

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 1212 HLS 12RS 3796

Bill Text Version: ENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: May 15, 2012 1:26 PM, Author: ST. GERMAIN. Row 2: Dept./Agy.: Department of Transportation and Development, Analyst: Alan M. Boxberger. Subject: Provides relative to the Crescent City Connection Bridge.

TRANSPORTATION DEPT EG INCREASE SD RV See Note Page 1 of 2
Provides relative to the Crescent City Connection Bridge

Proposed law provides that an election shall be held in the parishes of Jefferson, Orleans and Plaquemines for the purpose of determining whether tolls shall be collected on the Crescent City Connection (CCC) Bridge and provides for ballot language; provides that upon approval of collecting tolls, the rates shall be as prescribed by present law while retaining all manners of toll collection and enforcement of toll violations; creates the Crescent City Connection Toll Fund to be comprised of monies collected from tolls, administrative fees and late charges; provides with respect to management of the fund by the state treasury; provides that monies in the fund shall be allocated and disbursed by the Department of Public Safety (DPS) for police functions along the span of the bridge and by DOTD for operations, maintenance, lighting and capital projects; provides that the New Orleans Regional Planning commission shall serve as an advisory body and grants access to certain information; provides with respect to privatizing; provides for operation of the ferries if not privatized; provides with respect to ferry operations and allows DOTD to adjust the fares; effective 1/1/13 if election results are favorable.

Table with 7 columns: EXPENDITURES, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION

Proposed law will result in an increase in Statutory Dedication expenditures from the newly created Crescent City Connection Toll Fund, SGR expenditures from increased ferry fares, and potentially result in an increase in SGF expenditures. Proposed law is conditional upon approval of voters in Jefferson, Orleans and Plaquemines parishes. This fiscal note assumes favorable passage by the voters in the three parishes. Proposed law extends collection of tolls at the current rate of \$0.20 per axle for toll tag users and \$0.50 per axle for cash users for passage over the Crescent City Connection Bridge beginning on 1/1/13. DOTD shall collect the toll and issue Automatic Vehicular Identification tags if and until such time that collection of tolls and issuance of tags is transferred or contracted to another entity.

Proposed law creates the Crescent City Connection Toll Fund and provides for allocation to the Department of Public Safety and Corrections (DPS), Public Safety Services, to be used for police functions along the span of the bridge, and to the Department of Transportation and Development for operations, maintenance, landscaping, grass cutting, trash pick up, functional and ornamental lighting, and capital projects on ingress and egress points to the Crescent City Connection Bridge along US 90 from Broad Street to Nine Mile Point Road.

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

Proposed law creates the Crescent City Connection Toll Fund in the state treasury and provides that the source of monies for the fund shall be tolls collected for passage over the Crescent City Connection Bridge, any administrative fees, and any late charges provided by law which are collected pursuant to R.S. 47:7012. The monies in the fund are to be invested in the same manner as the state general fund with interest to be deposited into the fund. All unexpended and unencumbered monies in the fund at the end of each fiscal year shall remain in the fund. Over the past three fiscal years, toll revenue collections on the CCCD bridge were \$21,379,157 in FY 09, \$20,634,153 in FY 10 and \$20,711,142 in FY 11, for a three year average of \$20,908,151. This fiscal note assumes no out-year growth in traffic or revenues. In FY 13, the impact is for one-half year, beginning on January 1, 2013 through June 30, 2013.

Proposed law provides that should the ferry service formerly operated by the CCCD not be privatized, but that authorization to continue the bridge tolls achieves favorable passage of voters in the three parishes, DOTD is authorized to use best practices and to establish and collect fares as follows: a commuter fare for pedestrians of not less than \$1 per each passage, a commuter pass for motor vehicle commuters of not less than \$4 per each passage, a tourist rate or non-commuter rate

SEE REVENUE EXPLANATION CONTINUED ON PAGE 2

Table with 2 rows and 2 columns. Row 1: Senate Dual Referral Rules House, 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}, 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}. Row 2: 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}, 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}. Signature: Evan Brasseaux, Staff Director.



