

PRESIDENT: Could I have your attention please. We are back on LB 640 and that is where we concluded our work yesterday. Many Senators had their lights on, and at the time of adjournment, Senator Dworak was speaking. Senator Labedz has a motion to indefinitely postpone 640. The Chair will recognize Senator Dworak for three minutes.

SENATOR DWORAK: Mr. President, colleagues, yesterday we were discussing LB 640, do we have a motion before the Clerk? Is it a kill motion on 640?

PRESIDENT: Yes.

SENATOR DWORAK: Okay, I was making points, debating the kill motion and pleading not to kill LB 640. 640 is a new concept in providing property tax relief different than that from the existing LB 407 or the existing homestead exemption act. 640, basically, approaches the homestead exemption from a point of giving property tax relief to those who need it. Need is determined by several criteria, namely, income, age, disability. These criteria establish clearly people, homeowners that need property tax relief. Now under the current homestead exemption, approximately \$6 million is spent each year in a blanket approach to homestead exemptions. Now \$6 million, this \$6 million is not based on need. This \$6 million is distributed to virtually everybody in the State of Nebraska that applies for a homestead exemption regardless of their need. This money can be distributed to people regardless of their income. They can be extremely wealthy and receive a portion of this \$6 million. This \$6 million does not take into account age. This \$6 million does not take into account the expense or the cost of a home. This money is distributed indiscriminately across the State of Nebraska. Now the fiscal impact on the state general fund is significant but the fiscal impact to the people who receive the benefit is insignificant. This can be in amounts of \$27 or less. Now this does not really do anyone any good but it does put a burden on the taxpayer in the State of Nebraska. I think this is one of the main approaches to LB 640 or the circuit breaker concept as opposed to the homestead exemption.

PRESIDENT: You have one minute.

SENATOR DWORAK: There are numerous other differences which need to be brought up and debated and discussed. I think with the fiscal tightness being faced by state government, we need to look at this kind of reform. It was brought up that many county assessors are uncomfortable with LB 640. I might mention that these same county assessors are the ones that are telling us that the current numerous categories under the current homestead exemption have become a real problem to them to administer. So the county assessor argument is not a valid argument to kill LB 640. In fact, it is a valid argument to pass LB 640. Now it always is difficult, it always takes courage to reform and change but the people are demanding government to reform and change. They are demanding us, as their elected representatives here in Lincoln, the same as they are demanding those elected representatives in Washington, to take a different path, not to continue down the same path that has led to this bureaucratic overkill....

PRESIDENT: Your time if up.