

E AND R AMENDMENTS TO LB 815

Introduced by Guereca, 7, Chairman Enrollment and Review

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

3           **Section 1.** Section 66-489, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5           66-489 (1)(a) At the time of filing the return required by section  
6 66-488, such producer, supplier, distributor, wholesaler, or importer  
7 shall, in addition to the tax imposed pursuant to sections 66-489.02,  
8 66-4,140, 66-4,145, and 66-4,146 and in addition to the other taxes  
9 provided for by law, pay a tax in an amount set in subdivision (b) of  
10 this subsection upon all motor fuels as shown by such return, except that  
11 there shall be no tax on the motor fuels reported if (i) the required  
12 taxes on the motor fuels have been paid, (ii) the motor fuels have been  
13 sold to a licensed exporter exclusively for resale or use in another  
14 state, (iii) the motor fuels have been sold from a Nebraska barge line  
15 terminal, pipeline terminal, refinery, or ethanol or biodiesel facility,  
16 including motor fuels stored offsite in bulk, by a licensed producer or  
17 supplier to a licensed distributor, (iv) the motor fuels have been sold  
18 by a licensed distributor or licensed importer to a licensed distributor  
19 or to a licensed wholesaler and the seller acquired ownership of the  
20 motor fuels directly from a licensed producer or supplier at or from a  
21 refinery, barge, barge line, pipeline terminal, or ethanol or biodiesel  
22 facility, including motor fuels stored offsite in bulk, in this state or  
23 was the first importer of such fuel into this state, or (v) as otherwise  
24 provided in this section. Such producer, supplier, distributor,  
25 wholesaler, or importer shall remit such tax to the department.

26           (b) The tax shall be:

27           (i) Seven and one-half cents per gallon through December 31, 2015;

1 (ii) Eight cents per gallon beginning on January 1, 2016, through  
2 December 31, 2016;

3 (iii) Eight and one-half cents per gallon beginning on January 1,  
4 2017, through December 31, 2017;

5 (iv) Nine cents per gallon beginning on January 1, 2018, through  
6 December 31, 2018; and

7 (v) Nine and one-half cents per gallon beginning on January 1, 2019.

8 (2)(a) As part of filing the return required by section 66-488, each  
9 producer of ethanol shall, in addition to other taxes imposed by the  
10 motor fuel laws, pay an excise tax of one and one-quarter cents per  
11 gallon on:

12 (i) Gasoline, natural gasoline, or any other gasoline component,  
13 including, but not limited to, any gasoline component produced from  
14 biomass feedstock, purchased for use as a denaturant by the producer at  
15 an ethanol facility; and

16 (ii) Two percent of agricultural ethyl alcohol sold that is unfit  
17 for beverage purposes and does not meet the American Society for Testing  
18 and Materials D4806 standards.

19 (b) All taxes, interest, and penalties collected under this  
20 subsection shall be remitted to the State Treasurer for credit to the  
21 Agricultural Alcohol Fuel Tax Fund.

22 (3)(a) Motor fuels, methanol, and all blending agents or fuel  
23 expanders shall be exempt from the taxes imposed by this section and  
24 sections 66-489.02, 66-4,105, 66-4,140, 66-4,145, and 66-4,146, when the  
25 fuels are used for buses equipped to carry more than seven persons for  
26 hire and engaged entirely in the transportation of passengers for hire  
27 within municipalities or within a radius of six miles thereof.

28 (b) The owner or agent of any bus equipped to carry more than seven  
29 persons for hire and engaged entirely in the transportation of passengers  
30 for hire within municipalities, or within a radius of six miles thereof,  
31 in lieu of the excise tax provided for in this section, shall pay an

1 equalization fee of a sum equal to twice the amount of the registration  
2 fee applicable to such vehicle under the laws of this state. Such  
3 equalization fee shall be paid in the same manner as the registration fee  
4 and be disbursed and allocated as registration fees.

5 (c) Nothing in this section shall be construed as permitting motor  
6 fuels to be sold tax exempt. The department shall refund tax paid on  
7 motor fuels used in buses deemed exempt by this section.

