

ONE HUNDREDTH LEGISLATURE  
FIRST SESSION  
LEGISLATIVE RESOLUTION 191

Introduced by Flood, 19;

PURPOSE: The goal of this interim study is to examine how LB 1114 (1996) and LB 904 (2006) have affected second class cities and villages.

In 1996, the Legislature passed LB 1114, which lowered the property tax lid for second class cities and villages from one dollar and five cents to forty-five cents per one hundred dollars of taxable valuation. Floor discussions on LB 1114 recognized that such action could prove to be devastating for smaller communities that could not make up the lost revenue through the local option municipal sales tax and/or consolidation of services. There was some indication that state aid may be one mechanism for alleviating this burden.

In 2006, the Legislature passed LB 904, which, among other things, required cities and counties to spend any local sales tax collected from sales of motor vehicles for street and road purposes, except instances where existing sales tax revenue was pledged for bonds issued for other purposes or other revenue sources were pledged for bonds issued for street and road purposes.

It is the intent of this interim study to analyze the effect that these municipal spending restrictions have had on cities of the second class and villages.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDREDTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.