

FISCAL NOTE
Requested by Legislative Council
02/15/2007

REVISION

Amendment to: HB 1495

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.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | (\$12,619,700) | \$8,641,751 | (\$12,619,700) | \$8,641,751 |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|--------------------|--------|------------------|--------------------|-------------|------------------|--------------------|-------------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | \$2,616,119 | \$1,412,309 | | \$2,616,119 | \$1,412,309 | |

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).*

This bill, as amended, results in the transfer of ten percent of the motor vehicle excise tax to the highway tax distribution fund, and reduces that amount from the tax collections to be considered in the state aid 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 this bill requires that not less than 15% of the funds allocated to each county and city under this section must be used for transportation priorities approved by the director of the DOT under the county and city strategic transportation plan. This would likely result in the DOT extending the current highway performance classification system to the county level. This may result in some additional expenses to the NDDOT, however at this time we have no way of determining what those costs may be. Likewise, we have no way of determining what, if any, fiscal impact the 15% requirement may have on the cities and counties.

Section 2 of the bill would change the funds into which 10% of the motor vehicle excise tax proceeds are deposited. Instead of depositing approximately \$13,717,065 into the state general fund (\$12,619,700) and the State Aid Distribution Fund (\$1,097,365), the funding would be deposited into the Highway Tax Distribution Fund.

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.*

Based on the executive projection of motor vehicle excise tax to be transferred to the general fund and state aid distribution fund, \$13,717,065 will be transferred to the highway tax distribution fund.

The net effect of the revenue transfers are as follows:

Revenue reductions:
General Fund \$12,619,700
State Aid Distribution Fund
Counties \$538,806
Cities 508,080
Townships 50,479
Total State Aid Dist. \$1,097,365

Total Rev. Reductions -
 Gen. Fund & State Aid Dist Fund \$13,717,065

Revenue increases:
 State Highway Fund \$8,641,751
 Counties 3,154,925
 Cities 1,920,389
 Townships 0
 Total Revenue Increases -
 thru the HW Tax Dist. Fund \$13,717,065

Net Changes Resulting from Bill:
 General Fund \$(12,619,700)
 State Highway Fund 8,641,751
 Counties 2,616,119
 Cities 1,412,309
 Townships (50,479)

Total Net Change \$ 0

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.*

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