



One Hundred First Legislature - First Session - 2009
Introducer's Statement of Intent
LB 320

Chairperson: Deb Fischer
Committee: Transportation and Telecommunications
Date of Hearing: February 23, 2009

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 320 was introduced on behalf of Governor Dave Heineman. It fixes the motor fuel tax at twenty six cents. Under current law, the motor fuel tax, via the variable gas tax, fluctuates to meet the appropriation to the Nebraska Department of Roads. Current law on motor fuel tax is set to change on July 1, 2009, due LB 846 which was passed during the 2007 legislative session. Under the motor fuel tax provisions of LB 846, the motor fuel tax will be also adjusted to reflect the wholesale price of motor fuel. LB 320 removes both the variable and wholesale taxes from law.

The 26 cent motor fuel tax will be placed in the Highway Trust Fund. LB 320 simplifies the distribution of funding from the Highway Trust Fund to the state, cities, and counties by allocating the funding by percentages. Seventy-three percent will be allocated to the Department of Roads, thirteen and one half percent will be allocated to the counties, and thirteen and one half percent will be allocated to the cities. This allocation represents the effective current distribution of the Highway Trust Fund.

Because LB 320 eliminates the variable motor fuel tax, it also eliminates the Roads Operation Fund. The elimination is based on a recommendation from the Department of Roads.

Principal Introducer:

Senator Mike Friend
District 10