

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **1394**

HOUSE BILL NUMBER **292**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to the distribution of fuel tax revenues.**

SPONSOR **Representative J. Miller**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT:

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES			
NET EFFECT			

() indicates a decrease/negative

MEASURE’S PURPOSE: The purpose of this measure is to redistribute the revenue from motor fuels taxes after revenues exceed \$825 million in a fiscal year from fixed percentages to percentages based on population and road miles.

PROVISIONS/MECHANICS: Section 1 establishes a new formula for distributing revenue from the motor fuels taxes after revenues exceed \$825 million in a fiscal year. Currently, 51.8% goes to the road fund for general use, 22.2% is used for rural and secondary roads, 18.3% is used for county roads and bridges, and 7.7% is used for urban roads and streets. Under this measure, 51.8% would still go to the road fund, but the 48.2% being set aside for the other three categories would instead be divided up by population and road miles.

Sections 2 and 3 make conforming changes.

Section 4 defines “unincorporated urban place.”

Section 5 describes the apportionment of funds to cities and unincorporated urban places.

Sections 6, 7, 8, and 9 make conforming changes.

Section 10 defines “revenue-sharing road.”

Sections 11 and 12 make conforming changes.

FISCAL EXPLANATION: This bill has no fiscal impact on state funds. This bill reallocates motor fuels tax revenues over \$825 million, which does not impact the road fund for two reasons. First, motor fuels tax revenues are expected to be \$747.3 million in fiscal year 2016–2017 and \$749.8 million in fiscal year 2017–2018, according to the Consensus Forecasting Group. This bill would have no effect because there is no revenue over \$825 million in these projections. Second, even at revenues over \$825 million, this bill only redistributes the 48.2% of revenues that was already restricted for use. This bill changes the allocation of existing funds; therefore, there is no fiscal impact on money available to the state.

DATA SOURCE(S): LRC Appropriations and Revenue Staff, Consensus Forecasting Group, Department of Revenue

PREPARER: Amit M. Shanker **NOTE NUMBER:** 65 **REVIEW:** JRS **DATE:** 2/17/2017

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