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Revenue Committee
January 24, 2007

[LB41 LB359 LB305 LB315 LB344 LB359]

The Committee on Revenue met at 1:30 p.m. on Wednesday, January 24, 2007, in Room 1524 of the State Capitol, Lincoln, Nebraska for the purpose of conducting a public hearing on LB315, LB344, LB305, LB359, and LB41. Senators present: Merton "Cap" Dierks, Vice Chairperson; Carroll Burling; Abbie Cornett; Chris Langemeier; Don Preister; Ron Raikes; and Tom White. Senators absent: Ray Janssen, Chairperson. []

SENATOR DIERKS: Good afternoon, ladies and gentlemen. I think it's time for us to start. My name is Cap Dierks. I'm the Vice Chair of the Revenue Committee and in the absence of Senator Janssen, I'll be chairing the committee this afternoon. We have five bills to hear. I should tell you some of the procedure. For those that don't know, we ask when you testify that you pronounce your name and spell it for the record so that the transcribers know exactly how to spell your name when they're doing the report. Before we go any farther I'd like to introduce the members of this committee that are here. To my far left is Senator Don Preister from Omaha and next to Senator Preister is Senator Carroll Burling from Kenesaw. My home is Ewing, Nebraska, and to my right over here is Senator Raikes from Lincoln and next to Senator Raikes, Chris Langemeier from Schuyler and Senator Tom White from Omaha. George Kilpatrick is the committee counsel and Erma James is the committee clerk. And our page is Marcus Papenhausen. Is that right, Marcus? Good. Abbie Cornett is with us today. She just stepped out of the hearing room for a moment. So she'll be back. And we'd like for you to turn off all your cell phones. If you're going to testify at a hearing, you should fill out the little report that is back at the table by the entry and have that ready to hand in when you come up here to testify. Have I forgotten anything, Erma? George? The box is up here for you to place your testimony on. With that I think we'll ask George Kilpatrick to introduce the first bill for us for Senator Janssen. George. [LB315]

GEORGE KILPATRICK: Thank you, Senator Dierks and other members of the committee. My name is George Kilpatrick, counsel to the Revenue Committee, introducing LB315 on behalf of Senator Janssen who is away attending a funeral this afternoon. This is a bill that the Revenue Committee has every year for at least the last 10 or 12. It's something that has passed every year in one form or another to update reference to the Internal Revenue Code. We have some new members so maybe I'll do a little more history than we sometimes do on this. Our statutes are littered from end to end with references to federal law of one form or another, including references to the Internal Revenue Code which is always sort of a difficulty for us because of the argument or the case law that would suggest that allowing the Congress to change Nebraska law would be an unlawful delegation of legislative authority. So when that occurs the usual response is that, well, that's the federal law as it existed on the effective date of this particular bill and sometimes that will be implied by being there, but the more recent trend has been to state that specifically in the amendment saying the Health and Human Services code regulation as it exists on the effective date of this bill

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

which ends up, when the revisor does it is a specific date which at least gives folks some notice that something might have changed between the time they are and when that was passed. Or there's another alternative and this bill represents another alternative. Oh, perhaps I should note also that the income tax code, interestingly enough, when it was adopted by the people of the state says that the state of Nebraska may have an income tax code that is based upon federal law specifically allowing the delegation. So what this bill talks about is references to the Internal Revenue Code, but they are references to the Internal Revenue Code that exists outside the statutes. One place where there is a lot of statutes referring to the federal Internal Revenue Code is in a lot of our retirement system law and some of those references compliance with a ERISA and so forth. Senator Wickersham or now TERC commissioner Wickersham who was the chairman some dozen years ago of the Retirement Systems Committee said, you know, this is an awkward situation. Here's what we need to do. We need to define a term and we'll just define the term the Internal Revenue Code and we'll put it in chapter 49 of the statutes where this sits saying the Internal Revenue Code means the code as exists on some day. And then we'll change all of these references all the way through the statutes to make sure that they use the defined term. And that bill, when it was enacted a dozen years or so ago was oh, some 200 sections. It was like this. It was enormous. But what we have now is a situation where what we do is simply update that reference every year. And what this would say is that the Internal Revenue Code for all of these statutes outside our income tax means the code as it exists on what will essentially be the effective date of LB315 as opposed to March 17 I think it was last year. That's what the bill does. Again it's something we've done for a number of years and that's why it's here. [LB315]

SENATOR DIERKS: Thanks, George. Are there questions for George? Senator Raikes. [LB315]

SENATOR RAIKES: George, you mentioned that it is allowed that you can base the income tax on the federal income tax. Is that constitutional? [LB315]

GEORGE KILPATRICK: Yes. Our income tax was approved by constitutional amendment in, I'm going to say the early sixties. I don't remember exactly. It was some years prior to when it was actually adopted and it said that Nebraska may... [LB315]

SENATOR RAIKES: So that is a constitutional delegation... [LB315]

GEORGE KILPATRICK: Um-hum. [LB315]

SENATOR RAIKES: ...because it's specifically mentioned in the constitution? [LB315]

GEORGE KILPATRICK: Yes. [LB315]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR RAIKES: Any other delegation is not constitutional. [LB315]

GEORGE KILPATRICK: Yes. The separation of powers is a state constitutional law issue and so amending the constitution can resolve it and does in this one circumstance. [LB315]

SENATOR DIERKS: Other questions? What about, George, I know this is kind of an awkward term but we called it piggyback and in '87, I think, we changed it so that we didn't piggyback the federal income tax anymore. We had our own report done. Is that right? [LB315]

GEORGE KILPATRICK: We did what we called a decoupling from what was, at that time federal liability. Prior to that time as you recall, the Nebraska income tax was simply 20 percent of the...it was 20 percent in that year of the federal tax liability. All of the exemptions, all of the standard deductions, all of that stuff was part of our law automatically, and what LB773 did in 1987 was say we're not going to couple to the federal liability anymore. We're going to couple farther up the return at federal adjusted gross income and then apply our own rates and deductions and brackets and so forth after that. [LB315]

SENATOR DIERKS: Thank you. [LB315]

GEORGE KILPATRICK: So we're not divorced from it. It's higher on the form now. [LB315]

SENATOR DIERKS: Okay, thank you. Any other questions? Okay, I thank you George. Anybody in support of LB315? Anybody want to testify in support? Support of LB315? Is there opposition to LB315? Opposition to LB315? Anybody in a neutral capacity? Anybody neutral on LB315? Well that will close the hearing on LB315 and we'll move to LB344. Senator Carroll Burling. [LB315]

SENATOR BURLING: Thank you, Senator Dierks and members of the committee. My name is Carroll Burling. I represent District 33 in the Nebraska Legislature and I'm here today to introduce LB344. LB344 is a simple bill. Last year the Legislature passed LB542 and that created the Tax Policy Reform Commission. And at that time we put some dates in there when final report needed to be made to the Governor and to the Legislature and I'd like through LB344 to extend those dates. Tax Policy Reform Commission consists of 16 members and we're charged with going over the tax policy of our state, other states, reviewing all the issues that affect revenue and economy and demographics, and so on and so forth. Review all those things and make recommendations to the Governor and the Legislature. When the bill was introduced, it was thought that probably the commission could begin its work in the spring or summer of '06, but as it turned out the members were not appointed until October of '06. Then it

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

took awhile for us to get a meeting scheduled, bring the commission members all together, do an organizational meeting, and then it was necessary to select a facilitator for our process, and that took about six weeks. And so consequently, it was about the first of January of this year that the commission really got started with their work. So to leave the deadline for a final report in November of '07 gives us about 11 months to do our work. And I think this is a very important work that we're doing. I think for a good comprehensive, complete analysis of our tax system we need more time. And so because of the fact that we didn't get started as soon as I thought we might when LB542 was introduced, all that LB344 does is ask the Legislature to allow us to extend the dates that are now '07 to '08. The final report is due, according to a current law in November of '07. I'd like to extend that to '08, and then the commission would sunset its activity in December of '07 and I'd like to extend that to '08. That's all that LB344 does. And I appreciate your time and urge the committee to advance this to the floor. [LB344]

SENATOR DIERKS: Thank you. Are there questions for Senator Burling? Senator Chris. (Laughter) [LB344]

SENATOR LANGEMEIER: That's me. Thank you, Chairman Dierks. Senator Burling, if I remember correctly we put \$100,000 or \$150,000 to this... [LB344]

SENATOR BURLING: \$100,000. [LB344]

SENATOR LANGEMEIER: \$100,000. And looking at the fiscal note, you've obviously not expended any of that because you haven't met much. Do you think you can do this in a year or is this something that really, in all reality might take three or four years to... [LB344]

SENATOR BURLING: Well we think if we could get it extended another year that gives us almost two years to do the work and we're not asking for anymore money. We have met and discussed this and we think we can do it with the same \$100,000. Just give us a little more time to get testimony and receive information. It's just difficult to do, I think, in that short of a time. [LB344]

SENATOR LANGEMEIER: Okay, thank you. [LB344]

SENATOR BURLING: Thank you. [LB344]

SENATOR DIERKS: Senator Preister. [LB344]

SENATOR PREISTER: Senator Burling, we have had a very comprehensive study in the past and that study listed a variety, a long list of suggested things to be implemented most of which we've never done. I'm just wondering what your study is going to do that hasn't already been done and whether or not this isn't a duplication

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

that's going to produce the same results, but then sit on the shelf and nothing happens with anyway. [LB344]