8 (4) Gasoline, natural gasoline, or any other gasoline component,  
9 including, but not limited to, any gasoline component produced from  
10 biomass feedstock, purchased for use as a denaturant by a producer at an  
11 ethanol facility as defined in section 66-1333 shall be exempt from the  
12 motor fuels tax imposed by subsection (1) of this section as well as the  
13 tax imposed pursuant to sections 66-489.02, 66-4,140, 66-4,145, and  
14 66-4,146.

15 (5) Unless otherwise provided by an agreement entered into between  
16 the State of Nebraska and the governing body of any federally recognized  
17 Indian tribe within the State of Nebraska, motor fuels purchased on a  
18 Nebraska Indian reservation where the purchaser is a Native American who  
19 resides on the reservation shall be exempt from the motor fuels tax  
20 imposed by this section as well as the tax imposed pursuant to sections  
21 66-489.02, 66-4,140, 66-4,145, and 66-4,146.

22 (6) Motor fuels purchased for use by the United States Government or  
23 its agencies shall be exempt from the motor fuels tax imposed by this  
24 section as well as the tax imposed pursuant to sections 66-489.02,  
25 66-4,140, 66-4,145, and 66-4,146.

26 (7)(a) Except as otherwise provided in subdivision (b) of this  
27 subsection, in (7) ~~In~~ the case of diesel fuel, there shall be no tax on  
28 the motor fuels reported if (i) ~~(a)~~ the diesel fuel has been indelibly  
29 dyed and chemically marked in accordance with regulations issued by the  
30 Secretary of the Treasury of the United States under 26 U.S.C. 4082 or  
31 (ii) ~~(b)~~ the diesel fuel contains a concentration of sulphur in excess of

1 five-hundredths percent by weight or fails to meet a cetane index minimum  
2 of forty and has been indelibly dyed in accordance with regulations  
3 promulgated by the Administrator of the United States Environmental  
4 Protection Agency pursuant to 42 U.S.C. 7545.

5 (b) Beginning on October 1, 2026, a one-quarter of one cent tax per  
6 gallon shall be imposed on diesel fuel that (i) has been indelibly dyed  
7 and chemically marked in accordance with the regulations issued by the  
8 Secretary of the Treasury of the United States or (ii) contains a  
9 concentration of sulphur in excess of five-hundredths percent by weight  
10 or fails to meet a cetane index minimum of forty and has been indelibly  
11 dyed in accordance with the regulations promulgated by the Administrator  
12 of the United States Environmental Protection Agency.

13 (c) The first one hundred forty thousand dollars of taxes collected  
14 under this subsection each fiscal year shall be remitted to the State  
15 Treasurer for credit to the Motor Fuel Tax Enforcement and Collection  
16 Cash Fund, and all remaining taxes collected under this subsection each  
17 fiscal year shall be remitted to the State Treasurer for credit to the  
18 Agricultural Alcohol Fuel Tax Fund.

19 **Sec. 2.** Section 66-726, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 66-726 (1) The department may adjust all errors in payment, refund  
22 tax paid on motor fuel destroyed, refund tax overpaid on motor fuel, and  
23 refund an amount equal to the per-gallon tax imposed by this state on  
24 sales of motor fuel on which tax was paid in this state but which was  
25 sold in a state other than Nebraska.

26 (2)(a) Motor fuels shall be exempt from the taxes imposed by  
27 sections 66-489, 66-489.02, 66-4,105, 66-4,140, 66-4,145, and 66-4,146  
28 when the fuels are used for agricultural, quarrying, industrial, or other  
29 nonhighway use.

30 (b) The department shall refund tax paid on motor fuels used for an  
31 exempt purpose. The purchaser of tax-paid motor fuels used for an exempt

1 purpose shall file a claim for refund with the department on forms  
2 prescribed by the department and shall provide such documentation and  
3 maintain such records as the department reasonably requires to  
4 substantiate that the fuels were used for exempt purposes.

