

March 21, 1996

LB 1114
LR 292

in that three years is they can reexamine their expenditures and cut costs. Third think that they can do in three years is that they can try to consolidate their services or establish new networks. I agree with Senator Maurstad that of all of the jurisdictions one of the jurisdictions that will have the most problem are villages and second class cities. I don't think their options are that great. I think it's going to be hard for them to consolidate, it's going to be hard for them to build networks. Many of them are far apart from each other. Sales taxes won't be great. We will be left, in about three years, with another crisis and that crisis is what are we going to do just about the moment the hammer falls? However, if in those three years cities and counties and school districts have undergone a thorough going analysis of their tax base, of their options, of their services and of their consolidation opportunities, we will have a different... a different moment into which to contemplate broadening our state tax base in which we will come up with the replacement dollars. We couldn't come up with it today, but, after three years of the turmoil that 292 and 1114 will create, we will have not only the preparation of the cities to get ready...

SENATOR WILL: One minute.

SENATOR LANDIS: ..and the counties and the school districts, but we will have perhaps the conditions that will allow us to broaden state tax bases to make up the difference. It is not the goal of the Revenue Committee to bankrupt cities and counties and jurisdictions. It is our wish to create the climate for serious reevaluation of 19th century local government and that will only come by the fear and trepidation that arises from 292 and 1114. At the end, just before these levy limits kick in, if there is not a way out of this labyrinth, I will change the rules. I will raise the limits. I will go back to the property tax. However, the conditions may be right for a significant 200 million dollar shift away from local property taxes and either to consolidated services, spending cuts and a mix of state revenues. We couldn't do it today and the Maurstad amendment moves us further away from being able...

SENATOR WILL: Time.

SENATOR LANDIS: ..to do it in the future because it gives