

Mike Lovelace February 07, 2011 471-0050

# Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *						
	FY 201	1-12	FY 20	012-13		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 84 adopts the Build Nebraska Act.

Key provisions are as follows:

 Effective July 1, 2013 until July 1, 2033 the proceeds from the sales tax rate that is in excess of 5% is credited 83% to the State Highway Capital Improvement Fund and 17% to the Highway Allocation Fund. This revenue is currently credited to the General Fund. The State Highway Capital Improvement Fund is administered by the Department of Roads and the Highway Allocation Fund is distributed to cities and counties. This provision would not apply to the sales tax on motor vehicles.

Estimates from the Department of Revenue indicate that the revenue from the .5% sales tax (current rate is 5.5%) will equal \$125,166,000 in FY13-14 (11 months) and \$144,159,000 in FY14-15. The State Highway Capital Improvement Fund will receive \$103,887,780 in FY13-14 and \$119,651,970 in FY14-15. The Highway Allocation Fund will receive \$21,278,220 in FY13-14 and \$24,507,030 in FY14-15.

The General Fund will lose \$125,166,000 of revenue in FY13-14 (11 months) and \$144,159,000 in FY14-15.

- 2. After July 1, 2013 up to \$500 million of bonds may be issued for credit to the State Highway Capital Improvement Fund. No bonds shall be issued after December 31, 2018 and the bonds shall be paid off by January 1, 2038. No estimate can be provided of the additional bond revenue since the decision to issue bonds is up to the State Highway Commission.
- 3. Money annually credited to the State Highway Capital Improvement Fund, which includes the sale tax revenue as well as bonds, is to be used as follows: a) Up to 85% is to be used for high priority projects of the Dept. of Roads. b) At least \$15 million is to be used for construction of the expressway system. And c) No more that \$25 million may be used for bond payments.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David Spatz	1/25/11	PHONE 471-4179
COMMENTS			
Concur with the Department of Revenu Improvement Fund and the Highway A		f redirected General Funds to the	State Highway Capital
Concur with Department of Roads' ana	lysis and estimate of increa	sed revenue and expenditures fisc	al impact.

## RECEIVED

## JAN 21 2011

### LB 84

## Fiscal Note 2011

	LEGISLALIVE	TISUState Agency	Estimate	<u></u>		
State Agency Name: Department					Date Due LFA:	1/19/2011
Approved by: Douglas Ewald		Date Prepared:	1/18/2011		Phone: 471-5700	
	FY 201	1-2012	<u>FY 201</u>	2-2013	FY 20	13-2014
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	1					(\$125,166,000)
Cash Funds						\$125,166,000
Federal Funds						
Other Funds						
Total Funds				1.2.2.2		

LB 84 creates the State Highway Capital Improvement Fund to fund surface transportation projects, construction of the expressway system, and corresponding debt associated with such projects. The bill directs all state sales and use tax revenue exceeding the 5% of the state sales tax rate (0.5 percentage points of the 5.5% state sales tax rate), except for motor vehicle sales tax, to the State Highway Capital Improvement Fund (83%) and the Highway Allocation Fund (17%) for taxable sales commencing July 1, 2013 and ending June 30, 2033. The first transfer would occur in August 2013.

The bill would redirect the following funds from the General Fund to the above-named funds:

FY 2011-12: \$0 FY 2012-13: \$0 FY 2013-14: \$125,166,000 FY 2014-15: \$144,159,000

Departmental cost to implement the bill is expected to be minimal.

Major Objects of Expenditure							
<u>Class Code</u>	Classification Title	11-12 FTE	12-13 <u>FTE</u>	13-14 <u>FTE</u>	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
			• <b>-</b> · ·				
Operating Costs							
Capital Outlay		••••••••••••••••••••••					
Capital Improvements			•••••				

# RECEIVED

JAN 19 2011

# FISCAL NOTE LB84 Department of Roads

LEGISLATIVE FISCAL

Prepared By Hayes, Marilyn Date Prepared 1/18/2011 Prepared Phone 402-479-4692

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

### Explanation of Estimate:

LB 84 creates the "Build Nebraska Act".

- A. Establishes the State Highway Capital Improvement Fund to be used for:
  1. Up to 85% for surface transportation projects and bond payments
  2. At least \$15 Million for construction of the expressway system and bond payments
- B. Limits bond payment and interest to no more than \$25 million annually Limits bond issuance to no more than \$500 million Bonds must be issued between July 1, 2013 and December 31, 2018

C. Sales Tax revenue over 5% (currently tax at 5 1/2%) in the period July 1, 2013 thru June 30, 2033 credited 83% to the State Highway Capital Improvement Fund and 17% to the Highway Allocation Fund. 1/2% of Sales tax is estimated to generate approximately \$125 million annually. NDOR 83% would be \$104 million. Cities and counties 17% would be \$21 million.

With an effective date of July 1, 2013, NDOR revenue and expenditures would both increase by \$104 million annually beginning in FY-14 for the change in sales tax distribution. Revenue and expenditures would also increase for any bonds that may be issued.

	Number	of Positions	FY 2011-2012	FY 2012-2013	
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures	
		Benefits	·····		
		Operating			
		Travel			
		Capital outlay			
		Aid			
		Capital improvements			
		Total			

### **Major Objects of Expenditure**