

SENATOR SCHMIT: Mr. President and members of the Legislature, I feel to a certain extent that LB 882 has already been explained and debated. I know that there are others here who will want to speak in support of the bill, co-introducers of the bill Senator Kahle, Senator Lamb, Senator Nichol will want to speak on it as well as some other senators who have indicated an interest. I know that there are some persons who have some suggestions as to how the bill can be improved so they will want to address it, so I will not take a great deal of time at this time. I want to briefly tell you that LB 882 is an attempt to perhaps resolve the clouds that hang over LB 518 and I do not yet, even at this time, acknowledge a cloud does exist. I have no particular qualms about litigating that issue if it had to be. In the attempt that we have made here with LB 882 to provide some additional relief to subdivisions of government to take up the question of growth, we have attempted to provide a method, which I believe and I believe other supporters of the bill agree with me, will not be a raid upon the treasury, but will provide for a fair and equitable method by which we can extend some additional relief to local subdivisions. When LB 518 was passed in 1977 the ratio of general taxes collected to personal property taxes was approximately ten to one. About 630 million of general taxes and somewhere in the area of 60 million of personal property taxes. Therefore, we felt that it would be equitable and fair if we would provide for an escalation to the local subdivisions on a ten to one ratio. For example, in Butler County if the taxes collected there increased by one million dollars, Butler County would secure in addition to their share of the 70 million ten percent of that one million dollars or \$100,000. If on the other hand taxes in Lancaster County would increase by 50 million dollars, well we had better say 5 million, I should think that is closer, then Lancaster County would secure from the additional state revenues \$500,000. I think you can see that the formula that we have provided here will provide for urban areas to secure a larger percentage of the growth that occurs than will the rural areas. I hope that this in some way corrects the problem that some people exists under 518. There is also a provision in the bill that allows for new subdivisions or for the consolidation of subdivisions to receive a share of the formula and then of the funds. This was really the only valid criticism I felt of the existing legislation. I think that if you read the language carefully you will find that Sections 1, 2, and 3 are really the heart of the bill. Sections 4-10, Section 4 provides for the, Section 4 provides for how the money is distributed. Section 5 provides for allocation by the county treasurer and I think that we have explained that fairly well