

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

March 30, 2000 LB 1138

out...without the restrictions that are current for dollars that go out under MIRF. That's the only change.

SENATOR BEUTLER: Okay. Under the original state aid to cities fund or program, that was distributed in accordance with the equalization formula that you have perpetuated?

SENATOR WICKERSHAM: That was created, yes, that was created a couple years ago. That was the municipal equalization pool that we created to mitigate some of the effects of LB 1114. That has been in place for several years.

SENATOR BEUTLER: Okay, and that's...and that's entirely distributed by equalization,...

SENATOR WICKERSHAM: That particular pool,...

SENATOR BEUTLER: ...by an equalization formula?

SENATOR WICKERSHAM: ...but then the excess dollars above that pool are distributed on a per capita basis, but they're subject to restrictions per MIRF. That's current.

SENATOR BEUTLER: Okay. The Municipal Equalization Fund, clarify for me what the difference is between the preexisting funds, the state aid to cities and the Municipal Equalization Fund.

SENATOR WICKERSHAM: Well, the old municipal...the old municipal aid pool was like the old county aid pool and the old NRD pool, originally created in a static amount to make it...well, it wasn't static when it started. There was initially a promise by the Legislature to replace all dollars that various political subdivisions lost when personal property was taken off the tax rolls. That got to be expensive. There was actually...and then there was litigation over other issues when the Legislature tried to freeze the amount, and it had kind of a troubled history for a while, but then it settled down eventually and at various times the Legislature primarily has reduced the amount that was in the fund for distribution. The early nineties, for example, we reduced aid to municipalities, counties, NRDs, because of the budget difficulties we were having at that