Nebraska Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

Counties have authority to:

• Levy a property tax for use by the county government not to exceed fifty cents per one hundred dollars of taxable property in the county, although it may levy an additional five cents per one hundred dollars of taxable property to pay for interlocal cooperative agreements.

• Levy additional taxes for specific purposes if electors vote in the affirmative to raise the taxes higher than the cap.

• Counties may implement a local option sales tax to help fund public safety services and provide the county share of funds required under any interlocal agreement executed under the Interlocal Cooperation Act or Joint Public Agency Act.

• Counties can enter into interlocal agreements with other political subdivisions and state agencies to jointly perform any power or authority. The joint entity may issue tax exempt bonds for the specific purpose of the agreement, create reserves and cover other operational expenses. Counties may access additional levy authority to provide financing for the county’s share of revenue required under the interlocal agreement.

Mandated/Authorized Transportation Services:

• The supervision of public roads is vested in the county board, which has authority over maintenance and improvement over existing roads. Moreover, the board may establish traffic laws and administer local, state, and federal highway regulations on the roads

• County commissions may establish airport authorities, either alone or in tandem with another county, to administer and regulate airports within the county’s territory. Counties may issue bonds to fund the outlay association with establishing an airport.

• Counties in which a city of the primary or first class is located may establish Railroad Transportation Safety Districts (RTSDs).

• Counties may establish a Rural Road Improvement District to make improvements on roads funded by special assessments against property owners within the district, county general fund contributions and bonds issued by the county.

## **Funding Sources for County Transportation Projects:**

Counties Receive:

• Twenty-five cents of the state’s 5.5 cent sales tax dedicated to county road projects.

• 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. Legislature in 2008 adopted a fuel tax increase and implemented a wholesale fuel tax to generate additional funds for roads.

• A portion of the proceeds from a state fee imposed on the rental of motor vehicles within its jurisdiction.

• LB623 gives counties more flexibility in bidding road and bridge projects, increasing the dollar amount triggering the competitive bidding process to $100,000.

• Nebraska Transportation Enhancement Program provides funding to local, state and regional governmental entities to build and restore transportation infrastructure.

## **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 such as State Patrol cuts forcing 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.

## **Innovative Solutions to Funding and Financing Challenges**