

guess my opposition is more of a explanatory in nature. As I read the amendment, the concept that is in here is that for an indefinite..until changed by the Legislature, state expenditures should be limited to 2 percent, and I'm assuming from the handout that it is...that there is a presumption that the growth in receipts would tend to run traditionally about what the average has been, which is 5-1/2, between 5-1/2 and 6 percent and then that 5-1/2 or 6 percent, the difference between 2 percent and that 5-1/2 over time would be utilized to fund the homestead exemption as it is outlined here. Obviously, at 2004 to '05, it would apparently be in the vicinity of 500 million dollars, but if I'm reading this correctly there is a presumption that that cost would be acquired by the state with restricted spending at the state level, including a lid on the growth in the current amount of state aid that is returned, such as under...that under 1059. Problem I would see in the long run, obviously, is the need to recognize what might happen with the...that we've talked about before, but I don't know what the impact's going to be of Corrections, I don't know what the impact may be of change in the federal legislation, but...as well as in the event that at the end of two years that sufficient savings are not acquired through consolidations and mergers and those things that ought to be done, you could have some additional issues there as well. But there's really no point in talking about that a whole lot since the amendment in fact is going to be withdrawn and go for an interim study, which certainly is appropriate. But as drafted I think there's more ramifications probably than just the issue of increasing homestead exemption because this too will affect, I would imagine in time, would impact state sales and income tax rates just as anything else might. If this is started to be put in place, if it became impossible for the state to continue the funding, the commitment to fund this I'm sure would raise the same issue of increasing alternative sources of revenue for the state to fund other issues that we may be compelled to do. So I would oppose, certainly oppose the amendment to being placed on at this time and urge that Senator Hilgert look at the interim study approach.

SPEAKER WITHEM: Thank you, Senator Warner. Senator Hilgert.

SENATOR HILGERT: Yes, thank you, Mr. Speaker. Thank you. Senator Kristensen, just to real...touch real briefly on what you..your comments regarding this, obviously it does not