5 (c) The refund claim shall include: (i) The name of claimant; (ii)  
6 the make, horsepower, and other mechanical description of machinery in  
7 which the motor fuels were used; (iii) a statement as to the source or  
8 place of business where such motor fuels, used solely for agricultural,  
9 quarrying, industrial, or other nonhighway uses, were acquired; that no  
10 part of such motor fuels were used in propelling licensed motor vehicles;  
11 and that the motor fuels for which refund of the tax thereon is claimed  
12 were used solely for agricultural, quarrying, industrial, or other  
13 nonhighway uses; and (iv) any other information deemed necessary by the  
14 department.

15 (d) The department shall deduct (i) from each claim for refund of  
16 tax paid on purchases of motor vehicle fuels under this subsection two  
17 and one-quarter cents per gallon through December 31, 2004, and  
18 commencing January 1, 2010, and three and one-half cents per gallon  
19 commencing January 1, 2005, through December 31, 2009, of the tax paid  
20 and (ii) from each claim for refund of tax paid on purchases of diesel  
21 fuel under this subsection one cent per gallon of the tax paid.

22 ~~(e) The department shall transmit monthly to the State Treasurer a~~  
23 ~~report of the number of gallons of motor vehicle fuel for which refunds~~  
24 ~~have been approved under this subsection. Through December 31, 2004, and~~  
25 ~~commencing January 1, 2010, the State Treasurer shall thereupon transfer~~  
26 ~~from the Highway Trust Fund to the Agricultural Alcohol Fuel Tax Fund one~~  
27 ~~and one-quarter cents per gallon approved for refund, and commencing~~  
28 ~~January 1, 2005, through December 31, 2009, the State Treasurer shall~~  
29 ~~thereupon transfer from the Highway Trust Fund (a) to the Ethanol~~  
30 ~~Production Incentive Cash Fund one and one-quarter cents per gallon~~  
31 ~~approved for refund and (b) to the Agricultural Alcohol Fuel Tax Fund one~~

1 ~~and one-quarter cents per gallon approved for refund.~~

2 (3) No refund shall be allowed unless a claim is filed setting forth  
3 the circumstances by reason of which refund should be allowed. Such claim  
4 shall be filed with the department within three years from the date of  
5 the payment of the tax.

6 (4) In each calendar year, no claim for refund related to motor  
7 vehicle fuel, diesel fuel, aircraft fuel, or compressed fuel can be for  
8 an amount less than twenty-five dollars.

9 (5) The department shall administer and enforce this section. The  
10 department may call to its aid when necessary any member of the Nebraska  
11 State Patrol, any police officer, any county attorney, or the Attorney  
12 General. The employees of the department are empowered to stop and  
13 inspect motor vehicles, to inspect premises, and temporarily to impound  
14 motor vehicles or motor fuels when necessary to administer this section.

15 (6) The department may adopt and promulgate such rules and  
16 regulations as are necessary for the prompt and effective enforcement of  
17 this section.

18 (7) Any claimant for refund of motor fuels tax under this section  
19 who is unable to produce the original copy of any invoice to substantiate  
20 the refund for the reason that the same has been lost, mutilated, or  
21 destroyed may make proof of his or her claim by affidavit and such other  
22 evidence as may be required by the department, and if such claim is  
23 verified by investigation, such claim may be allowed.

24 (8) The changes made to this section by Laws 2004, LB 983, apply to  
25 motor fuels purchased during any tax year ending or deemed to end on or  
26 after January 1, 2005, under the Internal Revenue Code.

27 **Sec. 3.** Section 66-739, Revised Statutes Cumulative Supplement,  
28 2024, is amended to read:

29 66-739 There is hereby created the Motor Fuel Tax Enforcement and  
30 Collection Cash Fund. Such fund shall consist of appropriations to the  
31 fund and money transferred to it pursuant to sections section 39-2215 and

1 66-489. The fund shall be used exclusively for the costs of the  
2 Department of Revenue in carrying out its duties under the Compressed  
3 Fuel Tax Act, the Petroleum Release Remedial Action Act, the State  
4 Aeronautics Act, and sections 66-482 to 66-4,149, 66-501 to 66-531, and  
5 66-712 to 66-736 and other related costs for the Department of  
6 Agriculture and the Nebraska State Patrol, except that transfers may be  
7 made from the fund to the General Fund at the direction of the  
8 Legislature. Any money in the Motor Fuel Tax Enforcement and Collection  
9 Cash Fund available for investment shall be invested by the state  
10 investment officer pursuant to the Nebraska Capital Expansion Act and the  
11 Nebraska State Funds Investment Act.

