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FLOOR DEBATE

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frank with you, I believe that all cities of the first class, primary...cities of the primary class and metropolitan class, that's 33 cities in our state, are going to be fine with some given concessions. The rest of our 499 cities of the second class and villages, those are cities under the population of 5,000 people, they have no way to recapture any of these lost MIRF funds. We've talked about...unless...many of them are up against the cap right now. I believe that if we're going to reduce funding from the state aid formula, we also need to allow them the mechanism to recapture these lost funds by raising the lid. And I don't propose doing that today, but I think in due fairness that would make some sense. I think we also have to pay attention to the 2.5 percent cap on spending, and again that's not part of this discussion but it's also critical to many of the cities. There's also been discussion the sales tax is also a revenue stream to municipalities. I would agree. And there's also the discussion that if we broaden the sales tax in Nebraska that municipalities are going to find a windfall and I don't know the numbers yet; I will what those are going to be. However, those 499 cities under the population of 5,000, few of them have a local property tax...or, excuse me, few of them have a local sales tax, so they're unable to participate in any windfall that might happen. I believe that before I entered the discussions that there was a great deal of debate, and I understand that this debate has gone on for several years. I was thankful to be involved in the discussions this morning and I do support Senator Beutler's amendment, AM1661, and would urge your support as well. With that, I return the rest of my time to the Chair.

SENATOR CUDABACK: Thank you, Senator Mines. We're discussing AM1661 to the committee amendments. Senator Beutler, followed by Senator Engel and eight others.

SENATOR BEUTLER: Senator Cudaback, members of the Legislature, I want to give you some information on Lincoln using the MIRF fund for bonding. But in doing so, I don't want to make that the main issue of this amendment, because it's not. What I want to do is to make you feel comfortable, because you should feel comfortable, that under this amendment Lincoln is not going to be treated differently than any other city. And there's been