

of uniformity and proportionality we want to keep for real property, generally. Secondly, we want to make sure it does not apply to the personal property area, and, third, we want to have the ability to make classifications and exemptions in personal property, those three principles, and that is what is in the committee amendments. We happen to use the word "rational" because we wanted to leave the court to the test to apply to our classifications as being the Fourteenth Amendment test as opposed to higher tougher tests that the court has used in the past, including the special legislation test, and the court's own creation of an equal protection concept in the State Constitution. Part of the Governor's package, part of the committee's package, both are the cutoff with relationship to other tests in the Nebraska State Constitution, so that our work in the tax policy area will be governed not by the special legislation area, not by the State Constitution's equal protection, but by the federal equal protection rule because it is the lowest standard. It is the easiest one to meet. Professor Lyons said, now, look, you have got the court backed into the corner. You have eliminated all the rest of their escapes except the Fourteenth Amendment test. That is good enough. If you hand them the word "rational", you give them a weapon. They can then start interpreting rational by their own test based on our Constitution, and if it is in our Constitution, they don't have to refer to the Fourteenth Amendment. So for that reason, it is wise, he says, to strike the word "rational". Why? Because it will get you to exactly the goal that you went out in search of, the goal being to measure our tax exemptions and qualifications by the standard of the Fourteenth Amendment rational basis tied to a legitimate state interest. So, on your desks, you will see amendment 1 and 3, strike the word "rational" in two places. The other one strikes a listing of methodologies for taxing personal property and simply replaces that listing with a phrase that says "any method." That means that we can tax personal property by any valuation method that we want. It also says we can tax it through...it means that we could tax it through sales tax, if we wanted to. It means we would have the maximum discretion that we want. And since those ideas are consistent with the committee's workload, and Professor Lyons' argument I think was well taken by myself and the members of the committee that I have checked with this morning, I would urge the adoption of this amendment at this time.

SPEAKER BAACK: Thank you, Senator Landis. I do have a list of