

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 22, 1999

LB 142

cities to be fair. What began in the committee was a discussion that we very much wanted to continue to keep this structure simple. We wanted to keep it simple and predictable. But we, at the same time, recognized that counties have fewer revenue sources than do municipalities and, in addition, that in general the counties have to share their levy capacity with more political subdivisions than do the municipalities. Because, remember, counties are asked to share their levy authority with agricultural societies, they're asked to share that with a variety of miscellaneous political subdivisions including fire districts. So the rationale was that, because the counties had more limitations on their sources of revenue and, at the same time, they had more calls on the revenues that they could raise from property taxes, that it was appropriate to allocate a slightly higher proportion of the motor vehicle tax to counties than it was to municipalities, and the committee finally settled on 22 percent and 18 percent. But, again, I want to call your attention to the fact that even at those percentages both categories of political subdivisions in the aggregate, in the aggregate, will be receiving more from motor vehicle taxes than they were prior to the implementation of LB 142, if we should pass it. Now, do we have any choice about 142? And I should have mentioned that during my opening on LB 142. I do not think we have a choice but to pass something that allocates the motor vehicle tax between the counties, municipalities and the schools. The constitution says that we shall allocate between those three, so this is...this is one of those bills that we do have to do this session in whatever form we do it. We have to implement the constitutional amendment. We have to tell the political subdivisions what proportions of the motor vehicle tax they're going to be receiving and give them our best estimates about what those revenues are going to be. Now, as I've indicated, there are implications beyond the simple worksheet that we have in front of you for this allocation of motor vehicle taxes. There are losses in revenues, as I've noted, to NRDs, about \$2 million. There are losses to community colleges, a little over \$4 million; losses to ESUs, that's a little over a million, as I recall it. There are impacts to those political subdivisions, so what you...what you see in some sense is only the surface; that there are components of this change that are underneath the surface and have been...and I think you'll hear some discussion about those changes. Senator Beutler filed a