

FISCAL NOTE

Requested by Legislative Council
03/25/2005

Amendment to: Engrossed
 SB 2012

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$32,000,000		\$31,000,000
Expenditures						
Appropriations						

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$5,878,000	\$3,522,000		\$6,500,000	\$3,900,000	

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

This bill has several distinct provisions that impact revenue to the NDDOT, the cities and counties, and the state's general fund. These provisions are intended to provide the funding needed by the DOT to balance its budget for the 2005-2007 biennium. This fiscal note will focus on the impact of those provisions.

The bill also contains the DOT appropriation for the 2005-2007 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.*

Section 10 increases the fees for registration of motor vehicles \$10 per year. Paragraph 7 of section 10 provides that \$13 of each motor vehicle registration fee be deposited into the Highway Fund. Section 16 repeals the current allocation of \$3 of each motor vehicle registration to the Highway Fund.

Section 14 increases the motor vehicle fuel tax 2 cents per gallon. Additionally, the fuel tax increases by an additional 2 cents during the period from May 1 through October 31 of each year. Section 15 increases the tax on special fuels by 2 cents per gallon. These increases in fuel taxes are deposited in the Highway Distribution Fund.

Section 5 provides that the DOT (i.e. the Highway Fund) shall receive \$1 million from the cities and counties share of additional funds resulting from this act. This provision is effective only for the fiscal year beginning July 1, 2005 and ending June 30, 2006. This section also stipulates that cities and counties receive their share of additional funds resulting from this bill only after July 1, 2006 and only after developing an acceptable roadway plan.

Sections 11 and 12 effectively place a one percent motor vehicle excise tax into the Highway Fund beginning July 1, 2009.

Section 8 permits the DOT to utilize a bonding mechanism to fund the US Highway 2 project improvements and the

Liberty Memorial Bridge replacement.

The attached schedule provides a synopsis of the revenue provisions of this bill.

This bill also contains the appropriation for the DOT for the 2005-2007 biennium.

North Dakota Department of Transportation
Synopsis of SB 2012 Revenue Provisions
Prepared by NDDOT Financial Mgmt. Division
March 28, 2005

Revenue Impact for the 2005-2007 Biennium – millions

	<u>Total</u>	<u>DOT</u>	<u>Cities</u>	<u>Counties</u>
Motor Vehicle Reg. Provisions	\$13.4	\$13.4		
Fuel Tax Provisions	28.0	17.6	\$3.9	\$6.5
\$1 million transfer per section 5		<u>1.0</u>	<u>(.378)</u>	<u>(.622)</u>
Total	<u>\$41.4</u>	<u>\$32.0</u>	<u>\$3.522</u>	<u>\$5.878</u>

Revenue Impact for the 2007-2009 Biennium - millions

	<u>Total</u>	<u>DOT</u>	<u>Cities</u>	<u>Counties</u>
Motor Vehicle Reg. Provisions	\$13.4	\$13.4		
Fuel Tax Provisions	<u>28.0</u>	<u>17.6</u>	<u>\$3.9</u>	<u>\$6.5</u>
Total	<u>\$41.4</u>	<u>\$31.0</u>	<u>\$3.9</u>	<u>\$6.5</u>

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, 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.*

Name: Shannon L. Sauer
Phone Number: 328-4375

Agency: NDDOT
Date Prepared: 03/28/2005