12 **Sec. 4.** Section 66-1331, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 66-1331 The Legislature finds that Nebraska should continue its  
15 existing programs to encourage processing, market development, promotion,  
16 distribution, and research on ~~products derived from grain,~~ ethanol, ~~or~~  
17 ~~ethanol components,~~ coproducts, and products derived from ethanol or  
18 ethanol coproducts or byproducts to provide for:

- 19 (1) Expanded use of Nebraska agricultural products;
- 20 (2) Efficient and less-polluting energy sources and reserves which  
21 will make Nebraska less energy dependent, improve air quality ~~reduce~~  
22 ~~atmospheric carbon monoxide levels,~~ and retain Nebraska dollars in the  
23 Nebraska economy to achieve a multiplier effect thereby generating  
24 additional jobs and tax income to the state rather than the export of  
25 Nebraska dollars;
- 26 (3) Development of protein products which will be more efficiently  
27 stored and marketed domestically and internationally to encourage greater  
28 processing of Nebraska ethanol, ethanol coproducts, and products derived  
29 from ethanol or ethanol coproducts to foreign nations rather than the  
30 ~~present method of simple export of unprocessed grain products;~~
- 31 (4) New and enhanced ~~Alternative local~~ outlets for Nebraska

1 agricultural products which can be leveraged by Nebraska agricultural  
2 producers to facilitate strengthened demand and drive greater economic  
3 prosperity in rural communities. New and enhanced particularly utilized  
4 ~~in times of depressed grain prices so as to give Nebraskans greater~~  
5 ~~control of their crop marketing procedures rather than have crop~~  
6 ~~marketing procedures too dependent upon federal agencies, major grain~~  
7 ~~exporters, and foreign purchasers. Local outlets may include ethanol~~  
8 ~~plants, agricultural production facilities, or other facilities related~~  
9 ~~to the processing, marketing, or distributing distribution of ethanol,~~  
10 ethanol coproducts, or products derived from ethanol or ethanol  
11 ~~components, coproducts , or byproducts;~~

12 (5) Collaboration ~~Cooperation~~ with private industry to support  
13 existing ethanol ~~establish ethanol-related~~ production facilities in  
14 Nebraska and establish new facilities producing ethanol, ethanol  
15 coproducts, or products derived from ethanol or ethanol coproducts to  
16 strengthen and create demand for Nebraska agricultural products;

17 (6) Promotion and market development, in collaboration ~~cooperation~~  
18 with private industry, of ethanol, ethanol coproducts, or products  
19 derived from ethanol or ethanol ~~components, coproducts , or byproducts;~~  
20 and

21 (7) Sponsorship of research and development of industrial and  
22 commercial uses for agricultural ethanol, ethanol coproducts, and  
23 products derived from ethanol or ethanol coproducts ~~and for byproducts~~  
24 ~~resulting from the manufacturing of agricultural ethanol~~ in order to  
25 enhance economic feasibility and marketing potential of such products and  
26 processes.

27 **Sec. 5.** Section 66-1332, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 66-1332 It is hereby declared to be the public policy of the State  
30 of Nebraska to safeguard the health, prosperity, and general welfare of  
31 its residents by developing, protecting, and maintaining a leading

