

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

May 7, 2003

LB 540

me, the ultimate measure, or the ultimate control of property taxes is the levy limit. And I grieve that we've raised the levy limit for schools by four cents. But basically, that set of controls, as it applies to cities, counties, all government subdivisions, that's what keeps, basically, under control the fact that any particular property owner is not going to be paying more than "x" percentage per \$1,000 of valuation, unless the voters vote to override that. And that, to me, seems to be...would seem to be the one I want to rely upon in the end to control property taxes. But we also then have budget lids, which keeps spending for many political subdivisions below what they could spend if just the levy limit were in place, right?

SENATOR RAIKES: As they take...that's correct. Yes, Senator Beutler.

SENATOR BEUTLER: Okay. So my question, I want to go back to the basic philosophic question. Now that we have levy limits, why should we have budget limits?

SENATOR RAIKES: Let me give you an answer that pertains to schools. And this particular amendment doesn't have much to do with schools, so it's kind of a different issue. But the argument for schools is that if you have levy lids but no budget lids, then, in effect, spending is controlled by the valuation increase. So that if you had a district that had rapid valuation increase, maybe a high-wealth district, maybe not, but rapid valuation increase, that would give that district much more spending authority, if all you have is levy lids, than a district that had much lower valuation growth. So part of the reason for spending lids in combination with budget...or levy lids is equalization.

SENATOR BEUTLER: Okay. But let's talk about nonschool district...

SENATOR RAIKES: Okay.

SENATOR BEUTLER: ...finance. What is the argument for budget lids with respect to other political subdivisions?