SENATOR BURLING: Well, the most recent comprehensive study was the Syracuse study. There was another 3R commission in the nineties that couldn't come to a consensus. So we haven't paid much attention to that. This LB542 bill that created the current commission is a combination of appointees by the Legislature, appointees by the Governor, and it consists of eight senators, two people from the Executive Branch, six stakeholders that are here, Nebraska citizens, involved in the process. I don't know. We'll review the same things that the Syracuse study people did but it will be reviewed, I think, from a different vantage point in that we're all Nebraska citizens that are on the commission now. And the results, I don't even guess yet what those might be, but I believe because of the way it's made up that maybe it will be considered more seriously than a study that comes from a university in another state. I think we'll have senators here for several years to come that are on the commission and we'll be the ones who highlight the work of the commission in the years to come. [LB344]

SENATOR PREISTER: I appreciate your optimism. Thank you. [LB344]

SENATOR DIERKS: Other questions? Thank you, Senator Burling. I guess that's all. [LB344]

SENATOR BURLING: Thank you. [LB344]

SENATOR DIERKS: Is there someone who would like to testify in support of LB344? Anyone in support of LB344? Anyone opposed to LB344? Opposition to LB344? Anybody in a neutral position? Neutral on LB344? Well then that will close the hearing on LB344 and we'll take the next bill, LB305. Senator Fischer. Just on time, Deb. [LB344]

SENATOR FISCHER: As always. Good afternoon. [LB305]

SENATOR DIERKS: Whenever you're ready. [LB305]

SENATOR FISCHER: (Exhibit 1) Senator Dierks and members of the Revenue Committee, my name is Deb Fischer, F-i-s-c-h-e-r and I'm the senator representing the 43rd District in the Nebraska Unicameral. I appear before you today to introduce LB305. LB305 would require the sales and use taxes from leased motor vehicles, trailers, and semitrailers be credited to the Highway Trust Fund. Currently the sales and use taxes from motor vehicle sales have gone to the Highway Trust Fund, but the sales tax on these leased motor vehicles has been credited to the General Fund. LB305 would send all motor vehicle taxes to the Highway Trust Fund. As you are all aware, the funds available to the Highway Trust Fund are projected to be significantly lower in our

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

foreseeable future. Lower levels of gasoline taxes due to higher prices and a growing preference of car buyers for more fuel-efficient vehicles have resulted in fewer funds for road improvements. As a member of this body and as chair of the Transportation Committee, I believe this bill is needed and it is appropriate. In Nebraska, we fund our roads primarily from three user sources. Those are fuel taxes, sales taxes on motor vehicles, and motor vehicle registration fees. Sales taxes from these leased vehicles should be a part of that funding system. In 1967, the leasing of vehicles was rare. That is not the case today. People who lease vehicles use our highways and the sales taxes generated from those leased vehicles should go to the Highway Trust Fund for the construction and the maintenance of our roads in this state. I do have copies of a letter of support from the Lancaster County Board of Commissioners that I don't believe you had included in your record. They wanted me to pass that out. And I thank you for your time and attention and would try to answer any questions. [LB305]

SENATOR DIERKS: Questions for Senator Fischer? Senator Raikes. [LB305]

SENATOR RAIKES: I guess I want to try to get your view on a trend. Let me phrase it this way. You expressed this as in the context of a need for funds for highway construction maintenance and so on. Would it be reasonable to assume that, okay, we do the leases and then in a year or whatever still short of money for roads, so how about tires? When somebody buys a set of tires they wear out the highways, or oil filters or I'll let you take over. [LB305]

SENATOR FISCHER: I don't think you really mean you do want me to take over. But I think roads are important in this state. I think all of us here agree with that. And I think in Nebraska we're very fortunate on how we fund those roads with the Highway Trust Fund, with what I believe are user fees. We don't ask for general funds money. And no, I'm not asking for income right now from tires or from car wash... [LB305]

SENATOR RAIKES: Is right now the operative word? [LB305]

SENATOR FISCHER: That could be. [LB305]

SENATOR RAIKES: I see. Okay. [LB305]

SENATOR DIERKS: Well done. Any other questions? Senator White. [LB305]

SENATOR WHITE: Senator, in fact what you're doing is asking us to correct the tax code so that it comports with current business practices on how vehicles are in effect purchased. Correct? [LB305]

SENATOR FISCHER: I would say that is correct, yes. [LB305]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR WHITE: We are not seeking to expand the authority of the Highway Trust Fund into areas that it's not previously been. We're just correcting the fact that business has moved away from the tax code and you've lost revenue as a result. [LB305]

SENATOR FISCHER: Correct. [LB305]

SENATOR WHITE: Thank you. [LB305]

SENATOR DIERKS: Other questions? I guess not. Thanks, Senator Fischer. [LB305]

SENATOR FISCHER: Okay. Thank you. I am in another committee hearing on an issue near and dear to my heart so I need to get back to Natural Resources. My legislative aide will stay. If he feels maybe he should make a few remarks on closing, if that would be all right with you, Senator Dierks. [LB305]

SENATOR DIERKS: Do we do that, George? [LB305]

SENATOR FISCHER: Do you do that? [LB305]

GEORGE KILPATRICK: I guess I haven't asked that question of Senator Janssen. [LB305]

SENATOR FISCHER: Okay. Not necessary then. I will waive closing. [LB305]

SENATOR DIERKS: Okay. [LB305]

SENATOR FISCHER: So thank you. [LB305]

SENATOR DIERKS: Thanks, Deb. Proponents of LB305? [LB305]

LARRY RUTH: (Exhibits 2 and 3) Is this the box here? Okay, I'm sorry, Erma. My name is Larry Ruth, R-u-t-h, and I'm appearing today on behalf of the Associated General Contractors, Nebraska Chapter, in support of LB305. And I have two letters here that I would like to be distributed. I've been asked to supply them from, well, actually only one, from the Professional Engineers Coalition and I think one is coming from another source. We'll find out if it gets here. The Associated General Contractors represents the road builders and the folks doing business with road builders in the state of Nebraska. Our support for road building in Nebraska and in the Legislature usually comes one of three ways. Either the size of the Department of Roads appropriation, the protection of the Highway Trust Fund which is from use other than road building and protection of that funding structure, and also through the enhancement of funds into the Highway Trust Fund and to work for the bringing of funds into the Highway Trust Fund that are related to roads. LB305 follows the long tradition in Nebraska of funding for the Highway

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

Trust Fund. We had the motor fuel tax. We'll talk about that. The motor vehicle registration funds and then we have motor vehicle sales tax. In this particular case those activities are closely related to the roads and to those who use them and so they help pay for the roads. In our case here we're looking at one facet of the sales tax which, as far as I can tell is a historical anomaly. The sales tax on the sales vehicles is covered and goes to the Highway Trust Fund but that language is not specific enough to give direction to the Department of Revenue and accordingly they have sent it to the General Fund. Let me just have you look for just a minute if I could at lines 15 and 16 on page 2. LB305 amends 77-27,132. And if you look at the sentence that starts on line 13 it says the Tax Commissioner shall present to the State Treasurer bank receipts showing amounts so deposited in the bank, and of the amounts so deposited the State Treasurer shall credit to the Highway Trust Fund all of the proceeds of the sales and use taxes derived from motor vehicles, trailers, and semitrailers. I think that's really, to me, fairly clear that all of the proceeds, all of the sales proceeds derived from vehicles would go into the Highway Trust Fund. But it's not specific enough for that use by the Department of Revenue and that's why we come today. To ask for greater specificity. That is sales or lease of motor vehicles. And I can appreciate why they would think that because leases that are subject to sales tax may be on other kinds of, types of personal property, and likewise you need to have some specificity. So I don't criticize the Department for what they're doing. I just acknowledge or would observe that it is rather strict in its reading. That comes up twice incidentally because it's both the five cents and the half cent that we're talking about. I do have an amendment that I would like to offer that does address one aspect of this. Leasing of motor vehicles can be for short term or long term. I have an associate, Mary Johnson, who leases a vehicle for a long period of time and she pays a sales tax on that. You also have occasional leases that go for much shorter period of time. Those leases, for example, out at the airport for a couple of days at a time. Now those leases of short term duration, 31 days or less, are also subjected to an additional 4.5 cents as a fee, not a tax, but as a fee, and that fee goes to the county in which the transaction occurred. The Department of Revenue when they talked with me about this yesterday said, are we to, in some way, also shift the sales tax from those short term leases. Let's make sure we know whether those short term leases are subject to this likewise. We don't want to have the sales tax or this fee go to the Highway Trust Fund, but we want to make sure that the sales tax on the leases themselves, under 31 days or shorter, do go to the Highway Trust Fund. So I do have an amendment which I would like to suggest to the committee and it clarifies that for the purpose of this subsection that proceeds do not include those rental fees that I was talking about, the 4.5 cents that goes to the county, but they do include sales and use tax on rental of motor vehicles which are this 31 days and shorter variety. I see Senator Raikes just waiting for me here. Let me just finish, Senator Raikes, if you would please. I point out the historical anomaly. I also suggest that that is rather historical because at some time ago when they were looking at this, I think that we probably didn't have the amount of leasing that we have today and so it didn't make much difference. And that's one of the reasons it probably went off into the General Fund. The merits of this we

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

believe include this: funds into the Highway Trust Fund go to roads construction and we're in favor of roads construction. They reduce the need to increase a fuel tax for any increase in the Department of Road's budget or decreases in fuel consumption. So when you have these funds as amount of money in the Highway Trust Fund it decreases the need to have the variable go up or down. And also I think it falls back on the basic notion that activities related to roads, especially in connection with those using the roads, would go to road building. That those sales tax would go to road building. Yes, sir, any questions? [LB305]

