

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 956

Introduced by Ashford, 20; Cornett, 45; Schumacher, 22.

Read first time January 11, 2012

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 77-27,142, 77-27,142.01, and 77-27,142.02, Reissue
3 Revised Statutes of Nebraska; to authorize an increase in
4 local option sales tax for municipalities; to change an
5 election requirement; to eliminate obsolete provisions;
6 to harmonize provisions; and to repeal the original
7 sections.

8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-27,142, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-27,142 (1) Any incorporated municipality by ordinance
4 of its governing body is hereby authorized to impose a sales and use
5 tax of one-half percent, one percent, ~~or one and one-half percent,~~
6 one and three-quarters percent, or two percent upon the same
7 transactions that are sourced under the provisions of sections
8 77-2703.01 to 77-2703.04 within such incorporated municipality on
9 which the State of Nebraska is authorized to impose a tax pursuant to
10 the Nebraska Revenue Act of 1967, as amended from time to time. No
11 sales and use tax shall be imposed pursuant to this section until an
12 election has been held and a majority of the qualified electors have
13 approved such tax pursuant to sections 77-27,142.01 and 77-27,142.02.

14 (2) Any incorporated municipality that proposes to impose
15 a municipal sales and use tax at a rate greater than one and one-half
16 percent or increase a municipal sales and use tax to a rate greater
17 than one and one-half percent shall submit the question of such tax
18 or increase at the municipality's primary or general election. Any
19 such tax or increase shall terminate no more than ten years after its
20 effective date or, if bonds are issued and the local option sales and
21 use tax revenue is pledged for payment of such bonds, upon payment of
22 such bonds and any refunding bonds, whichever date is later. Sections
23 13-518 to 13-522 apply to the revenue from any such tax or increase.

24 (3) No sales and use tax shall be imposed at a rate
25 greater than one and one-half percent or increased to a rate greater

1 than one and one-half percent unless the municipality is a party to
2 an interlocal agreement pursuant to the Interlocal Cooperation Act or
3 a joint public agency agreement pursuant to the Joint Public Agency
4 Act, with a school district within the municipality or the county in
5 which the municipality is located creating a separate legal or
6 administrative entity. Such interlocal agreement or joint public
7 agency agreement shall contain provisions, including benchmarks,
8 relating to the long-term development of unified governance of
9 transportation, infrastructure, economic development, public safety
10 services, education, or information technology services with respect
11 to such parties. The Legislature may provide additional requirements
12 for such agreements, including benchmarks, but such additional
13 requirements shall not apply to any debt outstanding at the time the
14 Legislature enacts such additional requirements. Any other public
15 agency as defined in section 13-803 may be a party to such interlocal
16 cooperation agreement or joint public agency agreement. A
17 municipality is not required to use all of the additional revenue
18 generated by a sales and use tax imposed at a rate greater than one
19 and one-half percent or increased to a rate greater than one and one-
20 half percent under this subsection for the purposes of the interlocal
21 cooperation agreement or joint public agency agreement set forth in
22 this subsection.

23 (4) The provisions of subsections (2) and (3) of this
24 section do not apply to the first one and one-half percent of a sales
25 and use tax imposed by a municipality.

1 (5) Notwithstanding any provision of any municipal
2 charter, any incorporated municipality or interlocal agency or joint
3 public agency pursuant to an agreement as provided in subsection (3)
4 of this section may issue bonds in one or more series for any
5 municipal purpose and pay the principal of and interest on any such
6 bonds by pledging receipts from the increase in the municipal sales
7 and use taxes authorized by such municipality. Any municipality which
8 has or may issue bonds under this section may dedicate a portion of
9 its property tax levy authority as provided in section 77-3442 to
10 meet debt service obligations under the bonds. For purposes of this
11 subsection, bond means any evidence of indebtedness, including, but
12 not limited to, bonds, notes including notes issued pending long-term
13 financing arrangements, warrants, debentures, obligations under a
14 loan agreement or a lease-purchase agreement, or any similar
15 instrument or obligation.

16 ~~(2) A city of the metropolitan class is hereby authorized~~
17 ~~to increase any city sales and use tax existing on January 1, 1978,~~
18 ~~imposed pursuant to this section by an amount not to exceed one half~~
19 ~~of one percent if the question of such tax increase is submitted to~~
20 ~~the voters of such city and the voters by a majority vote approve~~
21 ~~such increase. The question of such increase shall be submitted to~~
22 ~~the voters at the primary or general election in 1980 if the city~~
23 ~~council shall submit a certified copy of a resolution to that effect~~
24 ~~to the election commissioner not later than forty one days prior to~~
25 ~~the primary or general election. Notwithstanding the provisions of~~

1 ~~section 77-27,143, if the increase is approved by the voters at the~~
2 ~~primary or general election in 1980, the election commissioner shall~~
3 ~~file a certified copy of the election results with the Tax~~
4 ~~Commissioner on or before the last day of the month in which the~~
5 ~~election is held. If the increase is not approved by the voters at~~
6 ~~the primary or general election in 1980, no tax increased pursuant to~~
7 ~~this section shall remain in effect after December 31, 1980.~~

