

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 152

Introduced by Fischer, 43.

PURPOSE: To conduct a comprehensive examination of Nebraska's highway funding structure and to recommend possible alternatives to the traditional methods that have historically been employed in the state.

Highway funding has reached a crisis level in Nebraska. While revenue continues to decrease through less fuel consumption and less motor vehicle sales tax revenue, highway construction costs continue to increase through inflationary factors, global demand for resources, and greater needs due to increased traffic volume. The Department of Roads has gone from a \$390 million construction program in 2006 to a \$317 million construction program for the current fiscal year.

With an estimated \$286 million annual cost to preserve the state's current highway system, Nebraska is rapidly approaching the point where revenue will be insufficient to sustain the number one priority of system preservation. The \$286 million total does not include any expansion of the current system through capital construction.

This study shall examine several factors surrounding the state of highways in Nebraska, including, but not limited to:

- (1) An analysis of the current funding for highways and

streets in Nebraska and the emphasis on user fees;

(2) An analysis of the overall effectiveness of the fuel tax in today's economic environment;

(3) An analysis of how the Department of Roads has responded to lower revenue and higher costs over the past several years, including a reassessment of the priority funding system;

(4) An analysis of how local governments have fared under the state's highway revenue structure; and

(5) A review of other states' alternative methods of funding highways, including, but not limited to, bonding, implementing a vehicle miles traveled (VMT) system, tolling, using public-private partnerships, and redistributing current state revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIRST LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Transportation and Telecommunications Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.