

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

May 18, 1999

LB 881

of the Legislature, with I'm sure the objections of some of the members of this body, put two keys on the Cash Reserve Fund, and that's as the Cash Reserve Fund exists today. It takes...it flows in automatically, certainly, at the end of a forecast year. All of those monies that are more than the projected income that has been projected by the...by the Forecasting Board flows in at the end of the fiscal year. But to take it out, to take it out we, the body of the Legislature, by majority vote, calculated that we needed to have two bills to take it out, that it shouldn't flow automatically, which brings us to the issue today. LB 881 is a two-part bill and probably always was a two-part bill with or without the committee amendment, in that first the bill is a process, a mechanism that if the body of the Legislature determines there is money that is unneeded for the operations of services of state government and/or state aid, that there be a mechanism available to return that to the taxpayers. Last biennium we didn't have that. We chose to use, as our only tool available, a reduction in the sales tax rate and that was fine and returned \$90 million. The dollars that most of the conversations have been about are really incidental. The dollar amount is dependent upon the appropriations process of the Legislature, the signature of the Governor. Now, with the Chambers amendment, of course, the program does sunset in 2003. It was an ongoing process, a formula programmed in its original form, but the Legislature will have the opportunity to revisit the formula at that time to see where they want to go. Don't confuse the distribution mechanism with a dollar. You want a formula that works whether there's one dollar in it or five hundred million dollars available to distribute. If the formula is fair, if it accomplishes at minimum cost what the intent of the Legislature is, then it's a good bill. If it does not do that, then it's not a good bill. Whether or not it's a 1 percent or a 20 percent credit...

PRESIDENT MAURSTAD: One minute.

SENATOR COORDSEN: ...on the individual taxpayer's account really is an issue to that individual taxpayer, but, as policymakers, it's our responsibility to ensure that the program works well and...and that there's no automatic mechanism, that the Legislature does maintain complete control over the amount of money that goes into this fund, what year it goes in, when it