

OFFICE OF FISCAL ANALYSIS

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HB-6688

AN ACT CONCERNING A HIGHWAY USE FEE.

As Amended by House "B" (LCO 10604)

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Resources of the Special Transportation Fund	TF - Revenue Gain	None	See Below
Resources of the Special Transportation Fund	TF - Cost	None	Up to 450,000
State Comptroller - Fringe Benefits ¹	TF - Cost	None	Up to 185,850

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The bill imposes a highway user fee on all motor vehicles, other than certain dairy trucks, that 1) have a gross weight of 26,000 pounds or more and 2) are between Class 8 and Class 13, inclusive, under the Federal Highway Administration vehicle classification system. The fee will take effect on January 1, 2023 and is anticipated to generate \$45 million in new revenue in FY 23 and \$90 million annually thereafter, increasing by inflation. This estimate does not explicitly account for the dairy factor exclusion which may reduce revenue gain accordingly.

The bill also results in a cost of up to \$635,850 in FY 23 for salary and fringe benefit costs associated with up to seven new positions

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

required for program implementation.

House "B" exempts certain dairy trucks from the bill and results in the fiscal impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, as described above.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.