

believe, before we ever even knew we couldn't pay back the \$70 million as was promised. So that interest was accumulated by the State of Nebraska. There is no doubt about it. The money would have been paid out in those equal payments from December on and I think it is a shame that we gyped the local governments out of this interest. It should have been theirs. This bill now is the only chance we have, and probably not the best chance, we should have put it onto the \$70 million before it was paid out, and I had an amendment to that effect at one time, if you remember it. So the best thing we could do now is to turn it back to those local taxpayers and it is direct relief to property tax and only a small amount would have to be added from the general fund in order to make that payment of \$2.4 million. One other thing about 39 that came up, Senator Koch had an amendment to change the three year program to one. I accepted that as a compromise. I think it was a good compromise because many of you have mentioned that we are going to have to face up to some new problems apparently with the Reagan administration's cuts in federal funding. That does not affect us very much this first year and that is the reason I think we should override the Governor on 39 this year so that some relief before the lightning strikes could be obtained by the counties and turned back for property tax relief. This is the only bill this year that is before us that has any chance at all of providing property tax relief to the local government, the only one. We have goofed up all the rest of them, rightly or wrongly, but this is the only one that will have anything to do with property tax relief and this is not a very big chunk, I will admit. I feel the state can afford this funding, as I mentioned before, in view of the interest accumulated and the small amount of money that really is involved. Some of you have, at least, Senator Remmers mentioned to me a bit ago that he was afraid that this would be outside of the lid for the counties so that they could spend this extra money for anything they pleased. This is not true. They are right under exactly the same lid whether you pass this bill or not. They can only spend the seven percent. What it does do is relieve the taxes on the local level because the money will come from the sales-income tax from the state rather than from the property tax in the county. That is the benefit that I am talking about. Every county will benefit in one way or another, and some in lesser degree and some in more amount, larger amount. I believe, if we wanted to get specific about the rural-urban situation as many times we have argued, that the cities are going to fare a little bit better than the rural areas on this particular issue. So I hope the Senators from Lincoln and Omaha will realize this. I am sure that you have all