

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

April 24, 2003 LB 540

SENATOR WEHRBEIN: ...that...with...that's faced across the state. Hopefully that these...the schools can be...make it on what's being proposed. But once again, a lot of these are compromises. Everyone doesn't always get what they want. But I think that this has been a real valiant effort to arrive at a reasonable number. And I want to urge your support of this Education Committee at this time.

SPEAKER BROMM: Thank you, Senator Wehrbein. Senator Kruse.

SENATOR KRUSE: Thank you, Mr. Speaker and members. I, too, rise in support of LB 540, and in deep appreciation for the excellent work that has been done here. A tremendous amount of work, and we need to have some appreciation for all that went into it. I would add some comments on levy caps. In working on my levy cap bill, I became the recipient of letters from all around the state about how the levy caps are working. It can be summarized very simply. Levy caps are not working, at least if we think that that's to hold down taxes. And I was given numerous examples of ways in which the levy caps increase taxes. It seems to me that the state aid, the formula system that we have been operating under is the help to the property tax. Clearly, we must favor property taxes and trying to hold them down. That works through the state aid. In fact, if we didn't have the various aids, the local aids that we have, my quick calculation is that the average property tax would be 50 percent higher. So we are doing it. It is making a real difference. But it is my conviction, after hearing from a number of these people, that caps should be phased out. One of the first reminded me of the record, and checked it out, when caps were put in, and this system. Senator Warner, who was the main sponsor of it, or the thought behind it, said that the cap should last no more than two years, and that a key reason for getting the caps is to raise property taxes...we...in some places, as well as to reduce them in others; in other words, to equalize them. There is a mythology that's kind of floating around here, and I've heard of mythology in my other work, that's kind of interesting. A myth is...may be true or not. Do understand that myths...the word myth doesn't mean something is not true. But a myth is what everybody is saying, and so we all