SENATOR DIERKS: Any questions? Senator Raikes. [LB305]

SENATOR RAIKES: I just thought of one here. Well, so on the short term leases they are separated out so that the accounting task or problem, if you will, of separating a short term...sales tax revenue from short term leases is done. We know the difference. [LB305]

LARRY RUTH: Well, I'm not sure that I can answer that. I believe in talking with the Department of Revenue it may require another form or a variation or some amendment to the forms to make sure that that is done, but I think it can be done. [LB305]

SENATOR RAIKES: Okay. Well it seems, you know, the principal to me seems that if a lease is basically the replacement of a purchase then what you say makes sense. If it's a short term lease that doesn't seem comparable to me to a purchase. That's more like buying tires. And so it seems to me there's a separation there. [LB305]

LARRY RUTH: Senator, once again you're one step ahead of me. [LB305]

SENATOR DIERKS: Senator White, please. [LB305]

SENATOR WHITE: Doesn't that amendment take a nice clean bill taking the tax code to meet current practices and turn it into a money grab? And if you have a choice wouldn't you rather just have the leasing bill or do you need this amendment too? [LB305]

LARRY RUTH: Well, the amendment was raised, in part because the Department of Revenue wants to have some clarity on it, you could go either way with the amendment, as far as clarity goes. [LB305]

SENATOR WHITE: I am suggesting, too, that you might not get both cookies out of the jar. Are you willing to take one? [LB305]

LARRY RUTH: Senator, I'm usually hungry. [LB305]

SENATOR DIERKS: Further questions for Mr. Ruth? Thanks, Larry. [LB305]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

LARRY RUTH: Thank you very much, Senator. [LB305]

SENATOR DIERKS: Other proponents of LB305? [LB305]

NORM NELSON: Chairman Dierks and members of the committee, I am Norm Nelson, N-o-r-m N-e-l-s-o-n. I am with the Lyman-Richey Corporation and I want to thank you for this opportunity today to discuss matters addressing our road construction programs. And I also offer thanks to Senator Fischer for introducing LB305 and congratulations to her on assuming the chair of the Transportation Committee. I am here today in support of LB305 on behalf of the Greater Omaha Chamber of Commerce. I am a member of the chamber's board and I'm also serving on the chamber's transportation council. It has been and is a long-standing policy of the council and the chamber that revenues attributed to transportation taxes are best used for funding transportation purposes. We believe that LB305 is a logical step following the adoption of LB904 in 2006, and it is a much needed step. Certainly local governments must do their part in addressing these road needs and many are. Last May, for example, the city of Omaha approved \$58 million in bonds for local road construction. LB305 is not going to take care of all of the state and local road requirements, but it will help measurably in addressing needs that continue to grow even as funding has been flat or declining due to the higher fuel prices. We ask for your favorable consideration of this proposal. Thank you very much for this hearing and I'd be glad to answer any questions that you may have. [LB305]

SENATOR DIERKS: Thank you, Norm. Questions? I don't see any. Thank you very much. [LB305]

NORM NELSON: Thank you. [LB305]

SENATOR DIERKS: Other proponents, please, of LB305. [LB305]

LOY TODD: Senator Dierks, members of the committee, my name is Loy Todd, L-o-y T-o-d-d. I'm the president and general counsel for the Nebraska New Car and Truck Dealers Association appearing in support of LB305. I will not be redundant and so I'm not going to testify very much. I simply will say we feel a little bit like the pig at the barbecue. It's our product, obviously, that's generating the funds and we do strongly believe in user fees being a part of it. We learned about the fact that these revenues didn't go to the Highway Trust Fund a few years ago and have been addressing that in some ways previously. So we really appreciate this opportunity to hopefully restore that money to the Highway Trust Fund. So far as the amendment that Mr. Ruth offered, I will point out that the Department of Revenue came to us and indicated that in the event there was going to be the short term leases or daily rentals, if you will, like a Hertz or Avis vehicle at the airport, something like that, included, they wanted some clear demonstration from the Legislature that that was to be included because it will actually

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

require some separate reporting function and that's why the amendment was offered as much as anything. And given the alternative of including that revenue or excluding it, obviously, those of us who want money to go to the Highway Trust Fund chose to offer the amendment. I will anticipate your question and indicate that as far as my association is concerned our first priority, of course, is correcting what we think has been inappropriate. Anything else would be wonderful but we certainly wouldn't abandon the bill in favor of the amendment by any means. I've also been asked to indicate the support for this legislation by the Nebraska Farm Bureau, the Nebraska Banker's Association, and the State Chamber. Thank you. [LB305]

SENATOR DIERKS: Thanks, Loy. Any questions for Mr. Todd? I guess you're off scot-free, Loy. Next proponent, please. [LB305]

TIM KEIGHER: Good afternoon, Chairman Dierks, members of the committee. My name is Tim Keigher, that is K-e-i-g-h-e-r. I appear here before you today in support of LB305 on behalf of the Petroleum Marketers and Convenience Store Association. And I don't have anything to add other than if Larry gets both of those cookies I don't know what I'm getting. Be happy to answer any questions. [LB305]

SENATOR DIERKS: Okay, any questions for Tim? I guess not, Tim, thank you. More proponents? [LB305]

LYNN REX: Senator Dierks, members of the committee, my name is Lynn Rex, R-e-x, representing the League of Nebraska Municipalities, and I appear here before you today in strong support of LB305. We appreciate Senator Fischer in introducing this measure and we think that it's always a great thing to get more money into the Highway Trust Fund because we desperately need it on behalf of cities and villages across the state. I'd be happy to respond to any questions that you might have. [LB305]

SENATOR DIERKS: Thank you very much, Lynn. Are there questions for Ms. Rex? [LB305]

LYNN REX: Thank you. [LB305]

SENATOR DIERKS: No questions, thank you. More testifiers. [LB305]

JACK CHELOHA: Good afternoon, Senators. My name is Jack Cheloha, last name is spelled C-h-e-l-o-h-a. I'm the registered lobbyist for the city of Omaha. We'd like to testify in support of LB305. Last week I was here opposing a bill where we lost revenue. So this is a flip side. There would be a gain and funds available for the city for our street program through LB305. I'm not sure of the exact number, maybe about \$750,000 or so, but for those reasons we support the bill. [LB305]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR DIERKS: Thank you, Jack. Questions for Jack? Senator Preister. [LB305]

SENATOR PREISTER: Just a comment. As the testifiers come up if they would give their sign-in sheet before they testify to Erma it helps her in recording. So just a reminder. [LB305]

JACK CHELOHA: Thank you. [LB305]

SENATOR PREISTER: Thank you. [LB305]

SENATOR DIERKS: Okay, thanks, Jack. Further testifiers as proponents? [LB305]

BETH BAZYN FERRELL: Good afternoon, Senator Dierks, members of the committee. For the record, my name is Beth Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm assistant legal counsel for the Nebraska Association of County Officials appearing here in support of the bill. I won't repeat the testimony you've already heard. I would just like to go on record as supporting this bill. [LB305]

SENATOR DIERKS: Thank you, Beth. Questions for Beth? Guess not, thank you very much. Anyone else in support of LB305? Anyone else supporting LB305? Is there opposition to LB305? Anybody opposed to LB305? Anyone neutral on LB305? [LB305]

DOUG EWALD: (Exhibit 4) Vice Chairman Dierks, members of the Revenue Committee, my name is Doug Ewald. I'm here as the State Tax Commissioner and I am here in a neutral capacity today to provide you with a little historical perspective with respect to how the funds from motor vehicles, trailers, semitrailers have been collected and allocated by the Department of Revenue. A lot of the testimony you've already heard today is actually right on and actually if I could put this into a couple of buckets for you, if you will. Number one, today when somebody goes to license a vehicle with the county treasurer that registration, those funds from the county treasurer goes to the Highway Trust, okay? So that's that bucket. That's the procedure today that how those funds go from the county. The county actually remits them on a special form to the state. The state allocates them over to the Highway Trust Fund, if you will. At the same time we've determined that the Hertz's, the U-haul's, those short term leases, those are not collected by the county treasurer, if you will. So those are remitted or collected by the retailer and that's where the retailer submits those sales taxes. If they have other types of sales, you know, U-haul they might rent blankets, something like that as opposed to the rental of a vehicle. That all comes from the retailer. So anything that comes from the retailer comes to us on a Form 10. That goes to the General Fund. So you see there's your two buckets, I guess, if you will, of how the one goes to the General Fund, one goes to the Highway Trust Fund. It's just the mechanism that's in place today. As you've heard, to lease the motor vehicles 30 years ago, 40 years ago, wasn't a big item. Obviously it's more of a current business practice today as we've

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Transcriber's Office

Revenue Committee
January 24, 2007

heard here. I would concur with that. And that a valid argument could be made that the sale today of a motor vehicle does include a lease. So now when this was brought to our attention over the last several years, the Department maintained we didn't believe that you have the intent of the law to make that particular change. You could see those couple words there where they're adding a sale or lease to shift the funds from the General Fund to the Highway Trust Fund. So, I guess, that's the specifics or the mechanics of how it works today and what this bill would actually change. So with that I'd answer any questions. [LB305]

SENATOR DIERKS: Thank you very much, Doug. Any questions for the commissioner? Senator Raikes, please. [LB305]

SENATOR RAIKES: Mr. Commissioner, so sales tax on long term leases then are collected by...they're not collected with the county treasurer. [LB305]

DOUG EWALD: That's correct. You may have a long term lease through GE Capital for a piece of equipment, something like that. They would remit those taxes with their normal, if they had any other sales or anything along those lines. [LB305]

