

November 11, 1992 LB 1

was almost inconsequential to you. But no one has addressed that issue, and I hope that I can find somewhere, maybe if I do today I'll hand it out tomorrow, the dialogue that took place between myself and Senator Vard Johnson on April 28, 1987 which we discussed the cost of 775, at which time Senator Vard Johnson said the worst scenario would be \$4.5 million per year, peaking at \$18 million. And he said if we reach that point, that kind of bleeding, we'll obviously have to take a look at it. We know now that we did not design the criteria for those companies who enter into the benefits of 775 sufficiently well. I didn't vote for the bill. But I'd be the first to say that no doubt some of those companies have created enough jobs, paid enough wages to have shown a positive benefit to the state, and I appreciate that.

PRESIDENT MOUL: One minute.

SENATOR SCHMIT: But on the average, on the average we now find that based upon our own department's projections the 8 year payback will be stretched out for 28 years. Before we advance LB 1 I'd like to have someone comment as to how this body, in succeeding years, is going to address that problem. If you have a hole in the bottom of the boat, ladies and gentlemen, that is bleeding at the rate of 50, or 60, or 70 million dollars a year, portends to grow to 100 million, maybe even greater, how do you possibly bring in sufficient revenue to supplement that kind of bleeding? I'd like to have someone comment on that, because again we are just facing a portion of the problem here, and many of you are going to have to wrestle with that problem in the future.

PRESIDENT MOUL: Thank you, Senator Schmit. Senator Beutler, followed by Senator Moore.

SENATOR BEUTLER: Members of the Legislature, I just wanted to make a couple of comments that are in response to some things that have been said because I think it's important that we keep in mind what the true historic trend has been in this Legislature with regard to taxation, both at the state and local level, and with regard to property taxes specifically. I was interested some time ago when the Legislative Fiscal Office put out a chart called the historic state/local taxes as a percentage of personal income. And in that chart, when you followed it through, it encompassed the years 1967-68 through the years 1991-92. And it calculated the total state and local