

SENATOR WESELY: Thank you. Mr. President and members, and I know there are a couple of amendments being filed to this resolution, but I thought for purposes of discussion and consideration, we might want to examine the issue of whether or not we need to pass LR 2 today. In looking over the legislation, I have followed it, of course, now for some time after we discussed this back about five years ago, and I was at that time one of the leading opponents of the effort to change the Constitution to provide for a nonuniform taxation and valuation of ag land property. Since that time, I have reevaluated myself the situation and a memo I just passed out recognizes that, in fact, we would be singularly alone and distinct ourselves if we did not provide for some separate recognition for ag land, of its unique character, and the desire to have valuation and taxation adjusted for our farmers of this state. The memo does go through that. I think that is very important to understand what other states are doing. But in researching the issue, I have also discovered that there is another way to arrive at the ends, I think, the goals that are hoping to be achieved by this legislation, and that is to look at the concept followed in Wisconsin and Michigan which recognizes universally the problem of property taxation and its level versus income and the ability to pay. And in those states, they uniformly assess ag land property, but then they turn around and also provide for property tax credits in Wisconsin which attempt to provide back primarily to farmers an attempt to recognize their ability to pay. In other words, they look at the income levels of farmers and their land and property values, and provide tax credits for that activity. In Michigan, there is a concept known as a circuit breaker, and this is for all property taxpayers, and if they have in excess of 3 percent of their income going to property taxes, they receive, for most individuals, 60 percent of that excess returned to them in a credit. If they are elderly, they get a 100 percent above that 3 percent level is returned, so that nobody that is elderly has to pay more than 3 percent of their income for property taxes, and most taxpayers only pay slightly more than 3 percent, if they have that level of taxation. The attempt is to recognize universally the problem of ability to pay in property tax levels, and this is a concept that really hasn't been explored I think in the discussions that I have heard very carefully in this whole issue. In addition, the circuit breaker concept does apply to renters as well and, of course, on the other bills we have on property tax relief, the renters are excluded from