

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB178

Hearing Date: Friday February 19, 2021
Committee On: Revenue
Introducer: Lindstrom
One Liner: Adopt the Infrastructure Improvement and Replacement Assistance Act and provide for a turnback of state sales tax revenue

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

Vote Results:

Aye:	6	Senators Albrecht, Bostar, Briese, Friesen, Lindstrom, Linehan
Nay:	1	Senator Flood
Absent:		
Present Not Voting:	1	Senator Pahls

Oral Testimony:

Proponents:

Senator Brett Lindstrom
Donna Garden
Jim Theiler
Rick Kubat
Lash Chaffin

Representing:

Introducer
City of Lincoln
City of Omaha - Public Works Department
Metropolitan Utilities District
League of Nebraska Municipalities

Opponents:

Representing:

Neutral:

Representing:

Submitted Written Testimony:

Proponents:

Jeanne McClure
Julia Plucker
Matt Schaefer

Joseph Kohout
Tim Gay
Bruce Bohrer

Dean Edson

Representing:

American Council of Engineering Companies
Coalition of Agricultural Manufacturers
Associated General Contractors - Nebraska Chapter,
Nebraska Association of Commercial Property Owners
United Cities of Sarpy County
Sarpy County Board of Commissioners
Greater Omaha Chamber of Commerce, Lincoln Chamber
of Commerce
Nebraska Association of Resources Districts

Opponents:

Representing:

Summary of purpose and/or changes:

LB178 will create the Infrastructure Improvement and Replacement Assistance Act. The intent is to assist municipalities and sewer and water utilities by establishing a turn back of state sales tax revenue to provide funds to be used to replace and redevelop sewer and water infrastructure facilities and to redevelop and replace obsolete sewer and water facilities.

The bill provides the state shall pay each political subdivision, sewer utility, or water utility a percentage of the state sales tax imposed on sewer and potable water fees and collected by such political subdivision or utility. The amount of the turn back will be:

- 36.36% for sales taxes from July 1, 2021 through June 30, 2022
- 54.54% for sales taxes imposed from July 1, 2022 through June 30, 2024
- 72.72% for sales taxes imposed on and after July 1, 2024

Funds received shall be used exclusively to assist in:

- Paying for infrastructure improvements relating to constructing, upgrading, redeveloping, or replacing sewer and water infrastructure facilities;
- Paying for the redevelopment and replacement of obsolete water or sewer facilities; or
- Repaying bonds issued and pledged for such work.

The Department of Revenue is authorized to adopt and promulgate rules and regulations to carry out the provisions of this Act.

The bill has the Emergency Clause.

Explanation of amendments:

The committee voted to adopt Committee Amendment 387:

8 Yes - Linehan, Lindstrom, Albrecht, Bostar, Briese, Flood, Friesen, Pahls

The amendment reduces the percentage of the turnback from 36.36%, 54.54%, 72.72% over the first three years to 36.36% the first year and 50% every year thereafter.

Lou Ann Linehan, Chairperson