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LB 881

scenario would have to be made up either with service cuts or with state aid. Regarding service cuts, I would remind you that an awful lot of property tax goes for schools and all indications are that a lot of...well, it is the case that teach...costs of teachers or salaries and so on are a big part of school costs, we are not out of line in that regard. In fact, if we are out of line, we're probably out of line on the low side. So cutting services, particularly K-12 education does not seem to be a realistic possibility. On the other hand, increased state aid, I would just point out that that could have a very significant impact on the money we have to fund higher education and other statewide obligations. So in terms of a proposal to deal with property tax, one, I would suggest, and it is the case in LB 881, that we focus on property taxpayers excluding new bond issues, overrides, and new construction. The idea here is that we focus particularly on the property taxpayer who lives in his house, has not added to his house or built a new house, what is going to happen to his property taxes from one year to the next? The next question is, what level of a property tax increase for that person is, number one, acceptable, and, number two, is sustainable? And I would suggest that probably something in one...in the range of one and a half to two percent is possible there. I would also suggest that a...we organize our efforts to achieve this sort of a goal over a five-year...

SENATOR COORDSEN: One minute.

SENATOR RAIKES: ...period, and I would also suggest that in doing so, we avoid sharp cuts in property taxes in one year, if for no other reason than that they will likely result into sharp increases the next year. And also I would avoid that we...or suggest that we avoid the short-term appeal of a gimmick, if I may use that word, in favor of a duller but more predictable and sustainable policy. And, finally, I would suggest that we avoid allowing a revenue program, namely, property tax relief, to dictate appropriation and reserve policies, which I think are very important on their own. So with that, I...I agree with a lot of what Senator Beutler has said but I would...I would not support his amendment here. Thank you.

SENATOR COORDSEN: Thank you, Senator Raikes. Senator