

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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FLOOR DEBATE

March 13, 2003 LB 726, 756

SENATOR CUDABACK: The motion to advance was successful. Mr. Clerk, next item.

CLERK: LB 726, a bill by Senator Louden. (Read title.) The bill was introduced on January 22 of this year, at that time referred to the Revenue Committee. The bill would...the bill was advanced to General File, Mr. President.

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Louden, you're recognized to open on advancement of LB 726. Senator Louden, you're recognized.

SENATOR LOUDEN: Thank you, Mr. Speaker and members of the body. I bring this bill here today as a priority bill that I have. It's...currently Douglas County is the only county in the state that can opt to raise their lodging tax up to 4 percent. LB 726 enables all counties in the state to do the same. This bill simply strikes the population requirement of 300,000, found in both 81-1254 and 81-1255. That is all that this bill does. It does not mandate anything. It is simple in nature, but would provide for some of the other counties that haven't been allowed to do this tax. The bill is about revenue and equality throughout the state of Nebraska. The language of the bill is exceptionally simple, yet it will help counties accomplish quite a little. Right now, all the counties that have established a lodging tax do not have a rate higher than 2 percent. The revenue from this tax is directed to a County Visitors Promotion Fund. Douglas County, however, since they have the additional 2 percent, directs that extra 2 percent into a fund which no other county has, a County Visitors Improvement Fund. Now, there's a major difference between these two types of funds. A County Visitors Promotion Fund allows the county to use the funds raised by the initial 2 percent tax to only promote tourism, while a County Visitors Improvement Fund allows the county to use the additional 2 percent to improve facilities, the bricks and mortars type thing, and to any...improve any tourist attraction in the county. One of the issues is the total tax on motel and hotel lodgings. However, the state, sales and city taxes are up to 5.5 to 7 percent on motel lodgings, and this money goes to the General Funds for state and local use only. Under LB 726, a County Improvement Fund is used