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March 13, 2000 LB 1107

SENATOR WICKERSHAM: Am I first?

SENATOR CUDABACK: Senator Wickersham.

SENATOR WICKERSHAM: All right. Thank you, Mr. President. LB 1107 is a bill that would change a component of the state aid formula. It would change the component that sets the local effort yield rate from a fixed rate of 90 cents to a floating rate that is calculated to produce the amount of property taxes on a statewide basis that would equal 45 percent of school needs. The bill also allows the maximum levy to float, and it has provisions for floating the minimum effort rate, for the purposes of the minimum levy penalty, in conjunction with the local effort yield rate. The purpose of the bill is to assure ourselves that we would not see substantial reductions in state aid in the future simply because we had increases in valuation on a statewide basis. For example, this last year we saw about a 9 percent increase in valuations on a statewide basis, and a \$29 million decrease in property...in state aid to schools. That \$29 million will be made up with property taxes. We are likely to hear from our constituents about that. I think the primary discussion will be, what are you doing; I told you that property taxes always went up when valuations went up, now that's been confirmed; you folks do not know what you're doing. The bill is designed to alleviate that particular issue, at least with regard to school funding and, of course, schools still represent our largest property tax users. Senator...the bill originally set the objective at 45 percent property tax support for schools on a statewide basis. Some have thought that was a little bit more aggressive than perhaps what we could do. Senator Raikes has a pending amendment that he will describe, or I hope he would describe in that regard. Thank you.

SENATOR CUDABACK: Thank you, Senator Wickersham. Senator Raikes, would you tell us where we are on your amendment, please.

SENATOR RAIKES: Thank you, Mr. President, members. Senator Wickersham and I disagree on only one aspect of this proposal, LB 1107, and that is the percentage number at 45 percent. The