

PREPARED BY: Mike Lovelace  
 DATE PREPARED: March 26, 2014  
 PHONE: 471-0050

# LB 1092

Revision: 01

Revised to reflect amendments adopted through 3/26/14.

## FISCAL NOTE

### LEGISLATIVE FISCAL ANALYST ESTIMATE

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                   |           |                   |           |
|---|-------------------|-----------|-------------------|-----------|
|   | <b>FY 2014-15</b> |           | <b>FY 2015-16</b> |           |
|   | EXPENDITURES      | REVENUE   | EXPENDITURES      | REVENUE   |
| GENERAL FUNDS   |                   |           |                   |           |
| CASH FUNDS  | See Below         | See Below | See Below         | See Below |
| 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 1092, as amended, authorizes the Nebraska State Highway Commission, upon the recommendation of the Department of Roads, to issue up to \$200,000,000 of bonds to use pursuant to the Build Nebraska Act. The interest rate shall be a fixed rate and cannot exceed 5%, no bonds can be issued after June 30, 2017 (except for refunding bonds), and the bonds must be paid off by July 1, 2033. At least 25% of the bond proceeds shall be used for construction of the expressway system and federally designated high priority corridors.

The money to pay off the bonds is from the State Highway Capital Improvement Fund and any other funds specifically pledged by the Commission. The State Highway Capital Improvement Fund receives revenue from a .25% sales and use tax rate.

LB 1092 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 Roads and the State Highway Commission regarding the timing and amount of any bond issuances.

|  |          |   |                 |
|--|----------|---|-----------------|
| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES |          |   |                 |
| LB: 1092   | AM: 2067 | AGENCY/POLT. SUB: Department of Roads (DOR) |                 |
| REVIEWED BY: Elton Larson  |          | DATE: 3/17/2014                             | PHONE: 471-4173 |
| COMMENTS: DOR analysis and estimate of fiscal impact appear reasonable.                |          |   |                 |

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

2014

LB<sup>(1)</sup> 1092

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Dept of Roads

Prepared by: <sup>(3)</sup> Becky Fleming

Date Prepared: <sup>(4)</sup> 2/28/14

Phone: <sup>(5)</sup> (402) 479 4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

|               | <u>FY 2014-15</u>   |                | <u>FY 2015-16</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:**

LB1092 AM2067 amends Section 1 that bonds issued may not exceed \$200 million in the aggregate principal amount with a maturity on or before July 1, 2033 and removes the \$30 million in the annual debt service. Amends Section 2 to include that no bonds shall be issued with a variable or with a fixed interest rate exceeding five percent and that no bonds shall be issued after June 30, 2017. Amends Section 3 to say that bonds issued will be payable from any lawful available funds of the state. AM2067 changes the funding source to the Highway Cash fund throughout the bill.

The fiscal impact remains unchanged. The fiscal impact is contingent upon when projects could be delivered and bonds would need to be issued.

LB 1092 authorizes the issuance of highway for the purpose of accelerating completion of the highway construction projects identified as funding under the Build Nebraska Act. Bonds issued may not exceed \$400 million in principal and \$30 million in annual debt service for a period of not more than nineteen years. Proceeds from the sale of these bonds shall be deposited in the Highway Cash Fund for use pursuant to the Build Nebraska Act. The bonds issued shall be special obligations of the state payable solely and only from the State Highway Capital Improvement Fund and any other funds specifically pledged by the commission. Bonding authority begins on July 1, 2014 and must be issued by June 30, 2020 and repaid by June 30, 2033.

If this bill passes, an additional appropriation will be required to transfer the funds deposited in Highway Cash Fund to the Roads Operations Fund so the funds can be utilized.

This legislation expands the highway bonding authority. The fiscal impact is contingent upon when bonds would be issued and projects delivered.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

| <u>POSITION TITLE</u>     | <u>NUMBER OF POSITIONS</u> |              | <u>2014-15</u>      | <u>2015-16</u>      |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
|                           | <u>14-15</u>               | <u>15-16</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____                     | _____                      | _____        | _____               | _____               |
| _____                     | _____                      | _____        | _____               | _____               |
| Benefits.....             | _____                      | _____        | _____               | _____               |
| Operating.....            | _____                      | _____        | _____               | _____               |
| Travel.....               | _____                      | _____        | _____               | _____               |
| Capital outlay.....       | _____                      | _____        | _____               | _____               |
| Aid.....                  | _____                      | _____        | _____               | _____               |
| Capital improvements..... | _____                      | _____        | _____               | _____               |
| TOTAL.....                | _____                      | _____        | _____               | _____               |