1 position in ethanol production and the processing of agricultural  
2 products into ethanol, ethanol coproducts, or products derived from  
3 ethanol or ethanol coproducts that improve air quality, strengthen energy  
4 security, increase demand for agricultural products, provide consumer  
5 choice, and displace products produced from petroleum. The Nebraska  
6 Ethanol Board shall be the state agency for such purpose. The Legislature  
7 also recognizes the need for a statewide approach to identify and attract  
8 agricultural processing opportunities that support the Nebraska ethanol  
9 industry, the need to participate in programs of research, education,  
10 market development, and promotion of ethanol, ethanol coproducts, or  
11 products derived from ethanol or ethanol coproducts, and the need to  
12 provide subject matter expertise related to policy and regulatory affairs  
13 for ethanol, ethanol coproducts, or products derived from ethanol or  
14 ethanol coproducts. It is hereby declared to be the public policy of the  
15 state that, in order to safeguard life, health, property, and public  
16 welfare of its citizens, the production, sale, and use of motor fuel and  
17 the pollution caused by certain components of motor fuel are matters  
18 affecting the public interest and that a statewide emphasis on the  
19 production and use of motor fuel containing agricultural ethyl alcohol as  
20 a substitute for polluting components is necessary for the reduction of  
21 pollution and will further serve as an incentive for the agricultural  
22 economy in this state. The Legislature further recognizes that a fuel  
23 crisis is pending in the nation and that the development of an additional  
24 source of fuel will provide an energy and environmental benefit to the  
25 citizens of this state and to the future economic growth of Nebraska.

26 **Sec. 6.** Section 66-1333, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 66-1333 For purposes of the Ethanol Development Act, unless the  
29 context otherwise requires:

30 (1) Agricultural production facility or ethanol facility means a  
31 plant or facility related to the processing, marketing, or distribution

1 of ethanol, ethanol coproducts, any products derived from ethanol or  
2 ethanol grain components, coproducts, or grain byproducts;

3 (2) Board means the Nebraska Ethanol Board;

4 (3) Ethanol producer means a person who devotes at least fifty  
5 percent of his or her professional time to ethanol production or business  
6 operations at an ethanol facility in Nebraska;

7 (4) ~~(3)~~ Grain means wheat, corn, and grain sorghum; and

8 (5) ~~(4)~~ Name plate design capacity means the original designed  
9 capacity of an ethanol or agricultural production facility. Capacity may  
10 be specified as bushels of grain processed or mass or volume of ethanol,  
11 ethanol coproducts, or products derived from ethanol or ethanol  
12 coproducts produced ground or gallons of ethanol produced per year. ; and

13 (5) ~~Related parties means any two or more individuals, firms,~~  
14 ~~partnerships, limited liability companies, companies, agencies,~~  
15 ~~associations, or corporations which are members of the same unitary group~~  
16 ~~or are any persons who are considered to be related persons under the~~  
17 ~~Internal Revenue Code.~~

18 **Sec. 7.** Section 66-1334, Revised Statutes Cumulative Supplement,  
19 2024, is amended to read:

20 66-1334 (1) The Agricultural Alcohol Fuel Tax Fund is hereby  
21 created. The fund shall be administered by the board. The fund shall  
22 contain (a) money credited transfers made pursuant to section 66-489  
23 ~~66-726~~, (b) all sums of money received from fees resulting from any  
24 conference or event held by the board, (c) gifts, grants, and  
25 contributions made by public or private entities, and (d) transfers as  
26 authorized by the Legislature. Any money in the fund available for  
27 investment shall be invested by the state investment officer pursuant to  
28 the Nebraska Capital Expansion Act and the Nebraska State Funds  
29 Investment Act.

30 (2) The fund shall be used for the following purposes:

31 (a) Establishment, in collaboration with cooperation of private

1 industry, of procedures and processes necessary to the manufacture and  
2 marketing of ethanol, ethanol coproducts, and products derived from  
3 ethanol or ethanol coproducts ~~fuel containing agricultural ethyl alcohol;~~

4 (b) Establishment and enhancement of procedures for entering blended  
5 fuel into the marketplace ~~by private enterprise;~~

6 (c) Implementation Analysis ~~of the marketing process and testing of~~  
7 marketing and education procedures and programs to increase assure  
8 acceptance and awareness ~~in the private marketplace of ethanol, ethanol~~  
9 coproducts, and products derived from ethanol or ethanol coproducts  
10 blended fuel and byproducts resulting from the manufacturing process;

11 (d) Collaboration ~~Cooperation~~ with private industry to establish  
12 ethanol or agricultural production facilities ~~privately owned~~  
13 ~~agricultural ethyl alcohol manufacturing plants~~ in Nebraska to supply  
14 demand for ethanol, ethanol coproducts, and products derived from ethanol  
15 or ethanol coproducts ~~blended fuel;~~

