

April 9, 1980

LB 722

uents can understand and I like the distribution formula. I think that that has been fair and has worked in the counties and cities in the state so I would urge you to... let's get this settled, reject 722 and go on with 361 and do whatever we need to do with that bill. Thank you.

PRESIDENT: The Chair recognizes Senator Warner.

SENATOR WARNER: Well, Mr. President, members of the Legislature, I would rise to oppose the kill motion. Obviously, I think the first lobbyist that opposed this is the one that started out the rumor that this was a hidden tax and, of course, it certainly is not hidden, and as all of you well understand, that it is a mechanism that is responsive to both price and consumption and to inflation which is essential for any kind of stability in the state road system, but as you all know that the tax is calculated using price and that the state pays but it is then changed to at the collection point of cents per gallon just the same as it is now and that is going to be as obvious to every citizen as the current tax is. There is no change. The strength in the bill lies not only in its responsiveness but secondly is the tax is set by the level of appropriation just as we now set our sales and income tax and I think that is fairly well understood, but more importantly, it is not an open-end tax. There is a ceiling on what is going to be collected. You do not spend just whatever you raise as is the case now, but the state can only be spending the level that we have appropriated. I should say at this point also that if 722 is not indefinitely postponed, I do have amendments on the Clerk's desk which will insert into 722 one cent per gallon in addition to the provisions of 722 and that one cent per gallon would be allocated equally or fifty percent of it each to the counties and each to the cities and distributed between the cities and the counties as their current distribution is. This actually gives them, gives cities and counties more revenue than they would get from two cents as 361 has and I think it is a fair compromise. So if the bill is not killed, I will be offering that motion for one cent per gallon to be split equally between the cities and counties and then the state's allocation would be just as 722 now is with no change.

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President, members of the Legislature, I rise as a person who supported LB 722 through the initial stages of debate and consideration recognizing its potential