

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				
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 1026 authorizes the Nebraska State Highway Commission, upon the recommendation of the Department of Transportation, to issue up to \$200,000,000 of bonds to use for purposes of the Build Nebraska Act. The interest rate shall be a fixed rate and cannot exceed 5%; no bonds can be issued after June 30, 2021 (except for refunding bonds); and the bonds must be paid off by July 1, 2037. At least 25% of the bond proceeds shall be used for construction of the expressway system and federally designated high priority corridors. A new fund, the Build Nebraska Bond Fund, is created to receive the bond proceeds.

Section 2 states that the Highway Cash Fund may be pledged for repayment of the bonds and section 15 states that repayment of the bonds may also be made from the State Highway Capital Improvement Fund. LB 1026 is nearly identical to the Final Reading copy of LB 1092 (2014). Floor debate on LB 1092 (March 12, 2014) made it clear that the bond payments were to be made using the State Highway Capital Improvement Fund which receives revenue from a .25% sales and use tax, and that the Highway Cash Fund was merely pledged as collateral. If this is still the case it should be recognized that the State Highway Capital Improvement Fund will only receive money from the .25% sales tax until July 1, 2033, and the bond payments authorized under LB 1026 may extend to July 1, 2037. If bond payments are still required during the time period of July 1, 2033 to July 1, 2037, they will need to be made from the Highway Cash Fund.

LB 1026 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 Transportation and the State Highway Commission regarding the timing and amount of any bond issuances.

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 1026	AM:	AGENCY/POLT. SUB: Department of Transportation	
REVIEWED BY: Lee Will	DATE: 02/16/2018	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Transportation's assessment of fiscal impact.			

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

2018

LB⁽¹⁾ 1026

FISCAL NOTE

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

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 2/15/18 Phone: ⁽⁵⁾ (402) 479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1026 authorizes the issuance of highway bonds for the purpose of accelerating completion of the highway construction projects identified under the Build Nebraska Act. It creates the *Build Nebraska Bond Fund*, gives the State Highway Commission at the direction of the Department the authority to issue bonds up to \$200 million in principal. Highway Cash Fund revenue is pledged for repayment of these bonds.

These bonds are earmarked with 25% of the funds for the expressway system and federally designed high priority corridors with remaining proceeds for surface transportation projects. Bonding authority begins July 1, 2018, and must be issued by June 30, 2021 with repayment by July 1, 2037.

If bond authority is granted and utilized, additional appropriations may be required, dependent upon when bonds are issued and projects delivered.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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