

or a portion of that 7% from the state aid programs. So what basically happens? This state government, each and every year, authorizes state government to get bigger, to spend more money from which the 7% for next year increases again and we do this, we do this with a little bit of sleight at hand. Now the property tax in Nebraska is still, raises 50% of all revenues. The sales and income tax together only raises 21, I mean individually raise 21% for the sales tax, 21% for the income tax, for a total of 42% of all state and local revenues. Property taxes are well and away the highest tax and the tax that we most rely on in state and local government and I think that we need to be as concerned about property tax relief as we have been in the ever increasing growth of state government. Now 20 million dollars is an argument that I think I could make. I am not sure whether 20 million dollars is adequate, Senator Koch, but I think that at this point in time 20 million dollars would not cause a sales tax increase and so I will support the 20 million dollars even though I think it is woefully inadequate because we need to recognize that property tax relief is the thing we are going to have to be about. This floor later this year will be discussing the elimination of the 7% local lid law. Now that 7% lid is very restrictive. We don't live on it in terms of our own operations. We look at the total budget, we do, but not on our total operations and frankly we need to provide property tax relief because this year there is a tremendous move to repeal that local lid and the local lid is the one thing that gives us an excuse now to go back and tell the people we are actually providing property tax relief. It won't be with us long I fear and so we ought to use this opportunity and every opportunity to reduce property tax relief while it is still there to protect us. I urge the adoption of the Koch amendment.

SENATOR CLARK: Senator Warner.

SENATOR WARNER: Mr. President, again the suggestion has been made that the Appropriations Committee has given priority for available funds for state operations over aid programs. Now I freely admit I certainly have. The first obligation of state government is the operation of state government and if it is the consensus of the body that the first priority of the Legislature is the operation of local government, I am willing to accept that. I think you are wrong but if that is the majority decision, you know, that is fine. There was approximately 42 million increase in funds this year in the appropriations bill. That is counting revenue sharing, trust funds, the Nebraska capital construction and general fund sources. 34% of that total increase went to increase aid programs and about the percentage for state operations was slightly above that and capital construction was a decrease. But I think the issue is whether or not the first