

ONE HUNDRED EIGHTH LEGISLATURE - FIRST SESSION - 2023
COMMITTEE STATEMENT
LB224

Hearing Date: Tuesday February 21, 2023
Committee On: Urban Affairs
Introducer: McKinney
One Liner: Adopt the Aid to Municipalities Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	5	Senators Blood, Cavanaugh, J., Day, Hunt, McKinney
Nay:	2	Senators Hardin, Lowe
Absent:		
Present Not Voting:		

Testimony:

Proponents:

Senator McKinney
Tom Ourada
Mark Stursma
Ward Hoppe
Lynn Rex
Eric Gerrad
Don Wesley
Jack Cheloha
Bruce Bohrer
Zachary West

Representing:

District #11
City of Crete
City of Papillion/ United Cities of Sarpy Counties
self
League of NE Municipalities
City of Lincoln
City of Lincoln
Greater Nebraska Cities
Lincoln Chamber of Commerce
Ravenna Economic Development Corporation

Opponents:

Representing:

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 224 would create the Aid to Municipalities Act. This Act would allow for grants that would pay for infrastructure projects within municipalities of any class. These grants may only be used to pay for construction or bonds. Once instituted, the Legislature would appropriate \$15 million each fiscal year towards the Act.

Background & Legislative History:

This bill has been previously introduced as LB 821 in 2022 by Senator Matt Hansen, and as LB 549 in 2021 by Senator Wayne. Both acts were indefinitely postponed in committee.

Between 1982 and 2011, the state maintained an aid to municipalities program, which distributed state aid to municipalities based on a statutory formula. During a budget crunch in 2011, the program was eliminated. Historically, the aid to municipality program appropriated between \$10 million and \$8 million, roughly on an annual basis.

Section-by-Section Summary:

Section 1 of the bill names sections 1 through 7 as the Aid to Municipalities Act.

Section 2 of the bill states the purpose of the act.

Section 3 of the bill lists definitions to be used in the act.

Section 4 of the bill states that a municipality may apply for a grant under the Act by submitting an application to the Department of Economic Development on a form prescribed by the department. The section also lists what the application should include.

Section 5 of the bill creates the Aid to Municipalities Fund.

Section 6 of the bill appropriates fifteen million dollars each fiscal year for purposes of carrying out the Act.

Section 7 of the bill allows the department to adopt and promulgate rules and regulations in order to carry out the Aid to Municipalities Act.

Section 8 of the bill amends 13-518 to include reference to the Aid to Municipalities Act.

Section 9 of the bill amends 13-522 to require notification of noncompliance to either (1) the State Treasurer, or (2) the Department of Economic Development if the governmental unit is a city or village.

Section 10 of the bill assigns the Act to a new article in Chapter 18.

Section 11 of the bill repeals original sections.

Terrell McKinney, Chairperson