SENATOR RAIKES: So would you have to make a separate line or something on Form 10? [LB305]

DOUG EWALD: Yes, correct. On the Form 10 where they remit today, we would anticipate having to add a line specifically for, you know, the rental of vehicles that fall in this category. We believe that we could do that. [LB305]

SENATOR RAIKES: Okay. [LB305]

DOUG EWALD: Would not be a major change. So it's just another bucket, another category, if you will. [LB305]

SENATOR RAIKES: Okay, thank you. [LB305]

SENATOR DIERKS: Senator White, please. [LB305]

SENATOR WHITE: Mr. Commissioner, under existing law, is sales tax levied on the value of the vehicle during the lease period and not levied on the remainder, or do you know? [LB305]

DOUG EWALD: I believe it might be the difference between the starting and the residual value. That difference that they think will be depreciated over the life of that lease. So it's your original acquisition price or whatever they determine that is less the residual. That amount right there is what, I guess you're actually paying on. So that

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Transcriber's Office

Revenue Committee
January 24, 2007

difference there would be what the sales tax would be based on. [LB305]

SENATOR WHITE: That's the tax basis. [LB305]

DOUG EWALD: That would be the taxable base. Correct. [LB305]

SENATOR WHITE: And then the lease determines that, we just follow what the parties determine. [LB305]

DOUG EWALD: Correct. You know, the terms of the lease whatever they determine to be. [LB305]

SENATOR WHITE: And then when the vehicle is sold again, assuming the residual values, we get the rest of the sales tax. [LB305]

DOUG EWALD: That's correct. At that point in time you have a complete, separate and distinct transaction. [LB305]

SENATOR WHITE: Thank you. [LB305]

SENATOR DIERKS: Other questions for Doug? Guess not. Thank you very much, Mr. Commissioner. Anyone else in a neutral position on LB305? Neutral on LB305? Do you want to testify again, Deb? No, thank you. Senator Fischer waives closing and we will close the file on LB305 and our next bill is LB359. David, anytime you're ready. [LB305]

SENATOR PANKONIN: (Exhibits 5 and 6) Okay. Good afternoon, Vice Chairman Dierks and members of the Revenue Committee. I'm Dave Pankonin, spelled P-a-n-k-o-n-i-n, and I represent the 2nd Legislative District. I'm here to introduce LB359. This bill provides a technical correction to address a concern faced by cities and villages that have adopted or will adopt an economic development program under the Local Option Municipal Economic Development Act commonly referred to as LB840 programs. The concerns that such a program will receive less revenue than anticipated because of the requirements of LB904 that was passed in 2006. The economic development program and the mountain source of city funds that will support it require voter approval. Revenue for the program comes from a specific source, usually the local option sales tax. With the passage of LB904 the local option sales tax on motor vehicles must not be spent on streets. This requirement reduces the amount of funds that could support an economic development program even though the program was approved by the voters. Because the revenue source was approved by the voters it could not be changed without another vote of the people. LB359 adds an exception to the LB904 requirement that revenue from the local option municipal sales taxes levied on motor vehicles can be used by the municipality exclusively for streets. The exception would be allowed when voters have approved an economic development program under the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

Local Option Municipal Economic Development Act and approved the use of some or all of the sales and use taxes for the economic development program. Municipalities that take advantage of the exception will continue to use the local sources of revenue for streets as required by state law to match the state highway allocation funds. LB359 will preserve the voters' intent that sales tax proceeds be used for their local economic development program. For the record, I have two letters of support for LB359. They were submitted by the Cambridge Nebraska Economic Development Board and the Valley County Nebraska Economic Development Board. I encourage you to direct questions you have about LB359 to the individuals who are here to testify on behalf of the bill and I will waive closing. [LB359]

SENATOR DIERKS: Thank you very much, Dave. Questions for Senator Pankonin? I think you're free. [LB359]

SENATOR PANKONIN: Thank you. [LB359]

SENATOR DIERKS: Proponents of LB359, please. [LB359]

LYNN REX: (Exhibit 7) Senator Dierks, members of the committee, my name is Lynn Rex representing the League of Nebraska Municipalities. First, I'd like to thank Senator Pankonin for introducing this measure. There are 42 municipalities in the state of Nebraska that have adopted a local option economic development program. And just as a bit of background, I think he's highlighted for you most of it, but basically in 1990 voters approved LR11CA, that was a constitutional amendment which allowed the Legislature to authorize a use of local option sales tax dollars, property tax dollars, and other sources of revenue for economic or industrial projects or programs subject to a vote of the people. As Senator has already indicated to you, when LB904 passed last year there were several municipalities that not only bonded it and there was an exception provided if you look on page 3 of this bill, there already was an exception provided on the bonding side. But there were also municipalities that had basically called the Department of Revenue prior to their vote in their city and asked the Department of Revenue how much money would be generated from a local option sales tax. And the Department of Revenue dutifully would give them the number. Prior to the effective date of LB904 they didn't separate it out in terms of this is the amount for motor vehicle sales, this is the amount for non-motor vehicle sales. It was simply one number. So voters were told across the state in these communities, basically this money is going for this project. It'll have this much money. And we just want to provide an exception for those cities that have done that. And I did talk to Senator Pankonin about an amendment to this measure which would make it retroactive. In other words, for those that have adopted this program prior to the effective date of this bill. Because our purposes, prospectively there's no reason why they can't get both numbers from the Department of Revenue. It's just that prior to passage of LB904 there's no way that they knew to ask that because it didn't really apply. So with that, I'd be happy to answer any

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Transcriber's Office

Revenue Committee
January 24, 2007

questions you have. We do think that this bill underscores what voters intended across the state in these 42 municipalities when they adopted these programs. We think the bonding provision was an important exception last year, but there's also another piece of that and that is represented with passage of, we hope, of LB359. And again we encourage the committee to adopt an amendment to make it retroactive to those 42 cities that have already adopted it. And I would be happy to answer any questions that you might have. [LB359]

SENATOR DIERKS: Thank you, Lynn. Questions? Senator Raikes, please. [LB359]

SENATOR RAIKES: Lynn, do you have a clue as to what percentage in one of these situations that this revenue stream would amount to of what was being dedicated to this economic development program? [LB359]

LYNN REX: Basically all of it. In other words, what has happened would happen prior to passage of LB904. Let's say a municipality already had a one cent sales tax, Senator Raikes, and they would decide they would dedicate an extra half cent sales tax to a local economic development project or program. What they would do is it's very similar to a budget process. The LB840 process is that you hold a hearing, you indicate how you're going to do it, you have a proposed budget, you have a proposed plan on how and why you would basically have these economic development purposes. That goes to a vote of the people. And basically all of the money, even those on the sales tax of motor vehicles, all the money generated would be dedicated for that cause. [LB359]

SENATOR RAIKES: Okay, but there wasn't any vote of the people that said we're going to use local option sales tax money on only new car sales for this. [LB359]

LYNN REX: Oh, no. I'm sorry. [LB359]

SENATOR RAIKES: Yeah. [LB359]

LYNN REX: That was your question, no. [LB359]

SENATOR RAIKES: Yeah. And that would amount to... [LB359]

LYNN REX: It depends on the city. Some of these, and let me add I'm not trying to avoid your question...if you look at this handout. Some of these cities are very small. They don't even have car dealerships. There are approximately 15 or 16 here that are cities of the first class meaning cities with a population of 5,000 or up and they certainly have car dealerships, but some of them here, most of them probably don't. So we're just suggesting to you that we think that what LB359 does is that for a period of time it allows those municipalities that went to their voters and said here's how much money it's going to generate to help offset costs for certain economic development projects and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

programs, that it basically allows them to do that. And making it retroactive, we think, makes it clear that the intent was never for them to take away funds from motor vehicle sales tax and use it for nonstreet purposes. It was simply that they called the Department of Revenue, asked for the number, and that's the number that came out. By the same token, the Department of Revenue, they gave the information they were asked. They did the right thing, too. And I don't think anyone anticipated prior to passage of LB904 that the Legislature would basically bifurcate local option sales tax in that way and therefore they never asked for those funds. But this does make a difference, Senator, on projects where, in fact, there are revolving loan funds and other things put into play as allowed by LB840 which the Legislature passed. It was Governor Ben Nelson's first bill when he was Governor. So we do think this is an important piece of it. We think that this helps those cities that have already adopted this and relied on that number in terms of how this would help their program. And it does not apply and would not apply prospectively with that amendment. [LB359]

SENATOR DIERKS: Senator Langemeier. [LB359]

SENATOR LANGEMEIER: Thank you, Chairman Dierks and thank you for your testimony. So, if I have this straight, it's the fear that you put this up to a vote it won't pass again or is the problem that if you did put it up to a vote and it did pass you still can't generate enough dollars without the change? [LB359]

LYNN REX: No, neither. This would be, and I apologize that I've not explained it well. I apologize. Basically, Senator, what we're saying is that the focus of this bill is that prior to passage of LB904 in 2006... [LB359]

SENATOR LANGEMEIER: Um-hum. [LB359]

