

was imposed on. We were talking about 7% inflation at the time of it. It has now risen so it is above 9 so this amendment to allow to go to 9 by a super majority of the elected officials is in line with the original concept when the 7% lid was passed, keeping it down with an inflation factor and it is reasonable to look at it from this angle. Now as far as ability to pay, the property tax system never has related to this and we've got several groups involved. We have got high incomes in the last, since 1969. We are taking less, a smaller percent of the adjusted gross or the net income of the state. Now, in 1969 we took 7.8 and we are now taking under 7.3 or the last year we had figures on. It dropped over a half percent but at the same time, the elderly who had a fixed income have not shared in that income prosperity of the state. Many of them have been on fixed incomes and the inflation of the property tax system has really cut at these people. The lid does not get at the real problem. Then the real problem is the fact that we have a tax system that is regressive in nature, does not relate to ability to pay. A young family that puts 5 or 10% down on a home is not better able to pay taxes than a family with the same job, the same income that is renting a home. Often that renter is in a better position to pay a tax bill than that person trying to buy a home but he becomes the large taxpayer if he tries to buy a nice home and decides to spend the substance of his income in buying a home. So relating a lid to ability to pay, really there is no question. The lid bill concept does not get at the problem but to remove it now with a regressive, ancient property tax system as the major source of taxation for subdivisions, I think would be quite foolish and subject the subdivisions to a constitutional lid. That might take very well away the ability of the Legislature to deal with future reforms in the problems of taxation. It might take a four-fifths majority of the Legislature which might never be achievable as the California lid came out with. I would urge you to support this and really look at it seriously. It would be a somewhat relief measure where there is a unity in that subdivision to go beyond. Those that have a question of whether it is responsible to go beyond could stay with that 7% lid. A minority could very well, with a super majority of three-fourths, stop the increase and in this case I think it gives the taxpayers a very sound way of stopping an increase. If you don't vote for this I think we are going through with no increase on the lid. I think really the subdivisions in their lobbying efforts are probably bringing this about and in some ways, may have it coming. It is up to the members of the body. This is another shot to give it some meaningful relief without opening it up to where it is really an unreasonable concept. Thank you.

SENATOR CLARK: Senator Lowell Johnson.