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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

At the time of preparing this fiscal note, DPS has not completed final plans with regard to its intended or necessary police force to provide adequate police functions along the span of the bridge. As such, this fiscal note assumes that the expenditure level necessary to provide the police function shall be adequate and mutually agreeable between DPS and DOTD, and that the balance of funds after allocating a sufficient amount for the police function shall be available for use by DOTD for operations, maintenance, lighting and capital projects on ingress and egress points to the CCC Bridge. The language with regard to capital projects appears to exclude the capacity to perform capital projects on the bridge itself, such as periodic painting. The proposed law also allows DOTD to contract these duties to a private provider.

Proposed law provides that the New Orleans Regional Planning Commission (NRPC) shall serve as an advisory body for the collection of tolls on the Crescent City Connection and shall recommend best practices for operations, maintenance, landscaping, grass cutting, trash pick up, functional and ornamental lighting and capital projects on ingress and egress points to the CCC Bridge. The proposed bill is silent with regard to whether the NRPC shall receive any compensation or administrative cost allowance for its oversight.

Monies in the Crescent City Connection Toll Fund are subject to annual appropriation as set forth by the legislature for use by DOTD and DPS. Proposed law provides for specific prohibitions on using the monies as part of the Transportation Trust Fund, to operate any office, section, division or other entity under the authority of DOTD, to finance or supplement any Louisiana Transportation Authority project, to finance or supplement any Transportation Infrastructure Model for Economic Development project, or to finance or supplement any ferry operated in the state.

Proposed law provides that should the ferry service formerly operated by the CCCD not be privatized, but that authorization to continue the bridge tolls achieves favorable passage of voters in the three parishes, DOTD is authorized to use best practices and to establish and maintain said ferry service. At current operating and service levels, DOTD indicates that the ferry operation will require expenditures of approximately \$9 million per fiscal year. DOTD currently pays for these expenditures through Self-generated revenues, which include both fares and subsidy from the tolls on the bridge. Under proposed law, the operation of the ferries is prohibited from using bridge tolls and must rely solely on fares and other identified revenue sources. As discussed in the revenue section of this fiscal note, projected revenues are likely to be insufficient to maintain ferry operations as they currently exist. To the degree that DOTD is responsible for maintaining ferry services at current levels, the department will be required to identify additional revenue sources or the enterprise may potentially require SGF support in an amount of approximately \$5.2 million.

Operating, routine maintenance and lighting expenditures would be appropriated annually in House Bill 1 (Appropriation Bill). Capital expenditures would be appropriated annually in House Bill 2 (Capital Outlay Bill).

REVENUE EXPLANATION CONTINUED FROM PAGE 1

may be set under the direction of the New Orleans Regional Planning Commission (NRPC), and that all fares collected shall be used solely for ferry operations as formerly operated by the CCCD. Proposed law authorizes the fees to be adjusted annually in accordance with increases in the Consumer Price Index.

Utilizing traffic counts from FY 11, proposed law could generate approximately \$3.9 million in revenue from fares.

FY 11 Pedestrians:	1,100,455 pedestrian crossings x \$1.00	= \$1,100,455
FY 11 Vehicles:	695,354 vehicle crossings x \$4.00	= <u>\$2,781,416</u>
Potential total annual revenues from fares:	(\$1,100,455 + \$2,781,416)	= \$3,881,871

These totals assume 100% commuter rates. If the NRPC sets a fare rate at a higher level for tourists or non-commuters, the potential revenues could be greater. However, the potential also exists that rider levels could be negatively impacted by the increased fares and could potentially result in decreased utilization and a subsequent lower level of revenues. Projected revenues are likely to be insufficient to maintain ferry operations at current levels.

Senate	Dual Referral Rules	House	<i>Evan Brasseaux</i>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input checked="" 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 Staff Director