

March 4, 1981

LB 390

do that. We tried several formulas, one of which the Attorney General said he did not think was constitutional and another which the Supreme Court said was not. I worked for several years to attempt to draw a bill which is fair to both urban and rural people, and I have before the Revenue Committee now a bill, LB 524, which drew no opposition at the public hearing. Cities, counties, schools, rural people, business people, everyone supported the bill. The only slight reservation on behalf of the City of Omaha, and when I told Mr. Richardson what I planned to do to correct that problem, he said he liked the concept in 524 and he could support that concept. If we are going to get away from the process of returning to the subdivisions the funds they lost, then we should review as I have indicated in 524 all of the various return of funds from the various funds which now total several hundred million dollars. LB 524 was a bill so ultimately fair to the urban areas that Senator Newell and Senator Johnson could not find fault with it. But I would have to say the only reason that they would not vote to support that bill, would not put that bill to the floor, is because they did not want someone not a member of the Revenue Committee to draft that bill with which we would work. I would suggest that the concept of 524 will eventually, as Senator Carsten has told me, be accepted by this Legislature...

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: You have one minute.

SENATOR SCHMIT: ...but in the meantime, if 390 is written into law, there will be no new effort made because the overwhelming odds will be against the rural areas. I want to say also my District benefits from the concept of 390, but it is wrong to return the funds in a manner which we agreed we would not do when we exempted the tax <sup>on</sup> personal property. We do not want to reach the point where we decide the issue based only upon how much of the pie am I going to get, because when that happens, it becomes a dog and cat fight on every single bill in this Legislature. So I ask all of you to review very carefully the long range impact of what you are doing if you vote to bring LB 390 to the floor. You may amend 284 to do exactly the same thing. I may try to amend LB 284 to place in the concept of 524. That is my prerogative as a legislator.

SPEAKER MARVEL: Your time is up.