

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 1185** HLS 08RS 2393
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 17, 2008	3:00 PM	Author: BURNS, TIM
Dept./Agy.: DOTD		Analyst: Evan Brasseaux
Subject: TIMED		

BONDS OR INCREASE SD EX See Note Page 1 of 1
 Provides relative to the issuance of bonds for completion of TIMED projects

The proposed legislation prohibits the issuance or refinancing of bonds after January 1, 2008, to fund completion of any TIMED project unless at least \$127 million of such bond proceeds are dedicated to the La. Hwy 3241 project from I-12 to Bush.

EXPENDITURES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Two bond issuances related to the TIMED program are currently scheduled subsequent to January 1, 2008. Proceeds from these bond issuances are anticipated to be used entirely to fund construction projects which are currently under contract and not related to the La. Hwy. 3241 project from I-12 to Bush. DOTD notes that should this legislation be enacted, construction contracts related to the Huey P. Long Bridge in New Orleans or the Audobon Bridge in St. Francisville will be negatively impacted, as these bond funds are designated for these projects.

According to DOTD, cancellation of construction contracts related to either of these projects would likely result in the state being required to pay the contractor for any work completed or any materials purchased, plus any expected profit on the entire project. In addition, restarting the project would also increase expenditures due to remobilization, insurance, uncertainty of new contractors with work already performed, and potential increases due to construction inflation. This potential increase in costs is indeterminable but may be significant. Statutorily dedicated Transportation Trust Fund resources would be impacted by these additional costs.

NOTE: DOTD indicates that it will be at least two years before the results of the environmental impact review is completed which will allow for the design phase to begin on the LA 3241 project.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$500,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$500,000 Annual Fiscal Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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