

HB 1649-FN-A - AS AMENDED BY THE HOUSE

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2020 SESSION

20-2230

06/10

HOUSE BILL ***1649-FN-A***

AN ACT establishing a road usage fee and making an appropriation therefor.

SPONSORS: Rep. Major, Rock. 14; Rep. Almy, Graf. 13; Rep. Graham, Hills. 7; Rep. Abrami,
Rock. 19

COMMITTEE: Public Works and Highways

ANALYSIS

This bill establishes a road usage fee for motor vehicles registered to travel on New Hampshire roads based on the equivalent miles per gallon of the vehicle. The fee is collected at the time of annual registration of the vehicle and deposited in the highway fund. The bill also makes an appropriation to the department of safety to implement the road usage fee.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty

AN ACT establishing a road usage fee and making an appropriation therefor.

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

1 1 New Section; Motor Vehicles; Road Usage Fee. Amend RSA 260 by inserting after section 32-c
2 the following new section:

3 260:32-d Road Usage Fee.

4 I. Except as provided by paragraph II, the owner of each New Hampshire motor vehicle shall
5 be required to pay a road usage fee based on the combined EPA City/Highway miles per gallon
6 (MPG) rating of the vehicle at the time of registration, other than temporary registration, with a
7 registration agent. The road usage fee shall be based on a vehicle that travels 12,000 miles per year
8 and averages 20 MPG. Such a base vehicle would use 600 gallons of fuel and pay \$132.20 per year in
9 road toll. The road usage fee shall be \$10.00 for 20 MPG or less vehicles. The road usage fee for the
10 other MPG ranges shall be rounded to the nearest \$25 increment; therefore, the road usage fee for
11 the following MPG increment ranges are:

<u>MPG range</u>	<u>Fee</u>
20 or less	\$10.00
greater than 20 to 30	\$25.00
greater than 30 to 40	\$50.00
greater than 40 to 50	\$75.00
greater than 50	\$100.00
no gasoline	\$125.00

19 If the road toll rates are adjusted then the road usage fee shall be adjusted in the same proportion
20 to reflect the new rates.

21 II. The road usage fee shall not apply to motorcycles as defined in RSA 259:63, mopeds as
22 defined in RSA 259:57, off highway recreational vehicles as defined in RSA 259:69, and motor
23 vehicles that are model year 1985 or older.

24 III. The department of safety, in conjunction with the department of transportation, shall
25 develop and maintain a system which links the United States Environmental Protection Agency's
26 MPG data system with the department of safety's vehicle identification number (VIN) data
27 system, allowing registration agents to collect the road usage fee established in paragraph I.

28 IV. The registration agent may retain \$1 of each road usage fee collected in compensation for
29 the administrative costs of collecting the fee. The remainder of the fees shall be remitted to the state

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1 treasurer for deposit, net of any "Apportionment A" allocated to the local highway aid fund for
2 distribution under RSA 235:23, I, in the highway fund.

3 2 Implementation of Road Usage Fee. Before July 1, 2021, the commissioner of safety, in
4 conjunction with the commissioner of transportation, shall develop the linked data system required
5 under RSA 260:32-d and adopt rules pursuant to RSA 541-A to establish road usage fees based on
6 the requirements and mileage per gallon ranges (MPG) established in RSA 260:32-d, I.

7 3 Appropriation; Department of Safety. The sum of \$330,000 is hereby appropriated to the
8 department of safety for the biennium ending June 30, 2021, for the purpose of implementing the
9 provisions of this act. The appropriation shall be a charge against the highway fund and is in
10 addition to any other funds appropriated to the department of safety.

11 4 Effective Date.

12 I. Section 1 of this act shall take effect July 1, 2021.

13 II. The remainder of this act shall take effect upon its passage.

**HB 1649-FN-A- FISCAL NOTE
AS INTRODUCED**

AN ACT establishing a road usage fee and making an appropriation therefor.

FISCAL IMPACT: ☒ State ☐ County ☒ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
Appropriation	\$0	\$330,000	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	\$343,600	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input type="checkbox"/> General <input type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Restricted - Cost of Collections/Administration*			

*Pursuant to Part II, article 6-a of the New Hampshire constitution, any costs associated with the collection and administration of Highway Funds by the Department of Safety shall be deducted by the Department before such funds are credited to the Highway Fund as unrestricted revenue.

LOCAL:

Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	Indeterminable Increase	\$0	\$0

METHODOLOGY:

This bill establishes an annual road usage fee for motor vehicles ranging from \$10 to \$125, depending on the vehicles fuel efficiency, effective January 1, 2021. The Department of Safety states data is not available to make an estimate on this bill's revenue impact. Pursuant to RSA 235:23 ("Apportionment A"), 12 percent of road toll and motor vehicle fees collected are distributed to municipalities. Therefore, this bill will increase state revenue and expenditures, and local revenue, by an indeterminable amount depending on the total road usage fee collected. Additionally, this bill allows for the retention of \$1 per each road usage fee collected by the registration agent within the municipality to cover administrative costs.

This bill includes a highway fund appropriation of \$330,000 in for the biennium ending June 30, 2021 for the Department of Safety for the purpose of implementing the provision of this act, however the Department estimates total costs would be \$343,600 (\$330,000 for required start-up system modifications and \$13,600 per year to obtain EPA city/highway MPG data). Local expenditures may also increase relative to programming costs associated with implementing the road usage fee.

AGENCIES CONTACTED:

Department of Safety