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

April 25, 2005 LB 40

the committee amendments.

SENATOR BEUTLER: Senator Cudaback, members of the Legislature, I would like to open a conversation today on two separate But they're both appropriate conversations at this point in time because of the nature of the tax in this instance our circumstances as we sit here two-thirds of the way through the session or more and with the need to fund some big-dollar items down the way. So the one conversation is about earmarking funds. The other conversation is about where are we going to get the money for business incentives that I suspect most of us want to make? With respect to the earmarking of funds, I want to go back to Jerry Warner again, as we often go back to Jerry Warner, because Jerry Warner, before he was Chair of the Revenue Committee, for years and years and years was Chair of the Appropriations Committee. And with but one exception, he was adamantly against the earmarking of funds. And by earmarking of funds I mean taking a particular tax source and dedicating it to a particular use, as opposed to taking money from different tax revenue sources, putting it into the General Fund, and then making a legislative determination every two years about where that money would go, albeit usually it went to the purpose for which it was originally taxed. But the very great importance of Senator Warner's position on earmarking has rung true time and again as we've gone through the downside of revenue cycles. We get to the position where we don't store up enough money in the cash funds, in the Cash Reserve Fund, we don't store up enough money to hold us over to the good times again. And we don't do that for a variety of reasons that we can go back and discuss, but the fact of the matter is we never do. And so it became important to Jerry Warner that every time we got into the trough where there weren't revenues that we at least try to be in the position that we don't have to raise And so if the language in our statutes provided that money went to the General Fund or if it provided that even though it went to the Cash Fund it could be transferred into the General Fund at any point in time, then in the hard times we could take money out of different cash funds and preclude the necessity of raising taxes. Now the problem is today, for example, everybody is in favor of the healthcare rental assistance. Everybody is in favor of the homeless fund.