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March 18, 2004 LB 1089, 1144

SENATOR CUDABACK: Thank you, Senator Preister. (Visitors introduced.) On with discussion of the Chambers motion to bracket. Senator Wehrbein. Yes, Senator Wehrbein.

SENATOR WEHRBEIN: Thank you. Mr. President, members of the body, another bill that's in this package is LB 1144. And I'm going to let Senator Kruse speak to that somewhat. It's Senator Kruse's bill. But if you recall, we've had \$1 million going into public transportation assistance, primarily rural. And that has been a cap at the \$1 million level. And it reimburses the cost for rural vans, Handivans, and so forth, all across this state. In addition to that, we've had just under \$600,000--I guess it's been cut back now to \$533,000--that goes to the transit system in Omaha and Lincoln for...out of the General Fund. LB 1144 takes this out of the Highway Cash Fund into the future, and instead of having General Fund impact and/or the...coming out of the Highway Trust Fund, it now will come out of the Highway Cash Fund, and will be subject to the variable gas tax. Under the present circumstances, this then becomes \$1,553,000 that will go for public transportation assistance. The breakdown will be the same as it was: \$1 million for rural, \$533,000 for Omaha and Lincoln transit system, it's heavily toward Omaha. The impact of this will be that it could raise the variable gas tax up to .1 cent. Every year in our committee we set the Highway Construction Fund level. When we set that Highway Construction Fund level, that implies the variable gas tax will adjust to meet that funding level. So we have not changed that in recent years, so you know. But this would have the possibility of raising the gas tax .1 cent. But there's another implication to this that I think is interesting. Originally, cities and counties fought this because they thought they were losing money under this scenario. The fact of the matter is, they're gaining money. Cities and counties get 46.7 percent of the Highway Trust Fund now...or that would...I'm saying that wrong. They have that much money deducted from that Highway Trust Fund now to go into this support of the transit system. Under this new system, they will get that themselves for their own general fund purposes, or roads purposes. So in actuality, cities and counties are gaining this amount of money to go into...for their roads. And