

# **One Hundred Third Legislature - First Session - 2013**

## **Introducer's Statement of Intent**

### **LB150**

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**Chairperson: Senator Galen Hadley**

**Committee: Revenue**

**Date of Hearing:**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

It is the intent of LB 150 to encourage the use of compressed natural gas (CNG) as a viable, affordable, and cleaner alternative for vehicular fuel and to level the playing field between CNG and gasoline/diesel vehicular fuels.

Current law requires the Metropolitan Utilities District (M.U.D.) to pay municipalities 2% of their annual gross revenue derived from the retail sales of gas and water. When this law was enacted, the use of compressed natural gas (CNG) as a vehicular fuel was not contemplated. The exemption proposed in LB 150 applies only to the retail sale of CNG for vehicular fuel and maintains the intent of the original legislation.

LB 150 also provides clarity that the the current statutory sales tax exemption for energy purchased for processing, manufacturing, or refining shall include energy for the compression of natural gas for use as a vehicular fuel.

**Principal Introducer:** \_\_\_\_\_

**Senator Jeremy Nordquist**