

April 1, 1982

LB 761

dollar: which Senator Newell and Senator Warner refer to is that portion of the \$70 million that formerly went to the Natural Resource Districts, educational service units, tech schools, nontech schools, fire districts, those subdivisions of government which we just mentioned, and I guess I would have to say at this time I appreciate Senator Newell's deep concern about the replacement of the personal property tax revenues that were lost to local governments, but as it has been pointed out by Senator Warner we have not been able to find a formula which will satisfy the court that will in effect replace those revenues that were lost by the local governments. In other words, the money that was lost in Butler County is not replaceable by virtue of the fact that we do not have a formula which will allow us to replace the actual dollars. So Senator Newell's enthusiasm for the return of the funds is directly proportional to the fact that under the present formula his county will receive a disproportionately larger share of the remaining \$68.5 million than they would have received back in 1977. Now I do not fault a man for representing his area and his district, in fact I commend him for it. But I would just suggest that as far as I am concerned and I made this statement before that in the absence of an equitable formula for the distribution of the funds we might solve several problems, not to worry about the million and a half, Senator Newell, but just leave the entire \$68.5 million in the general fund, not distributing the money to local governments. If it is not going to go back in any way, shape or form that is commensurate with the funds that were lost, then why send it back at all? Two-thirds of the counties are going to suffer substantial losses...many school districts. Some of those counties and local subdivisions in the rural areas are going to suffer fund losses which are virtually irreplaceable based upon the present tax base. So since we cannot return the funds in a manner that is equitable, I do not believe, Senator Newell, that I can support a motion to further increase that inequity by adding one and a half million dollars to that sixty-eight and a half which is not going to be distributed equitably under the present formula. Now if you can find a formula that will consider the losses that were sustained by the various local governments, and I have tried and I made some suggestions, my best suggestion still reposes with the Revenue Committee after four years, then I am willing to go along with it. But in the absence of any kind of an equitable distribution formula, I am going to have to not vote, Senator Newell, regrettably as it is for your motion.

SENATOR CLARK: Senator Burrows.