16 (e) Sponsoring research and development of industrial and commercial  
17 uses for ethanol, ethanol coproducts, and products derived from ethanol  
18 or ethanol coproducts ~~agricultural ethyl alcohol and for byproducts~~  
19 ~~resulting from the manufacturing process;~~

20 (f) Promotion of state and national air quality improvement programs  
21 and influencing federal legislation that requires or encourages the use  
22 of fuels oxygenated by the inclusion of ethanol ~~agricultural ethyl~~  
23 ~~alcohol~~ or fuels derived from ethanol ~~its derivatives;~~

24 (g) Promotion of the use of ethanol and fuels derived from ethanol  
25 ~~renewable agricultural ethyl alcohol~~ as a partial replacement for  
26 imported oil and for the energy and economic security of the nation;

27 (h) Participation in development and passage of state and national  
28 legislation dealing with research, development, and promotion of United  
29 States production of fuels oxygenated by the inclusion of ethanol  
30 ~~agricultural ethyl alcohol~~ or its derivatives, access to potential  
31 markets, tax incentives, imports of foreign-produced fuel, and related

1 concerns that may develop in the future; and

2 (i) As the board may otherwise direct to fulfill the goals set forth  
3 under the Ethanol Development Act, including monitoring contracts for  
4 ethanol program commitments and solicitation of federal funds.

5 **Sec. 8.** Section 66-1335, Revised Statutes Cumulative Supplement,  
6 2024, is amended to read:

7 66-1335 (1) The Nebraska Ethanol Board is hereby established. The  
8 board shall consist of nine ~~seven~~ members to be appointed by the Governor  
9 with the approval of a majority of the Legislature. ~~The Governor shall~~  
10 ~~make the initial appointments within thirty days after September 1, 1993.~~

11 (2)(a) Four members shall be actually engaged in farming in this  
12 state, one in general farming and one each in the production of corn,  
13 wheat, and sorghum.

14 (b)(i) Until August 31, 2026, one ~~One~~ member shall be actively  
15 engaged in business in this state.

16 (ii) Beginning September 1, 2026, the member under this subdivision  
17 (2)(b) shall be an ethanol producer in this state. If the member under  
18 this subdivision (2)(b) is an ethanol producer on August 31, 2026, then  
19 such member may serve as the member under this subdivision (2)(b) for the  
20 remainder of the term without reappointment by the Governor. If the  
21 member under this subdivision (2)(b) is not an ethanol producer on August  
22 31, 2026, the Governor shall appoint a new member that is an ethanol  
23 producer to serve as the member under this subdivision (2)(b) for the  
24 remainder of the term within thirty days after September 1, 2026.

25 (c) One member shall represent labor interests in this state.

26 (d) One member shall represent Nebraska petroleum marketers in this  
27 state.

28 (e) Two members shall be ethanol producers in this state, and such  
29 members shall be in addition to the member that is an ethanol producer  
30 under subdivision (2)(b) of this section. The Governor shall make the  
31 initial appointments of such members within thirty days after September

1 1, 2026.

2 ~~(3) (2) Members shall be appointed for terms of four years, except~~  
3 ~~that the initial terms of the two initial appointees under subdivision~~  
4 ~~(2)(e) of this section shall expire on August 31, 2028, for one of such~~  
5 ~~members and on August 31, 2029, for the other of such members the terms~~  
6 ~~of the member representing labor interests and the member engaged in~~  
7 ~~general farming shall expire on August 31, 1994, the terms of the member~~  
8 ~~engaged in sorghum production and the member engaged in wheat production~~  
9 ~~shall expire on August 31, 1995, the term of the member representing~~  
10 ~~petroleum marketers shall expire on August 31, 1996, and the terms of the~~  
11 ~~member engaged in business and the member engaged in corn production~~  
12 ~~shall expire on August 31, 1997. A member shall serve until a successor~~  
13 ~~is appointed and qualified. Not more than five four members shall be~~  
14 ~~members of the same political party.~~

