

PREPARED BY:  
DATE PREPARED:  
PHONE:

Mike Lovelace  
February 14, 2012  
471-0050

**LB 1098**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				63,570,000
CASH FUNDS				(54,034,500)**
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				9,535,500

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

LB 1098 would repeal the provisions of LB 84 passed during the 2011 legislative session. The current law, under LB 84, requires an amount derived from one-quarter of one percent of the sales tax to be deposited into the State Highway Capital Improvement Fund (85%) and the Highway Allocation Fund (15%), effective July 1, 2013 through June 30, 2033.

Repealing the provisions of LB 84 will result in an estimated **increase** in revenue to the General Fund of \$63,570,000 in FY13-14 and \$72,454,000 in FY14-15, compared to current law and using the estimates provided by the Department of Revenue.

The corresponding **decrease** in revenue to the State Highway Capital Improvement Fund\*\* would be \$54,034,500 in FY13-14 and \$61,585,900 in FY14-15. The State Highway Capital Improvement Fund is administered by the Department of Roads and is required to be used as follows: (1) At least 25% for the construction of expressways and federally designated high priority corridors; and (2) the balance for high priority surface transportation projects.

The corresponding **decrease** in revenue to the Highway Allocation Fund would be \$9,535,500 in FY13-14 and \$10,868,100 in FY14-15. Money in the Highway Allocation Fund is distributed to cities and counties for street and road construction/maintenance.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	2/15/12	PHONE 471-2526
COMMENTS			
DEPT. OF REVENUE – No basis upon which to disagree.			
DEPARTMENT OF ROADS – The analysis appears reasonable.			



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

LB<sup>(1)</sup> 1098 FISCAL NOTE

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: (2) NEBRASKA DEPARTMENT OF ROADS

Prepared by: (3) Marilyn Hayes Date Prepared: (4) 1-27-2012 Phone: (5) 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	(58,902,000)	(58,902,000)	(61,049,000)	(61,049,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(58,902,000)	(58,902,000)	(61,049,000)	(61,049,000)

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 1098 repeals the Build Nebraska Act and eliminates the State Highway Capital Improvement Fund as passed in 2011 - LB 84.

The Build Nebraska Act provided for:

Effective July 1, 2013 until July 1, 2033, the proceeds from a sales and use tax rate of one-quarter of one percent are credited 85% to the State Highway Capital Improvement Fund and 15% to the Highway Allocation Fund. The State Highway Capital Improvement Fund will be administered by the Department of Roads and the Highway Allocation Fund is distributed to cities and counties.

Money credited to the State Highway Capital Improvement Fund is to be used as follows: a) At least 25% of the money is to be used for construction of the expressway system and federally designated high priority corridors. And b) the balance of money credited to the fund shall be used for surface transportation projects of the highest priority as determined by the Department of Roads.

Estimates from the Department of Revenue indicated that revenue from the .25% sales tax will equal \$69,297,000 in FY13-14 (11 months) and \$71,822,000 in FY14-15. The State Highway Capital Improvement Fund will receive \$58,902,000 in FY13-14 and \$61,049,000 in FY14-15; and the Highway Allocation Fund (cities and counties) will receive \$10,395,000 in FY13-14 and \$10,733,000 in FY14-15.

This LB 1098 will result in loss revenue to the State Highway Capital Improvement Fund and the Highway Allocation Fund as noted in the above paragraph.

The General Fund will retain this estimated revenue of \$69,297,000 in FY13-14 (11 Months) and \$71,822,000 in FY14-15.

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2012-2013</u>	<u>2013-2014</u>
	<u>12-13</u>	<u>13-14</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....			(58,902,000)	(61,049,000)
Aid.....				
Capital improvements.....				
TOTAL.....			(58,902,000)	(61,049,000)