

ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011
COMMITTEE STATEMENT
LB380

Hearing Date: Monday February 07, 2011
Committee On: Appropriations
Introducer: Speaker Flood
One Liner: Change provisions relating to depreciation charges relating to state buildings

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

Vote Results:

Aye: 9 Senators Conrad, Fulton, Hansen, Harms, Heidemann, Mello, Nelson, Nordquist, Wightman
Nay:
Absent:
Present Not Voting:

Proponents:
Gerry Oligmueller

Representing:
Introducer - Governor's Office

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 380, introduced by the Speaker at the request of the Governor, is a component of the Governor's 2011-13 biennium budget recommendations. The bill would suspend certain depreciation charges assessed by the Department of Administrative Services (DAS). Legislation enacted in 1998 (LB1100) provided, with certain exclusions, that in the year following completion of a capital construction project, DAS was to annually thereafter assess depreciation charges to the relevant state agency on the basis of 2% of the total project cost. In the case of acquisition of an existing facility, the depreciation charge was based upon 2% of the greater of the acquisition price or the value of the facility as determined by DAS. The charges were suspended for 2003-04 and 2004-05 by LB410 [2003] and LB1092 [2004]. The charges were reinstated at a 1% rate for 2005-06 and remained at that level through 2008-09. LB318, enacted in 2009, suspended the charges for 2009-10 and 2010-11 after which, the charges are to be reinstated at the 1% rate beginning with 2011-12. Amounts remitted by state agencies for these depreciation charges are credited, as applicable, to the State Building Renewal Assessment Fund (Sec. 81-188.01), University Building Renewal Assessment Fund (Sec. 81-188.03), and State College Building Renewal Assessment Fund (Sec. 81-188.05). The funds are administered by the "309" Task Force for Building Renewal (a division of DAS). In general terms, amounts from the respective funds are authorized to be expended for building renewal projects and other building improvements incident to approved building renewal projects.

Sections 1 to 3 of LB318 would continue to suspend assessment of the referenced depreciation charges for 2011-12 and 2012-13. Under provisions of the bill, depreciation charges would resume at the rate of 1% for 2013-14 and future years. Affected state agencies would not be subject to the depreciation charges for the 2011-13 biennium. Correspondingly, no revenue from these depreciation charges would accrue to the three building renewal assessment funds for the 2011-13 biennium.

Section 4 of the bill includes a July 1, 2011 operative date. Section 5 repeals the original sections amended by the bill and Section 6 includes an emergency clause.

Explanation of amendments:

Section 6 of the committee amendments would outright repeal Sections 81-188.02, 81-188.04, and 81-188.06 Revised Statutes Cumulative Supplement, 2010, and would thus eliminate, rather than continue to suspend, assessment of depreciation charges as provided in the respective sections.

Sections 1 to 3 of the committee amendments would amend provisions relating to the State Building Renewal Assessment Fund, University Building Renewal Assessment Fund, and State College Building Renewal Assessment Fund. References to the depreciation charges to be eliminated by virtue of Section 6 of the committee amendments are stricken.

Section 4 of the committee amendments includes a July 1, 2011 operative date.

Section 5 repeals the original sections amended by the committee amendments.

Section 7 includes an emergency clause.

Lavon Heidemann, Chairperson