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LB 904

SENATOR BAKER: Thank you, Mr. President, members. LB 904 has been a number of years in the making. As the Clerk said, it was referenced to the Revenue Committee, advanced from the Revenue Committee with committee amendments. I'll briefly explain the bill. Actually, it hasn't been changed all that much by the Revenue Committee amendment, but the bill in its initial form, green copy, directed the half cent sales tax that we had diverted from what typically has been funds that were used to build roads, directed to the Highway Trust Fund. In the budget crunch we had a few years ago, it was a compromise that we'd worked out to take the half cent sales tax increase that we put on everything, but take the half cent sales tax increase on motor vehicles and divert that to the Cash Reserve Fund, at which time, of course, it was able to be transferred to the General Fund, I believe was the process. But as I recall the discussion--Senator Bromm, I believe, was the chairman of the Transportation Committee at that time--it was understood that when times got better, that we would come back and revisit this issue. We've done it repeatedly with not so much success, I guess, in prior years, because quite frankly, we didn't have the money that we could put back into the Highway Trust Fund. Things have changed now, so the green copy took that half cent sales tax--which is...on an annual basis raises about \$15 million of revenue--the green copy was to put it into the Highway Trust Fund. The committee amendments changed that, and we put it into the Highway Allocation Fund now. This is going to be a bit of an education process, I think, as we work through this bill, for some of the newer members, the formula for the Highway Trust Fund distribution and various allocations within it. If it had gone to the Highway Trust Fund, it would have been split between the Department of Roads and counties and cities. Counties and cities had 46 2/3 percent; the Department of Roads the rest, 53 1/3 percent. The Highway Trust Fund puts this money...Highway Allocation Fund directs all these funds to the cities and counties. It's split 50/50. So we felt, over the years, and sitting in on Revenue Committee hearings, oh, several years in a row, we've always heard from cities and counties in particular that they needed more funds for local projects. Lincoln has proposed various other taxes. We heard from all the county officials and so on; they needed money. So the committee amendment--and I see Senator Landis is back, I