

AMENDMENTS TO LB242

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Sections 1 to 5 of this act shall be known and may be
4 cited as the Infrastructure Improvement and Replacement Assistance Act.

5 Sec. 2. (1) The Legislature finds that municipalities and sewer and
6 water utilities of this state face a need to construct, upgrade,
7 redevelop, and replace sewer and water infrastructure facilities and to
8 redevelop and replace obsolete sewer and water facilities. By providing
9 sewer and water facilities, municipalities and sewer and water utilities
10 provide the building blocks for economic development. Not only does the
11 investment in infrastructure generate an immediate stream of economic
12 activity, it also lays the groundwork for private investment that will
13 use the facilities so provided. Municipalities and sewer and water
14 utilities in this state currently are in critical need of assistance in
15 providing these facilities. Political subdivisions are limited in their
16 ability to finance major infrastructure projects. Political subdivisions
17 are able to use property taxes, local option sales taxes, bond funding,
18 fees for services, or a combination thereof. However, many of these
19 financing options contain statutory budget and tax levy restrictions. In
20 order to minimize the burden on property taxpayers in Nebraska, the
21 Legislature finds that it is fair and equitable to encourage the use of
22 fees for services to finance major infrastructure projects.

23 (2) The Legislature further finds that it is in the public interest
24 to assist municipalities and sewer and water utilities by establishing a
25 turnback of state sales tax revenue to provide funds to municipalities
26 and sewer and water utilities to be used to replace and redevelop sewer
27 and water infrastructure facilities and to redevelop and replace obsolete

1 sewer and water facilities. In order that this state and its residents
2 may receive long-term economic and fiscal benefits from such facilities,
3 a need exists to provide state assistance to municipalities and sewer and
4 water utilities endeavoring to construct, acquire, substantially
5 reconstruct, expand, operate, improve, or equip such facilities. It is in
6 the best interest of the state, its municipalities, and its sewer and
7 water utilities that the state assist municipalities and sewer and water
8 utilities in financing the construction, acquisition, substantial
9 reconstruction, expansion, operation, improvement, or equipping of sewer
10 and water infrastructure facilities and to permit municipalities and
11 sewer and water utilities to reissue bonds secured by amounts received
12 under the Infrastructure Improvement and Replacement Assistance Act and
13 from other sources.

14 Sec. 3. For purposes of the Infrastructure Improvement and
15 Replacement Assistance Act:

16 (1) Political subdivision means any local governmental body formed
17 and organized under state law and any joint entity or joint public agency
18 created under the Interlocal Cooperation Act or the Joint Public Agency
19 Act which has statutory authority to issue general obligation bonds;

20 (2) Sewer utility means any sewer utility operated by a political
21 subdivision; and

22 (3) Water utility means any water utility operated by a political
23 subdivision.

24 Sec. 4. (1) The state shall assist political subdivisions and sewer
25 and water utilities by turning back a percentage of certain state sales
26 tax revenue to political subdivisions and sewer and water utilities as
27 provided in this section.

28 (2) The state shall pay to each political subdivision, sewer
29 utility, or water utility a percentage of the state sales tax imposed on
30 sewer and potable water fees and collected by such political subdivision
31 or utility as follows:

1 (a) For sales taxes imposed from July 1, 2020, through June 30,
2 2021: 36.36 percent;

3 (b) For sales taxes imposed from July 1, 2021, through June 30,
4 2023: 54.54 percent; and

5 (c) For sales taxes imposed on and after July 1, 2023: 72.72
6 percent.

7 (3) Funds received under this section shall be used exclusively to
8 assist in:

9 (a) Paying for infrastructure improvements relating to constructing,
10 upgrading, redeveloping, or replacing sewer and water infrastructure
11 facilities;

12 (b) Paying for the redevelopment and replacement of obsolete water
13 or sewer facilities; or

14 (c) Repaying bonds issued and pledged for such work.

15 Sec. 5. The Department of Revenue shall adopt and promulgate rules
16 and regulations as necessary to carry out the Infrastructure Improvement
17 and Replacement Assistance Act.

18 Sec. 6. Since an emergency exists, this act takes effect when
19 passed and approved according to law.