

April 10, 1989

LB 611

wealth of the district not only by the real property but by the wealth in terms of income in a district, and have the levies set so that you draw money from both.

SPEAKER BARRETT: One minute.

SENATOR LANDIS: It is that conceptual distinction that we transfer from the real property taxpayer to the wealth holder in the same jurisdiction but whose wealth is in the form of income. That is the real bellwether virtue of LB 611. I support the Moore amendment. I support the bill, and I'd suggest to you that it then makes much more sense of state aid, because state aid then has a darn good reason. State aid will be used to make up the difference between a genuinely poor district and a genuinely wealthy district, something that our current system does not adequately measure nor value because it is all on real property. If we get off the real property and the mix of real property plus income, equalization will have all the more meaningful role to play in school financing because it really will be the difference between poor districts and rich districts, and I don't mind sending Lincoln and Omaha sales and income tax dollars to poorer districts.

SPEAKER BARRETT: Time.

SENATOR LANDIS: That is all right. That is a sensible exchange or transfer of value, but I am not comfortable with the way it is done now. LB 611 will make that system much more sensible. I support the bill. I urge you to do the same.

SPEAKER BARRETT: Senator Withem, further discussion.

SENATOR WITHEM: Yes, Mr. Speaker and members of the body, last year if you will remember, we were in the midst of one of our almost annual fights on school district reorganization. We were debating a bill, LB 940. LB 940 passed the Legislature, a portion of LB 940 set up a study commission to study the area of school finance recognizing that the financing of schools is an integral part of education quality, education structure, and also of taxation policy. That commission is about halfway finished with its work, I would say, maybe even more than halfway. We have issued an interim report giving the broad objectives of what the commission is all about and I think you have all had access to that report, a number of you attended the briefing. Some people have had questions of me, is 611 moving