

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
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 97 authorizes the Nebraska State Highway Commission, upon the recommendation of the Department of Transportation, to issue up to \$200,000,000 of bonds to use for purposes of the Build Nebraska Act. The interest rate shall be a fixed rate and cannot exceed five (5) percent; no bonds can be issued after June 30, 2022 (except for refunding bonds); and the bonds must be paid off by July 1, 2039. At least 25 percent of the bond proceeds shall be used for construction of the expressway system and federally designated high priority corridors. A new fund, the Build Nebraska Bond Fund, is created to receive the bond proceeds.

LB 97 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 Transportation and the State Highway Commission regarding the timing and amount of any bond issuances.

Items of note:

- Section two (2) states the Highway Cash Fund may be pledged for repayment of bonds.
- Section 15 states the State Highway Capital Improvement Fund is able to be used for repayment of bonds if directed by the State Highway Commission
- Section 16 states all motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use, motor vehicle registration fees, and other highway-user taxes in the Highway Cash Fund are pledged for the payment of the principal, interest, and redemption premium, if any, of such bonds in addition to annual principal interest paid from the State Highway Capital Improvement Fund.

Based upon those items of note listed above, it ought to be recognized that the State Highway Capital Improvement Fund will only receive money from the one quarter of one percent (0.25 of 1%) sales tax until July 1, 2033 while the bond payments authorized under LB 97 may extend to July 1, 2039. If bond payments are still required during the time period of July 1, 2033 through July 1, 2039 they will need to be made from the Highway Cash Fund.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 97	AM:	AGENCY/POLT. SUB: Nebraska Department of Transportation	
REVIEWED BY: Lee Will	DATE: 1/28/2019	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Transportation's assessment of fiscal impact.			

Please complete ALL (5) blanks in the first three lines.

2019

LB⁽¹⁾ 97

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ _____ Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 97 authorizes the issuance of highway bonds for the purpose of accelerating completion of the highway construction projects identified under the Build Nebraska Act. It creates the *Build Nebraska Bond Fund* and gives the State Highway Commission, at the direction of the Department, the authority to issue bonds up to \$200 million in principal. Highway Cash Fund revenue is pledged for repayment of these bonds. The bonds shall be repayable from the State Highway Capital Improvement Fund, if directed by the State Highway Commission.

These bonds are earmarked with 25% of the proceeds to be used for the expressway system and federally designated high priority corridors with remaining proceeds for surface transportation projects of the highest priority. Bonding authority begins on the effective date of the bill and must be issued by June 30, 2022, and fully paid off by July 1, 2039.

If bond authority is granted and utilized, additional appropriations may be required, dependent upon when bonds are issued and projects delivered.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____