

raised at the local and the state level. Are property taxes too high? You bet, that's one of the big issues here, they are too high. The fact of the matter is, though, that personal property is no longer a viable revenue source. And to argue that it is, whether you use the net book value approach, or the ad valorem approach, which under the...during the 3 R Committee it was deemed...determined by the Department of Revenue that undervaluation to the point of approximately 70 percent, 60 to 70 percent, under the old method of personal property, but yet I've not heard what percentage, although we've come up with figures of approximately 42 percent of personal property is represented by that net book value or depreciated personal property approach. Ladies and gentlemen, I would argue, and I will argue that under 1063 real estate taxes are going to go up. And they're going to go up in Omaha. They're probably not going to go up in the rural areas. They're going to go down, I guess I would argue. And we're going to pay the bill, because depreciation is a cyclical thing, it is not something that is going to be year in and year out as it relates to property, it's going to fall off. And when that value is removed from the rolls, when that value is gone, unless the rates and the levies go down, it's going to fall on real estate, and that means the homeowners are going to pay the bill. I don't want that to happen. And I don't want to put up an illusion that this is going to keep real estate taxes from going up, because anybody who argues that and comes back to this body, should 1063 pass, in a couple years, after the rates have gone up, they're going to...they're going to have to go to the people and explain how that washes, because it doesn't work. It's going to be *deja vu* all over again with regard to, you know, another elected official who said, I didn't raise the income tax rates. But in terms of page 9 of the MAPCO decision, let me read to you what it says. A paragraph up, it says, quote, and this is from Article VIII, Section 2 of the Nebraska Constitution, it says, the Legislature may classify personal property in such manner as it sees fit, and may exempt any of such classes, or may exempt all personal property from taxation. Sounds plain enough. You go over to page 10, it says, a legislative act can violate Nebraska Constitution Article III, Section 18 as special legislation, one, by creating a totally arbitrary and unreasonable method of classification; or, two, by creating a permanently closed class. You go down to the bottom of page 10, it says, the legislative classification, in order to be valid, must be based upon some reason of public policy, some substantial difference of situation or circumstances that would