

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 488** SLS 18RS 163

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 30, 2018 7:54 AM	Author: MORRELL
Dept./Agy.: Greater New Orleans Expressway Commission	Analyst: Ryan Guidry
Subject: State Highway Fund No. 2 expenditures	

FUNDS/FUNDING OR SEE FISC NOTE SD EX Page 1 of 2
Limits expenditure of motor vehicle license tax proceeds dedicated to State Highway Fund No. 2. (gov sig)

Proposed law adds a definition of "future bonds" to mean any bonds to be issued on or after March 12, 2018, to finance the costs of construction of improvements and betterments to the expressway, including refunding bonds.

Proposed law removes authority for the Greater New Orleans Expressway Commission to secure or supplement toll bonds, refunding bonds, or future bonds to be issued on or after March 12, 2018, with State Highway Fund No. 2 monies.

Proposed law provides that on or after March 12, 2018, the commission shall be the only governmental entity with authority to issue any bonds secured and payable from tolls, revenues, fees, charges, rents, and other income and receipts derived solely from the operation of the expressway.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure for the five year scope of this fiscal note.

Proposed law eliminates the authority for the Greater New Orleans Expressway Commission (GNOEC) to secure or supplement toll bonds, refunding bonds, or future bonds on or after March 12, 2018, utilizing funds received from the State Highway Fund No. 2. Under present law, GNOEC has the authority to secure, supplement and refinance existing bonds utilizing the funds received from State Highway Fund No. 2 given bonding capacity is available. For reference, GNOEC anticipates receiving \$6 M from State Highway Fund No. 2 in FY 18 with a scheduled bond payment of \$3.1 M for FY 18. While GNOEC has sufficient capacity to secure additional bonds utilizing State Highway Fund No. 2 under present law, the commission indicates there is no need for additional bonds.

Under proposed law, GNOEC would no longer have authority to secure or refinance any bonds with revenues from State Highway Fund No. 2 after March 12, 2018, and the existing bonds secured against State Highway Fund No. 2 would be paid off in FY 34.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure for the five year scope of this fiscal note.

Under present law, revenues derived from vehicular license taxes collected in Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa and St. Tammany parishes are deposited into the State Highway Fund No. 2. Of these revenues, 50% accrues to GNOEC for securing and paying bonds, with the balance authorized for Huey P. Long Bridge and other local agencies, as well as capital improvements. Present law provides that GNOEC will continue to receive revenue from the State Highway Improvement Fund No. 2 until existing bond debt is paid off.

Proposed law would remove the authority for GNOEC to secure new bonds or refinance existing bonds against the State Highway Fund No. 2. The existing bond debt will be paid off in FY 34, after which GNOEC would no longer receive any revenues from State Highway Fund No. 2. Out of the 50% allocation to GNOEC from State Highway Fund No. 2, revenues derived from motor vehicle license taxes in the six parish area would be deposited into the Transportation Trust Fund (TTF) and revenues derived from truck and trailer fees in the six parish area would be deposited into the State Highway Improvement Fund (SHIF).

SEE REVENUE EXPLANATION CONTINUED ON PAGE 2

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director



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CONTINUED EXPLANATION from page one:

REVENUE EXPLANATION CONTINUED FROM PAGE 1

Furthermore, proposed law authorizes GNOEC to issue and secure bonds payable from tolls, revenues, fees, charges, rents and other income and receipts collected by the commission. Act 481 of the 2016 Regular Legislative Session authorized the issuance of \$133 M of bonds utilizing toll fees. Currently, GNOEC has insufficient capacity to issue additional bonds under proposed law. To the extent that GNOEC had sufficient toll fees for additional bond capacity and identified capital projects, proposed law would permit the commission to secure additional bonds.

Senate

Dual Referral Rules

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House

- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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