

definition of 1059, 1059. Some of the body was not here on 1059. That was called the Tax Equity and Educational Opportunities Support Act. The primary result of this bill was property tax relief and equalization. As you remember, Governor Orr vetoed it, the Legislature overrode her veto and it was then put on the ballot by a group of concerned...I think the State Chamber and some business people put it on the ballot to repeal 1059; it failed on the ballot, so 1059 came into...into play. In this bill, equalization describes the efforts to even out tax burdens and educational opportunities all across the school districts in the state. Another way to say it is that equalization makes the weak districts equal to the strong districts by supplying a state appropriation to offset local needs not met...not met by other available sources. We would ask, why are the districts unequal? Because the main local funding comes from real property tax receipts. Before 1059, counties valued property at different levels, and some counties have more valuable property due to terrain, usage, and population. Therefore, the poorer districts were eligible for more state aid or equalization to make up for less revenue from property tax, but in some cases, aid was based on property, which was not assessed at its full market value. (LB) 1059 also gave a new formula to determine state aid to school districts, and that is...this formula was needs minus resources equals equalization aid. Now you also have a five-page handout to follow along with. If you take the formula a step at a time, needs are determined by multiplying the number of students by the tiered cost per student. Tiers are used to divide all the districts in the state into comparable sections based on their size. Tiers are then assigned cost to educate a student based on cost incurred by other schools in that size range. Step number two is resources. They include 20 percent of state income taxes which those people living in that district pay to the state, and other miscellaneous receipts. Miscellaneous receipts include public power sales tax, fines, license fees, nonresident high school tuition, interest on local investments, wards of the state, and insurance of motor vehicle tax funds. The main...this is probably the first probably real property tax relief bill we have. We talked about property tax all summer. We've studied it and we signed our lives away for property taxes. This is the first bill that I've ever heard on the floor that deals with property tax. The major source of resources comes from property taxes, which since LB 1059 are adjusted to 100 percent market value for residential, commercial property