LYNN REX: ...these 42 cities contacted the Department of Revenue and said we're going to have an LB840 program. Give us an estimate of how much money a half cent sales tax would raise, a local option sales tax, a .25 percent sales tax would raise. Give us that number. They took that number prior to passage of LB904 in 2006, they took that number and they went to the public, and with their public hearing as they went to talk to their citizens and say this is how much money we're dedicating for these economic development projects and programs. That is the number that they gave to the voters. And some of them have been feeling some repercussions after passage of LB904 because their voters said, wait a minute. You told us you were going to be having this much money. You don't have that much money. Why is that? And for most of our elected officials on a local level, it is a bit of a hard sell to say, well but there's this technical amendment that passed with LB904 that says that the money raised from local option sales tax on motor vehicles has to go for streets and roads. And there's no question. They always have a use for more money in streets and roads, and therefore we told you it was going to be an extra \$25,000 revenue raised from local option sales

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

tax on streets and roads--on motor vehicles rather. But instead of that it's now going over here and so it's \$25,000 less as a program. What I'm offering, Senator, is that if we apply this retroactively, in other words only to these 42 cities that have already adopted it. Some of them have already been excluded under LB904 because they bonded it. Last year in LB904 you gave the exception that if you bonded it, we talked to Senator Landis who was then chair of the committee, and said--of course bond council last year were pretty, I mean, were very concerned because, of course, those same revenue streams were committed to pay off bonds. And so that's why the Legislature put this in. The one thing that we did not anticipate well enough was the reaction of the public and municipalities across the state that they relied on those numbers by the Department of Revenue. And again, I'm not criticizing the Department of Revenue. They simply gave the number that they were asked which is how much would it raise. So retroactively we're asking that an amendment be placed on this to say this would only apply prior to those programs in place, prior to the effective date of LB359. So it doesn't have anything to do with prospectively passing anything. Matter of fact, I don't think that that will have any impact whatsoever prospectively. We just want to make sure that retroactively it certainly protects these 42 municipalities. [LB359]

SENATOR LANGEMEIER: Thank you. [LB359]

LYNN REX: Thank you. [LB359]

SENATOR DIERKS: Other questions for Lynn? I guess not. Thanks so much, Lynn. [LB359]

LYNN REX: Thank you very much. Thanks for your time. [LB359]

SENATOR DIERKS: Next proponent, please. [LB359]

STEPHEN JOHNSON: Steve Johnson, city of Tecumseh, J-o-h-n-s-o-n. We've been receiving funds from LB840 since October of '98. Basically what that's done for us is about \$2,118,000, of which \$705,000 has come to economic development. \$1.4 million has gone to the General Fund. We haven't had any specific item that that General Fund monies have gone to specifically. The city council has been in control of those funds specifically. [LB359]

SENATOR LANGEMEIER: I hate to interrupt you, but can I have you pull the mic down. We can't hear you. [LB359]

STEPHEN JOHNSON: Sure, I'm sorry. [LB359]

SENATOR LANGEMEIER: Thank you. [LB359]

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Transcriber's Office

Revenue Committee
January 24, 2007

STEPHEN JOHNSON: You want me to repeat that, sir? [LB359]

SENATOR LANGEMEIER: No, you're doing okay. Just keep going, thank you. Thank you very much. [LB359]

STEPHEN JOHNSON: Okay, very good. Any specific questions as to those dollars, etcetera? [LB359]

SENATOR DIERKS: Senator Raikes. [LB359]

SENATOR RAIKES: This question. Suppose the motor vehicle sales amounted to 10 percent or some such number. Wouldn't it be possible to use, I mean, to just do switch of funds and so you replace that question? [LB359]

STEPHEN JOHNSON: The interesting part about the motor vehicle sales tax portion of this, the economic development budget that generates on an annual basis is about \$100,000. The motor vehicle sales tax portion that would come out of that, if you annualize it, it's only been in effect since October so I only have four months. To date, totally it's about \$9,000, specifically, which would be roughly \$3,000 that would be applied to economic development or a third of that. So you're talking about roughly \$9,000 a year if you annualize it. So the \$9,000 compared to \$100,000. The city of Tecumseh's street budget probably amounts to, on an annual basis, \$1 million to \$1.2 million. So the effect of that \$9,000 to \$10,000 from economic development is highly substantial as opposed to what it does to the street budget. [LB359]

SENATOR RAIKES: But my question if I can just follow up quickly, is why can't you take \$9,000 out of the street budget and use it to, I mean, do the switch is what I'm asking? I mean money is fungible... [LB359]

STEPHEN JOHNSON: Specifically, as I understand it, the bill requires that the funds come from LB840 monies. If that's the case then it does affect... [LB359]

SENATOR RAIKES: You're prohibited from using city general fund monies... [LB359]

STEPHEN JOHNSON: That's correct. [LB359]

SENATOR RAIKES: ...from supporting this. [LB359]

STEPHEN JOHNSON: That's right. [LB359]

SENATOR RAIKES: You're prohibited by statute or by what? [LB359]

STEPHEN JOHNSON: By statute as I understand it. [LB359]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR RAIKES: Okay. [LB359]

STEPHEN JOHNSON: So if it affects LB840 monies at this point, it affects economic development also. Senator Pankonin's bill rectifies that. [LB359]

SENATOR DIERKS: Further questions? Other questions? Okay, thank you very much, Mr. Johnson. [LB359]

STEPHEN JOHNSON: Thank you. [LB359]

SENATOR DIERKS: Next proponent, please. [LB359]

JIM LITCHFIELD: Afternoon, Senators. My name is Jim Litchfield, L-i-t-c-h-f-i-e-l-d, the city administrator in Wakefield, Nebraska. We're one of these communities that Lynn has talked about is a small community that struggles with retail sales. We're in the process of taking to vote LB840. We've designated March 13 as a special election time and we've been working on this project for about 14 months. So it's imperative to us that we have an estimated amount of revenue between \$50,000 and \$55,000 that we receive 100 percent of that. We're unique in the fact that we have a special designated project for that. We're building a new swimming pool in town. Of course swimming pools are not cheap. And our desire is to take the majority of those revenues and pay the debt on the swimming pool. So we have a project in place, we have a plan in place, and our desire is to utilize the majority of those funds as possible for our community improvement project. Again, those funds that we can't get other dollars for. We also look at it as it is definitely a property tax relief. We have two forms of paying for the debt on this swimming pool and we could increase property taxes to the property owner or pass the city sales tax. We choose to pass city sales tax. We think that's the good thing to do and more people share that responsibility of paying that than just the local community. So our desire is that we be able to utilize the full funds. We also have a very aggressive street program. We pave a lot of streets in town. We spend a lot of money every year on our street program and we feel very confident in what we do is very productive. And then, again, we just appreciate 100 percent use of the sales tax dollars for that particular project and plan. And thank you for your time. [LB359]

SENATOR DIERKS: Questions for Jim? Thank you, Jim. Senator Raikes. [LB359]

SENATOR RAIKES: Well, Lynn Rex mentioned an amendment to make this retroactive. That would leave you out on this, right? Because you are prospective. You're not... [LB359]

JIM LITCHFIELD: Yes, sir. We are planning on taking this to the vote of the people. [LB359]

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Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR RAIKES: And you still have time to change that? [LB359]

JIM LITCHFIELD: No, sir. No, we just had a public hearing last Monday and everything is moving forward and going to the county officials for notification. [LB359]

SENATOR RAIKES: Although, you knew at the time of the public hearing that this was a statute. [LB359]

JIM LITCHFIELD: Yes, sir. [LB359]

SENATOR RAIKES: And so your project, your proposal works without the motor vehicle sales tax money being in the pot. [LB359]

JIM LITCHFIELD: Yes, sir. [LB359]

SENATOR RAIKES: Okay, thank you. [LB359]

JIM LITCHFIELD: We were anticipating a positive effort here and getting LB359 passed. [LB359]

SENATOR RAIKES: Okay, thank you. [LB359]

SENATOR DIERKS: Senator Langemeier. [LB359]

SENATOR LANGEMEIER: Thank you for your testimony, by the way. And maybe Senator Pankonin will clarify this at the end, but it would be my anticipation that this would not affect you at all. This would be no benefit to you because you haven't had your vote yet. [LB359]

JIM LITCHFIELD: Right. This is true. [LB359]

SENATOR LANGEMEIER: Okay. [LB359]

SENATOR DIERKS: Other questions? Roughly speaking, how many dollars are you talking about that come into your community with this project? [LB359]

JIM LITCHFIELD: The Department of Revenue has estimated approximately \$52,000 a year for retail sales. [LB359]

SENATOR DIERKS: Thank you. [LB359]

JIM LITCHFIELD: Thank you. [LB359]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR DIERKS: Any other questions for Jim? I guess not, thank you much. Any other proponents? Anyone else in support of LB359? Is there anyone in opposition to LB359? Opponents to LB359? Anybody neutral on LB359? [LB359]

JACK CHELOHA: Good afternoon again, Senators. My name is Jack Cheloha, and that's spelled C-h-e-l-o-h-a. I'm a registered lobbyist for the city of Omaha. I want to testify neutrally on LB359. And the reason why we're neutral is currently we don't have any local option municipal economic development acts that are in use that have been approved by the voters that dedicate our sales tax. However, though, as I was listening to the hearing and hearing about LB904 it kind of brought back some memories from last session. And essentially what is going on was the previous chair of this committee and the chair of the Transportation Committee were interested in seeing that local option sales tax on motor vehicles also was dedicated for street and roads. And in the city of Omaha that created a problem for us because we had, you know, our local option sales tax was benevolently given to the city by the state. And so the key on that always was you had to have the vote of the people in order to implement it. And when we sold it to our voters we said we're going to have a local option sales tax to keep property tax down. And with that, you know, because of the Department of Revenue didn't break out the funds or where our local option sales tax came from, we always put it into our General Fund. And what was being proposed on the bill was, you know, essentially would've created about a \$9 million hole in our general funds and so we essentially worked out an exception to that which you'll see in section 2 of this bill. And the reason why I wanted to testify, though, is if this committee sees fit, instead of, you know, coming in and each year looking at exceptions it might be easier just to strike the restrictions on how local option sales tax can be spent. And then that way, you know, we wouldn't have to worry about writing in exemptions, etcetera. So I would recommend as an amendment I think we can strike section 2 and that would be a cleaner way to write it. I'll try and answer any questions. [LB359]

