

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT
LB1002

Hearing Date: Wednesday February 03, 2010
Committee On: Revenue
Introducer: Louden
One Liner: Authorize state sales tax revenue assistance derived from the sale of alcoholic liquor for certain political subdivisions

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	5	Senators Cornett, Dierks, Hadley, Louden, White
Nay:	2	Senators Utter, Adams
Absent:		
Present Not Voting:	1	Senator Pirsch

Proponents:

Senator LeRoy Louden
Gary Person
Theresa TwoBulls
Sonia Weston

Kim Clausen

Mark Vasina
Judi gaiashkibos

Representing:

Introducer
Himself
Oglala Sioux Tribe, Pine Ridge Indian Reservation
Oglala Sioux Tribe, Tribal Council Representative, HHS
Chair
Oglala Sioux Tribe, Tribal Council Representative, HHS
& Judiciary member
Nebraskans for Peace
Nebraska Indian Commission

Opponents:

John Krejci
Walt Radcliffe
Amy Prenda
Joseph Kohout
Matt Schaefer
Timothy Keigher

Representing:

Nebraskans for Peace
Republic/National Distributing Company
Anheuser-Busch
Associated Beverage Distributors of Nebraska
Sterling Distribution Company
Nebraska Petroleum Marketers & Convenience Store
Assn.

Neutral:

Hobert B. Rupe

Representing:

Nebraska Liquor Control Commission

Summary of purpose and/or changes:

LB 1002 creates a new fund called the Liquor Sales Tax Collection Fund. The fund will receive state sales tax revenues on liquor sales collected under certain circumstances. The specific circumstances are described in the bill.

An application for assistance from this fund must first be filed with the Liquor Control Commission. The assistance may be used in funding economic development, health care, and law enforcement purposes in certain geographic areas. The application must come from a local government located in a geographic area which contains a census designated

place which is associated with an Indian reservation.

After approval of an application, the Tax Commissioner may begin accounting for state sales tax revenue from liquor sales coming from an approved geographic zone having a radius of 30 miles around certain census designated places. The census designated places must be those associated with an Indian reservation. After one year of collection, the Tax Commissioner must certify and distribute the amount of state sales tax collected from this geographic area to the Liquor Sales Tax Collection Fund.

The sales taxes collected will then be available for funding the application by any city, village, or county. Funding will be available for economic development, health care, and law enforcement purposes. The State Liquor Control Commission will administer the grant fund and determine which applicant will receive funding. The applications from local governments shall be funded on a first come, first serve basis. The Commission has the authority to request any information needed for a proper evaluation of the applications.

Explanation of amendments:

The Committee amendments limit the use of a Designated Sales Tax Fund to census designated places associated with an Indian reservation in a county with less than 6,400 inhabitants.

Tribal governments which own land within the 30-mile radius of such places were added to a list of eligible grant recipients.

The Indian Commission was given power to administer the grant program established by the bill. A funding limit of \$250,000 annually is established for the grant fund. The Committee amendments allow the Indian Commission to determine the allocation of the grant amounts to more than one applicant.

Committee amendments change reporting provisions for the Tax Commissioner and eliminate the need to report sales tax collected on liquor sales within the area described in the original bill.

A sunset clause was added to the bill which limits the life of the funding program to seven years.

Abbie Cornett, Chairperson