

HB 674-FN-LOCAL – AS INTRODUCED

2013 SESSION

13-0826
06/01

HOUSE BILL ***674-FN-LOCAL***

AN ACT relative to state highway aid.

SPONSORS: Rep. Campbell, Hills 33

COMMITTEE: Public Works and Highways

ANALYSIS

This bill modifies the formula for the computation of state highway aid.

This bill is a request of the department of transportation.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

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

1 1 State Aid for Class I, II, and III Highways; Cost; How Borne. Amend RSA 235:15 to read as
2 follows:

3 235:15 Cost; How Borne.

4 ***I.*** If any city or town desires state aid for the purpose of constructing or reconstructing a
5 section of class I, II, or III highway ***to increase its capacity***, the ***city or*** town shall pay [~~43~~] ***33***
6 ***percent*** of the cost and the state shall pay [~~23~~] ***67 percent*** of the cost. ***Upon completion, the***
7 ***state shall retain ownership of the highway.***

8 ***II.*** ***If any city or town desires state aid for the purpose of reconstructing a section of***
9 ***class I, II, or III highway to improve the highway's condition, rather than its capacity, the***
10 ***state shall pay 80 percent of the cost and the city or town shall pay 20 percent of the cost.***
11 ***Upon completion, the city or town shall assume ownership and maintenance of this section***
12 ***of highway.***

13 2 Effective Date. This act shall take effect 60 days after its passage.

HB 674-FN-LOCAL - FISCAL NOTE

AN ACT relative to state highway aid.

FISCAL IMPACT:

The Department of Transportation and the New Hampshire Municipal Association state this bill, **as introduced**, will decrease state expenditures by an indeterminable amount, and have an indeterminable impact on local expenditures in FY 2014 and each year thereafter. There will be no fiscal impact on state, county, and local revenues, or county expenditures.

METHODOLOGY:

The Department of Transportation states this bill modifies the formula for the computation of state highway aid by reducing the required local match from 33% to 20% for projects that reconstruct a class I, class II, or class III highway to improve the condition of the highway. Projects that increase the capacity of class I, class II, or class III highways continue to require a 33% local match. The Department states the proposed legislation also retains ownership of the highway to the state for those highways whose capacity is increased by the project while it transfers ownership of the highway to the municipality for those highways whose condition is improved. The ownership of the highway determines who is responsible for the continued maintenance of the highway.

The Department states the proposed legislation does not alter the level of state funding for the State Aid Highway Program which is currently approximately \$1,670,000 annually. However, the Department notes approximately 50% of the projects funded through the State Aid Highway Program would be categorized as reconstruction to improve the condition of the highway and would therefore be eligible for the reduced matching requirements under the proposed legislation. This would result in a reduction of local expenditures of \$202,518 (\$822,537 – 620,019) in FY 2014 and each year thereafter.

Current funding level for State Highway Aid	1,670,000
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Calculation of Local Match and Total Expenditures Under Current Law:

Required Local Match (33%)	822,537
State Funding (67%)	1,670,000
Total Expenditures (State Share plus Local Match)	2,492,537

Calculation of Local Match and Total Expenditures Under Proposed Legislation:

Required Local Match (33%)	411,269
State Funding (67%)	<u>835,000</u>
Subtotal of Expenditures Requiring a 33% Local Match (State Share plus Local Match)	1,246,269
Required Local Match (20%)	208,750
State Funding (80%)	<u>835,000</u>
Subtotal of Expenditures Requiring a 20% Local Match (State Share plus Local Match)	1,043,750
Total Local Match	620,019
Total State Funding	<u>1,670,000</u>
Total Expenditures (State Share plus Local Match)	<u><u>2,290,019</u></u>

The Department also notes the long term fiscal impacts of the proposed legislation would decrease state expenditures and increase local expenditures by an indeterminable amount as the proposed legislation requires municipalities to assume ownership and maintenance responsibilities of certain roadways. The Department is unable to estimate the long term impact on state and local expenditures associated with the transfer of ownership and maintenance responsibilities of improved roads to the municipalities. However the Department notes any increase in local expenditures attributable to ownership and maintenance of the roadways would be offset by the reduction in local expenditures described above.