SENATOR DIERKS: Thanks, Jack. Questions for Mr. Cheloha? Senator Raikes. [LB359]

SENATOR RAIKES: Jack, again, what is the Omaha exception? [LB359]

JACK CHELOHA: The Omaha exception is within section 2 there that has to do with if you had issued bonds for roads prior to January 1, 2006, then you essentially would get a gate or a window, if you will, on putting your sales tax derived locally on motor vehicles into your street funds until the life of your bonds are expired. And the reason behind that, Senator, was in Omaha as you previously heard on a different bill, I mean we periodically issue bonds to pay for street improvements. You know, we just had one approved for \$58 million. And then also our street program is funded through the Highway Trust Fund the part cities get. And then finally, we also implement a local

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

wheel tax on our citizens to help pay for street improvements. And so that was the way that we balanced our books, if you will. And so LB904 kind of created a problem for us in terms of the General Fund midway through the year for Omaha, because we work on a calendar year. And so that's why we had to ask the Legislature to come up with an exemption for us last year. And now we're here on LB359 and we need to get a, if you will, another exemption because there's other communities where the voters have approved a project thinking that this is the number available, and it's going to dedicate it to this. But in effect, the statute changed it and, if you will, kind of negated what the voters thought they were intending. Thank you. [LB359]

SENATOR DIERKS: Other questions for Jack? I guess not. [LB359]

JACK CHELOHA: All right. Thank you. [LB359]

SENATOR DIERKS: Thanks, Jack. Anyone else in a neutral position on LB359? Anyone else neutral? Would you like to close on LB359, Dave? [LB359]

SENATOR PANKONIN: I said earlier I would waive. I wish I wouldn't have said that, because I'd like to make one more comment to that. Is that okay? [LB359]

SENATOR DIERKS: Yeah, come on back. [LB359]

SENATOR PANKONIN: Folks, you know, first of all the Wakefield people would like to get it passed before this would happen. I'm sure that's what he really was hoping would happen. Here's the deal. As mayor of Louisville, we have, an LB840, that happened after I was on the city council at the time. And you tell people that the money, in our case, half goes to economic development, half goes to our streets and road repairs. But under what happened with LB904, and some of these communities as the letter indicated, they had indicated that the money, 100 percent was going to go to economic development. So you sold it to the voters which usually was a process that was a tough deal. You had to go, you had hearings, and you worked hard to get these things passed. And it did relieve some property tax and these sort of things and people, you know, you're selling a vision what you can do for your community. So what happened with LB904 that takes some of that money away? So to me, the will of the people, what you sold them on didn't happen. And that's what this LB359 would do, is it would allow those communities that have already done it or going to do it before this takes effect to have the chance to what they voted on is going to hold true. Because we had two bills in conflict in my opinion. One came after the other and we need to try to exempt these folks that in good faith, voted for what they were going to get. To me, that's the whole thing. Questions? [LB359]

SENATOR DIERKS: Thank you. Questions for Dave? I guess you got it. That closes the hearing on LB359 and we'll now go to LB41. Senator Hudkins, please. [LB359]

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Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR HUDKINS: Are you ready? [LB41]

SENATOR DIERKS: Anytime, Senator Hudkins. [LB359]

SENATOR HUDKINS: (Exhibits 8 and 9) Thank you, Senator Dierks and members of the Revenue Committee. I am Senator Carol Hudkins, C-a-r-o-l H-u-d-k-i-n-s, and I represent the 21st Legislative District. Today for your consideration, I am introducing LB41. LB41 is a way of financing the ever increasing costs of maintaining and improving our state highways, city streets, and county roads. LB41 increases the motor vehicle fuel tax by three cents. The first penny increase occurs in 66-489 and 66-4105 and those are on page...looks like 5, of the bill. Well, I'll let you find it. The revenue raised pursuant to these statutes are deposited in the Highway Trust Fund and after credits and refunds the balance is distributed 53 1/3 percent to the state, 23 1/3 percent to the counties, and 23 1/3 percent to the cities for road construction. The other two cents raised pursuant to 66-4145 and 66-4146 are deposited first in the Highway Trust Fund, and then once credits and refunds are made, the balance of the revenue raised is distributed to the Highway Allocation Fund. In short, the Highway Trust Fund is the state, the Highway Allocation Fund are the cities and counties. Distribution from this fund, the Highway Allocation Fund, is 50 percent to counties and 50 percent to cities for road and street improvements. And the amount distributed to any city or county is based upon a formula. This formula includes the total population, the total rural population, the number of registered vehicles, numbers of bridges and overpasses, the number of lane miles, and dollars worth of farm products sold from that area. We had originally thought to divide the city and counties' shares on population alone, not going through the formula. Unfortunately, it was discovered that we would then need another entire trust fund and more bureaucracy. So what we decided to do is continue those monies through the existing formula. Over the past two years, the rapid increase in all products involving petroleum have resulted in a drastic drawback in road maintenance and construction. The one saving grace in many areas is that we have been spared--well, not really--harsh, wet winters which would have demanded tight resources be spent on moving snow so that the roads were passable and safe. We're not through the winter yet. I would urge the committee to advance the bill to the full Legislature for consideration. Testifying after me are representatives of the various political subdivisions who can give you examples of what the drastic increased costs have meant to them and their plans to maintain and construct roads. And the amendment that you were handed out, during the drafting of this bill some language was inadvertently stricken that I believe needs to be reinstated. The amendment appears on page 7, beginning on line 13 and ending on line 17, and I would simply ask that you would reinstate the stricken matter. And as I said, there are others behind me that will be testifying for this bill. They probably have more of the technical--oh, I have one other thing--nature of the bill. I also would like to enter into the record, a letter from Gretchen Dolson who is a professional engineer. And the Professional Engineers Coalition is

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Revenue Committee
January 24, 2007

made up of four constituent organizations: The American Council of Engineering Companies, the Nebraska Society of Professional Engineers, the American Society of Civil Engineers, and the Professional Surveyors Association of Nebraska. And the American Society of Mechanical Engineers is an associate member. This organization supports this bill and I'll let you read the rest of that. So if that could be made a part of the record, Senator Dierks. And other than that, if you have questions I would attempt to answer them. [LB41]

SENATOR DIERKS: Thank you very much. Questions for Senator Hudkins? I guess not. [LB41]

SENATOR HUDKINS: Thank you. [LB41]

SENATOR DIERKS: Thanks, Carol. First proponent, please. How many proponents are there for this legislation? Would you mind coming up to the front of the room here and be ready to come up to testify? That would help us a little bit. [LB41]

LARRY DIX: Senator Dierks and members of the committee, for the record my name is Larry Dix. I'm the executive director of the Nebraska Association of County Officials and appear today in front of you in a position to support LB41. Certainly, one of the things we deal with in county government, day to day, biggest thing, the largest number of calls that any county commissioner will get at his home is in regards to roads and the requirement to keep them passable, workable. We know that those roads carry farm-to-market products. We know that these are the roads that are carrying our kids to schools. And in every county that I have looked at, unequivocally, we can see that the amount of money that comes from the Highway Trust Fund does not equate to the amount of money that counties spend on their roads. The other thing that very briefly I'll bring to your attention I think is very, very important, when we start to look at the roads in the state of Nebraska, and many of you travel some of those rural roads from time to time. One of the things that we are seeing, county by county, is the deterioration of the county bridges and those are probably some of the most expensive things to maintain in our counties. Many of those bridges built 50, 60, 70 years ago, certainly were never designed to carry the farm equipment that we are seeing going across those roads in this day and age. And so those are things that, when we look at a bill like this we hold out hope that there is some more money that will go into the system, into the system that can be used for the maintenance and the ongoing needs in our county roads. And so I'm not going to get into the details of the dollar amounts. I think there will probably be some of those that follow me that do. But certainly from a county perspective it's very, very important we believe that we get additional funds into that system for the maintenance of our roads. I would certainly be happy to answer any questions anyone may have. [LB41]

SENATOR DIERKS: Thanks, Larry. Questions for Mr. Dix? Senator Raikes? [LB41]

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Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR RAIKES: Larry, this bill calls for the half-cent sales tax on motor vehicles going back to the Highway Trust Fund rather than the Highway Allocation. Do you support that? [LB41]

LARRY DIX: Yeah, you know when we look at the overall picture, I think sometimes we get wrapped up in saying, well, here's my piece and here's the city's piece and here's the state piece. And from the County Officials' point of view, we've always taken the view that it's a system and it's a connection of city roads connected to county roads connecting to state roads. And I know that when that money is moved there are some significant differences that can happen by going into the Allocation Fund as opposed to the Highway Trust Fund. But overall, we took a look at it and said we could support that, yes. [LB41]

SENATOR RAIKES: Okay. [LB41]

SENATOR DIERKS: Other questions? Okay, thanks, Larry. [LB41]

LARRY DIX: Thank you. [LB41]

SENATOR DIERKS: Other proponents? [LB41]

