NEWS from U.S. Senator Bob Dole

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DOLE INTRODUCES BILL TO EXTEND REVENUE SHARING, WITH MODIFICATIONS

WASHINGTON, D.C. -- Senator Bob Dole today introduced a bill to extend the Revenue Sharing program for five years, with several modifications. "Since January, 1975, when I introduced a simple 5-year extension of the program, the House of Representatives has held extensive hearings on the Revenue Sharing program, and my staff has conducted a survey among recipient governments in Kansas," Dole said. "The findings of both the hearings and our survey indicate widespread satisfaction with the thrust of the existing program, but also suggest that a little fine-tuning is in order. The legislation I introduced today includes additional provisions that reflect the concerns which have been raised."

Besides extending revenue sharing beyond its present expiration date of December 31, 1976, Dole's bill provides for annual increases of $150 million (or 5%) in the funding level. The Kansas Senator pointed out that while "these increases seem huge, they hardly keep pace with the likely rate of inflation during the future term of the program."

Two additional provisions adjust the mechanism by which funds are allotted to recipient governments. The first of these re-defines "adjusted taxes" -- the criteria used to measure a recipient's own tax effort -- to include special district taxes. Dole said a reform of this nature would have a significant impact in Kansas and other states where special district taxes and public utility fees are common.

The second proposed change responds to the mounting criticism aimed at recipients which receive shared revenues despite their negligible level of public services. His bill would ower the ceiling presently imposed, so that no recipient could receive an entitlement which is more than 25% of its total revenues. Dole said that data he requested compiled by the Office of Revenue Sharing "suggests that such a change would have the desired effect of reducing the entitlement of inactive jurisdictions, but will not penalize small recipients with pressing and legitimate needs. Moreover, no local government should be dependent on the federal government for more than one quarter of its total revenues," Dole added.

Three other provisions are aimed at streamlining the program's administration and increasing the flexibility of recipient communities. Dole's bill would eliminate the so-called "priority categories" which are meant to prescribe the ways in which shared revenues are spent at the local level. Dole called the requirement objectionable on two counts. "In the first instance, it can't be enforced since shared revenue are highly interchangeable once they enter a recipient's general account. Secondly, priority categories are inconsistent with the whole philosophy of revenue sharing, which is based on the premise of local, not federal, determination of how money should be spent."

The House Government Operations Committee is expected to report a Revenue Sharing bill for approval by the full House of Representatives on May 14. Although they have not finalized their bill, indications are that it would; extend Revenue Sharing for 3 3/4 years; not significantly increase funding; require recipients to hold two public hearings on the use of funds (no hearings are presently required).

The Senate Finance Committee, of which Senator Dole is a member, will begin consideration of a revenue sharing extension soon after the House completes its action.

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