15 ~~(4) (3) A vacancy on the board shall exist in the event of death,~~  
16 ~~disability, resignation, or removal for cause of a member. Any vacancy on~~  
17 ~~the board arising other than from the expiration of a term shall be~~  
18 ~~filled by appointment for the unexpired portion of the term. An~~  
19 ~~appointment to fill a vacancy shall be made by the Governor with the~~  
20 ~~approval of a majority of the Legislature, and any person so appointed~~  
21 ~~shall have the same qualifications as the person whom he or she succeeds.~~

22 ~~(5) (4) The board shall meet at least once annually.~~

23 ~~(6) (5) The members shall be reimbursed for expenses as provided in~~  
24 ~~sections 81-1174 to 81-1177. The members shall receive twenty-five~~  
25 ~~dollars for each day while engaged in the performance of board duties.~~

26 **Sec. 9.** Section 66-1337, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 66-1337 The board may rent office space and employ such personnel as  
29 may be necessary for the performance of its duties. The board may employ  
30 the services of experts and consultants and expend funds necessary to  
31 ~~acquire title to commodities pursuant to section 66-1340, to promote air~~

1 quality improvement programs  ~~,~~ or to otherwise carry out the board's  
2 duties under the Ethanol Development Act.

3 **Sec. 10.** Section 66-1338, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 66-1338 The board may appropriate funds and become a member of any  
6 national ~~ethanol~~ promotion or trade organization that is necessary or  
7 advantageous for the carrying out of the duties of the board under the  
8 Ethanol Development Act group.

9 **Sec. 11.** Section 66-1340, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 66-1340 The board may accept gifts, donations, money, and services  ~~,~~  
12 ~~including in-kind resources such as grain owned by the Commodity Credit~~  
13 ~~Corporation and the United States Department of Agriculture. The board~~  
14 ~~may take title to the Commodity Credit Corporation's inventories and use~~  
15 ~~such commodities to carry out the Ethanol Development Act. The board may~~  
16 ~~accept commodities in connection with section 1024 of the Food Security~~  
17 ~~Act of 1985 or in connection with any other section of state or federal~~  
18 ~~law.~~

19 **Sec. 12.** Section 66-1521, Revised Statutes Cumulative Supplement,  
20 2024, is amended to read:

21 66-1521 (1) A petroleum release remedial action fee is hereby  
22 imposed upon the producer, refiner, importer, distributor, wholesaler, or  
23 supplier who engages in the sale, distribution, delivery, and use of  
24 petroleum within this state, except that the fee shall not be imposed on  
25 petroleum that is exported or . ~~The fee shall also be imposed on diesel~~  
26 ~~fuel which is indelibly dyed. The amount of the fee shall be nine-tenths~~  
27 ~~of one cent per gallon on motor vehicle fuel as defined in section 66-482~~  
28 ~~and six-tenths ~~three-tenths~~ of one cent per gallon on diesel fuel as~~  
29 ~~defined in section 66-482. The amount of the fee shall be used first for~~  
30 ~~payment of claims approved by the State Claims Board pursuant to section~~  
31 ~~66-1531; second, up to three million dollars of the fee per year shall be~~

1 used for reimbursement of owners and operators under the Petroleum  
2 Release Remedial Action Act for investigations of releases ordered  
3 pursuant to section 81-15,124; and third, the remainder of the fee shall  
4 be used for any other purpose authorized by section 66-1519. The fee  
5 shall be paid by all producers, refiners, importers, distributors,  
6 wholesalers, and suppliers subject to the fee by filing a monthly return  
7 on or before the twentieth day of the calendar month following the  
8 monthly period to which it relates. The pertinent provisions,  
9 specifically including penalty provisions, of the motor fuel laws as  
10 defined in section 66-712 shall apply to the administration and  
11 collection of the fee except for the treatment given refunds. There shall  
12 be a refund allowed on any fee paid on petroleum which was taxed and then  
13 exported, destroyed, or purchased for use by the United States Government  
14 or its agencies. The department may also adjust for all errors in the  
15 payment of the fee. In each calendar year, no claim for refund related to  
16 the fee can be for an amount less than ten dollars.

