

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT
LR297CA

Hearing Date: Tuesday February 16, 2010
Committee On: Urban Affairs
Introducer: Karpisek
One Liner: Constitutional amendment to change the powers of municipalities relating to fund sources for economic or industrial development

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:
Aye: 7 Senators Coash, Cook, Krist, Lathrop, McGill, Rogert, White
Nay:
Absent:
Present Not Voting:

Proponents:
Senator Russ Karpisek
Lynn Rex

Representing:
(introducer)
League of Nebraska Municipalities

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

Bill Summary:

LR 297 CA is a constitutional amendment to change the powers of municipalities relating to fund sources for economic or industrial development.

Comments/Analysis:

LR 297 CA amends Article XIII, section 2 of the State Constitution by changing the powers of municipalities with respect to sources they may draw upon to fund economic or industrial development. This amendment proposes to allow funds derived from property tax, local option sales tax, or any other general tax levied by the municipality, or generated from utilities owned by the city to be used to issue revenue bonds for defraying the cost of development projects, as is deemed necessary by the city and subject to a vote within the municipality. It also allows funds received from grants, donations, or state and federal funds received by the city to be used for this same purpose, subject to restrictions from the grantor, donor, or state or federal law.

Details:

The language in the proposed amendment is an expansion of the sources of revenue that may be used to secure the bonds issued by cities for industrial development purposes. The current language of the constitution merely says that the legislature may authorize any incorporated city to appropriate "from local sources of revenue." This was defined as funds raised from general taxes and specifically states that funds received from federal or state sources could not be used. This amendment proposes to strike that language and expand the available sources of funds that can be used for bonding.

Amanda McGill, Chairperson