8 ~~(3) A city of the primary class is hereby authorized to~~
9 ~~increase any city sales and use tax existing on January 1, 1985,~~
10 ~~imposed pursuant to this section by an amount not to exceed one half~~
11 ~~of one percent if the question of such tax increase is submitted to~~
12 ~~the voters of such city and the voters by a majority vote approve~~
13 ~~such increase. The question of such increase shall be submitted to~~
14 ~~the voters at the next primary or general election or at a special~~
15 ~~election if the city council shall submit a certified copy of a~~
16 ~~resolution proposing the tax increase to the election commissioner~~
17 ~~within a reasonable time prior to the primary, general, or special~~
18 ~~election. If the increase is approved by the voters at the primary,~~
19 ~~general, or special election, the election commissioner shall file a~~
20 ~~certified copy of the election results with the Tax Commissioner on~~
21 ~~or before the last day of the month in which the election is held. If~~
22 ~~the voters of a city of the primary class have not approved such an~~
23 ~~increase by December 31, 1987, the question of such an increase shall~~
24 ~~not be submitted thereafter to the voters and there shall be no~~
25 ~~increase in the city sales and use tax.~~

1 ~~(4) A city of the first or second class or village is~~
2 ~~hereby authorized to increase any city sales and use tax existing on~~
3 ~~January 1, 1986, imposed pursuant to this section by an amount not to~~
4 ~~exceed one half of one percent if the question of such tax increase~~
5 ~~is submitted to the voters of such city or village and the voters by~~
6 ~~a majority vote approve such increase. The question of such increase~~
7 ~~shall be submitted to the voters at any primary or general election~~
8 ~~or at a special election if the city council or village board shall~~
9 ~~submit a certified copy of a resolution proposing the tax increase to~~
10 ~~the election commissioner or county clerk within a reasonable time~~
11 ~~prior to the primary, general, or special election. If the increase~~
12 ~~is approved by the voters at the primary, general, or special~~
13 ~~election, the election commissioner shall file a certified copy of~~
14 ~~the election results with the Tax Commissioner on or before the last~~
15 ~~day of the month in which the election is held.~~

16 Sec. 2. Section 77-27,142.01, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 77-27,142.01 (1) The governing body of any incorporated
19 municipality may submit the question of changing any terms and
20 conditions of a sales and use tax previously authorized under section
21 77-27,142. Except as otherwise provided by section 77-27,142, the The
22 question of modification shall be submitted to the voters at any
23 primary or general election or at a special election if the governing
24 body submits a certified copy of the resolution proposing
25 modification to the election commissioner or county clerk within the

1 time prior to the primary, general, or special election prescribed in
2 section 77-27,142.02.

3 (2) If the change imposes a sales and use tax at a rate
4 greater than one and one-half percent or increases the sales and use
5 tax to a rate greater than one and one-half percent, the question
6 shall include, but not be limited to:

7 (a) The percentage increase of one-quarter percent or
8 one-half percent in the sales and use tax rate;

9 (b) A list of reductions or elimination of other taxes or
10 fees, if any;

11 (c) A description of the projects, programs, or services
12 to be funded, in whole or in part, from the revenue collected, along
13 with any savings or efficiencies resulting from such projects,
14 programs, or services;

15 (d) The year or years within which the revenue will be
16 collected and, if bonds will be issued with some or all of the
17 revenue pledged for payment of such bonds, a statement that the
18 revenue will be collected until the payment in full of such bonds and
19 any refunding bonds; and

20 (e)(i) The percentage of revenue collected to be used for
21 the purposes of the interlocal agreement or joint public agency
22 agreement as provided in subsection (3) of section 77-27,142; (ii) a
23 statement of the overall purpose of the agreement which is the long-
24 term development of unified governance of transportation,
25 infrastructure, economic development, public safety services,

1 education, or information technology services; (iii) the name of the
2 school district or county which is a party to the agreement; and (iv)
3 the name of any other public agency which is a party to the
4 agreement.

5 This subsection does not apply to the first one and one-
6 half percent of a sales and use tax imposed by a municipality.

7 Sec. 3. Section 77-27,142.02, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 77-27,142.02 Except as otherwise provided by subsection
10 (2) of section 77-27,142, after February 14, 1978, the power granted
11 by section 77-27,142 shall not be exercised unless and until the
12 question has been submitted at a primary, general, or special
13 election held within the incorporated municipality and in which all
14 qualified electors shall be entitled to vote on such question. The
15 officials of the incorporated municipality shall order the submission
16 of the question by submitting a certified copy of the resolution
17 proposing the tax to the election commissioner or county clerk by
18 March 1 for a primary election, by September 1 for a general
19 election, or at least fifty days before a special election. ~~The~~
20 Except as otherwise provided by subsection (2) of section
21 77-27,142.01, the question may include any terms and conditions set
22 forth in the resolution proposing the tax, such as a termination date
23 or the specific project or program for which the revenue received
24 from such tax will be allocated, and shall include the following
25 language: Shall the governing body of the incorporated municipality

1 impose a sales and use tax upon the same transactions within such
2 municipality on which the State of Nebraska is authorized to impose a
3 tax? If a majority of the votes cast upon such question shall be in
4 favor of such tax, then the governing body of such incorporated
5 municipality shall be empowered as provided by section 77-27,142 and
6 shall forthwith proceed to impose a tax pursuant to the Local Option
7 Revenue Act. If a majority of those voting on the question shall be
8 opposed to such tax, then the governing body of the incorporated
9 municipality shall not impose such a tax.

10 Sec. 4. Original sections 77-27,142, 77-27,142.01, and
11 77-27,142.02, Reissue Revised Statutes of Nebraska, are repealed.