

HB 667-FN-A – AS INTRODUCED

2013 SESSION

13-0470  
09/01

HOUSE BILL            **667-FN-A**

AN ACT                establishing a temporary surcharge to the road toll to be dedicated to funding the state 10-year transportation improvement plan for rural and town roads.

SPONSORS:            Rep. Khan, Rock 20

COMMITTEE:          Public Works and Highways

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ANALYSIS

This bill establishes a temporary surcharge to the road toll to be dedicated to funding the state 10-year transportation improvement plan for rural and town roads.

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Explanation:          Matter added to current law appears in ***bold italics***.  
                                Matter removed from current law appears [~~in brackets and struck through.~~]  
                                Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Thirteen*

AN ACT                    establishing a temporary surcharge to the road toll to be dedicated to funding the state 10-year transportation improvement plan for rural and town roads.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1            1 Road Toll Surcharge. For the time period from January 1, 2014 to December 31, 2016, a \$.05  
2 surcharge per gallon shall be added to the road toll collected under RSA 260:32. The revenue  
3 generated from this surcharge shall be used by the department of transportation for funding the  
4 state 10-year transportation improvement plan for rural and town roads.

5            2 Effective Date. This act shall take effect January 1, 2014.

**HB 667 FISCAL NOTE**

AN ACT                    establishing a temporary surcharge to the road toll to be dedicated to funding the state 10-year transportation improvement plan for rural and town roads.

**FISCAL IMPACT:**

The Departments of Safety states this bill, **as introduced**, will increase state highway fund revenue by \$19,935,923 in FY 2014, \$39,652,550 in FY 2015, and \$19,717,231 in FY 2016, increase state highway fund expenditures by an indeterminable amount in FY 2014 and each year thereafter, and increase local revenue by \$2,392,311 in FY 2015, \$4,758,306 in FY 2016, and \$2,366,068 in FY 2017. There will be no fiscal impact on county revenue, or county and local expenditures.

**METHODOLOGY:**

The Department of Safety states this bill creates a road toll surcharge of \$0.05 per gallon, effective from January 1, 2014 to December 31, 2015, to be added to the road toll collected under RSA 260:32. The Department notes that this will result in the surcharge being in effect for half of FY 2014, all of FY 2015, and half of FY 2016. Road toll revenue retained by the state is used to pay the interest and principle on bonds and notes issued for highway purposes, with the remainder deposited into the highway fund. The bill states that the revenue generated by this surcharge is to be used by the Department of Transportation for funding the state's ten-year transportation improvement plan for rural and town road repairs. The Department states that over the last several years, the amount of motor fuel sold has decreased slightly as a result of vehicles becoming more fuel efficient. Because of this, when calculating the revenue generated by the bill, the Department assumes the number of gallons of motor fuel sold will decrease by 0.55 percent per year, in keeping with recent history. In addition, the Department anticipates increasing block grant aid to municipalities by an amount equal to 12 percent of the revenue increase, as required by RSA 235:23. This aid will not be distributed until the fiscal year after the revenue is received. The Department estimates the bill's fiscal impact on state restricted revenue and expenditures as follows:

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Estimated # of gallons taxed	797,436,904	793,051,001	788,689,221	784,351,430
Revenue increase at \$0.05 per gallon	\$39,871,845	\$39,652,550	\$39,434,461	\$0
% of year surcharge is in effect	50%	100%	50%	0%
Estimated surcharge revenue	\$19,935,923	\$39,652,550	\$19,717,231	-

Minus aid to localities (12% of revenue)	\$0	(\$2,392,311)	(\$4,758,306)	(\$2,366,068)
Net increase in state revenue	<b>\$19,935,923</b>	<b>\$37,260,239</b>	<b>\$14,958,925</b>	<b>(\$2,366,068)</b>

This results in a total net increase in state highway fund revenue from FY 2014 through 2017 of \$69,789,019, which will be devoted to rural and town road repairs under the bill. It is indeterminable how much will be spent in each fiscal year.