

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1071**

Introduced by Lindstrom, 18.

Read first time January 17, 2018

Committee: Revenue

- 1 A BILL FOR AN ACT relating to public utilities; to adopt the
- 2 Infrastructure Improvement and Replacement Assistance Act; and to
- 3 create a fund.
- 4 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 4 of this act shall be known and may be  
2 cited as the Infrastructure Improvement and Replacement Assistance Act.

3           Sec. 2. (1) The Legislature finds that municipalities and sewer and  
4 water utilities of this state face a need to construct, upgrade,  
5 redevelop, and replace sewer and water infrastructure facilities and to  
6 redevelop and replace obsolete water facilities. By providing sewer and  
7 water facilities, municipalities provide the building blocks for economic  
8 development. Not only does the investment in infrastructure generate an  
9 immediate stream of economic activity, it also lays the groundwork for  
10 private investment that will use the facilities so provided.  
11 Municipalities and sewer and water utilities in this state currently are  
12 in critical need of assistance in providing these facilities. Political  
13 subdivisions are limited in their ability to finance major infrastructure  
14 projects. Political subdivisions are able to use property taxes, local  
15 option sales taxes, bond funding, fees for services, or a combination  
16 thereof. However, many of these financing options contain statutory  
17 budget and tax levy restrictions. In order to minimize the burden on  
18 property taxpayers in Nebraska, the Legislature finds that it is fair and  
19 equitable to encourage the use of fees for services to finance major  
20 infrastructure projects.

21           (2) The Legislature further finds that it is in the public interest  
22 to assist municipalities and sewer and water utilities by establishing a  
23 turnback of state sales tax revenue to provide funds to municipalities  
24 and sewer and water utilities to be used to replace and redevelop sewer  
25 and water infrastructure facilities and to redevelop and replace obsolete  
26 sewer and water piping facilities. In order that this state and its  
27 residents may receive long-term economic and fiscal benefits from such  
28 facilities, a need exists to provide state assistance to municipalities  
29 and sewer and water utilities endeavoring to construct, acquire,  
30 substantially reconstruct, expand, operate, improve, or equip such  
31 facilities. It is in the best interest of the state, its municipalities,

1 and its sewer and water utilities that the state assist municipalities  
2 and sewer and water utilities in financing the construction, acquisition,  
3 substantial reconstruction, expansion, operation, improvement, or  
4 equipping of sewer and water infrastructure facilities.

5       Sec. 3. The state shall assist municipalities and sewer and water  
6 utilities by turning back XXX percent of the state sales tax revenue  
7 collected on sewer and potable water fees by the state to the  
8 municipalities and sewer and water utilities to assist in infrastructure  
9 replacement costs to construct, upgrade, redevelop, and replace sewer and  
10 water infrastructure facilities on a per capita percentage directly to  
11 each participating political subdivision or utility based on state sales  
12 tax paid.

13       Sec. 4. For purposes of the Infrastructure Improvement and  
14 Replacement Assistance Act:

15       (1) Political subdivision means any local governmental body formed  
16 and organized under state law and any joint entity or joint public agency  
17 created under the Interlocal Cooperation Act or the Joint Public Agency  
18 Act which has statutory authority to issue general obligation bonds;

19       (2) Water utility means any water utility operated by a political  
20 subdivision; and

21       (3) Sewer utility means any sewer utility operated by a political  
22 subdivision.