

March 4, 1981

LB 390

south balcony it is my privilege to introduce Senator Maresh's sister-in-law, Mrs. Edward Maresh, who is a resident of Senator Fowler's District. We welcome you to the Unicameral. Senator Lamb.

SENATOR LAMB: Mr. Speaker and members of the Legislature, I rise to oppose bringing 390 out of the committee. I think we should look back a few years and see how this controversy began. LB 518 was passed which exempted certain properties from...personal properties from taxation, but at the same time the \$70 million was passed, was allotted, to replace that personal property tax which was lost. That was the original bill. That was the original commitment. The original commitment was, we are going to do something about some of those property taxes that the majority of this Legislature said were unfair, and what are we going to do to help the subdivisions which are hurt by the loss of that money. We are going to allot \$70 million which will be divided up on the basis of the money that was lost. So now we have come down here a few years later, we are changing, we are changing the situation. We are going to leave the original provisions of 518 which take property tax off the roll, but now we are going to change the formula by which this money is distributed back to the subdivisions. So our original commitment is not being upheld. I would just like to give you an example of what this does to some of the rural areas. Now, we recognize that we are going to lose money under any situation, under any of the proposals that have been brought before this Legislature or before any of the committees, the rural areas are going to lose money, substantial amounts of money. All we are talking about is the degree, anything that has population in it further wrecks this. Now, if we go with LB 254, Senator DeCamp's bill which puts the distribution on the basis of real estate valuations, we lose much money. Anything with population in it just intensifies that loss. I will give you an example at Cherry County. Under the present LB 882 formula, Cherry County gets \$728,000; under Senator DeCamp's bill, 254, \$567,000. So under best of worlds, the loss is one-third. How we consider LB 390 under the 80-20 provision, it goes down to \$490,000, and under the 50-50 percent, it goes down to \$419,000. So it is a terrific loss no matter how you look at it. If you put population in there, it is entirely unacceptable. And let's talk for a minute about the 80-20 so-called compromise. In my opinion, that is not a compromise at all, this is just a method of getting population into the formula