

Fiscal Note Request HB0757, As Amended in House Committee

(continued)

10. Total income to the state special revenue fund in FY 2006 will be \$3,100,000. (\$1,100,000 (rail transfer) + \$2,000,000 (bond proceeds))
11. Total outflows from the state special revenue fund will be \$2,100,000 in FY 2006.
12. FY 2007 ending fund balance will be \$1,000,000 (\$3,100,000 - \$2,100,000). Interest earned in FY 2007 will be \$15,000 (\$1,000,000 X 1.5%). State special revenue in FY 2007 totals \$344,000. (\$329,000+\$15,000)
13. Loans will not be available until a cost benefit analysis is completed and revenue streams are assured.

FISCAL IMPACT:

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
<u>Expenditures:</u>		
Debt Service (issuance)	\$100,000	\$0
Debt Service	0	259,000
Loans	<u>2,000,000</u>	<u>0</u>
TOTAL	\$2,100,000	\$259,000
 <u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$2,100,000	\$259,000
 <u>Revenues:</u>		
State Special Revenue (02)	\$3,100,000	\$344,000
 <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$1,000,000	\$85,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local governments may accrue some costs associated with meeting application requirements.

TECHNICAL NOTES:

1. Federal laws may require that the Local Rail Freight Assistance (LRFA) Program funds continue to be deposited in a separate interest bearing account.
2. Because this bill limits the LRFA portion of the new account to \$1.1 million, DOT will have to continue to maintain a separate account for the remaining LRFA funding of approximately \$80,000.
3. The bill specifies that low interest rates will be provided on the loans. In order to recover the debt service on the bonds the interest rate on the loans will be much higher than STIP rates.
4. HB 512 also appropriates the \$1.1 million of federal funds in former 49 U.S.C. 1654, mentioned in New Section 4 Funding for account.
5. The \$1.1 in federal funds must be spent in accordance with federal regulations.