

HB 437-FN-A – AS INTRODUCED

2013 SESSION

13-0628
09/01

HOUSE BILL ***437-FN-A***
AN ACT relative to the road toll.
SPONSORS: Rep. Weyler, Rock 13
COMMITTEE: Public Works and Highways

ANALYSIS

This bill increases the road toll, contingent upon a 50 cent per gallon decline in the retail sale price of fuel for a consecutive 6-month period.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to the road toll.

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

- 1 1 Road Toll Increased. Amend the introductory paragraph of RSA 260:32 to read as follows:
2 260:32 Levy of Tolls and Exemptions. There is hereby imposed a road toll of [~~\$.18~~] **\$.23** per
3 gallon upon the sale of each gallon of motor fuel sold by distributors thereof. The road toll shall be
4 collected by the distributor from the purchaser and remitted to the state in the manner hereinafter
5 set forth. Provided, that the road toll shall not apply to:
- 6 2 Contingency. Section 1 of this act shall take effect on the date that the commissioner of safety
7 certifies to the secretary of state and the director of the office of legislative services that the retail
8 sale price of motor fuel has declined by 50 cents over a consecutive 6 -month period.
- 9 3 Effective Date.
- 10 I. Section 1 of this act shall take effect as provided in section 2 of this act.
- 11 II. The remainder of this act shall take effect upon its passage.

HB 437 FISCAL NOTE

AN ACT relative to the road toll.

FISCAL IMPACT:

The Department of Safety states this bill, **as introduced**, may increase state highway fund revenue, state highway fund expenditures, and local revenue by an indeterminable amount in FY 2014 and each year thereafter. There will be no fiscal impact on county revenue, or county and local expenditures.

METHODOLOGY:

The Department of Safety states this bill will increase the road toll on the sale of motor fuel by \$0.05 per gallon, from \$0.18 to \$0.23 per gallon, provided that the retail sale price of motor fuel has declined by \$0.50 per gallon over a consecutive six-month period. The Department states it does not have the ability to forecast whether and at what point fuel prices will decline, and so it is unable to determine the fiscal impact of the bill. For illustrative purposes, however, the Department has estimated the fiscal effect the bill would have were the road toll to rise on July 1, 2013.

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 the bill may generate, 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. 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 Department estimates that, if fuel prices decrease by the necessary amount and the toll increase takes effect on July 1, 2013, the fiscal impact on state restricted revenue and expenditures will be as displayed in the following table. As noted, this outcome is purely hypothetical, since fuel prices may not fall by a sufficient amount to trigger the increase.

Estimated Fiscal Impact, Should Road Toll Increase on July 1, 2013

FY 2014 FY 2015 FY 2016 FY 2017

Estimated # of gallons taxed	793,051,001	788,689,221	784,351,430	780,037,497
Revenue increase at \$0.05 per gallon	\$39,652,550	\$39,434,461	\$39,217,571	\$39,001,875
Minus aid to localities (12% of previous year's revenue)	-	\$4,758,306	\$4,732,135	\$4,706,109
Net increase in state restricted revenue	\$39,652,550	\$34,676,155	\$34,485,436	\$34,295,766