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LB 622

SENATOR CUDABACK: Time is up. Senator Schimek, on the motion to return.

SENATOR SCHIMEK: Yes, thank you, Mr. President, members I rise in support of the amendment. And it's kind of tough following Senator Landis, who explains very well all the different sides of this picture. And I'm certainly willing to listen to him. But my concern about the whole process of developing and adopting this amendment is that it's very much the similar to the adoption of the amendment the other night on this floor regarding the closing of LCC. And I'm not going to bring that up again in any other context than I think the people who are going to be affected ought to have a right to respond to the public policy. And, I mean, this was a very new kind of public policy that the cities had no warning about, they had no opportunity to react to because the next morning, when it showed up on our gadgets, we were on Final Reading, and nobody from the cities could talk to anybody from the Legislature when we did this. And I don't like that process. I think that we have to be very careful about what we do in here in that process. So I guess I'm supporting the amendment primarily for that reason. I would like to make sure that people are represented, that there's a public hearing, and that there, in most cases, is a bill introduced, although I realize that sometimes we have to do things without a bill. The Municipal Equalization Fund was established in 1996 to help cities that had to significantly lower their property tax rates to meet the state mandated maximum rate of 45 cents per \$100 of value. And it was funded through the insurance premium tax, which cities were previously allowed to retain in the city of origin of an insurance contract, and through the 3 percent fee the state charges cities to collect their local option sales tax. Because the establish (sic) of MEF took in more revenue than needed to meet its present obligations, the Legislature passed LB 989 to rebate the excess revenues back to the cities on a per capita basis. This made sense and was sound policy, because cities generated the sources of the fund's assets. Now, because AM1956 was adopted, cities will no longer receive back on a per capita basis the excess of MEF, even though cities had paid for MEF out of proceeds generated by cities. I'm not going to take all my time. I'm just going to say that I think the amendment is a