

March 19, 1996

LB 1176
LR 292

stricken matter on lines 3 through 5, the law as it is now, and we're talking about motor vehicle taxes, the law that we have now says that those taxes shall be given back to those areas, counties, schools, and political subdivision, proportionate to the amount that their levy affects the total levy. In other words, if schools are at 70 percent or 68 percent, they would get 68 percent of the funding. If cities were at 15 percent or 22 percent, that's what they would get of the funds and so on down the line. What 292CA does is strike that section which then would say that we will collect the tax and it in essence will be given to those areas but we do not know how it's going to be given to the area. Now if you want kind of a clue of what the committee was looking at, then you turn to in your bill books to LB 1176. And LB 1176 has a couple of things in there. I think the clunker tax may be in there, but, which is certainly going to be a controversial thing when we get to that next year. It won't be a bill that we discuss this year. But it does give you an example in the 1176, the bill that the committee threw out so the people would have an idea of what their thoughts were on the subject, it would be broken down to 65 percent of the dollars collected would go back to school districts whether they're proportionate, and it works both ways. If a school district is only at 50 percent or 55 percent of the total levy, they actually would get more dollars. But if they were above the 65 percent, they would get less. LB 1176 then says I believe that cities would receive...I want to make sure I'm right, I think the counties at 20 percent or city is at 20 percent...cities I think were 20 percent and the counties and others would be at 15. But you'll have to look at that more carefully. The issue I'm bringing before the Legislature is not whether I like 1176 but whether or not it is best to leave it totally open to the discretion of the Legislature where the dollars go. I suspect the reason it was put in the first place was so that no one political entity could try to take more of the dollars or take a majority of the dollars. And so they got around that by saying, look, whatever proportion you are to the total levy, that's the proportion of these funds that you'll receive so there's no question about who would get what and there's not going to be any in-fighting. What this would do is basically if you keep the deleted section, it would say we're not necessarily going to give it back proportional anymore. I mean we could technically still do that policy but it would be in statute. And we could technically change it so that schools get the majority of the dollars. We could make it at some point