

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

May 18, 1999

LB 881

looking at a potential tax increase. As it was, we came in and cut \$98 million in a special session. That's not that long ago. And so I don't know. I still haven't resolved in my mind what the best answer is, whether you run a bare-bones government with no reserve and, in times of crisis, slash and/or raise taxes; or do we keep some kind of reserve and try to avoid those...those crisis situations? I've been one to believe that we ought to try to...

PRESIDENT MAURSTAD: One minute.

SENATOR WEHRBEIN: ...avoid the crisis situation to some extent, realizing that we can never really carry as much in the cash reserve as would be required to go smoothly through the downtimes. The dilemma is you don't really know how bad the downtimes will be and I don't want to predict serious consequences ahead. Don't know if they will or will not. But I do think the way this is structured over three years, if it works for awhile it will be fine and, if we get into trouble down the road, we can certainly have a chance to react.

PRESIDENT MAURSTAD: Thank you, Senator Wehrbein. Senator Kristensen.

SPEAKER KRISTENSEN: Thank you, Mr. President, members of the Legislature. I think it's important also to talk about what is property tax relief. How...if you have the expectations we're going to lower property taxes, how is that done? We've taken time out in this body about four years ago and we had a report by every one of the committees. They'd done an examination of where could you cut property taxes and how could we, if we didn't improve that system, where could we actually cut and make those taxes actually get lower? That report was given here on the floor of the Legislature. The various Chairs went to the front and discussed what could be done. Some were as easy as having a license be issued at the state level, your operator's license, and not at the local level and that saved some small amounts of money, all the way to mergers and consolidations of services and so on. But the bottom line result of all that was there was only one way to reduce property taxes and that is the amount of expenditures. And since the Legislature and the state do not make expenditures of property tax, you will never have a