

HOUSE SPECIAL SESSION COMMITTEE ON LOTTERY SHORTFALL

February 02, 1996 Hearing Room F
11:55 a.m. Tape 1A

MEMBERS PRESENT:

Rep. Bob Repine, Chair
Rep. Denny Jones
Rep. Larry Sowa

MEMBERS EXCUSED:

STAFF PRESENT:

Mike Stinson, Fiscal Analyst
Pat Zwick, Committee Assistant
Amy D. Sweany, Administrative Support

MEASURES HEARD:

SB1161 WORK SESSION

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

Tape 1-A

005 CHAIR : Calls the meeting to order at 11:53 am.

006 MOTION: REP. JONES: moves to ADOPT the Committee Rules.

007 VOTE: CHAIR REPINE: Hearing no objection the motion CARRIES.

007 CHAIR REPINE: Reviewed the tracking of SB1161.

012 REP. SOWA: I watched the entire process.

012 CHAIR REPINE: Thank you.

013 MIKE STINSON: SB1161 regards the anticipated shortfall in Lottery funds.

038 CHAIR REPINE: Asks for example about the section that entails the distribution of those dollars.

040 STINSON: The section of law which provides for distribution of excess revenues is itself not amended or repealed. That law remains in effect. Explains.

051 REP. JONES: Any excess money derived from increased value is not automatic. It would not go directly to any type of schools?

059 STINSON: There are no other modifications to the distribution formula...

061 REP. JONES: "That exist today."

061 STINSON: Right. There is movement money from one fiscal year to the second in recognition of local receipts. There are no new provisions.

064 REP. SOWA: We are basically taking \$15.6 out of the school funds for this year?

070 STINSON: That is correct.

070 REP. SOWA: What is the shortfall in lottery revenue at this point?

072 STINSON: We are not anticipating a cash shortage in the first fiscal year. There is a predicted shortage of moneys for the entire biennium.

077 REP. SOWA: Am I correct when I read that if the Emergency Board so chose, this money could go to other purposes than schools?

084 STINSON: That is correct.

085 REP. SOWA: Section 2 has the same provision.

090 STINSON: That is correct, however the education programs received 75% of lottery distributions. If you look at the amount of money provided here it is inconceivable that this allocation would be used in its entirety without anything being provided to education.

100 MOTION: REP. SOWA: Moves to ADOPT the SB1161-4 amendments. (There were no copies distributed.)

108 CHAIR REPINE: Delete parenthesis 1, the word "one". Page 2, delete lines 3-5 (all of subsection-2 to subsection 4.)

119 REP. SOWA: Explains intent of amendment. Deleting section that says that school fund will be reduced by \$15.6 million. If there are increased property taxes they will go towards equalization. This will reduce the school General Fund. We should leave this school year alone.

140 VOTE: REP. SOWA votes AYE.
REP.'s REPINE and JONES vote NO. Motion FAILS.

142 MOTION: REP. SOWA: Moves to ADOPT the SB1161-3 amendments. (There were no copies distributed.) These amendments were discussed in the Senate Special Session Committee on Government Affairs hearing on this bill.

149 CHAIR REPINE: Would these be the Representative Josi Amendments?

154 REP. SOWA: The intent of this amendment is to allocate the property taxes to an increase of 8.5% to balance the lottery shortfall. Anything over that will be distributed to the school districts based on a 1/3 - 2/3 formula. Explains.

174 CHAIR REPINE: Discussion?

177 REP. JONES: We discussed this in our previous hearing and I had already stated my opposition.

181 VOTE: REP. SOWA votes AYE.
REP JONES & CHAIR REPINE vote NO.

187 MOTION: REP. JONES: Moves SB1161 be sent to the Floor with a DO PASS recommendation.

193 REP. SOWA: I will be opposing this motion. Explains.

203 VOTE: REP.'s REPINE and JONES vote AYE.
REP. SOWA votes NO. The motion CARRIES.

205 CHAIR REPINE: Adjourns meeting at 12:10 PM.

Submitted by, Reviewed by,

Amy D. Sweany Pat Zwick
Administrative Support Committee Assistant

EXHIBIT SUMMARY:

A - SB1161 - Committee Rules, Staff