LEGISLATIVE FISCAL OFFICE
Fiscal Note

Louisiana Legislative Fiscal Office — Fiscal Notes

Fiscal Note On: **SB 599** SLS 12RS 653

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date:	May 21, 2012 7:40 AM	**Author:**	ADLEY
Dept./Agy.:	Department of Transportation and Development		
Subject:	Provides for termination of the CCCD	**Analyst:**	Alan M. Boxberger

TRANSPORTATION/DEV DEPT RE SEE FISC NOTE SD EX See Note

Provides relative to termination of the Crescent City Connection Division of the DOTD. (See Act)

Proposed law provides that the assistant secretary, office of operations, shall administer all matters related to the Crescent City Connection (CCC) Bridge; provides for DOTD to take over, operate and regulate the ferries formerly operated by the CCC and authorizes it to collect fees, tolls, fares or ferry charges as it deems necessary to operate, maintain and replace such ferry service; provides that DOTD may out-source the ferry service and upon doing so certain free passage on toll ferries shall not apply; provides that effective 1/1/2013, 50% of all funds collected by the state pursuant to R.S. 47:462 and as provided in R.S. 47:481 in certain parishes shall be credited to the Transportation Trust Fund (TTF); abolishes the MRBA and transfers its powers, duties and functions to DOTD effective 1/1/2013; establishes the Crescent City Transition Fund; repeals R.S. 33:2201(B)(17) with respect to inclusion of CCC police in certain definitions of law enforcement officers; repeals certain provisions of law with regard to CCC operations and structure; repeals collection of tolls and toll violations on the CCC bridge and ferries; and provides for transfer of appropriations made for functions transferred to DOTD.

EXPENDITURES	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

The proposed legislation will have an indeterminable impact on state expenditures. DOTD intends to privatize the ferry operations currently administered by the Crescent City Connection Division utilizing approximately $4 million annually in the form of a subsidy to the privatized operation (from an increase of approximately $4.6 million in additional Transportation Trust Fund (TTF) as a result of proposed law). As part of this action, the ferry connection at the current Chalmette location will become a state-controlled roadway and therefore eligible for utilization of TTF funds. As the number, size and scope of ferry operations have not yet been finalized, the Legislative Fiscal Office is unable to estimate the potential total expenditures associated with the proposed joint public/private operation of the existing ferry system. It is unclear whether DOTD's proposed use of TTF as a subsidy to the proposed privatization is allowable, as the two remaining ferry service locations, assumed to be part of the proposed operation, do not connect state-controlled roadways and would normally be considered as ineligible for TTF funding.

DOTD proposes to utilize the balance of the additional $4.6 million TTF, or $600,000, plus additional deposits of $1.2 million into the TTF from State Highway Fund No. 2 as would occur under present law irrespective of proposed law, or $1.8 million

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REVENUE EXPLANATION

The proposed law will result in a future reallocation of funds, moving future deposits of approximately $4.6 million from the State Highway Improvement Fund (SHIF) into the Transportation Trust Fund (TTF). Of the total funds deposited currently into the State Highway Fund No. 2 annually, 50% are dedicated to pay debt service of the Crescent City Connection (CCC). Under existing law, once the bond debts associated with the CCC are paid off on December 31, 2012, the 50% annual allocation from State Highway Fund No. 2 dedicated to the CCC will instead be deposited as per current law with regard to motor vehicle license taxes and fees and truck and trailer license taxes and fees into either the TTF or State Highway Improvement Fund respectively. DOTD estimates that approximately $1.2 million of the current CCC allocation is comprised of funds that will revert to the TTF under existing law, with the the balance being deposited into the State Highway Improvement Fund.

Proposed law provides that the entire 50% existing CCC allocation of State Highway Fund No. 2 shall instead be deposited entirely into the Transportation Trust Fund. According to the latest forecast by the Revenue Estimating Conference, the 50% allocation of existing State Highway Fund No. 2 revenues will generate an estimated $2.85 million in FY 13 (1/2 year),

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Senate	Dual Referral Rules	House
[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		[x] 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}
[x] 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		[x] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

total, to be used for operations and maintenance of the bridge and connecting roadways. Based on previous public testimony, the Legislative Fiscal Office believes these expenditures will provide for operations, maintenance, landscaping, grass cutting and trash pickup but will not provide for functional and ornamental lighting or large capital projects.

DOTD will incur a one-time $4 million expenditure from the proposed Crescent City Transition Fund necessary for the purpose of capitalizing the ferry service formerly operated by the CCCD prior to privatization.

The New Orleans Regional Planning Commission (NORPC) will have $6.3 million available for appropriation from the proposed Crescent City Transition Fund. The proposed law is silent with regard to the intended expenditures associated with these funds. The Legislative Fiscal Office assumes the NORPC would utilize these funds to pay for functional and ornamental lighting (approximately $800,000 annually) until the remainder of the funds are expended, but that purpose is not defined or limited with respect to the available monies.

REVENUE EXPLANATION CONTINUED FROM PAGE 1

$5.8 million in FY 14, $5.85 million in FY 15, and $5.95 million in FY 16. The proposed law would result in a loss of deposits into the State Highway Improvement Fund, used to address construction and maintenance of non-federal aid eligible highways, of approximately $2.25 million in FY 13, $4.6 million in FY 14, $4.65 million in FY 15, and $4.75 million in FY 16. Those funds would instead be deposited into the Transportation Trust Fund for the presumed purpose of maintenance and operations of the existing CCC structures, and for privatization of ferry services.

Proposed law creates the Crescent City Transition Fund and transfers into it all monies collected pursuant to Sections 4.21 and 12.1 of the Amended and Restated Indenture and Deed of Trust between DOTD and Bank One Trust Company, N.A., dated November 1, 2002, or any funds possessed, controlled or due to the Mississippi River Bridge Authority or the Crescent City Connection Division. The monies in the fund shall be invested in the same manner as state general fund and interest earnings shall be deposited into the fund. All unexpended and unencumbered monies remaining in the fund at the end of each fiscal year shall remain in the fund. The first four million deposited into the fund shall be appropriated for use by DOTD for the purpose of capitalizing ferry service formerly operated by the CCCD and the balance shall be appropriated to the New Orleans Regional Planning Commission (NORPC). DOTD projects a fund balance of the designated monies at approximately $10.3 million on December 31, 2011. If this estimation is accurate, the funds available for appropriation to the NORPC will be approximately $6.3 million.

As the number, size and scope of ferry operations have not yet been finalized, the Legislative Fiscal Office is unable to estimate the potential revenues to be realized from tolls, fares or ferry charges.

Senate	Dual Referral Rules	House
[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		[x] 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}
[x] 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		[x] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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