

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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FLOOR DEBATE

March 22, 2006 LB 968

150 percent of the average home value in the county or \$95,000, whichever is greater--and that's, again, a maximum and a minimum--to 200 percent of the county average or \$95,000, meaning, we'd keep the minimums where they are, but the maximums go up, which means the number of people who can qualify and the amount of their exemption can. For handicapped or veteran beneficiaries, the maximum value would increase from 175 percent of the average home value in the county, that's the maximum, and \$110,000, which is the minimum, to 225 percent or \$110,000. The maximum value limits the value of the home eligible for the maximum homestead exemption. Beneficiaries owning homes valued greater than the maximum value face a phase-out and an elimination of the exemption as the value rises. There isn't, however, a cliff effect, so that once you hit it you get nothing. That's idea one. Idea two is to lower from 80 percent to 75 percent the valuation for agricultural land. This change would be operative with the effective date of the bill, so that next fall's certification of adjusted value for school aid purposes would adjust to 75 percent before the year the valuation actually drops. Because school aid is calculated using property values that are one year old, this early adjustment for school aid purposes will correspond to the property tax year for which the taxes will be levied. The third and final idea in this section: About two years from hence, we have an obligation existing in state law to drop our maximum school levy limit to \$1. Everybody knows it would represent a very serious injection of state dollars, monies that we do not now contemplate having. If we were to use it for that purpose, we'd have to rip it out of someplace else. And yet, that deadline looms. Where we are now is a levy of...a levy limit of \$1.05. This third section takes out the \$1 maximum for fiscal year 2008 or 2009, and leaves us in the state of our current law on a permanent basis, subject to change as economic conditions would allow us to make adjustments. There's a big desire and a hope in this body to lower property taxes. And when we have the money to do so, we should. Promising that we will when we don't have the money? Probably not a wise idea. That's idea three in this section of the Revenue Committee's work.

SENATOR CUDABACK: Mr. Clerk, please.