

replacement for those lost revenues. So what the amendment does, it, in effect, puts a cap at the current level of exemption in terms of dollars, and even though the distribution will be different under the proposed committee amendment, at some point, it is estimated to be at least '92, '93, at some point in the event that the allowance under the bill is a further reduction beyond the 7.8 million, why the fuel tax would be adjusted in tenths of 1 percent in order to make up that loss and, again, it primarily only impacts cities and counties because the state loss of revenue from gasohol could just as easily be made up through the variable that is set or is determined, rather, by the level of appropriation that the Legislature makes for the State of Department of Roads. So I would move adoption of the amendment.

PRESIDENT: Thank you. Senator Schmit, did you wish to talk about the Warner amendment?

SENATOR SCHMIT: A brief question for Senator Warner.

PRESIDENT: Senator Warner, please.

SENATOR SCHMIT: He indicated that...Senator Warner, you indicated that the initial impact of the committee amendments would be that it would actually reduce the drain on the funds from the Highway Trust Fund, and then later on your amendment would prevent that there be any loss of Highway Trust Funds. Are we going to carry the original reduction and impact upon the fund forward under your amendment or is that just money which will accrue to the Highway Trust Fund?

SENATOR WARNER: As drafted, it does not take effect until there is an actual reduction.

SENATOR SCHMIT: Oh, I see.

SENATOR WARNER: It would maintain the 7.8 as it is now. It is pure speculation as to when it would take effect. I suspect if production expanded rapidly, it could be much sooner than two years. I think this assumes two to three years before there would be more full utilization of the bill as it is drafted.

SENATOR SCHMIT: Mr. President, and members, I am going to support the Warner amendment and I only saw it this morning but I have no real quarrel with what Senator Warner is trying to do.