

One Hundred Third Legislature - Second Session - 2014

Introducer's Statement of Intent

LB1112

Chairperson: Senator Tom Carlson

Committee: Natural Resources

Date of Hearing: February 27, 2014

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 1112 would change the way the current occupation tax on the activity of irrigation authorized in Section 2-3226.05 is implemented into the future.

The bill would change the current occupation tax from a system where a uniform dollar per acre levy is applied to all irrigated acres, the same amount whether you put 14 inches of water on the acres or a half inch on the acres, to a system where the irrigator pays the same rate of tax per *inch* of water applied. This creates an incentive to conserve water used, because heavy users pay more and light water users pay less in total.

LB1112 would also cap the annual total amount needed to be raised by the occupation tax to finance bonds and projects to the average of ten dollars per *certified* irrigated acres within a Natural Resources District. In addition, the bill would require the annual per acre inch rate to be formulated from the total annual need to finance bonds and projects, divided by the total annual per acre inches of water used throughout the district. This maintains the amount of revenue needed to be collected by the Natural Resources Districts by the occupation tax to pay bonds and other project payments for which they are obligated.

Principal Introducer: _____

Senator Mark Christensen