

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB84

Chairperson: Senator Abbie Cornett

Committee: Revenue

Date of Hearing: February 10, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 84 creates the State Highway Capital Improvement Fund and directs a half-cent of existing state sales tax to the Fund to be used for construction of high-priority highway projects. It is estimated that a half-cent of sales tax generates approximately \$125 million per year.

The revenue would be split between the state (83%) and cities and counties (17%). Local governments would allot their portion as provided through the current Highway Allocation formula and would be required to use the revenue for road and street purposes.

The diversion of the existing sales tax would begin in 2013 and continue for twenty years until 2033.

The Department of Roads, in conjunction with the State Highway Commission, would be authorized to issue up to \$500 million in highway bonds to accelerate construction of high-priority, high-dollar projects. Any bonds would be required to be issued by 2018 and paid off within twenty years (2038). Debt service would be capped at \$25 million per year paid off through the Capital Improvement Fund.

The bill would require at least \$15 million per year in the Fund be used for the construction of the expressway system as determined by the department.

Principal Introducer: _____

Senator Deb Fischer