

PREPARED BY: Shelly Glaser
 DATE PREPARED: February 22, 2023
 PHONE: 402-471-0052

LB 454

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below		See below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB454 would require the Nebraska Department of Transportation (NDOT) to plan, design, and purchase the rights-of-way for the north-south meridian four-lane highway system located along U.S. Highway 81 between Norfolk and the South Dakota border and between Columbus and York. This bill states the Nebraska Legislature’s intent to appropriate funds for: planning, designing, purchasing of rights-of-way, signage and the development of gateway entrances at U.S. Highway 81 and State Highway 12, to notify drivers of both the Niobrara State Park and Lewis and Clark Lake.

The NDOT has indicated U.S. Highway 81 between Norfolk and the South Dakota border, is not currently part of their future plans. Between Columbus and York has been included in their planning. Basing their figures on other recent expressway projects, the estimated total cost to complete LB454’s provisions would be \$711,600,000. The approximation for planning, designing, and purchasing the rights-of-way costs would total \$93,000,000. The first 3 years of planning (FY2023 through FY2026) is estimated at \$36,000,000, which corresponds to \$12,000,000 each year for the next 3 years. Followed by land acquisitions, beginning in the 4th year which are also estimated at \$36,000,000. Thus, in FY2023-24 and FY2024-25, the start-up expenses are estimated to be \$12,000,000 in both years of the biennium. NDOT’s fiscal note is assuming a Highway Cash Fund appropriation increase for this project.

NDOT’s estimation of expenditures appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	454	AM:	AGENCY/POLT. SUB: Department of Transportation
REVIEWED BY:	Lee Will	DATE:	2/24/2023
		PHONE:	(402) 471-4175
COMMENTS: The Department of Transportation’s assessment of fiscal impact seems reasonable given the assumptions provided.			

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

2023

LB⁽¹⁾ 454

FISCAL NOTE

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

Prepared by: ⁽³⁾ Liza Alderman Date Prepared: ⁽⁴⁾ 2/21/23 Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	12,000,000	12,000,000	12,000,000	12,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>

Explanation of Estimate:

LB 454 states the Department of Transportation shall plan, design, and purchase rights-of-way for the north-south meridian four-lane divided highway system located along U.S. Highway 81. It is the intent of the Legislature to appropriate funds for the planning, design, and purchase of rights-of-way to change (i) U.S. Highway 81 between Norfolk and the South Dakota border into a four-lane divided highway and (ii) U.S. Highway 81 between Columbus and York into a four-lane divided highway. It is the intent of the Legislature to appropriate funds for signage and the development of a gateway entrance at U.S. Highway 81 and Nebraska Highway 12 to alert travelers to the locations of Niobrara State Park and Lewis and Clark Lake.

The Highway 81 Norfolk to South Dakota border corridor is not currently part of NDOT's planning efforts. Based on the number of miles included on the two stated corridors, NDOT estimates it would cost a total of approximately \$711.6 million to construct the two corridors. Based on analysis of preliminary engineering and right-of-way costs as a percent of a total for recent projects from other expressway corridors the fiscal impact of LB 454, if enacted, is estimated at \$93 million for planning, design, and right-of-way costs. It is assumed that a significant amount of preliminary engineering, including planning and design, would need to take place over the next three years with an estimated cost of \$36 million, evenly distributed at \$12 million each year. Acquisition of rights-of-way for the two corridors is estimated to cost \$36 million and would begin following the preliminary planning and design. This fiscal note assumes a Highway Cash Fund appropriation increase to fund the increased expenditures.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24 EXPENDITURES</u>	<u>2024-25 EXPENDITURES</u>
	<u>23-24</u>	<u>24-25</u>		
Benefits.....				
Operating.....			12,000,000	12,000,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>12,000,000</u>	<u>12,000,000</u>