

April 28, 1981

LB 522

governmental operations at 10.7%, for a total appropriational increase of 6.1% and what I suggest these charts really show is that we, the Appropriations Committee again has presented to us appropriational matters which frankly go beyond 7% in terms of the operation of state government but do not even begin to approach 7% in terms of our property tax relief formula. LB 522 is a property tax relief bill because LB 522 when fully implemented has literally relieved county government from any further costs for the state and federal welfare programs and when you relieve county government of any further costs and the costs they presently incur for state and federal welfare programs, you have effected significant and substantial property tax relief. One of the questions is this. How much does this bill cost? What is it really going to cost us? Well you will find in your bill book a fiscal note that has been prepared by Mr. Jim Hanlon from our legislative fiscal analyst's office...

SPEAKER MARVEL: You have one minute.

SENATOR V. JOHNSON: ...he shows the bill as originally drafted would cost us several million dollars this next year and then some 25 million dollars the second year when we have a full take over but that is not the case with the committee amendments which we have approved. The committee amendments call for a Medicaid phase in at 2% a year. Under that scheme this coming year the cost of this bill will be about two and a half million dollars. The following year it will be about 5.7 million dollars and the third year when we finally take it over, when we finally take over the program we pick up an additional 1.5 million dollars in state administrative costs because we are now picking up the counties share of that, plus whatever that Medicaid burden then is which will be about 8 million dollars plus the take over of the emergency assistance.

SPEAKER MARVEL: You have fifteen seconds.

SENATOR V. JOHNSON: My time is getting limited. There are costs incurred to the state but these are no new dollar costs. This is simply a shift from property tax burden to state sales and income tax burden. This bill makes good governmental sense and I ask that it be advanced to Select File.

SPEAKER MARVEL: The motion is the...Senator Vickers, are you there? Would you like to speak a short time?

SENATOR VICKERS: Mr. Chairman and members, yes, I would like to rise in support of LB 522 and I will keep it rather short, Mr. Speaker. Philosophically I agree with the intention of LB 522, that the property taxes on the property taxpayers in