

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

May 18, 1999

LB 881

number...then this morning, a number of very important points were touched on, one of which of course is the use of cash reserve monies to fund this program, which is \$30 million the first year, \$35 million the second year, and the potential for \$35 million the third year, and to use those dollars for property tax relief. The folks who stood up and said that you can't continue to do that out of the cash reserve are absolutely correct. They're absolutely correct. You can't continue to do that in the long term, but in the short term it appears to me that funds are available and that we can use those dollars for property tax relief, and I believe that what the committee is proposing to you is the most efficient way to do that. It does not have significant transaction costs. It will appear at the most effective and important time for property taxpayers, that is when they receive their property tax notice. So I believe that it has those attributes. If it isn't enough for some folks, and I understand that it may not be, I think that it is within the constraints that we have for the state budget, and I think we would, frankly, find it very, very difficult to expand upon this proposal without severely impairing or impinging on future state operational needs. The points that were made, I think, about the operation of the credit and whether or not that would show up, how that would show up on the tax notice, whether people would notice it, I believe that we have structured the tax notices or are proposing to structure the tax notices in a way so that people will notice it and they will recognize that some of their sales and income tax dollars have indeed been used directly for property tax relief. I think that, in addition, property taxpayers over most of the state did recognize a significant benefit from our property tax relief efforts in the past and, while this proposal may not produce the kind of reductions that we saw last year, it will certainly moderate any potential increase in property taxes that individuals might be otherwise seeing and, frankly, in some places, depending on local decisions, there will again be property tax...absolute property tax dollar reductions in some places in the state, not everywhere, but I think that will occur in some places in the state. So, for that, Mr. President, I would urge the members to support the committee amendments and then ultimately LB 881, as we proceed. This is...the credit is a new addition to our property tax relief efforts. In the past, we have relied on levy reductions, spending limitations, state aid for essential