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FLOOR DEBATE

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SENATOR REDFIELD: Thank you, Senator Cudaback. Members of the body, the bill before you actually came to its birthing last year in the form of LB 1196, brought by Senator George Coordsen. The Revenue Committee has noticed a trend over the last decade in our property taxes across the state, and I have two handouts that we distributed to you. The first one, and I recognize that the numbers are very small and hard to read, but these are put out by the Department of Property Tax Assessment, and from 1992 to 1999 you will see that the growth in school bonds, property taxes increase by 45.82 percent, whereas school portions of property taxes without the bonds included only increased by 28.06 percent. That trend also continued from 2000 to 2001. The latest data we have shows that bond taxes increased by 14.37 percent, whereas "nonbond" taxes increased by 6.54 percent. Now what does that mean? What that means is that, in fact, we have a homestead exemption program in our state whereby the state comes in and pays the property tax for people over 65 or disabled who are of qualifying income level. The cost of that program has been going up, and it has been going up more for the General Fund appropriations of the property tax portion...or, excuse me, it has been going up more for the voter-approved portions of the property taxes than it has for the General Fund portion of that property tax. There is a concern, in looking at our program here in the state, whether, with our budget woes, we will be able to continue funding that program, which has inflation factors built in, at the full funding because of the growth of these voter-approved issues. There is a committee amendment which will more clarify for you, and certainly something that I support, the language in the bill. LR 18CA places on the ballot in the 2004 General Election a proposed constitutional amendment to our exemption clause. It's found in Article VIII, Section 2, and you can find that on page 47 of your constitution in your drawers. And subsection (11) says, "the Legislature may by general law provide that a portion of the value of any residence actually occupied as a homestead by any classification of owners as determined by the Legislature shall be exempt from taxation." Now Counsel for the Revenue Committee believes, and I think that is generally interpreted to mean, that while we can determine the qualification by income or by the value of the home, that