

SPEAKER NICHOL: That's fine.

SENATOR V. JOHNSON: Now, I'm ready, Mr. Speaker. It took me just a moment to refresh my memory as to what the committee had done. I'd like to take a little time and talk about 505. The Revenue Committee has really tried to put on the floor of the Legislature different kinds of property tax relief measures for legislative consideration. So one of the earliest bills that we put on the floor of the Legislature was LB 38 which as you may remember was Senator Lamb's bill to provide across the board property tax rebates. The second bill that we put on the floor was LB 712 which would have increased the homestead exemption. Now, as you may recall, both bills have met with somewhat of an ignominious fate, that is, LB 38 was unceremoniously killed at the hands of Senator Don Wesely and LB 712 was unceremoniously stalled at the hands of Senator Lamb. But the third course of action that we chose was to increase state aid to schools. We recognized that an increase in state aid to schools could serve as an appropriate vehicle for property tax relief. Now the big state aid increase bill that came to the Revenue Committee was LB 397 which had been brought to the Revenue Committee, I think, by school teachers and real estate agents and that bill called for, I believe, a two cent increase in sales taxes and an awful lot of that money was to go into state aid and teachers' salaries. The Revenue Committee ended up killing 397, but it took Senator Remmers' LB 505 which called for a one cent increase, a one and a half cent increase in the sales tax if my memory serves, and all of that money being committed to state aid along the foundation formula. Now in the state aid formula there are two concepts. One concept is foundation aid and the other concept is equalization aid. With foundation aid every school district receives some state money which is totally dependent upon a head count. We have to look at the number of children in that school district, whether they're elementary school children, whether they're secondary school children and we then provide a foundation aid based on the kinds of children we have and the numbers that we have. And the second kind of aid we provide is equalization aid and equalization aid is a very fancy Dan formula that is very difficult to figure out, but the bottom line for equalization aid is that that formula is designed to enhance in a sense property tax, school wealth. It is designed to enhance school wealth for...so that the poor districts in terms of assessed