17 (2) No producer, refiner, importer, distributor, wholesaler, or  
18 supplier shall engage in the sale, distribution, delivery, or use of  
19 petroleum in this state without having first obtained a petroleum release  
20 remedial action license. Application for a license shall be made to the  
21 Department of Revenue upon a form prepared and furnished by the  
22 Department of Revenue. If the applicant is an individual, the application  
23 shall include the applicant's social security number. Failure to obtain a  
24 license prior to engaging in the sale, distribution, delivery, or use of  
25 petroleum shall be a Class IV misdemeanor. The Department of Revenue may  
26 suspend or cancel the license of any producer, refiner, importer,  
27 distributor, wholesaler, or supplier who fails to pay the fee imposed by  
28 subsection (1) of this section in the same manner as licenses are  
29 suspended or canceled pursuant to section 66-720.

30 (3) The Department of Revenue may adopt and promulgate rules and  
31 regulations necessary to carry out this section.

1 (4) The Department of Revenue shall deduct and withhold from the  
2 petroleum release remedial action fee collected pursuant to this section  
3 an amount sufficient to reimburse the direct costs of collecting and  
4 administering the petroleum release remedial action fee. Such costs shall  
5 not exceed one hundred fifty thousand dollars for each fiscal year. The  
6 one hundred fifty thousand dollars shall be prorated, based on the number  
7 of months the fee is collected, whenever the fee is collected for only a  
8 portion of a year. The amount deducted and withheld for costs shall be  
9 deposited in the Petroleum Release Remedial Action Collection Fund which  
10 is hereby created. The Petroleum Release Remedial Action Collection Fund  
11 shall be appropriated to the Department of Revenue, except that transfers  
12 may be made from the fund to the General Fund at the direction of the  
13 Legislature. Any money in the Petroleum Release Remedial Action  
14 Collection Fund available for investment shall be invested by the state  
15 investment officer pursuant to the Nebraska Capital Expansion Act and the  
16 Nebraska State Funds Investment Act.

17 (5) The Department of Revenue shall collect the fee imposed by  
18 subsection (1) of this section.

19 **Sec. 13.** Sections 1, 2, 3, 7, 12, and 15 of this act become  
20 operative on October 1, 2026. The other sections of this act become  
21 operative on their effective date.

22 **Sec. 14.** Original sections 66-1331, 66-1332, 66-1333, 66-1337,  
23 66-1338, and 66-1340, Reissue Revised Statutes of Nebraska, and section  
24 66-1335, Revised Statutes Cumulative Supplement, 2024, are repealed.

25 **Sec. 15.** Original section 66-726, Reissue Revised Statutes of  
26 Nebraska, and sections 66-489, 66-739, 66-1334, and 66-1521, Revised  
27 Statutes Cumulative Supplement, 2024, are repealed.

28 **Sec. 16.** The following sections are outright repealed: Sections  
29 66-1342, 66-1344.01, 66-1345, 66-1345.05, and 66-1348, Reissue Revised  
30 Statutes of Nebraska, and section 66-1344, Revised Statutes Supplement,  
31 2025.

1           2. On page 1, strike beginning with "fuels" in line 1 through line  
2 14 and insert "fuels; to amend sections 66-726, 66-1331, 66-1332,  
3 66-1333, 66-1337, 66-1338, and 66-1340, Reissue Revised Statutes of  
4 Nebraska, and sections 66-489, 66-739, 66-1334, 66-1335, and 66-1521,  
5 Revised Statutes Cumulative Supplement, 2024; to provide for a tax on  
6 certain diesel fuels; to change provisions relating to refunds for motor  
7 fuel taxes; to change provisions relating to the Motor Fuel Tax  
8 Enforcement and Collection Cash Fund; to change and eliminate provisions  
9 of the Ethanol Development Act; to provide, change, and eliminate  
10 definitions; to change provisions relating to the petroleum release  
11 remedial action fee; to eliminate the Ethanol Production Incentive Cash  
12 Fund; to harmonize provisions; to provide operative dates; to repeal the  
13 original sections; and to outright repeal sections 66-1342, 66-1344.01,  
14 66-1345, 66-1345.05, and 66-1348, Reissue Revised Statutes of Nebraska,  
15 and section 66-1344, Revised Statutes Supplement, 2025."