

Kristensen.

SENATOR KRISTENSEN: Thank you, Madam President, members of the Legislature. As a member of the Revenue Committee, I want to take this period of time, and, Senator Beutler, your amendment happens to be the one that's up at the time that my speaking order comes, and to that I apologize because I may not speak directly to your amendment. But I think it's very important to also try to focus what this effort is all about, and part of this is to put some reality into the property tax discussion. If all that we do in the upcoming months and weeks is determine that property tax is a problem, we've not only wasted our time but the state's time. And if all we do is complain about how it's a very complex problem, we also have wasted our time. But there's some realities and some facts that we need to keep focusing on, and I want to go through those a little bit with you. One is that property tax is a local tax. The state's made significant contributions to reduce the burden of that tax, and by most popular accounts, it has not been enough, and I suggest to you that it never will be enough, that it's a very difficult concept to wrestle with. But really what we are talking about is significant property tax means the following things, if we are going to have significant property tax relief, you are either going to have major cuts in services, and to who does that will be decided, obviously, by this Legislature, or you are going to have a raise in state taxes. There is no other really alternative. Those raises are either going to be your sales, your income taxes, or broaden the base in those of some mechanism. There really are no other choices. Significant means \$400 million. I think Senator Schellpeper is probably accurate, by most people's account, significant property tax of \$400 million, that's a major increase in sales tax, that's a major increase in income tax, and that's a major cut in services. It's the reality, you are not going to get it by cutting out athletics in a public school, the art program. You are not going to get it by cutting down the travel. You are not going to cut it by getting rid of all the administrators. It isn't going to happen. That's not reality. Will it help? Sure, it will help. Is it the answer? No. The other is the things like consolidation doesn't mean automatic property tax relief; there's still children, there's still services that are out there. The reality is that, yes, that will help but that is not the answer. The others are that shifts really mean the raise in sales and income taxes. That is what a shift is all