

ONE HUNDRED EIGHTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE RESOLUTION 417**

Introduced by Dover, 19; Albrecht, 17; Blood, 3; Bosn, 25; Cavanaugh, M., 6; Clements, 2; Conrad, 46; Day, 49; DeBoer, 10; DeKay, 40; Dorn, 30; Dungan, 26; Erdman, 47; Fredrickson, 20; Halloran, 33; Hansen, 16; Holdcroft, 36; Hughes, 24; Ibach, 44; Linehan, 39; Lippincott, 34; Murman, 38; Raybould, 28; Riepe, 12; Vargas, 7; Walz, 15; Wayne, 13.

PURPOSE: The purpose of this resolution is to propose a study that includes a comprehensive examination of the funding structure of Nebraska's transportation system and to identify possible alternatives to supplement or replace traditional methods and strategies that have historically been employed to fund highway maintenance and construction. The study shall include a reevaluation and update of the results of the LR152 in 2009, including the impact of subsequent legislation such as the Build Nebraska Act (Laws 2011, LB84), the Transportation Innovation Act (Laws 2016, LB960) and changes to the fuel tax in Laws 2015, LB610.

The needs of Nebraska's transportation system have continually outpaced revenue with the annual twenty year needs rising an estimated fifteen percent to a record sixteen billion seven hundred million dollars in 2023. While revenue has remained steady, with influxes from sources other than the traditional fuel tax, such as the Build Nebraska Act's one-quarter of one percent of sales tax and the increase of federal funds under the current surface transportation reauthorization, known as the federal Infrastructure Investment and Jobs Act, highway construction costs continue to increase through inflationary factors and global demand for resources. This study aims to understand the buying power of the annual budget of the Department of Transportation and examine potential revenue sources that have been employed in other states as a way to combat decreasing revenue due to more fuel-efficient vehicles.

This study shall examine several factors surrounding the state of highways

in Nebraska, including, but not limited to:

(1) An analysis of the current funding for highways and streets in Nebraska and the emphasis on user fees;

(2) An analysis of the overall effectiveness of the fuel tax in today's economic environment, including factors such as increased vehicle fuel efficiency and electric vehicles;

(3) An analysis of construction inflation in recent years, increasing the cost of business;

(4) An analysis of how local governments have fared under the state's highway revenue structure; and

(5) A review of other states' alternative methods of funding and financing highways, including, but not limited to, bonding, financing, implementing a vehicle miles traveled (VMT) system, tolling, using public-private partnerships, the federal Transportation Infrastructure Finance and Innovation Act program, and redistributing current state revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Transportation and Telecommunications Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.