

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2018 REGULAR SESSION**

**MEASURE**

2018 BR NUMBER **0295**

**HOUSE** BILL NUMBER **211**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to school transportation funding and making an appropriation therefor.**

**SPONSOR** **Representative Flood**

**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**

<b>FISCAL ESTIMATES</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>		\$86,000,000	\$93,000,000	\$93,000,000
<b>EXPENDITURES</b>				
<b>NET EFFECT</b>		\$86,000,000	\$93,000,000	\$93,000,000

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The purpose of this measure is to provide additional funding to school districts for transportation services by adding a fee of three cents on motor fuels dealers for every gallon of gasoline and special fuels received in this state and depositing it into the fund for support education excellence in Kentucky (SEEK).

**PROVISIONS/MECHANICS:** Section 1 creates a section of KRS Chapter 138 to establish a school transportation funding fee of three cents on motor fuels dealers for every gallon of gasoline and special fuels received in the state. The provisions within the section provide an exemption for all deductions and credits detailed in KRS 138.358 and require the fee to be reported and paid to the Department of Revenue at the same time and in the same manner as other gasoline and special fuel taxes. It also requires the fee to be deposited into the SEEK fund and for the Department of Revenue to refund the fee to a person entitled to a refund of motor fuel tax under KRS 138.344 to KRS 138.355 and any person who paid the fee in an exempt transaction.

Section 2 amends KRS 157.330 to add the funds received from the school transportation funding fee to the funds that make up the SEEK fund.

Section 3 states the effective date of the bill as August 1, 2018.

**FISCAL EXPLANATION:** HB 211 is expected to positively impact SEEK funds. Historically, Kentucky motor fuels dealers sell approximately 3.1 billion of taxable gallons of fuel per fiscal year. The fee rate of three cents per gallon could generate approximately \$93 million dollars in revenue every fiscal year. Since the effective date of the bill is August 1, 2018, the estimated revenues expected to be generated for the 2019 fiscal year is \$86,000,000, which is slightly less than the revenues expected at full implementation.

HB 211 is not expected to impact expenditures.

**DATA SOURCE(S):** LRC A&R, LRC Economists, LRC Budget Review, Kentucky Department of Revenue

**PREPARER:** Cynthia R. Brown **NOTE NUMBER:** 64 **REVIEW:** JAB **DATE:** 1/30/2018