

April 18, 1980

LB 627

over for a moment. I might ask a question of Senator Koch. He might be able to help me with that. We have voted an additional 20, possibly 40, and possibly even 60 million dollars in state aid. That would be distributed on the formula in LB 486. The reason that I voted for it is that with the seven percent lid that we have on schools, that any increase in state aid has to reduce the local property tax. The revolt in Nebraska is not against the state tax. It is against the local property tax, specifically the excessive tax on homes. Now we have two school districts where there is a zero lid, and it is my understanding that only two school districts, whenever they receive the additional funds, actually can add those to their budget without making any attempt whatsoever to reduce their local property tax. Now the people in Omaha and Nebraska City who voted on that zero lid did it because of frustration and because the property tax on their homes simply was too high. I would like to give a minute or so to Senator Koch and see whether my suspicions could be confirmed. Senator Koch, is it possible that if we keep the zero lid on Omaha and Nebraska City by not passing LB 627, is it possible then that Omaha and Nebraska City in sharing the additional state aid to education would be the only two cities where they would not have to reduce the property tax on homes? Is that correct?

SENATOR KOCH: The money that they would receive would be used for budgetary purpose but that would not be traced to their property because as I say you can't increase their property at all.

SENATOR GEORGE: Okay, thank you, Senator Koch. I really believe that if we do not pass LB 627, that it will have exactly the opposite effect to what those voters in Omaha and Nebraska City actually wanted. They wanted a reduction in property tax and we actually with a zero lid would exempt them from reducing that property tax should our state aid come to those two cities. I think you would actually help those people that voted for the lid by seeing that LB 627 will be enacted so that they can share in the proportionate reduction in the property tax on homes as we planned it with the increase of state aid. Therefore, now this time I would like to urge you to override the Governor's veto. Thank you.

SPEAKER MARVEL: Senator Merz.

SENATOR MERZ: Mr. President and members of the body, I think we have missed one point as we go and debate this.