

April 30, 1979

LB 357, 494

SPEAKER MARVEL: The motion carried. The bill is advanced. I think what we need to do as we move down the line is to try to get some evidence of who is going to speak for and who is going to speak against the measure so that we can have reasonably equal time. We are ready for LB 494.

CLERK: Mr. President, LB 494 was introduced by Senator Tom Vickers of the 38th. Read title. The bill was read on January 17 of this year. It was referred to the Education Committee, Mr. President. The bill was advanced directly to General File. There are no committee amendments.

SPEAKER MARVEL: The Chair recognizes Senator Vickers.

SENATOR VICKERS: Mr. President, members of the body, first of all, I think a little bit of brief history of the property tax structure in the state might be in order. As most of you are very well aware, property taxes are becoming quite a problem in this state and they are due to some things that have happened in the last few years that this body has chosen to make happen. To start with, several years ago the state of course, removed their funding from the property taxes. We went to a sales and income tax. We told the property taxpayer that when that happened his property taxes would go down. I am sure we are all aware that I don't think too many people would agree that that has happened. This body has also agreed to exempt certain things over the past few years; intangibles, household goods, and with the passage of LB 518 of a couple years ago about the only thing that is left is real property, real estate. The homeowners, the business people who own their own place of business, farmers that own their own farm, they are the ones that are paying the property taxes. Our local schools are funded primarily from the property taxes. So in reality we have narrowed the tax base for funding of local education. The problem we get with this real estate tax is that the ability to own real estate and the ability to pay taxes does not necessarily go hand in hand. The ability to own real estate and wealth does not necessarily go hand in hand. At one time in the past it probably did but it certainly does not in this day and age. The ability to own a farm, the ability to own a home, the ability to own a place of business as far as the tax assessor is concerned and the ability to actually have a high equity in that piece of real estate has no correlation at all. So what we have then is a lot of those property taxpayers, homeowners, farmers, business people that are paying these taxes that actually own a very small equity in the property that they are paying the tax on. Now all of this