

March 7, 1996

LB 664, 1050, 1145

SENATOR MAURSTAD: It's the same amendment as the next one, so you can withdraw that one, please.

CLERK: Senator Maurstad would move to amend with 3356, on page 945 of the Journal.

SENATOR CROSBY: Senator Maurstad, to open on your amendment.

SENATOR MAURSTAD: Thank you, Madam President. Aging school buildings are a problem in most areas of our state. A lot of them were built prior to World War II. Reliance on property taxes to support K through 12 education has made it very difficult in many areas to improve, renovate, or build new facilities. My predecessor, Senator Byars, and I have both introduced legislation to create a local option income tax for school facilities, to no avail, in an attempt to provide local school districts an additional tool that would assist them in meeting the facility needs of their schools. Last year I also introduced LB 664, which is the substance of the amendment that's before us, AM3356. A hearing was conducted and the bill was held by the committee over the interim. This bill was also included in LB 1145, heard this year in the Education Committee. LB 664 and this amendment was based on the premise that funds available to school districts for necessary facility improvements shouldn't be based solely on an individual district's local property tax base. Instead it is determined to be in the best interests of the state of Nebraska to create a system for financing the retirement of bonded indebtedness, which would increase the equalization of financial support for bond debt retirement through state assistance, recognizing the needs and accessible resources of school districts. This amendment would reallocate up to 10 percent of the income tax rebate in the state aid formula for the retirement of new or existing bonded indebtedness as school bond state aid. And I want to emphasize that it would provide for existing bonded indebtedness and also any new bonded indebtedness in the future. This proposal does not require the collection of additional revenue, it distributes the amounts of funds available from the income tax rebate, based on a district's ability to generate property taxes for debt retirement, through a formula which identifies the relative property tax wealth of the district. This is done by comparing eligible school districts' adjusted valuation per student with the state average adjusted valuation per student. Districts with less than the state average will be