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FLOOR DEBATE

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LR 146

with a \$250 million budget problem by the end of April. So we have...we've seen the impact that it's going to have on the state's budget. Senator Wickersham referred to LR 146, which was the study of the valuation of ag land that the appropriate...or the Revenue Committee did, and I was just kind of scanning through there, and on page 11 of that study it talks about the impact on local governments and it says, in addition, local government tax increases will increase by some percentage. We use a typical percentage increase of 3.5 percent in our estimates. In the case of county taxes, statewide county taxes on agricultural real estate decrease by less than 4 percent when ag real estate decreases of 10 percent are uniformly implemented in the county. So I guess what I'm trying to say to you is that we're going to face a significant budget problem at the state level and then there will be a significant increase in the local level's budget if LB 600 passes on. I do understand the hardships that the agriculture community faces and I think we need to address those, but I'm afraid, given that the budget situation that we're facing now, that unfortunately now is not the time to do that. We're on the Appropriations Committee and we're talking about cuts. I know that the cuts that we did during the special session costs, I think, I've heard anywhere from 120 to 220 jobs. Well, I can tell you that when we cut an additional 100-185 million dollar out of this year's budget that we're going to face a significant number of people losing their jobs as well. So, while I do appreciate and I feel like I understand the hardships that the agriculture community...

SENATOR CUDABACK: One minute.

SENATOR BOURNE: ...is facing, I don't believe that this is the time to implement such a significant tax change. Thank you.

SENATOR CUDABACK: Thank you, Senator Bourne. Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, we've bandied around the idea of a cap rate and I thought maybe I'd talk to you a little bit about what a cap rate is, and it's not easy to name and explain but you can figure it out pretty easily if you do it...if you think about it this way. Now, this particular bill is going to use cash rents for...I think we're