KARL FREDRICKSON: Good afternoon, Chairman Dierks and members of the committee. I am Karl Fredrickson. I'm the director of Public Works and Utilities with the city of Lincoln and I'm here to support increased funding for street infrastructure. It's my understanding that LB41, as Senator Hudkins said, is asking for an amendment to clarify that it will continue to distribute to cities and counties the one-half cent motor vehicle sales tax that LB904 created last session. And with this amendment the city of Lincoln supports LB41. Street infrastructure supports business recruitment, expansion, and therefore economic growth in Lincoln and Nebraska. This economic growth is needed in order to broaden tax base and give Lincoln and Nebraska a competitive tax climate. I would also echo the comments. The cost of doing business in the street has gone up significantly...price of diesel, those run our snow plows, those run all of our maintenance vehicles all year around and price of fuel has gone up. Subsequently, all the materials have gone up, contractors. And so the revenue has not followed suit to handle the expectations in that regard. So, with that, thank you. [LB41]

SENATOR DIERKS: Thank you, Karl. Are there questions for Mr. Frederickson? I think not. Thank you very much. Other proponents, please. [LB41]

LYNN REX: Senator Dierks, members of the committee, my name is Lynn Rex representing the League of Nebraska Municipalities. We do stand in strong support of LB41. We appreciate the amendment offered by Senator Hudkins and she has outlined

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

that amendment on page 7, lines 13-17, to reinstate that language. And we can tell you that all across the state there's a huge deficit in terms of the amount of funding that municipalities have for street and road programs. Several years ago, one of the things that Governor Johanns did was create a transportation task force and there were 12 forums across the state with hundreds of municipalities and others involved in that, all across the state. And what came out of that was that there was just a huge backlog of projects that need to be done, maintenance, and when you defer maintenance enough it just becomes more costly each time that you do it. I think one of the most shocking things to me was up in Valentine, Nebraska, when some of the ranchers and others came forward and said that some of their roads don't even meet the standard in terms of being able to take the weight of their vehicles, because, their newer vehicles, that carry the corn and the other kinds of product to market. And I think that we really do have a huge deficit in terms of transportation costs and infrastructure needs in this state. We strongly support this bill and hope that you will do the same. I'd be happy to respond to any questions that you might have. [LB41]

SENATOR DIERKS: Thank you, Lynn. Questions? Senator Raikes. [LB41]

SENATOR RAIKES: It got by me that the amendment offered by Senator Hudkins does, in fact, strike the language that would put the additional half-cent into the Highway Trust Fund rather than the Highway Allocation Fund. So in net, cities and counties come out a lot better on this proposal than does the state. [LB41]

LYNN REX: Well, certainly the state of Nebraska and the State Department of Roads needs more money, but so do cities and counties and we believe that this is a strong bill that's going to help municipalities across the state. Certainly counties and the state, too, because it is a system. [LB41]

SENATOR RAIKES: Okay, thank you. [LB41]

SENATOR DIERKS: Other questions? Thanks, Lynn. [LB41]

LYNN REX: Thank you very much. And just in closing, too, obviously the state of Nebraska has a variable gas tax where the Department of Roads is funded through that, predominantly. But clearly they are always in need of more funds and they are looking at a huge deficit themselves this year, so we certainly would ask your support for that as well. Thanks for the opportunity to speak today. Thank you. [LB41]

SENATOR DIERKS: Thank you. Other proponents, please. Hello, Larry. [LB41]

LARRY HUDKINS: (Exhibits 10 and 11) Good afternoon, Senator Dierks and members of the Revenue Committee. My name is Larry Hudkins. I served as the Lancaster County Commissioner here in Lincoln, Nebraska for the past 18 years. And I come to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

you this afternoon and I'd like to read a letter from our board and you'll also have a copy of it. The Lancaster County Board of Commissioners strongly supports LB41. The highest legislative priority for Lancaster County is increasing funding for the construction and maintenance of county roads. Revenues are not adequate to fund our numerous important road projects which are essential to public safety. According to national standards, we should be paving an additional four to five miles of gravel roads a year. Incidentally, we still have 16 miles of dirt roads here in Lancaster County. [LB41]

SENATOR DIERKS: How many miles? [LB41]

LARRY HUDKINS: 16, I believe, is the last count. Since 2003, the county has only been able to pave one-half mile per year. On top of this, the innovative Rural to Urban Transition Stratus program, commonly referred to as RUTS, and the protection of the East Beltway corridor will compete for what few dollars we do have from a funding source which is not adequate to meet existing needs. LB41 won't do it all, but it will help provide a much needed additional funding source to help us address these concerns. Our county engineer, Don Thomas, also has another letter which is being distributed to you. And he states in there that, actually, they have had a decline in the Highway Trust Fund for all Nebraska counties, actually showed a decline of 7 percent over the past five-year period from 2001 to 2005. And, locally, his budget is supported both by property tax and the gas tax and it would show a 24 percent increase in property tax support during this period and the Highway Allocation gas tax support in come from his budget during the same period increased only 6 percent. So what we've had here is a shift from state funding from the Highway Trust Fund to local property tax. And the number one complaint that I receive as a county commissioner is roads. We don't have adequate roads. We don't have enough roads. We need more paving. We're falling behind. And my constituents are very, very cognizant of that. Yet, the number one complaint I get from my constituents is the property taxes are too high. They don't complain about sales tax. They don't complain about income tax. But property taxes are the things that they're concerned about. Well, as a county commissioner I don't have access to sales tax or an income tax. We have to work with the property tax. So we've had a shift going on. Instead of less state aid, we have to do as much as we can and we're falling woefully behind. So that's the reason that we certainly think that LB41 is something that we would like to have you seriously consider, hope that it gets out of committee so the entire floor can debate this. There may be better ways of doing it. Certainly, it's not as much money as many of us would have wanted, but this increase is something that will probably be reasonable in a time of declining fuel prices which we hope continues. It would be more palatable than if it was in a time of increasing. I guess I would like to give you a couple of the examples of just what is going on out there. I'm past president of the Nebraska Ag Relations Council and we sponsor an urban to rural tour each year. And we have citizens, and these are city council members, and mayors, and people, and industry med center, university professors, business people. Take about 40 of them a year on an ag tour and take them out and show them agriculture.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

Last year we were coming from former Senator Waldo's farm and going over to the vice-grip plant at DeWitt, Nebraska, and we took a shortcut across a gravel road. When we got there Arrow Freight Lines slammed on the brakes on a bus as we were going down this country road, and he said, wait a minute. I can't take this bus across this bridge down here. And so all the passengers had to get out and he drove the bus across, then we walked across, and got back on the bus. This was probably the highest impact of the people that were on that tour, was the fact that we had roads out in the county that we couldn't even take a bus, let alone a loaded grain truck across. So there's a lot to do out there. We see good roads as an investment in the future. We see them as economic development. When we build better roads, we have, infrastructure is there, then buildings and industry and jobs follow. When we have two of the largest trucking firms in the United States within 50 miles of this area, we are really cognizant of it. As I visit with Mr. Acklie of Crete Carriers he says too, roads are an investment. They're something that you invest in and then the economy comes as a result of it. I guess I would just like to leave you with one further thought. This may come as a shock to you, but sometimes when Senator Carol wants to get away from the phone she goes antique shopping. Well, I'm good for about the first 20 minutes while I go through the old farm tools. And then I have to go do something else. So one day while she was in Kearney at an antique store, I pulled back out by the interstate and sat on the on-ramp off to the side and did a little informal poll for one hour. And that's usually not enough for Carol and an antique store, but that's what I had that day. And I, to the best of my ability, watched license plates as they went on past the Kearney interchange and 38 out of 100 of those plates going by me were out of the state of Nebraska. What better opportunity would you have to have somebody that's using our roads help us pay for our roads by collecting the fuel tax? There's 455 miles of interstate 80 across the state of Nebraska. Virtually everybody is going to buy gas somewhere along that route. And the trucks are going to pay on the apportion basis so we're going to get that share of it. So I'd whole lot rather pay a fuel tax that even will cost me more as a farmer and a business man than I would a proper increase in the property tax and let those, whatever there is, 25, 30 percent of the people using our roads also help us in that endeavor. Thank you. [LB41]

SENATOR DIERKS: Thanks, Larry. Questions for Larry? Senator Raikes. [LB41]

SENATOR RAIKES: Larry, do you know where we stand as a state now in terms of gas taxes? [LB41]

LARRY HUDKINS: On the national ranking, I do not know. [LB41]

SENATOR RAIKES: It is probably true that we're among the highest. [LB41]

LARRY HUDKINS: I would say we're in the highest third. [LB41]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

SENATOR RAIKES: Okay. [LB41]

LARRY HUDKINS: But that's just an offhand remark. [LB41]

SENATOR RAIKES: And this would increase that three cents? [LB41]

LARRY HUDKINS: That's correct. [LB41]

SENATOR RAIKES: Yeah. [LB41]

SENATOR DIERKS: Senator Langemeier. [LB41]

SENATOR LANGEMEIER: Thank you, Chairman Dierks, and Mr. Hudkins, thank you for your testimony. And I'm going to ask you this question and just to throw it out there. Maybe somebody else will talk about it. Would Lancaster, in your opinion, be considered a municipal county? [LB41]

LARRY HUDKINS: No, we would not be. We have our own separate system of government in that we have a county commissioner and we have a city council. The thing that a lot of people don't realize about most county commissioner forms of government is we are policy-making as well as administrative. [LB41]

SENATOR LANGEMEIER: To your knowledge, do you know are there any municipal counties? [LB41]

LARRY HUDKINS: I do not believe there are any in the state of Nebraska. [LB41]

SENATOR LANGEMEIER: Okay, thank you. [LB41]

SENATOR DIERKS: Other questions for Larry? Thanks so much for coming, Larry. [LB41]

