

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

NEBRASKA COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- Counties and municipalities share 0.5 cents of the sales tax on motor vehicles and long-term car rentals, and they share 46 percent of the remaining 5 cent sales tax on motor vehicle sales rental.
- Counties and municipalities receive a portion (15 percent) of 0.25 cents of the general sales tax for 20 years, beginning in FY 2013-2014, as a result of legislation enacted in 2011 (LB 84 - Build Nebraska Act).
- Counties receive a portion of the revenues collected from the state excise taxes on motor fuels channeled to counties through the Highway Trust Fund for road purposes. In 2008, the Nebraska state legislature adopted a fuel tax increase and implemented a wholesale fuel tax to generate additional funds for roads.
- The Nebraska Transportation Enhancement Program provides funding to local, state and regional governmental entities to build and restore transportation infrastructure.

From Federal Funds:

- Counties receive federal funding for transportation through the Federal-aid program.

From County Funds:

- Counties fund transportation through local taxes, including property taxes and local sales taxes, as well as by forming special districts.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- State and federal budget reductions have led to more responsibilities being passed down to counties without the necessary funding to support these additional responsibilities. For example, the State Patrol cuts force county sheriffs to spend more time patrolling and responding to emergencies on state highways.
- Counties are examining methods to increase motor vehicle tax collections and enhance enforcement and documentation issues, such as preventing uninsured and underinsured motorists, decreasing the number of unlicensed drivers and preventing title jumping.

Share of County Owned Road Miles Out of Public Roads Statewide	65%
Share of County Owned Bridges Out of Public Bridges Statewide	72%
Share of Structurally Deficient Bridges Out of County Owned Bridges	22%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Property tax rate may not exceed 0.5%. Counties may levy an additional 0.05% tax to pay for interlocal cooperative agreements.
Levy Personal Property Taxes		
Levy Local Option Sales Taxes	X	Counties may levy a sales tax to fund public safety services and provide county funds for interlocal agreements.
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee		
Form Special Districts for Transportation	X	Counties may establish a Rural Road Improvement District funded by special assessments against property owners in the district.

*Counties may levy additional taxes for special purposes with voter approval in a referendum.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- Legislative Bill 623, passed in January 2013, gives counties more flexibility in the bidding process for road and bridge projects, increasing the dollar amount triggering the competitive bidding process to \$100,000.
- Beginning in FY 2013-2014, Legislative Bill 84 (2011) gives counties and municipalities 15 percent of 1/4 cent of the general sales tax for 20 years. This provided a roughly five percent increase in state funding for county road purposes.