

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below			
FEDERAL FUNDS		See Below		
OTHER FUNDS				
TOTAL FUNDS				

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

LB 674 establishes legislative intent to appropriate \$80,400 cash funds in FY18-19 to provide aid to the Nebraska Wing of the Civil Air Patrol. The source of funding is from aviation fuel taxes credited to the Aeronautics Cash Fund.

Previous to this biennium a cash fund appropriation has been included in the Department of Aeronautics* budget for aid to the Civil Air Patrol in the amount of \$40,200 per year. This appropriation was eliminated in the current biennium budget and the \$40,200 each year was reallocated to provide additional aid for local airport improvement projects. LB 674 states the intent to essentially reinstate funding previously provided to the Civil Air Patrol. The department has indicated that they would reallocate funding from the increase in airport improvement aid to pay for the increase in Civil Air Patrol aid. In this scenario the bill would represent no change in expenditures.

The department has indicated that passage of LB 674 could jeopardize the receipt of \$29.5 million of federal funds in FY18-19 that are projected to be passed through the department to local airports for improvement projects. This is based on the bill’s language that indicates the aviation fuel tax is to be used as the source of Civil Air Patrol aid, which violates federal law on the use of aviation fuel tax dollars. Amendment of the bill to eliminate reference to the Aviation Fuel Tax Fund would eliminate this federal funding loss.

Technical note: LB 674 states the intent to appropriate but is not a valid appropriation. An A-bill will need to be introduced or LB 674 will need to be amended to provide a valid appropriation.

*Now the Division of Aeronautics in the Dept. of Transportation.

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

2018

LB⁽¹⁾ 674

FISCAL NOTE

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

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(29,580,400)*	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(29,580,400)*	=====	=====

Explanation of Estimate:

LB 674 provides for a one time transfer of \$80,400 from the Aeronautics Cash Fund to the Civil Air Patrol, which will reduce funding to local airports by this amount. This bill specifies the funds are to come from aviation fuel taxes.

The passing of this bill would constitute an unlawful diversion of aviation fuel tax dollars under federal law and put the State of Nebraska in non-compliance with the FAA's Revenue Use Policy. This diversion could jeopardize the FAA AIP Program for the State of Nebraska, which is an estimated \$29.5 million in FY 18.

**\$29.5 million federal funds pass through cash funds as a reimbursement to local airports*

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19 EXPENDITURES	2019-20 EXPENDITURES
	18-19	19-20		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____