

LEGISLATIVE BILL 257

Approved by the Governor May 22, 1981

Introduced by DeCamp, 40; Fowler, 27; Wesely, 26

AN ACT relating to energy; to provide for energy efficiency grants to school districts; to create two funds and provide the source and use thereof; to increase the oil and gas severance tax as prescribed; to amend sections 57-703 and 57-705, Reissue Revised Statutes of Nebraska, 1943, and section 77-3424, Revised Statutes Supplement, 1980; to provide for termination of sections; to provide an operative date; to repeal the original sections; and to declare an emergency.

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

Section 1. That section 57-703, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

57-703. Taxes, as levied by the provisions of section 57-702, shall be levied upon the value of the resources severed, and shall be paid at the rate of two three per cent of the value of such oil and natural gas, except that oil produced from any wells which produce ten barrels per day or less of crude oil for the average of all producing days during the taxable year shall be subject to a two per cent severance tax. The value of oil and natural gas shall be computed immediately after such severance at the place where the same were severed.

Sec. 2. That section 57-705, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

57-705. All taxes, levied by the provisions of sections 57-701 to 57-715, shall be paid to the Tax Commissioner. He or she shall pay to the State Treasurer all money so received. All sums of money received, under the provisions of sections 57-701 to 57-715 by the State Treasurer, shall be placed by him or her in a fund to be known as the Severance Tax Fund. An appropriate amount, as determined by the Tax Commissioner, so placed in such fund shall be credited by the State Treasurer, upon the first day of each month, and shall inure to the Severance Tax Administration Fund, to be used for the expenses of administering the provisions of sections 57-701 to 57-715. The balance of the Severance Tax Fund received from school lands shall be credited by the State

Treasurer, upon the first day of each month, and shall inure to the Permanent School Fund as established in Article VII, section 3 7, of the Constitution of Nebraska. Of the balance of the Severance Tax Fund received from other than school lands prior to July 1, 1983, (1) five hundred thousand dollars annually shall be allocated to the Nebraska Energy Resource Fund, which is hereby created, and (2) the remainder shall be allocated to the School Weatherization Fund, which is hereby created. For fiscal years 1981-82 and 1982-83, the Legislature shall appropriate each year from the Nebraska Energy Resource Fund four hundred thousand dollars to the State Energy Office for energy conservation purposes and providing technical assistance in developing alternate sources of energy, one hundred twenty-five thousand dollars of which shall annually be granted by the State Energy Office to the Department of Agricultural Engineering Institute of Agriculture and Natural Resources of the University of Nebraska for the Alcohol Injection Equipment Testing program and the Alcohol Still Performance Testing program. For fiscal years 1981-82 and 1982-83 the Legislature shall also appropriate one hundred thousand dollars to the University of Nebraska for solar and other renewable energy research, development, and extension services. Commencing July 1, 1983, the balance of the Severance Tax Fund received from other than school lands shall be credited and inure to the School Foundation and Equalization Fund. The amount allocated to the School Foundation and Equalization Fund under this section shall be in addition to any other amounts appropriated to such fund and shall be specifically allocated for distribution pursuant to (a) section 79-1334, in an amount not to exceed sixty per cent of such additional funds, and (b) section 79-1339. Any balance in the School Weatherization Fund on July 1, 1983, shall be transferred to the School Foundation and Equalization Fund.

Sec. 3. (1) Any school district may apply to the State Energy Office for an energy efficiency grant. Each school district applying for such a grant shall provide matching funds equal to twenty-five per cent of the grant request. Grants received pursuant to this section and the matching school district funds shall only be used for energy efficiency projects which are approved by the State Energy Office at the time the grant is approved. The State Energy Office shall provide forms on which grant applications may be made. The State Energy Office shall record and compile a complete list of all grant applications.

(2) The State Energy Office shall approve grant applications for proposed programs or projects which will

reduce energy use or result in a more efficient use of available energy resources. Any grant not denied within thirty days of its submission shall be considered approved. In determining whether to approve, reduce, or deny an application the State Energy Office shall consider the type of project or program proposed, the life expectancy of the building, and the projected energy savings. No school district shall receive grants totaling more than one hundred thousand dollars for use in any one school.

(3) Upon approval of a grant application pursuant to this section, the State Energy Office shall submit its voucher against the School Weatherization Fund to the Director of Administrative Services for the amount of the approved grant. The Director of Administrative Services shall, on a monthly basis or more frequently if requested, notify the State Energy Office of the balance available in the School Weatherization Fund.

Sec. 4. (1) Each school district receiving a grant pursuant to section 3 of this act shall, on an annual basis, submit a report to the State Energy Office detailing any changes in energy consumption for each school in which an energy efficiency project or program was funded pursuant to sections 3 to 5 of this act.

(2) The Legislature's Performance Review and Audit Committee shall annually review and assess the need for continuation of the School Weatherization Fund.

Sec. 5. For purposes of sections 77-3412 to 77-3431 grants made pursuant to sections 3 to 5 of this act shall be considered nonrecurring special grants.

Sec. 6. That section 77-3424, Revised Statutes Supplement, 1980, be amended to read as follows:

77-3424. For the purposes of sections 77-3412 to 77-3431, anticipated receipts from local tax sources shall not include: (1) Receipts for any fund used for retiring, refunding, or servicing bonded indebtedness; (2) funds used to pay for the first year's implementation of any new program established by state law and specifically designated as a new program for the purposes of sections 77-3412 to 77-3431, but such funds shall be included in computing the combined receipts budget base for each year following the first year; (3) receipts from the increased tax levied or caused to be levied pursuant to the authority granted under section 77-3428; (4) receipts from any tax levied pursuant to section 79-506.01; and (5) funds used for payment of employer contributions for the provisions of the Federal Insurance

Contributions Act, fuel for any purpose, and electricity which are in excess of one hundred seven per cent of the amount budgeted in the immediately preceding fiscal year for such items; and (6) funds used to correct a waste of energy or to carry out a program of energy conservation as identified by an energy audit conducted by a professional engineer or by the State Energy Office under the institutional buildings grant program.

Sec. 7. Sections 3 to 5 of this act shall terminate on June 30, 1983.

Sec. 8. This act shall become operative on July 1, 1981.

Sec. 9. That original sections 57-703 and 57-705, Reissue Revised Statutes of Nebraska, 1943, and section 77-3424, Revised Statutes Supplement, 1980, are repealed.

Sec. 10. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.