

FISCAL NOTE
Requested by Legislative Council
01/09/2009

Bill/Resolution No.: HB 1206

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 | | | | | | |
| Expenditures | | | | | | \$140,000,000 |
| Appropriations | | | | | | \$140,000,000 |

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 |
| | | | | | | | | |

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 would require the NDDOT to undertake a project to four lane US Highway 52 from its junction with US Highway 2 to Portal.

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.*

This analysis assumes the costs are in 2009 dollars and does not include the time-value of money/inflation which will certainly increase the costs of a project of this magnitude. The recent four laning of US 2 and utility costs for the US 281 relocation were used as models for this project estimate.

Kenmare may have a cost share in this project. However, that is impossible to determine with any certainty at this time.

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.*

There is no revenue provided in the bill.

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.*

NDDOT would spend approximately \$140,000,000 (in 2009 dollars) to do this project. This estimate is based on the following breakdown:

| | | |
|---|---|----------|
| - | Environmental/Engineering/Contingencies | = \$ 22M |
| - | Right of Way | = \$ 11M |
| - | Utilities | = \$ 3M |
| - | Roadway Construction | = \$ 94M |
| - | Bridge Construction | = \$ 10M |
| - | Total | = \$140M |

However, inflation would increase this estimate by some unknown amount (according to the Federal Highway Administration, FHWA, current construction inflation is approximately 7% per year; NDDOT's Construction Cost Index shows an average inflation of more than 11% since 2004). Because federal funding is the only currently available

funding source, an environmental review would be required for this project.

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.*

The DOT would require an appropriation of approximately \$140 million to carry out the provisions of this bill.

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| Name: | Shannon Sauer | Agency: | NDDOT |
| Phone Number: | 328-4375 | Date Prepared: | 01/16/2009 |