

November 9, 1989

LB 7  
LR 1

to take the leadership in trying to resolve this tax crisis. And it seems to me the only way that we can do that is if we can consider all of the alternatives and solutions available and that we consider revision of the personal property tax system with the possibility of making adjustments to the entire state tax system. Yesterday it was interesting to hear Governor Orr's comments because she said that this is such an important issue that we should set aside the political rhetoric and work for the greater good of Nebraska and I could not agree more with that statement. I even think Senator Johnson, in his prayer, that opened up the session yesterday was even more explicit. He said, may we this day and every day with common effort and integrity of purpose seek to build our human community where the welfare of all is prized above narrow ambition. And I would agree, we need to promote the welfare of all the citizens of our state. We need to prize...to put that as the prize and the goal that we seek to attain. I would ask you just to disregard the personalities and the political parties involved in this whole issue and just ask you to consider what is best for the people of our state. It seems to me we have two alternatives available to us in this special session. The first alternative is to go ahead and follow the narrow dictates of the special session that has been called by the Governor. We can accept that limited special session. I believe that proposes a limited solution, at best. The newspapers have been quoted as saying it's a...it will preserve 30 million or maybe \$42 million in tax revenue. To me, that seems like saying we're going to try and have a \$30 million or \$42 million solution to a \$222 million problem. It's acknowledged that it's only going to be a temporary solution. We have a discriminatory tax system with regard to the personal property tax area in our state taxes. Seventy-five percent, approximately, of the personal property in our state is exempted, whereas only 25 percent is being taxed, and the courts are telling us that that is unconstitutional under the uniformity clause of our state Constitution and the equal protection clause of our federal Constitution. It seems to me that we have these bills that have been proposed, that have been brought in, and they're going to be subject to court challenge. For example, Senator Warner has brought in LB 7 which would reclassify railroad property and exempt it. And we got an Attorney General's Opinion and I don't know if you have taken the opportunity to read through all of that extensive opinion, it's in the Journal also. But it seems to me that that opinion shows the uncertainty of whether this type of legislation would even be constitutional. In the Journal, on page 50, I note it