

January 14, 1976

SENATOR BARNETT: Well you've answered the question anyway.

SENATOR BURBACH: I'm sorry, what?

SENATOR BARNETT: I said you've answered the question that I really was concerned with. If the counties don't replace it then it's alright. Then we see some advantage to relieving the property tax, otherwise it's just another tax.

PRESIDENT: Senator George.

SENATOR GEORGE: Mr. President, I rise in support of Senator Burbach's bill. Number one, we are not increasing the cost of medical assistance, we are shifting a certain percentage from the counties back to the state. The reason I support that is following. We do have a much greater mobility today, also here in the State of Nebraska. That also includes older people who do need medical assistance. We have had this problem in several counties that older couples who want to have some cheaper housing, and retire in some small communities in another county. If that county then refuses to pay medical assistance and simply tells these people that they should go back to the county where they came from, that county also refuses to pay the assistance so, unfortunately, we do have people who desperately need that kind of medical assistance and cannot get it because they're caught between two counties in long arguments about who should pay the bill. If we reduce the amount that the counties have to pay and increase slightly, as Senator Burbach proposed, the state contribution, I think we would have less of a problem of those couples that really need that kind of assistance.

I am for LB 202. Thank you.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: I do think the one thing that we should very clearly get in our minds as to what the net effect of this is. We are shifting that 20 percent, that the county is now paying, from county property tax to state sales and income tax. I'm not saying this is wrong. I think that before we act on it, or as we act on it at least, we should be aware that that's what we're doing.

Now the question is, if by replacing that money that is being extracted from property tax, will the county make a sincere effort to hold the line, or will they be right smack up against the wall again tomorrow? When they do, then all we have done is raise the tax burden on everyone in the county by the 20 percent, whatever it amounts to in that particular county that is now going to medicaid.

This is the basis of it. I think most counties right now are reassessing, I'm sure they are at home. They're out with their yardstick. Believe me, taxes are going up. They're moving up under the present allowances that they have. I think we should have it clearly in mind I'm not saying we should, or we should not, but let's have it clearly in mind that all we're doing is shifting 20 percent to sales and income tax and leaving the county free to then