

April 7, 1975

SPEAKER: The bill is advanced.

CLERK: Mr. President, LB 243A introduced by Senator Frank Lewis of the 45th District. Read title. See Page 1169, Journal. There are no Committee amendments or other amendments pending.

SENATOR F. LEWIS: It simply provides the \$12,000 necessary. I'd ask that it be advanced.

SPEAKER: Any further debate. The question is, shall LB 243A be advanced to E & R Initial? The Clerk is clearing the Board. There is a malfunction. Have you all voted? LB 243A. Have you all voted? The Clerk will record.

CLERK: 25 ayes, 1 nay.

SPEAKER: The bill is advanced. We will now leave General File and take up LR 26. Senator Warner.

CLERK: Legislative Resolution #26. Read.

PRESIDENT WHELAN PRESIDING

PRESIDENT: Senator Warner.

SENATOR WARNER: Mr. President, I move the Resolution be adopted. Mr. President and members of the Legislature, I think some background on this resolution would be appropriate in order to understand its purpose. Essentially, what we are talking about in the Resolution is the federal aid secondary funds which come from the federal government and which, in turn, are distributed in portion to the governmental subdivisions, the counties and the municipalities of the state. Essentially, the Resolution deals with that portion that is reallocated to the counties. Prior to 1969, the practice had been for some years, inasmuch as 50% of these funds for secondary roads are to go to the counties, that as the money was not used that it was carried as a credit to each individual county and this amount accumulated over the years. Properly if a county failed to use the money within the time period as required by the federal rules and the legislation, then the state would use it so that it would not lapse and return back to the federal government to be redistributed to other states but at all times, the amount that the counties were to receive were carried as a credit. In 1967 and again in 1969, legislation was enacted in which the intent was, at least, to clarify this procedure and rather than carrying a credit, as was previously on account of the county basis, the creation of a pool effect was developed. Under this procedure, the counties still receive on the federal formula credit for a period of time, initially it was for 2 years, in which, if they did not use the money, it would then be reallocated to a pool which other counties could use and at the end of that period, if the money was about to lapse, the State Highway Department would again properly use it. In this process, prior to 1969 there was in excess of about 6.8 million dollars that had been accumulated as credit to the counties. Since 69 and up until 73, there was another approximately 7.1 million which had been accumulated under the pool arrangement. Subsequently, in late 1973, the