

ONE HUNDRED SIXTH LEGISLATURE - SECOND SESSION - 2020
COMMITTEE STATEMENT
LB242

Hearing Date: Friday February 22, 2019
Committee On: Revenue
Introducer: Lindstrom
One Liner: Adopt the Infrastructure Improvement and Replacement Assistance Act and provide for a turnback of state sales tax revenue

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

Vote Results:

Aye:	7	Senators Briese, Crawford, Friesen, Kolterman, Lindstrom, Linehan, McCollister
Nay:		
Absent:		
Present Not Voting:	1	Senator Groene

Oral Testimony:

Proponents:

Senator Brett Lindstrom
Donna Garden
Aimee Melton
Rick Kubat
Rodney Storm
Jim Theiler
James Timmerman

Representing:

Introducer
City of Lincoln
Omaha City Council
Metropolitan Utilities District of Omaha
City of Blair
City of Omaha
Nebraska Coalition of Agricultural Manufactures

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB242 will create the Infrastructure Improvement and Replacement Assistance Act. The intent is to assist municipalities and sewer and water utilities by establishing a turn back of state sales tax revenue to provide funds to be used to replace and redevelop sewer and water infrastructure facilities and to redevelop and replace obsolete sewer and water facilities.

The bill provides the state shall pay each political subdivision, sewer utility, or water utility a percentage of the state sales tax imposed on sewer and potable water fees and collected by such political subdivision or utility. The amount of the turn back will be:

- 2% for sales taxes from July 1, 2019 through June 30, 2021
- 3% for sales taxes imposed from July 1, 2021 through June 30, 2023
- 4% for sales taxes imposed on and after July 1, 2023

Funds received shall be used exclusively to assist in:

- Paying for infrastructure improvements relating to constructing, upgrading, redeveloping, or replacing sewer and water infrastructure facilities;
- Paying for the redevelopment and replacement of obsolete water or sewer facilities; or
- Repaying bonds issued and pledged for such work.

The Department of Revenue is authorized to adopt and promulgate rules and regulations to carry out the provisions of this Act.

The bill has the Emergency Clause.

Explanation of amendments:

The amendment to the bill changes the date of the beginning of the distribution period from July 1, 2019, to July 1, 2020. The amendment also changes the percentage amount of the distributions from 2%, 3%, and 4% respectively to 36.6%, 54.54%, and 72.72%. Which corrects a drafting error.

Lou Ann Linehan, Chairperson