

you want to address anything, you do it strictly on the basis of population because that is what that formula amounts to completely. Each year you come back, you just juggle which pot you put it in but it all ends up on population. Now, what is the history? First of all, understand this Legislature has plenary power to tax. That is our authority. That is our constitutional power. When we eliminated the personal property tax or made adjustments in it we played ten or twelve years trying various things. One year we said we'll eliminate part of it and then reimburse for the part lost. Well we found that wasn't so workable so we made some other adjustments. Finally we said, it is just an unfair tax. Let's eliminate it. When we eliminated the personal property tax we eliminated the revenue from it but we did not eliminate the responsibilities that that revenue was covering, the schools, the cities, so on and so forth, and so that burden of what that personal property tax was financing fell onto real estate and so we said, okay, as we have many times in the past in here, one of our big concerns is too excessive property taxes. Property tax is too high. And so we've had a number of methods to mitigate the pain of excessive property taxes, whether it be homestead exemptions or special things for the elderly, whether it be various formulas in school aid but the idea was mitigation of excessive or too heavy property taxes. Now that's all the distribution formula that we have now has in it, a mitigation or a system by the Legislature to reduce property taxes in areas where they are too excessive. Why? Why did some of the rural areas get good percentages of the "famous \$70 million?" Because when you eliminated personal property taxes on tractors, plows, grain, cows, piggies, those things were located in the country. There are very few feed yards in Lincoln and Omaha for example. And so the new burden fell upon the property located in the area where that personal property had been taxed, the country a lot. So when we offer a mitigation scheme to ease property tax burden, it seemed quite reasonable to relate it directly to the property that was affected, real estate, and that is what the current formulas do or the ones proposed. Now everybody says, "Ohhhhh, it is unconstitutional, it is unconstitutional." We have one district judge who has said that by his interpretation it was capricious and arbitrary. He would have to say it was arbitrary and capricious if he was going to say it was unconstitutional. Do you think it is arbitrary and capricious? Apparently not. You've consistently discussed and debated it and support it providing the relief based upon the valuation of property and that is all I am suggesting that we extend that formula one year and, yes, go to court and find out if indeed the State of Nebraska in its handling of the \$70 million is going to be limited to only using population. And I repeat one more time. Once you agree to that concept and limit yourself there by never even taking the issue up in the court, you have really narrowed