

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB1125

Hearing Date: Wednesday February 15, 2012
Committee On: Natural Resources
Introducer: Christensen
One Liner: Change provisions relating to natural resources district occupation tax

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Carlson, Christensen, Dubas, Haar, Langemeier, McCoy, Schilz, Smith
Nay:
Absent:
Present Not Voting:

Proponents:

Senator Mark Christensen
Mike Clements
Rocky Weber

Representing:

Introducer
Lower Republican Natural Resources District
Lower Republican Natural Resources District

Opponents:

Representing:

Neutral:

Dean Edson

Representing:

Nebraska Association of Resources Districts

Summary of purpose and/or changes:

LB 1125 would allow a landowner to opt out of an occupation tax by certifying the nonirrigation status of his or her acres depending on when the applicable natural resources district adopted its integrated management plan.

The Legislature passed LB 862 in 2010, which authorized use of the occupation tax for natural resources districts under certain conditions. Those in the qualifying districts who had nonirrigated acres were to be able to certify such status by March 1st of each year to be exempt from the tax. To use the occupation tax, the natural resources district is required to have an adopted integrated management plan. The issue with the statute came to light when the board of a natural resources district adopted an integrated management plan and levied the occupation tax in the fall, well beyond the March 1 deadline provided in statute for those who would have certified their nonirrigated acre status to claim exemption from the occupation tax.

The original version of the bill would have allowed one to certify the nonirrigation status of his or her acres subject to the occupation tax by September 1, if the occupation tax was levied after March 1. It would have further required the natural resources district to refund the collected tax by December 31.

Explanation of amendments:

The committee amendment, AM 2378, would replace the original language of the bill. It would clarify the circumstances under which an owner of irrigated acres could be exempted from or refunded for payment of the occupation tax

authorized under this section.

Section-by-section description:

Section 1 amends 2-3226.05, which authorizes a natural resources district to levy an occupation tax, by allowing a natural resources district to exempt acres enrolled in temporary retirement programs from the occupation tax if irrigation is prohibited in the year the tax is levied. Further prohibits a district from exempting or providing a refund of an occupation tax on irrigated acres on which a record owner maintains irrigated status in the year the tax is levied.

Allows the record owner to present evidence of the nonirrigation status of the acres subject to the tax within twelve months after the tax was levied, and allows the district to refund the tax if (1) an occupation tax was not levied the previous year, and (2) the district had not adopted an integrated management plan by March 1.

The bill contains an emergency clause and has a termination date of October 1, 2012.

Section 2 repeals the original section.

Section 3 contains an emergency clause.

Chris Langemeier, Chairperson