

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.