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FLOOR DEBATE

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imposing sales tax on purchases by political subdivisions. For example, purchases by municipalities are exempt, counties are exempt, et cetera. There...there are some political subdivisions that do pay sales tax, most notable are public power districts, perhaps, but, in general, governmental subdivisions do not pay sales tax on their purchases. We have, in this bill, two examples of political subdivisions that, if we do not exempt them, would still pay sales tax. One are drainage districts formed under Chapter 31, Article 4. Those are...there are few of those in the state. The ones...there's a cutoff date. No...no additional drainage districts would be formed under those provisions of law after 1972. They have...we have a few of them in the eastern part of the state. Sometimes they have levees, sometimes they have tile networks to drain wetlands, but these are all old existing political subdivisions. No new ones would be formed. The other one is elected county fair boards. That's a provision that we placed in the statute a couple years ago. Fairs can be organized in three different fashions. One where they have their memberships appointed by the county board, those are county fairs. The other one is where they could be elected and they look like fire districts. That's what's being exempted in this bill. The county...true county fairs would already be exempted because they're a part of the county operation. The other method for operating a county fair is with a independent, private corporation. Typically those are called agricultural societies. This does not affect the status of agricultural societies. Those are the most common form of organization in the state. They are not affected because they are private, for the most part, or...well, they're private nonprofit corporations. We do not intend to extend any sales tax exemption to those county agricultural societies that are the private nonprofit organizations. There is a mod...there is a very small fiscal impact. If you look at the fiscal note, \$5,000 and \$6,000 is the estimated fiscal impact, but we will have an amendment that would actually change that fiscal impact because this bill, even if it's passed this session, couldn't be implemented by October 1 of 2001, as it calls for in the bill. And the succeeding amendment changes the operative date, Mr. Speaker.

SPEAKER KRISTENSEN: Mr. Clerk.