

Mike Lovelace April 25, 2011 471-0050

LB 84

Revision: 01

FISCAL NOTE

Revised to reflect amendments adopted through 4/20/11.

	ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *					
	FY 2011-12		FY 20	FY 2012-13		
	EXPENDITURES	REVENUE	EXPENDITURES			
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						

LB 84 adopts the Build Nebraska Act.

Effective July 1, 2013 until July 1, 2033, the proceeds from a sales and use tax rate of one-quarter of one percent are credited 85% to the State Highway Capital Improvement Fund and 15% to the Highway Allocation Fund. Under current law this revenue would have been credited to the General Fund. The State Highway Capital Improvement Fund will be 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 revenue from the .25% sales tax will equal \$69,297,000 in FY13-14 (11 months) and \$71,822,000 in FY14-15. Under the provisions of the bill the State Highway Capital Improvement Fund will receive \$58,902,000 in FY13-14 and \$61,049,000 in FY14-15; and the Highway Allocation Fund (cities and counties) will receive \$10,395,000 in FY13-14 and \$10,773,000 in FY14-15.

The General Fund will lose \$69,297,000 of revenue in FY13-14 (11 months) and \$71,822,000 in FY14-15.

Money annually credited to the State Highway Capital Improvement Fund is to be used as follows: a) At least 25% of the money is to be used for construction of the expressway system and federally designated high priority corridors. And b) the balance of money credited to the fund shall be used for surface transportation projects of the highest priority as determined by the Dept. of Roads.

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

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LEGISLATIVE FISCAL LB 84 AM 1216

Fiscal Note State Agency Estimate Date Due LFA: 4/25/2011 State Agency Name: Department of Revenue Approved by: Douglas Ewald Date Prepared: 4/25/2011 Phone: 471-5700 FY 2013-2014 FY 2011-2012 FY 2012-2013 Expenditures Expenditures Revenue Expenditures Revenue Revenue General Funds (\$69,297,000) \$69,297,000 Cash Funds Federal Funds Other Funds \$0 Total Funds

2011

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. AM 1216 to LB 84 credits the proceeds of one quarter cent of the state sales tax to two funds: the State Highway Capital Improvement Fund (85%) and the Highway Allocation Fund (15%). The funds will be transferred monthly beginning July 1, 2013 to July 1, 2033. The revenue that will be transferred to these funds is currently deposited in the General Fund. This provision does not apply to the sales tax levied on motor vehicles.

The bill would split sales tax revenue between the following three funds:

Fiscal Year	Estimated Net	State Highway	Highway Allocation	Total Redirected
	General Fund	Capital Improvement	Fund	to Cash Funds
	Receipts	Fund		
2011-12	\$1,425,646,000	\$0	\$0	\$0
2012-13	\$1,467,311,000	\$0	\$0	\$0
2013-14	\$1,455,229,000	\$58,902,000	\$10,394,000	\$69,297,000
2014-15	\$1,508,271,000	\$61,019,000	\$10,773,000	\$71,822,000

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

Major Objects of Expenditure							
Class Code	Classification Title	11-12 <u>FTE</u>	12-13 <u>FTE</u>	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
Benefits							
perating Costs			 .				
ravel							
Capital Outlay							
.id				-			
apital Improvements							
otal							
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FISCAL NOTE LB84 Department of Roads

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

LEGISLATIVE FISCAL

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

Explanation of Estimate:

AM 1216 changes are as follows:

- A. Capital Improvement Fund = at least 25% used for the construction of the expressway system and federally designated high priority corridors, with the remaining funds for surface transportation projects of highest priority as determined by the Department of Roads. B. No bond authority is provided.
- C. Sales Tax revenue of 1/4 of 1 percent is credited, 85% to State Highway Capital Improvement Fund and 15% to the Highway Allocation Fund.

1/4 of 1% of sales tax is projected to generate \$62.5 Million. NDOR 85% would be \$53.125 million. Cities and counties 15% would be \$9.375 million

Major Objects of Expenditure

	Number of Positions		FY 2011-2012	FY 2012-2010
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
	-L	Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		