

of the Revenue Committee.

SPEAKER BARRETT: Senator Hall, would you respond?

SENATOR ELMER: We'll agree that the counties and municipalities and schools have budgets they have to meet. Their tax levies and requests are going to have to reach a certain dollar amount. Doesn't the homestead exemption that is being proposed merely shift those taxes from residential property to commercial and agricultural property?

SENATOR HALL: No, not at all, Senator Elmer. The counties would continue to levy the same amount that they're currently levying, the state would just pick up the tab for the first \$6,800 of that homestead. So, in other words, the state would pay the bill for that portion of it. The homeowner would continue to pay their bill. The local governments or subdivisions thereof would assess according to their needs, and there would be no shift in terms of a shift from one type of property to another.

SENATOR ELMER: Okay, second, LB 361, which we're advancing, is undoubtedly going to raise the taxes on agricultural property, and would correspondingly lower commercial and residential property tax levies, not levies but the dollar amount that they're going to have to pay. So this merely would take \$6,800 off everyone's residential property, and that same amount then would be put into the county coffers by the state, and have a corresponding decrease in commercial property, residential property that would be affected by 361. Is that correct?

SENATOR HALL: No, it's...what LB 361 would do would very likely bring agricultural values up, but it does not, in any way, reduce residential or commercial or industrial property within that bill. What it does is it brings up the agricultural value to commensurate level of what is currently being paid in those other areas, the residential, commercial or industrial. It does not lower those other three categories, but it could very possibly raise the value of agricultural land.

SENATOR ELMER: That's exactly my point. If the agricultural land values rise, and the total valuation of the county increases, then all of the levies would correspondingly decrease, not necessarily the tax dollars the agriculturals will pay, but would shift some of the tax burden from residential and