

HB 591-FN-A-LOCAL - AS INTRODUCED

2015 SESSION

15-0130
09/10

HOUSE BILL ***591-FN-A-LOCAL***

AN ACT relative to the road toll rate and eliminating a capital appropriation for highway projects.

SPONSORS: Rep. Spillane, Rock 2; Rep. Tasker, Rock 2; Rep. Duarte, Rock 2; Rep. C. McGuire, Merr 29; Rep. Tamburello, Rock 5; Rep. Baldasaro, Rock 5; Rep. Schleien, Hills 37; Rep. Martin, Merr 23

COMMITTEE: Public Works and Highways

ANALYSIS

This bill repeals the requirement that the road toll rate on motor fuels be adjusted according to changes in the Consumer Price Index and eliminates the funding of certain highway project bonds from revenues from such adjustments.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the road toll rate and eliminating a capital appropriation for highway projects.

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

1 1 Road Toll; Adjustment Eliminated. Amend the introductory paragraph of RSA 260:32 to read
2 as follows:

3 260:32 Levy of Tolls and Exemptions. There is hereby imposed a road toll of \$.18 per gallon
4 upon the sale of each gallon of motor fuel sold by distributors thereof~~[, as adjusted according to~~
5 ~~RSA 260:32-a]~~. The road toll shall be collected by the distributor from the purchaser and remitted to
6 the state in the manner hereinafter set forth. ~~[All revenues collected from adjustments under~~
7 ~~RSA 260:32-a for rates that exceed \$.18 per gallon shall be nonlapsing and continually appropriated~~
8 ~~to, and expended exclusively by, the department of transportation in accordance with RSA 260:32-b]~~.
9 Provided, that the road toll shall not apply to:

10 2 Repeal.

11 I. 2014, 17:2, relative to prospective amendment of the road toll.

12 II. 2014, 17:5, relative to prospective repeals of RSA 260:32-a, RSA 260:32-b, and
13 RSA 6:13-d.

14 III. 2014, 17:6, relative to a contingency.

15 IV. RSA 6:13-d, relative to authority to borrow for certain transportation projects.

16 V. RSA 260:32-a, relative to adjustment of road toll; publication.

17 VI. RSA 260:32-b, relative to expenditure of certain road toll revenue.

18 3 Effective Date. This act shall take effect July 1, 2015.

HB 591-FN-A-LOCAL - FISCAL NOTE

AN ACT relative to the road toll rate and eliminating a capital appropriation for highway projects.

FISCAL IMPACT:

The Department of Safety and Department of Transportation state this bill, **as introduced**, will decrease state revenues and expenditures by an indeterminable amount in FY 2017 and each year thereafter, and decrease local revenues by \$10,873,514 in FY 2016, \$10,865,774 in FY 2017, \$10,858,049 in FY 2018, and \$10,850,339 in FY 2019. There will be no impact on county revenues and expenditures, or local expenditures.

METHODOLOGY:

The Department of Safety states this bill repeals the requirement that the road toll rate on motor fuels be adjusted according to changes in the consumer price index (CPI) and eliminates funding of certain highway project bonds from revenue raised from said adjustment. Effective July 1, 2014 the road toll rate increased by \$0.042 per gallon, and under this bill the rate would be reduced by the same amount returning the rate to \$0.18 per gallon. The Department states, based on actual fuel consumption between FY 2011 and FY 2014, they assume an annual decrease of 0.019% in total fuel purchased for FY 2016 through FY 2019. The Department estimates the following impacts as a result of this bill:

	FY 2016	FY 2017	FY 2018	FY 2019
Estimated Gallonage	808,236,935	806,701,285	805,168,553	803,638,732
Reduction to Road Toll Rate	(\$0.042)	(\$0.042)	(\$0.042)	(\$0.042)
Total Decrease In Road Toll Revenue	(\$33,945,951)	(\$33,881,454)	(\$33,817,079)	(\$33,752,827)

The Department of Safety and Department of Transportation state this bill also eliminates statutory uses of revenue raised from the CPI adjustment being repealed. Preliminary estimated reductions to expenditures under this bill, adjusted to reflect the above revenue estimates, are as follows:

	FY 2016	FY 2017	FY 2018	FY 2019
Municipal Block Grant Aid*	(\$4,073,514)	(\$4,065,774)	(\$4,058,049)	(\$4,050,339)
Municipal Bridge Aid	(\$6,800,000)	(\$6,800,000)	(\$6,800,000)	(\$6,800,000)
<u>Highway Bridge and Betterment Account</u>				
Rehabilitation Program	(\$8,100,000)	\$0	\$0	\$0
Resurfacing Program	(\$13,200,000)	\$0	\$0	\$0

Undesignated	(\$1,772,437)	(\$14,733,680)	(\$6,398,630)	(\$6,335,988)
Debt Service For I-93 Completion Bonding	\$0	(\$8,282,000)	(\$16,560,400)	(\$16,566,500)
Total	(\$33,945,951)	(\$33,881,454)	(\$33,817,079)	(\$33,752,827)

* Although municipal block grant aid (12% of previous year's total road toll and motor vehicle fees) is distributed in the fiscal year following the year in which the revenue it is calculated on is collected, for the purposes of this analysis it is assumed in the same fiscal year as revenue distribution under current law (RSA 260:32-b) related to the \$0.042 road toll adjustment is "less required "Apportionment A" [municipal block grant aid] distributions under RSA 235:23, I on said revenues".

The Department of Safety states per RSA 260:60, a portion of road toll is designated as estimated refundable road toll for non-road uses (boats, OHRVs, snowmobiles, etc...). The Department states any remaining ("unrefunded") balance is allocated in the following fiscal year between the state general fund, the Department of Resources and Economic Development (DRED) and the Fish and Game (F&G) Department. Under this bill, "unrefunded" road toll activity would be affected as follows (the Department did not provide estimates beyond FY 2017):

	FY 2017
Estimated "Unrefunded" Road Toll Related to Boats	\$371,136
50% to General Fund	\$185,568
50% to F&G Department	\$185,568
Estimated "Unrefunded" Road Toll Related to OHRV/Snowmobiles**	\$305,916
50% to F&G Department	\$152,958
50% to DRED	\$152,958
Decrease to General Fund	\$(185,568)
Decrease to F&G Department	\$(338,526)
Decrease to DRED	\$(152,958)
Total	\$677,052
Decrease to Highway Fund Expenditures	\$(524,094)
Increase to Highway Fund Revenue	\$152,958

** "Unrefunded" road toll relating to OHRV and snowmobiles is comprised of 50% out of unrestricted highway fund revenues and 50% highway fund expenditures.