Mike Lovelace February 07, 2014 471-0050

LB 1092

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	4-15	FY 2015-16				
	EXPENDITURES REVENUE		EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS	See below	See below	See below	See below			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 1092 authorizes the Nebraska State Highway Commission, upon the recommendation of the Department of Roads, to issue up to \$400,000,000 of bonds to use pursuant to the Build Nebraska Act. The annual debt service is limited to \$30,000,000 for a period of not more than 19 years. At least 25% of the bond proceeds shall be used for construction of the expressway system and federally designated high priority corridors.

The money to pay off the bonds is from the State Highway Capital Improvement Fund and any other funds specifically pledged by the Commission. The State Highway Capital Improvement Fund receives revenue from a .25% sales and use tax rate.

LB 1092 is authorizing legislation and as such does not have a fiscal impact in and of itself. The fiscal impact will depend on future decisions made by the Department of Roads and the State Highway Commission regarding the timing and amount of any bond issuances.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 1092 AM: AGENCY/POLT. SUB: Department of Revenue							
REVIEWED BY	: Elton Larson	DATE: 2/11/2014		PHONE: 471-4173			
COMMENTS: Revenue identified by Dept of Revenue fiscal note assumes entire \$400 m bonds issued evenly over the FY15-FY20 period.							

LB 1092

Fiscal Note 2014

State Agency Estimate								
State Agency Name: Department of Revenue Date Due LFA: 1/30/2014								
Approved by: Kim Conroy Date Prepared: 1/30/2014 Phone: 471-5896								
FY 2014-2015 FY				FY 2015-2016		FY 2016-2017		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds								
Cash Funds		\$66,700,000		\$66,700,000		\$66,700,000		
Federal Funds								
Other Funds								
Total Funds		\$66,700,000		\$66,700,000		\$66,700,000		
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LB 1092 would authorize \$400 million in bonds over six years for state highway construction. The bonds would be payable solely from the State Highway Capital Improvement Fund and would be used exclusively for the purposes of the Build Nebraska Act. LB 1092 also pledges all fuel taxes, registration fees, and other highway user fees toward repayment of the bonds principal, interest, and redemption premium, if any, and requires at least 25% of the proceeds of any bonds issued be used for construction of the expressway system and federally designated high priority corridors.

It is estimated that \$66.7 million will be added annually to the State Highway Capital Improvement Fund through the 2019-20 fiscal year.

It is estimated that there will be no costs to the Department to implement this bill.

This bill carries the emergency clause.

Major Objects of Expenditure								
<u>Class Code</u>	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 <u>Expenditures</u>	15-16 <u>Expenditures</u>	16-17 <u>Expenditures</u>	
Benefits								
Travel								
	Capital Improvements							
	Total							

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 1092					FISCAL NOTE
State Agency OR Political Subdivision Name: ⁽²⁾		Nebraska Dept			
Prepared by: (3)	Becky Fleming	Date Prepared: (4)	1/24/14	Phone: (5)	(402) 479 4692
	ESTIMATE PROVIDE	D BY STATE AGENC	Y OR POLITICAL	SUBDIVISIO	DN
	<u>FY 20</u> <u>EXPENDITURES</u>	<u>14-15</u> <u>REVENUE</u>	<u>EXPENDIT</u>	<u>FY 2015</u> <u>URES</u>	<u>-16</u> <u>REVENUE</u>
GENERAL FUN	DS				
CASH FUNDS					
FEDERAL FUNI	DS				
OTHER FUNDS					
TOTAL FUNDS					

Explanation of Estimate:

LB 1092 authorizes the issuance of highway for the purpose of accelerating completion of the highway construction projects identified as funding under the Build Nebraska Act. Bonds issued may not exceed \$400 million in principal and \$30 million in annual debt service for a period of not more than nineteen years. Proceeds from the sale of these bonds shall be deposited in the Highway Cash Fund for use pursuant to the Build Nebraska Act. The bonds issued shall be special obligations of the state payable solely and only from the State Highway Capital Improvement Fund and any other funds specifically pledged by the commission. Bonding authority begins on July 1, 2014 and must be issued by June 30, 2020 and repaid by June 30, 2033.

If this bill passes, an additional appropriation will be required to transfer the funds deposited in Highway Cash Fund to the Roads Operations Fund so the funds can be utilized.

This legislation expands the highway bonding authority. The fiscal impact is contingent upon when bonds would be issued and projects delivered.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE							
Personal Services:							
POSITION TITLE	NUMBER OF POSITIONS <u>14-15</u> <u>15-16</u>		2014-15 <u>EXPENDITURES</u>	2015-16 <u>EXPENDITURES</u>			
Benefits							
Operating							
Travel							
Capital outlay							
Aid							
Capital improvements							
TOTAL							