

comprised of the Governor, Tax Commissioner, Secretary of State, the Treasurer and the State Auditor. Those people meet in a constitutionally required position to equalize and make assessments of property taxation, with the goal being that properties' valuations and assessments across the State of Nebraska be equal. It's an elusive concept because ever since we've started with this concept, going back to territorial times, we've had problems with assessments and equalization. In other words, is a piece of property in one end of the state that's similarly situated with another piece on the other end of the state, are they roughly equal in terms of values, and why is that important? Well, this state roughly distributes almost \$300 million a year in state aid to education, based upon a fundamental principle that you're going to have equalization of values. If you do not have the basis, if you don't have the fundamental principle of equalized values, those distributions cannot be fair. It undermines the integrity of any distribution system that you have. Those individuals...this is not critical of them, who currently sit on the board, they are in a institutionally very difficult position. They have other full-time obligations and duties. The Board of Equalization is not their primary force and function. It's very difficult for them in election years as that we've just had to go out and tell counties that you're going to have to raise proportionately your values. I assume that they also have the power to lower them in those cases that warrant it, but it becomes politically very unpopular to do and thus it's never done. And there's always the promise that we'll do it better next time and we really mean it that we're going to equalize values across the state. They also have the power to equalize within classes of property. As we look back to the history of equalization in this state, we have never been able to accomplish it. It's always been something that we're going to do better next time, and most of that occurs because of either information or timing or politically it's unattractive to do that, or it's just plain hard to do it. What we proposed last year received, as Senator Coordsen accurately stated, unanimous approval by this Legislature to look at those equalizations and to try to find a better system of doing equalization. Through any election process, of course, the people have had the opportunity to examine this. There are some who may be uncomfortable of changing the system. If they can...if they can manipulate the system the way it is, or they like the way the system is, they may be uncomfortable towards change, but it's very, very important. Senator Hartnett pointed that out as well. And if