



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0536 - Provide funding for local government road maintenance (Hertz, Greg)

Status: As Amended in House Committee

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

| | <u>FY 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> | <u>FY 2026</u> <u>Difference</u> | <u>FY 2027</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Expenditures: | | | | |
| General Fund | \$100,000,000 | \$0 | \$0 | \$0 |
| State Special Revenue | \$100,000,000 | \$0 | \$0 | \$0 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$100,000,000 | \$0 | \$0 | \$0 |
| Net Impact-General Fund Balance: | <u>(\$100,000,000)</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact: There will be a transfer of \$100 million from the general fund to a local government road maintenance account which may be used only for funding the construction, reconstruction, maintenance, and repair of county roads and city or town streets and alleys. The bill also provides an appropriation in FY 2024 for the transferred funds. There will be minimal fiscal impact to the Department of Transportation (MDT).

FISCAL ANALYSIS

Assumptions:

1. Money deposited into the local government road maintenance account will be distributed by the department to the counties, cities, towns, and consolidated city-counties monthly.
2. The \$100 million is to be fully distributed by June 30, 2024.
3. SB 536, as amended, removes the \$5 fee MDT would receive from each county, city, town, or consolidated city-county for each distribution for administrative costs.
4. MDT administrative costs are anticipated to be de minimis and can be covered by existing resources.

| | <u>Difference</u> | <u>Difference</u> | <u>Difference</u> | <u>Difference</u> |
|---|----------------------|-------------------|-------------------|-------------------|
| <u>Fiscal Impact:</u> | | | | |
| <u>Expenditures:</u> | | | | |
| Personal Services | \$0 | \$0 | \$0 | \$0 |
| Local Assistance | \$100,000,000 | \$0 | \$0 | \$0 |
| Transfers | \$100,000,000 | \$0 | \$0 | \$0 |
| TOTAL Expenditures | <u>\$200,000,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$100,000,000 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$100,000,000 | \$0 | \$0 | \$0 |
| TOTAL Funding of Exp. | <u>\$200,000,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$100,000,000 | \$0 | \$0 | \$0 |
| TOTAL Revenues | <u>\$100,000,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | (\$100,000,000) | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |

Effect on County or Other Local Revenues or Expenditures:

1. County and local governments will receive \$100 million from the MDT into a local government road maintenance account. Of which \$20 million for cities and towns with a population of less than 100,000, \$40 million for incorporated cities with a population of more than 10,000, and \$40 million to be divided amount counties for rural roads or city or town streets and alleys.

NO SPONSOR SIGNATURE

Sponsor's Initials

4.24.23

Date



Budget Director's Initials

4-24-23

Date