

aid that's going to the local schools. The net result is that you have a class of taxpayer who, because of ag land valuation changes, who, because of 829, who, because of LB 1, who, because of school affiliation, who, because of all of the other things we've done, suddenly find themselves arbitrarily paying more and more and more of the cost of local government reflected by the property tax. This is happening at the same time that the level of economic activity, the money, in circulation in rural Nebraska is declining. Now the money in circulation in rural Nebraska is predominantly a factor of commodity prices, grain and livestock. So we have increased taxes, lower income, massive redistribution of who pays...

PRESIDENT MOUL: One minute.

SENATOR COORDSEN: ...and we fall it fair. Breeding livestock does not affect the State of Nebraska. The only impact it has, it would cause a slight redistribution of state aid to education from the low valuation per pupil districts to the high valuation per pupil districts. We are paying the 1059 monies in and in many, many, many cases receiving no aid in our local schools, and then we see the shift from those who are not directly involved in agricultural business to those who are. Thank you.

PRESIDENT MOUL: Thank you, Senator Coordsen. Mr. Clerk, there is an amendment on the desk.

ASSISTANT CLERK: Yes, Madam President. Senator Elmer would move to amend and his amendment would provide that he would amend LB 3 into LB 1. (The Elmer amendment appears on pages 28-29 of the Legislative Journal.)

PRESIDENT MOUL: Senator Elmer.

SENATOR ELMER: Thank you, Madam President. As you are all aware, LB 3 was introduced by Senator Coordsen and the only thing it does is provide for exemption of livestock from personal property tax which, in effect, removes breeding livestock that's being depreciated from the property tax rolls at the local level. Many of us feel that LB 829, as a whole, is an unfair taxation bill in many, many respects. And we also realize we must have the revenue to make the adjustments that the court has demanded on us as far as repaying taxes that they say have been collected illegally. The exemption of breeding livestock would not have an effect on the funding in LB 829