

# **One Hundred Second Legislature - First Session - 2011**

## **Introducer's Statement of Intent**

### **LB471**

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**Chairperson: Senator Amanda McGill**

**Committee: Urban Affairs**

**Date of Hearing: February 01, 2011**

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

The purpose of LB 471 is to implement Amendment 1, which is the Constitutional Amendment that was approved by the voters in November, 2010. Amendment 1 amends Art. XIII, Sec. 2, of the Nebraska Constitution to give authority to the Legislature to grant municipalities more flexibility in funding sources for voter approved economic development.

LB 471 amends section 18-2708 to redefine "local sources of revenue" for purposes of the Local Option Municipal Economic Development Act using the language from Amendment 1. Under the current Act, municipalities can use property tax and sales tax to fund voter approved economic development plans. LB 471 defines "local sources of revenue" as: "the city's property tax, or the city's local option sales tax, or any other general tax levied by the city or generated from municipally owned utilities or grants, donations, or state and federal funds received by the city subject to any restrictions of the grantor, donor, or state or federal law."

LB 471 further refines the definition of "local sources of revenue" by listing the uses for funds received from local utilities. LB 471 provides that funds "generated from municipally owned utilities shall be used for utility-related purposes or activities associated with the economic development program as determined by the city council, including, but not limited to, load management, energy efficiency, energy conservation, incentives for load growth, line extensions, land purchase, site development, and demand side management measures."

**Principal Introducer:** \_\_\_\_\_

**Senator Russ Karpisek**

