

April 4, 1979

LB 285

LB 1 which we passed last summer in the Special Session. The road to the floor of the Legislature has not been smooth sailing. Instead we have spent many many hours studying, drafting, redrafting and pondering this bill. It is our hope and my belief that the amended version of LB 285 which completely rewrites the bill will provide a piece of legislation which will do two things. First and foremost it will provide a limit on the continuing escalation of property taxes in Nebraska, a limit which is reasonable and in the face of continuing inflation, a limit which will protect the property owner and provide him some real relief. Secondly, the mechanisms we have worked into LB 285 will provide a limit which is sufficiently flexible to allow local units of government to respond to escalating prices and in those cases where it is warranted they can also respond to unforeseen emergencies and costs brought about by increasing population and enrollments. We hope that LB 285, even though some technical amendments may still be necessary before it is passed into law, will be a clean, clear and workable bill and I would like for you now to follow through the amendments that we have passed out to you this morning and I will attempt to go through those section by section for you. In section 1 we establish the title of this act as a political subdivision budget limit act of 1979 and in section 2 we have included a brief bit of intent which is to provide limitations on the allowable annual increase permitted in the continuation budget requirements of the political subdivisions in the State of Nebraska, funded by state and local tax sources. In sections 3 through 11 the committee saw fit to provide detailed definitions of the principal terms used throughout the bill. These terms will go a long way to eliminating the confusion brought about by LB 1. The definitions of the governing body, tax, fiscal year and adopted budget statements found in section 4 are taken directly from the Nebraska budget act as are the definitions of current, prior and ensuing fiscal years in sections 5 through 7. All of these terms again, are found in the Nebraska budget act which has been in the law since it was passed in 1969. Because they have been continually in the preparation of standard local budget documents since that time, the utilization of these terms is clear to those who must prepare and fill out these documents. The purpose for coordinating the statute was to make the lid law complementary to those procedures already in place and being used. Since the lid will be on a portion of the budgets, then it made sense to make it fit easily and simply with the budget process. Section 8 defines receipts from local