

the committee amendments. Mr. President, in my opening remarks may not be for the moment directed directly to LB 691 but in general, but I won't spend much time there. The two bills that are on the floor at this present time dealing with property tax reimbursement are a result of the problems that have arisen in the distribution of funds with 518 and an attempt to remedy that particular situation. There were a number of bills that were introduced. These two that the committee has forwarded to the floor for consideration have had considerable difficulty with, in the committee, but by working hard and giving and taking a little, we were able at least to present to you two bills that, in both opinions, address that question. LB 691 is a Revenue Committee bill, and as we conducted hearings and visited with people across the state last summer and last fall, we certainly were well aware of the fact that the problem had to be addressed and it was then that our committee began to work and put together, at least in the committee's eyes something that would be available to answer that problem. 691 in its original form abolished the personal property tax relief fund of 70 million dollars and the aid to governmental subdivisions program 12.6 million and created a new budget program for general property tax relief. Utilizing the existing dollars then 82 plus six million. 32.4 million of additional money was added in the original bill to make a total of 115 million. These funds were to be distributed from the state to the counties based on population, half on population, and half on valuation of real and personal property. Then from the counties to the individual subdivisions the funds would be distributed based on property taxes levied. In the committee amendments the committee amended the bill to do the following. Number one (1) we deleted the combining of the aid to governmental subdivisions program. We reduced the amount of the additional money to six million for then making a total of 76 million. We added a section increasing the corporate income tax rates by 10% to provide for that additional six million dollars. Then we provided that the overall amount of funds would increase each year by a percentage equal to the increase in state wide valuation and five we generally phased in the half and half distribution formula over a five year period. So, initially the funds would be distributed based solely on valuation until 1985-86 and thereafter when the funds would be distributed half on population and half on valuation. Now that is where the bill in its present form stands, Mr. President. We did have an informational meeting last evening. There were many questions answered there, hopefully to have eliminated some of the questions at least on the floor that would not create an extremely long time-consuming process. That basically is the bill, Mr. President, at this point, as it is before you. We have passed out to you some sheets