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FLOOR DEBATE

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and spends that amount, in quotes, indiscriminately. Examine the top chart on the red-colored floor exhibit, if you would. Notice that residential property owners have not received meaningful property tax relief as a percentage of state income. Notice that commercial property owners have received meaningful property tax relief. Also notice that that has taken place prior to the \$1.00 levy limit taking effect in 2001. I respectfully suggest the conclusion is that with the \$1.00 levy, we are spending tens of millions of dollars to provide additional property tax relief to a sector that has already gotten property tax relief and does not need that property tax relief as much. This realization, if you agree with me, is crucial to this debate. The alternative \$1.10 plus homestead plus ag land credit concept is an approach to saving this money and distributing it in a different way. If you agree we want to examine that expenditure of \$100 million, how do we continue our efforts to provide meaningful property tax relief, while addressing the budget crisis. The better ways that I would suggest are as follows. First, let us reconsider the \$1.10 levy. We may forget that until 2001, we had \$1.10 levy limit. So it's not been long ago. Think about that. Until 2001, we survived without spending an additional \$100 million from the General Fund. I recognize the need, both economically and politically, for property tax relief. But let's contemplate a different and, I hope, better way. Not everyone may understand how a homestead exemption works. Let me lay it out a little bit. First, it only applies to a homestead. A homestead is a primary residence. The exemption would apply only to residential property that constitutes a homestead. Second, homes, vacation homes, and the like, would not qualify. A farm home site, which is the residential portion of a farm or ranch, would qualify for the homestead exemption. Second, no surprise here, it is an exemption from property tax. Because of the exemption, all or a part of the property is excluded from property taxation. Now, we already have a homestead exemption program. But it applies only to the elderly and the disabled. The proposal in AM1445 is a general homestead exemption. In other words, it would apply to all homesteads in the state, not just those who are currently eligible for the existing homestead exemption program. The proposal would adopt a general homestead exemption in the amount of \$5,000. The first \$5,000 of all