LARRY HUDKINS: Thank you. [LB41]

SENATOR DIERKS: Further proponents of LB41? Anyone else in support of LB41? [LB41]

LARRY RUTH: Senator Dierks and members of the committee, my name is Larry Ruth, R-u-t-h. I appear today on behalf of the Associated General Contractors, Nebraska Chapter. The AGC Nebraska Chapter are the road builders of the state and those who participate in road building. Our support for road building is usually to support the size of the budget for the Department of Roads, protection of the Highway Trust Fund, and enhancement of funds for the Highway Trust Fund. LB41 would, number one, increase

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

the fixed rates and, number two, change the distribution of the half cent on motor vehicles sales from last year, as I understand it. I was not able to be here when it was being described. We support, in general, revisiting the increase and the fixed rates. But the distribution of the one half cent was hammered out last year and it went to the Highway Allocation Fund and we don't take a position on that change of the distribution. When you have an increase in the fixed rates it provides some modicum of support to the counties and the cities. The Allocation Fund, the two cents going there goes directly to counties and cities. And also an increase in the state program, only that's 53.5 percent of the additional one cent. I don't know what that increase should be. The testimony I'm sure will be instructed in that regard. So we don't take a position on that, but we think you should revisit the fixed rates and, as appropriate, increase them. Thank you. [LB41]

SENATOR DIERKS: Any questions for Larry? Senator Burling. [LB41]

SENATOR BURLING: Thank you, Larry. Do you know when the last time the gas tax was raised in Nebraska? [LB41]

LARRY RUTH: Well, it's a variable gas tax that raises somewhat automatically based upon the amount of gas that is consumed or generating it. [LB41]

SENATOR BURLING: The fixed rate thing. [LB41]

LARRY RUTH: Well, not the fixed rate. I don't know the last time the fixed rate, if that's what you're asking. [LB41]

SENATOR BURLING: That's what I was asking. [LB41]

LARRY RUTH: And I think that's one of the reasons we think that that should be revisited occasionally. The variable, of course, goes up, I think every sixth month up or down based upon the needs of funding the program on a six month basis. [LB41]

SENATOR BURLING: Okay. [LB41]

LARRY RUTH: But I don't know the fixed rate, no. [LB41]

SENATOR DIERKS: Senator Raikes. [LB41]

SENATOR RAIKES: Larry, with the amendment that Senator Hudkins has offered, the increase would amount to as near as I can tell from the fiscal note, about \$30 million additional annual revenue to cities and counties, and about \$6.4 million for the Department of Roads. Is that a good ratio if you're going to have an increase? [LB41]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

LARRY RUTH: Well, first of all, I wasn't here to hear the amendment so I'm sorry about that. I was in another hearing, but... [LB41]

SENATOR RAIKES: The amendment would leave the allocation the same as it was last year. [LB41]

LARRY RUTH: Yeah. I think generally speaking, the Associated General Contractors prefers to have a greater increase in the state program and that would be one of our goals. So I'm not familiar with that amendment. If it runs counter to that then that would affect our thought, but that would be our thought. [LB41]

SENATOR RAIKES: Okay. [LB41]

LARRY RUTH: The state, the distribution, to the Highway Trust Fund as a whole, of course, has an element of 53 percent to the state program and the rest of it is divided half and half, counties and cities. It's really a tough question what that balance should be. It's, you know, from the road builders standpoint we're probably going to get the funds either way because we're going to build roads either county, city, or state. We just want to have that fixed rate reviewed occasionally to make sure that everybody is relatively pleased with that distribution. [LB41]

SENATOR RAIKES: Okay. [LB41]

SENATOR DIERKS: Other questions for Larry? Okay, you're through. [LB41]

LARRY RUTH: Thank you. [LB41]

SENATOR DIERKS: Thanks, Larry. Other proponents, please, of LB41. Anyone else in support of LB41? Anyone opposing LB41? [LB41]

TIM KEIGHER: Good afternoon, Chairman Dierks and members of the committee. Again, my name is Tim Keigher, it's K-e-i-g-h-e-r. I'm going to surprise you why I'm opposed to this. I mean, basically, petroleum marketers compete with surrounding states and the motor fuel tax is a big part of that. If you look at Kansas, we're 3.1 cents higher than Kansas. We're 10.1 cents higher than the state of Missouri. 14.1 higher than Wyoming. But I guess more importantly we're 6.1 higher, currently, than the state of Iowa on gasoline and 7.1 on gasohol. They have an incentive over there that if retail outlets sell so much gasohol that they get a one cent additional discount on the motor fuel tax rate. Talking to my members who also have locations in Council Bluffs, they say that 75 percent of the cars that they see at their retail outlets are Nebraska plates. So right now we're at 7.1 cent a gallon difference. What if we're at 10.1? How much is that going to go up? We already have a 28 cent a pack higher cigarette tax than the state of Iowa. When that tax was increased you saw a decrease in just the Omaha market of a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

very popular brand of cigarettes decline 25 percent. Consequently, it went up 27 percent in Council Bluffs. My members like good roads, too, but to be put at a competitive disadvantage makes it very difficult for them. And to say that people won't drive over there, 75 percent of the plates is a good indication. Someone that I know has a son-in-law who's an optometrist. He drives from Midtown in Omaha to Council Bluffs to buy his gas. And this is a gentleman who can afford to pay a little higher rate but he goes over there. He doesn't smoke so he's not going over there to buy cigarettes. And I don't know if he gambles so I don't know if he's spending the money on the riverboat as well. I guess the question was asked where do we rank as far as motor fuel tax? Currently, we're eighth with 27.1. Ohio, Rhode Island, North Carolina, Wisconsin, Pennsylvania, Washington, and New York are higher than we are. With this increase we would be right behind Wisconsin. Their tax is 30.9. This would put us, you know, 30.1. So we'd be right behind Wisconsin. To answer the question of, you know, people passing through the state, I guess, yeah, it would be nice to get more money out of other residents, but you know, what I know is happening is they're coming to Council Bluffs, they're stopping there, they're buying gas before they come into the state of Nebraska. Unfortunately, most motorists in a car can't make it through the state so they're probably stopping in North Platte or somewhere out there to buy gas again. But a trucker, as an example, can stop in Council Bluffs and drive through the entire state of Nebraska without stopping, at least for fuel. Now they're paying a proportionate rate for the number of miles they drive in tax, but they're not stopping at my members' locations to buy food, other things that we're getting sales tax and other revenues on. So for those reasons, we oppose this bill and hope that it stays right here in committee. I'd be happy to answer any questions. [LB41]

SENATOR DIERKS: Thanks, Tim. Questions for Tim? Nope, I guess not. Thank you very much. [LB41]

TIM KEIGHER: Thank you. [LB41]

SENATOR DIERKS: Other opponents, please. [LB41]

KATHY SIEFKEN: Senator Dierks and members of the committee, my name is Kathy Siefken, S-i-e-f-k-e-n, and it probably doesn't surprise you that I'm here in opposition to this bill either. Most of our grocery stores are putting gas in when they're building the new stores and the higher gas tax makes it very uncompetitive and you're basically encouraging citizens of this state to purchase their gas over in Iowa or in surrounding states where it's a lot cheaper. And they're already going over there for their gambling and their tobacco and they'll gas up on the way back. I've talked to the rank and file people in grocery stores, the front end clerks. And they tell me that whenever they go to Iowa, and these are conversations I've had with people in Omaha, and when they go to Iowa they'll top it off. Even if they've got three-quarters of a tank of gas they're going to top it off over there. And so, basically, what you're doing is you're encouraging people

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Revenue Committee
January 24, 2007

with high gas taxes to spend their money in Iowa. And we'd just as soon keep that money here and let it rotate through our communities. If you have any questions I'd be happy to try and answer them. [LB41]

SENATOR DIERKS: Thank you, Kathy. Questions? I guess not. [LB41]

KATHY SIEFKEN: Thank you. [LB41]

SENATOR DIERKS: Thanks so much. Anybody else in opposition to LB41? Anyone else in opposition to LB41? Anyone neutral on LB41? Neutral on LB41? Would you like to close, Senator Hudkins? [LB41]

SENATOR HUDKINS: Thank you, Senator Dierks. I would have been very surprised if, indeed, there were neutral testimony on this particular bill. To answer Senator Raikes' question on where we rank nationally, I think Mr. Keigher indicated that we were eighth. I visited with Lynn Rex who just came from a Highway Trust Fund meeting involving State Chamber members and according to the State Chamber Red Book, Nebraska is seventeenth nationally. No one likes an increase in taxes, but roads and streets are something that everyone who travels uses. We're asking for a way to construct new roads and maintain those that we already have. If you live in the eastern part of the state--Omaha, for example--you do have good roads, because a lot of your system is on the federal highway system, and also, because simply of populations. But you may have need of additional streets, as Lincoln does, if your town is growing. So there is definitely a need for money for construction and maintenance of roadways. We are asking the public when they buy gas to help pay for these improvements if they use them. I would answer any questions. [LB41]

SENATOR DIERKS: Thanks, Carol. Questions for Senator Hudkins? That's all. Thank you very much, Carol. That concludes the hearing on LB41 and hearings for the day. Thank you very much for your attendance. [LB41]

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Transcriber's Office

Revenue Committee
January 24, 2007

Disposition of Bills:

LB315 - Advanced to General File.
LB344 - Advanced to General File.
LB305 - Advanced to General File, as amended.
LB359 - Indefinitely postponed.
LB41 - Indefinitely postponed.

Chairperson

Committee Clerk