

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB1114

Hearing Date: Wednesday February 22, 2012
Committee On: Revenue
Introducer: Flood
One Liner: Change provisions relating to the Municipal Equalization Fund

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

Vote Results:

Aye:	7	Senators Adams, Brasch, Cornett, Hadley, Louden, Pirsch, Schumacher
Nay:	1	Senator Fischer
Absent:		
Present Not Voting:		

Proponents:

Speaker Mike Flood
Randy Gates
Roger Foster
Lance Hedquist
Dan Hoins
Ervin Portis

Representing:

Introducer
City of Norfolk
City of Crete
City of S. Sioux City
City of Papillion
City of Plattsmouth

Opponents:

Gary Person

Representing:

City of Sidney

Neutral:

Lynn Rex

Representing:

League of NE Municipalities

Summary of purpose and/or changes:

The bill as written would eliminate a sales tax collection fee paid by the cities to the State of Nebraska. This fee is currently 3% of the local option sales tax receipts collected on behalf of the city by the State of Nebraska's network of retail sales tax permit holders. This money is currently deposited in the Municipal Equalization Fund. The removal of the fee revenue would reduce the fund by more than half in terms of total revenues. Under other provisions of the bill, cities of the first class would no longer qualify for these funds. The funds remaining in the program, derived from insurance premium tax, would be distributed under the current municipal equalization fund formula, but formula provisions would be calculated using only information for cities of the second class and villages.

Explanation of amendments:

The Committee Amendment to LB 1114 deletes all the language of the original bill. The amendment then adds language which allows cities to qualify for 20% of their original equalization aid without complying with the minimum levy provisions of the current law.

Abbie Cornett, Chairperson