

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

May 18, 1999

LB 881

direct, direct control over dropping those property taxes. Those expenditures occur at the local level and that if you're interest is reducing and not just maintaining some level of stability, then you really have to get to local spending. Well, how do you get there? That's where the levy limits came in and trying to put in some restriction and saying at some level this is all the property tax you can raise and you're going to have to get money from elsewhere. And that's the reason there's a big difference between giving aid to someone, but for the community college, but giving aid to the other political subdivisions is not and will not continue to be direct property tax relief because you're not going to the root of what that tax is. The root of that tax is the spending. Now there's reasons for the spending, obviously. You require us to do certain things, but the bottom line is we still believe greatly in the amount of local control that we're giving to people. As long as you're going to have local control, you're going to have to allow them some freedom and the discretion and the choices to make those spending decisions at a local level and, thus, you're not going to be able to impact that. What I do also want to add at this point in time, and I assume that the committee amendments are...are really the vehicle for discussion this afternoon, is in the third year. In the second year, obviously, let's just take the example of someone's property taxes are going to be \$2,000 and you're going to get a credit. Let's say...I'm not saying this is the number but I'm "ballparking" one. Let's say it's a \$50 credit, so your net tax is about \$1,950, and that's the credit that will show up in your property tax statement. If you go to that third year and we take this money and, instead of putting it in the form of a credit but give it over to the school aid side, your property tax statement will not show a credit. It's going to show that same...and you've got to add some inflation in here that the...that your tax is going to go up because of valuation of some...of some portion. Generally, the economy is growing all over the state. But if you put it into school aid, you're not going to show a credit on your property tax return. That money, instead of going in the form of a credit, is going to go to state aid to schools.

PRESIDENT MAURSTAD: One minute.