Representative Jerome Kelsh: Yes, I would be open to an amendment like that.

Tim Horner, Deputy Director for Business Support for the North Dakota DOT, spoke in opposition to HB 1526. See attachment #3.

The hearing was closed on HB 1526.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1526

House Transportation Committee

☐ Check here for Conference Committee

Hearing Date: 02/05/09

Recorder Job Number: 8869

Committee Clerk Signature

Jeanette Cook

Minutes:

Chairman Ruby asked the committee to take up HB 1526.

Representative Weiler moved a **Do Not Pass** on HB 1526.

Representative Vigesaa seconded the motion.

Representative Weisz stated that his original bill would have had 100% of the excise tax in it, but I felt that the chances of passing that weren't good. He will support the motion.

A roll call vote was taken. **Aye 11 Nay 3 Absent 0**

The motion passed.

Representative Vigesaa will carry the bill.

FISCAL NOTE
Requested by Legislative Council
01/20/2009

Bill/Resolution No.: HB 1526

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$129,528,000)	\$81,602,640		
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$29,791,440	\$18,133,920				

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1526 adds Motor Vehicle Excise tax revenue to the Highway Tax Distribution fund.

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 HB1526 adds Motor Vehicle excise tax revenue to the Highway Tax Distribution fund. The Highway Tax Distribution fund is split 63% to the State Highway fund and 37% is allocated to Counties and Cities. Motor Vehicle excise tax revenue is estimated at \$129,528,000 for 09-11 biennium.

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.*

The General Fund will be reduced by approximately \$129,528,000. The State Highway Fund will increase by \$81,602,640. The Counties will receive approximately 23% or \$29,791,440 and the Cities will receive approximately 14% or \$18,133,920.

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 is also included in the executive budget or relates to a continuing appropriation.*

Name:	Lawrence Hopkins	Agency:	Treasurer's Office
Phone Number:	701-328-2643	Date Prepared:	01/26/2009

Date: 2-5-09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1526

House TRANSPORTATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ Do pass ☒ Don't Pass ☐ Amended

Motion Made By Weiler Seconded By Vigesaa

Representatives	Yes	No	Representatives	Yes	No
Representative Ruby - Chairman	✓		Representative Delmore	✓	
Rep. Weiler - Vice Chairman	✓		Representative Griffin	✓	
Representative Frantsvog	✓		Representative Gruchalla		✓
Representative Heller	✓		Representative Potter	✓	
Representative R. Kelsch	✓		Representative Schmidt		✓
Representative Sukut	✓		Representative Thorpe		✓
Representative Vigesaa	✓				
Representative Weisz	✓				

Total Yes 11 No 3

Absent 0

Bill Carrier Vigesaa

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1526: Transportation Committee (Rep. Ruby, Chairman) recommends DO NOT PASS
(11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1526 was placed on the
Eleventh order on the calendar.

2009 TESTIMONY

HB 1526

Attachment #1

HOUSE TRANSPORTATION COMMITTEE

HB1526

REPRESENTATIVE JEROME KELSH

CHAIRMAN RUBY AND MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE.

HB1526 WOULD PUT THE EXCISE TAX CHARGED ON AUTOMOBILES AND TRUCKS INTO THE HIGHWAY DISTRIBUTION FUND.

I WANT TO THANK THE GOVERNOR FOR PUTTING \$ 120,000,000 OF GENERAL FUND MONEY INTO THE FUND; HOWEVER THIS IS ONLY A ONE TIME APPROPRIATION AND MAY NOT BE CONSIDERED FOR THE 2011-2013 BIENNIUM.

THE BILL WOULD START THIS TRANSFER THIS BIENNIUM. I HAVE AMENDMENTS PREPARED TO DELAY its IMPLEMENTATION FOR TWO (2) YEARS BECAUSE IT IS IN THE BUDGET FOR THE NEXT TWO (2) YEARS. I DO NOT WANT TO DOUBLE DIP OR APPEAR TO BE ASKING THAT COUNTIES GET BOTH.

AS YOU KNOW, COSTS HAVE GONE UP FASTER THAN PROPERTY TAX PAYERS CAN KEEP UP WITH. PROPERTY TAXES ARE THE ONLY RESOURCE COUNTIES HAVE TO DO THEIR PART IN MAINTENANCE OF ROADS, PAY WAGES, EVER INCREASING INSURANCE COSTS, SOCIAL SECURITY AND FUEL AND MACHINERY.

MR. CHAIRMAN AND MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE, FOR THE ABOVE REASONS, I ASK FOR A DO PASS ON HB1526

THANK YOU.

#2

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1526

Page 3, line 17, remove the overstrike over "~~general~~" and remove "highway tax"

Page 3, line 18, remove "distribution" and after the period insert "All moneys collected and received under this chapter for taxable events occurring after June 30, 2011, must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited to the highway tax distribution fund."

Page 4, line 1, replace "This" with "Section 2 of this"

Page 4, line 2, after the period insert "Sections 1 and 3 of this Act are effective for taxable events occurring after June 30, 2011."

Renumber accordingly

Attachment #3

HOUSE TRANSPORTATION COMMITTEE

January 29, 2009

9:45 a.m. –Fort Totten Room

**North Dakota Department of Transportation
Tim Horner, Deputy Director for Business Support**

HB 1526

Good morning, Mr. Chairman and members of the committee. I'm Tim Horner, Deputy Director for Business Support for the North Dakota Department of Transportation (NDDOT).

The Senate Transportation Committee has already considered one major formula change proposal in this arena, Senate Bill 2177. This committee (House Transportation), earlier this morning, heard NDDOT support of components of House Bill 1407 which also provides additional funding to transportation. The Department is committed to working with the legislature and our transportation partners to provide an appropriate level of funding to meet the transportation challenges ahead of us.

We acknowledge the counties, cities, townships, and the state have unmet transportation needs. The Governor recognized the additional transportation needs and has included in SB 2012 (NDDOT's appropriation bill) \$120 million of general funds to be distributed to the state, cities, counties, townships, and transit through the Highway Distribution Fund. As such this bill (HB 1526) is contradictory to a number of transportation funding proposals being considered including Senate Bill 2177, Senate Bill 2012, and House Bill 1407. For this reason, the Department of Transportation cannot support this piece of legislation.

Mr. Chairman, I will be happy to answer any questions at this time. Thank you.