

March 21, 1996

LB 1176
LR 292

amendment.

SENATOR WARNER: Mr. President, members of the Legislature, I was just going to refresh the issue that is raised under the current constitution. The Legislature is authorized to tax motor vehicles in a different form than at least with the exception to the uniformity clause. What the...and the current constitution requires, however, that revenue is raised and it's distributed to townships and other governmental subdivisions in the county in proportion to whatever the total levy is for where the vehicle is located. The proposed amendment would limit the proceeds to be distributed to the counties, cities, villages and school districts only, and would exclude the others. The issue, while it's not a part of this amendment but certainly has become associated with it, and to some extent, depending on how it was implemented, it could be. When LB 1176 was introduced as well as another bill, it did permit the change in the way motor vehicle taxes are assessed and, because of the constitution, it severely restricts and, at least I believe...many of us believe what possibilities that could be done, to do automobiles in some other way. The provisions that are in LB 1176 is one way it could be done. In that case, the money was distributed...proposed to be distributed to school districts in the form of equalization aid, and to cities and counties through the current Highway Allocation Fund, but that was to reflect the...a collection of money that would have been somewhat comparable...actually it was greater than what was raised from property tax, on a statewide basis in the towns and the counties in the state, around \$64-65 million, I believe. And it would have replaced most of that which was another way to provide some property tax relief. There are other options, should this amendment be adopted, that certainly other than LB 1176. There certainly are different options as to what kind of a valuation fee would be used. It could be different than what was introduced. Interestingly, the fees that are in the bills that have been introduced the last couple or three years have been substantially higher than what was currently being collected. And, as I recall, the reason why they have been substantially higher was it was to try to get the whole...the counties and municipalities to no loss of revenue, primarily in the urban areas where the loss would have occurred unless the values were made as high as they were. But the policy issue of this amendment, I believe, is that a better way can be found for the taxing of motor vehicles, and if the distribution of those funds