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LB 1217

explanation and I hope you all listen to it. When we did LB 1114, the bill that set the property tax levy limitations in place, a special concession was made for MAT, the only one of its kind in the statute. I hope it remains the only one of its kind in the statute. Quite frankly, my opinion is we shouldn't even have it, but you'll find in the statutes that Douglas County and the city of Omaha are required each to dedicate at least 3 cents of their 45 cents to MAT, assuring MAT of a stable revenue base. Can't be cut back by the city, can't be cut back by the county. That was foreseen as the way to assure that this particular political subdivision, that I think is unique in the state, had adequate funding. Now, that changed a little bit when we removed motor vehicles from their list of taxable items, but we also removed that motor vehicles from the list for cemeteries, hospitals, fire districts, a whole bunch of political subdivisions that were subject to allocation by a larger political subdivision, either a city or a county. Does it sound familiar? Our anticipation was that if the counties or the cities experienced additional revenues from motor vehicles, and, by the way, they have, that at that point they could dedicate a slightly larger portion of their property tax base to their subsidiary, if you will, political subdivisions. Maybe they've done that; maybe they haven't, but they have the flexibility to do that and it remains a local decision about whether they will do that or not. Senator Janssen says this is about property tax relief. Well, it isn't really about property tax relief. The motor vehicle taxes have provided the property tax relief already because motor vehicle taxes have grown substantially in Douglas County and in the city of Omaha. Those have been, if you will, "nonproperty" tax dollars flowing to those two political subdivisions, enabling them to lower their levies. Douglas County, as a county, has one of the lowest county levies in the state. It's around 22 cents. They have more than enough capacity to allocate a little bit of extra to MAT, either by giving it money or by giving it levy allocation. So does the city. The city is a little bit tighter. It's got a levy of, I think, about 44 cents, but they still have some room. And most of that comes about because of the added motor vehicle revenues that they received when we simplified the motor vehicle tax and distribute it only to cities, counties and schools. That simplified that particular source of revenue. But when we did that, we gave extra revenues to counties, and municipalities