

April 10, 1975

from some particular fund? Will they be general funds, gas taxes that we're now paying? What's the source of funds to repay this?

SENATOR SCHMIT: Well, in honesty, Senator Murphy, I just make it possible to spend the money. I haven't decided where the money is coming from. I would assume it would be general funds and it would probably have to come from gas tax.

SENATOR MURPHY: But there is no clear marking of where the funds will come from.

PRESIDENT: Senator Warner, can you respond to that?

SENATOR WARNER: Mr. President, Senator Murphy, the...under the provision that were established in 1969, there is a highway trust fund where all highway user fees are first deposited. On the top of that highway trust fund is the debt service for any outstanding bonds together with the retirement of principal that the state has. So it's highway user revenue that retires the funds and then the distribution of money after that from the trust fund, it goes to the highway allocation fund from which the distribution is made to the counties, the cities in the state and for the states purposes, it's the highway trust fund from which we appropriate. Specific answer to your question is, the money for the debt service, and retirement of principal is highway user fee. Both gas tax and motor vehicle registration.

SENATOR MURPHY: Senator Warner, I'm just a little uncertain, particularly to hear you refer to highway trust funds, I didn't think you had too much trust anymore on highway funds. However, the formula that is now in affect is based on what the counties pay in or on the gross receipts in the state. If they are paid back out of it, how will that affect the formula return to counties and cities?

SENATOR WARNER: All of the money which is collected from motor vehicle user fees are deposited to the highway trust fund so that the distribution back to county and cities are on a separate formula which is not applicable until you get to the highway allocation fund. I'm not sure if I follow.... I'm now sure I'm answering directly the question you want answered.

SENATOR MURPHY: I'll visit with you later. Thank you.

PRESIDENT: Senator Dickinson.

SENATOR DICKINSON: Mr. President, my question is on the something and I'm not sure that I got an answer, Senator Schmit or Warner, whoever would choose to answer. The repayments for this obligation do come off of the top of the money which is all deposited to the highway trust fund. Is that you were saying, Senator Warner?

SENATOR WARNER: Yes.

SENATOR DICKINSON: Maybe this was Senator Murphy's question, but this then would reduce the amount of monies going back to municipalities and counties for their road purposes or not?