

and in addition, increase the sales tax a penny and remitted that increase back to local school districts for state aid. Now as you know, LB 662 was then placed on the ballot by way of the referendum process and the people of Nebraska resoundingly defeated it. They may have...I cannot tell you what their motives were in defeating LB 662. It is an irrelevancy in many respects but it was defeated. Well, I had my staff give me some charts to indicate what has happened to property taxes since I became the Chairman of Revenue Committee and since this Legislature took a hard look at property tax relief in 1985, and what I discovered this very morning as I sat at home in Omaha on my sofa is that the collective performance of this state in the property tax arena is disgraceful, is absolutely disgraceful. What I discovered is that since I have become the Chairman of the Revenue Committee, there has been a 16 percent increase in property taxes in Nebraska, with a 29 percent increase in property taxes in Douglas County, and a 44 percent increase in property taxes in Sarpy County, with increases in the teens and the twenties throughout the State of Nebraska. Now one of these times we will have these charts printed up and you can look them over at your leisure and you can figure out the percentage increase in your own legislative district. I don't have them here for distribution but I will as the morning progresses because they are very insightful charts. What the charts show, incidentally, is that the property tax mill levy for the state in 1987 is 2.4826 percent which means that 2.4826 percent of the value of your house or the value of your farm or the value of your commercial property is likely to be consumed by property taxes day in and day out. The American Commission on Intergovernmental Relations recommends that no government tolerate property taxes in excess of 1.5 percent. We are now statewide 2.4826 percent. We have refused to address property taxes. Not only have we refused to address property taxes, we have countenanced a situation which this year, which this year will result in Senator Scofield and Senator Bernard-Stevens introducing a piece of legislation to, in effect, deflect \$17 million out of income and sales tax dollars to relieve hurting local governments because the railroads no longer will pay the kind of property taxes that they had once paid. Now I find it irritating to me that...it is as irritating, frankly, as the collapse of Commonwealth when one has to suddenly talk about deflecting state dollars into an area that one had never thought about having to deflect state dollars and now we have the same situation arise, again because the areas that are affected by the train tax decision are such small units of government, they