

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB480

Hearing Date: Thursday February 19, 2009
Committee On: Revenue
Introducer: Dierks
One Liner: Change budget limit and tax levy limitation provisions

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye: 8 Senators Adams, Cornett, Dierks, Friend, Hadley, Loudon, Utter, White
Nay:
Absent:
Present Not Voting:

Proponents:

Senator Cap Dierks
Gary Krumland
Randy Gates
Beth Bazyn Ferrell

Representing:

Introducer
League of Nebraska Municipalities
City of Norfolk
League of Nebraska Municipalities

Opponents:

Craig Head

Representing:

Nebraska Farm Bureau Federation

Neutral:

Representing:

Summary of purpose and/or changes:

LB 480 would have altered budget limitations to allow higher rates of budget growth than currently provided for by local government budget limits.

Provisions added to the current law allow local governments to add allowable growth from new construction and annexations of any amount determined to have occurred. Under current law, only growth amounts which are greater than the base limitation amounts are allowed as additions. Under current law, percentage growth in excess of 2.5 percent would have to occur in order to be added to the growth percentage allowable, and the percentage allowable would be only that percentage in excess of 2.5 percent.

An additional budget lid growth exception would have been allowed under the current capital improvements exceptions. The added language would have allowed budget growth over the current allowable amount for acquisition and replacement of tangible personal property with a useful life of five years or more. A levy exception was also provided for capital improvement expenditures as redefined by the bill. The budget lid and levy exceptions would have applied to all local governments. (Note: Schools have different budget growth allowances which are defined in other provisions of state law.)

Another budget lid growth allowance would have been provided for additional growth for drug prevention and drug enforcement costs in excess of the prior fiscal year. A levy limit exception was also provided for this increased expenditure allowance under the bill.

Abbie Cornett, Chairperson