

April 25, 1979

LB 285

SENATOR KOCH: That's correct.

CLERK: Okay.

SPEAKER MARVEL: Okay, if there's no objection, so ordered. What's the next amendment?

CLERK: Mr. President, the next amendment is offered by Senator Carsten and it's found on Page 1403 of the Journal.

SPEAKER MARVEL: Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, I move for the adoption of the amendments. These amendments are the result of some areas in the bill as we originally drafted it that we really overlooked. They are really technical amendments and perhaps, Mr. President, they are printed in the Journal, I don't know if it's necessary to have them read or not, but I can explain them and will do that. The first amendment would clarify those funds used for the first year's implementation of newly mandated programs which the bill excludes from the limit, would contribute to the base and fall under the limit in the second and subsequent years. In its present form by excluding those funds from the definitions of state and local taxes, they do not contribute to the combined receipt budget base in ensuing years, and thus even though a subdivision would have an exclusion from the seven percent limit for those funds in the first year, they would still have to reduce expenditures in other areas to carry out the newly mandated programs in the ensuing years. The second amendment clarifies the treatment of those funds, which are received in excess of seven percent, because of an anticipated population increase and the population increase does not, in fact, materialize. Instead of saying that those funds shall not be spent, the amendment would provide that they be treated as receipts from the local taxes in the next year. A situation could easily occur where the limit was increased to compensate for estimated population increases which failed to materialize, but the fact that the population would not be ascertained until well after the fiscal year was over. That amount that was spent because of an inaccurately estimated population increase would place the subdivision in technical violation of the law, which reads that money shall not be spent. Under this amendment the money could be spent, but the subdivision would have to deduct this amount from the amount it could raise from property taxes otherwise in the ensuing fiscal year. The effect to property tax payers would be the same as if the money had not been spent, in fact, had been carried