

March 7, 1979

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ask you just a couple of questions, so that we can get the issue out here clearly.

SENATOR MURPHY: Yes, sir.

SENATOR LEWIS: Now in the collection of subdivision money, is there a provision made for a collection fee for the county?

SENATOR MURPHY: Yes, sir. One percent.

SENATOR LEWIS: One percent of all money is paid to the county for the collection of the tax. Is that right?

SENATOR MURPHY: That's my understanding of it, Senator.

SENATOR LEWIS: What you're saying is that they are collecting the money that's legitimate resources then of subdivisions of government including schools.

SENATOR MURPHY: Yes, sir.

SENATOR LEWIS: They've already been paid for the collection process. They already have the necessary money to handle that procedure. So the issue isn't whether or not the county is getting shortchanged. They have collected the money. They have been paid their percent for doing it. Now let me proceed from there, Senator Murphy. The issue here is, that that money has to be most prudently used in terms of investments, in terms of use of it by that subdivision of government for which it is levied, and those school boards, which by the way are elected officials, surprisingly enough...those school boards then direct their staffs to take that money, figure in how much money that they are going to have in earned investments, which in essence then is reduced from the taxpayers' liability. The levy comes from...the levy comes from that particular subdivision of government, and the full utilization of that money ought to be to them, if you can do it on a daily basis, and that money ought to be on call. Now I have always supported the concept that maybe we pay too much to the counties in that one percent collection fee. And certainly, I thought several times we ought to make that a flat figure and it ought to come out to exactly what their costs are. But certainly, the utilization of the money by the subdivisions I think's legitimate, reasonable, and again I am astonished and amazed that Senator Murphy could come up with such a solid proposal.

SENATOR NICHOL: Senator Dworak.

SENATOR DWORAK: Well, Mr. President and colleagues, I support Senator Murphy's amendment. I think all the arguments we