

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2009-10 | | FY 2010-11 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | See below | See below | See below | See below |
| TOTAL FUNDS | | | | |

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

LB 401 gives the State Highway Commission the authority to issue up to \$250 million of bonds (after July 1, 2009) for road construction and maintenance purposes and for the provision of loans as provided for in the bill. This takes the place of the current authority to issue up to \$50 million of bonds.

The Surface Transportation High Priority Project Council (7 members) is created with the following duties:

- To develop a selection and prioritization process to determine which projects will receive funding from any bond proceeds. This includes developing policies, procedures, eligibility criteria and requirements for applications. Applicants are required to provide a match of 25% of a project's cost and the project cost must be at least \$30 million. The Council can waive this matching requirement under certain circumstances.
- To establish and collect an application fee, an origination fee, and an administration fee.
- The Council is required to meet not less than 4 times per year, and members are reimbursed for their expenses.
- The Council can notify the State Treasurer to withhold state aid payments if a governmental unit does not satisfy their match requirement or their loan payments.
- To adopt a system of establishing interest rates to be charged on loans.

Duties outlined for the Department of Roads include:

- The provision of staffing, office space and office services for the Council. The Council is to reimburse the Department for these costs so there will be no net fiscal impact on the Department.
- Establishment and administration of a loan program to finance local projects that includes the proper fiscal controls and accounting procedures.
- Establishment of financial, technical and managerial capability requirements for loan applicants.
- Use available funding to provide emergency funding to political subdivisions with transportation facilities damaged due to natural disasters.
- Use available funding to provide financial assistance for planning, research, and other studies and for projects undertaken by governmental units with populations of 10,000 or fewer with serious financial hardships.

Whether bonds will be issued and for what amounts is currently unknown since it hinges on the presently unidentified cost of approved high priority projects, and on decisions to be made by the Surface Transportation High Priority Project Council, in cooperation with the State Highway Commission. Pursuant to section 33, when bonds are issued, the fuel tax will automatically be increased to provide money equal to at least 125% of the principal and interest payments.

DEPARTMENT OF ADMINISTRATIVE SERVICES

| | | | | | |
|-------------|----------------|------|---------|-------|----------|
| REVIEWED BY | David J. Spatz | DATE | 2/20/09 | PHONE | 471-4179 |
|-------------|----------------|------|---------|-------|----------|

COMMENTS

DEPARTMENT OF ROADS: Concur with Department of Roads' analysis and estimate of no fiscal impact.