



**Hundredth Legislature - First Session - 2007  
Committee Statement  
LB 41**

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**Hearing Date:** January 24, 2007  
**Committee On:** Revenue

**Introducer(s):** (Hudkins, 21)  
**Title:** Change motor fuel tax rates and allocation of the revenue

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**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - Advanced to General File with Amendments
  - X Indefinitely Postponed
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**Vote Results:**

7	Yes	Senators Burling, Cornett, Dierks, Langemeier, Preister, Raikes and White
0	No	
0	Present, not voting	
1	Absent	Senator Janssen

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**Proponents:**

Senator Carol Hudkins  
Larry Dix  
Karl A. Fredrickson  
Lynn Rex  
Larry Hudkins  
Larry Ruth

**Representing:**

Introducer  
Nebraska Association of County Officials  
City of Lincoln  
League of Nebraska Municipalities  
Lancaster County  
Associated General Contractors – NE Chapter

**Opponents:**

Tim Keigher  
  
Kathy Siefken

**Representing:**

Nebraska Petroleum Marketers and Convenience Stores Association  
Nebraska Grocery Industry Association

**Neutral:**

None

**Representing:**

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**Summary of purpose and/or changes:**

LB 41 would have changed state laws affecting the motor fuel tax revenue available to city and counties. LB 41 also changed several provisions of laws on motor fuel taxes. Two different tax rates would have been increased from 10.5 cents to 11.5 cents, and from 2 cents per gallon to 4 cents per gallon. Distribution of dollars was to be changed by other provisions which move a

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portion of current motor vehicle sales tax dollars from the Highway Allocation Fund to the Highway Trust Fund. References to a specific type of government which may receive Highway Allocation Funds, the municipal county, were to be deleted. This is a new form of government authorized by state law which has not been formed in any area of Nebraska.

The bill also would have directed that all motor vehicle sales tax funds, including that from the additional ½ cent currently directed to the Highway Allocation Fund, would be placed in the Highway Trust Fund.

**Explanation of amendments, if any:**

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**Senator Ray Janssen, Chairperson**