

AMENDMENTS TO LB548

Introduced by Lippincott, 34.

1 1. Strike the original section and all amendments thereto and insert
2 the following new section:

3 **Section 1.** (1) The Legislature declares that the purpose of this
4 section is to allow certain cities and villages that own and operate
5 natural gas systems to engage in tax-exempt natural gas supply
6 transactions as described in section 148(b)(4) of the Internal Revenue
7 Code and 26 C.F.R. 1.148-1(e)(2)(iii), as such section and regulation
8 existed on January 1, 2024, that benefit the cities and villages and
9 their taxpayers as well as the counterparty to the transactions and the
10 people of Nebraska by incentivizing private investment and economic
11 development.

12 (2) On or before January 1, 2027, any city of the first or second
13 class or village which owns and operates a natural gas system may enter
14 into a contract to sell natural gas to any industrial consumer of natural
15 gas whose facilities are located in the State of Nebraska, are within one
16 hundred miles of such city or village, and, at the time the parties enter
17 into the transaction, require at least three billion British thermal
18 units of natural gas per day based on an annual average. The contract
19 term shall be for at least two years and may include renewal and
20 extension terms. At the time the parties enter into the contract, the
21 industrial consumer shall not be a consumer of any competitive natural
22 gas provider. The contract shall provide for the consumer to receive
23 natural gas, directly or indirectly, through a competitive natural gas
24 provider registered in Nebraska. Prior to entering into a contract with
25 an industrial consumer, the city council or village board of trustees
26 shall adopt a resolution stating that the contract does not pose an
27 unreasonable financial risk to the city or village or its taxpayers. Such

1 industrial consumer shall not, within five years prior to the contract's
2 execution, have received gas service from any investor-owned or
3 governmentally owned gas system. The consumer's facilities shall be
4 considered within the service area of the natural gas distribution system
5 of the city or village.