

the Governor. (Read.) The bill was introduced on March 19 of this year. It was referred to the Revenue Committee, advanced to General File. There are Revenue Committee amendments pending, Mr. President. (Standing Committee amendments can be found on page 1772 of the Legislative Journal.)

PRESIDENT: Chairman Johnson of the committee.

SENATOR V. JOHNSON: Mr. Speaker, members of the Legislature, before I waltz into the amendment, I would like to explain the bill. I'd like to explain the rationale for the bill and then answer whatever questions you might have. As you know, in your conversations with Governor Kerrey, and also as you know in your examination of the deficiency appropriations bill, which we've already passed, and again as you know in your consideration of the veto override of the Governor's vetoing our allowance of an additional \$6 million for the homestead exemption program, 1985 brought to the Nebraska Legislature and to the State of Nebraska a financing problem of the homestead exemption. Unexpectedly, the homestead exemption costs to the state increased by 26 percent. Even though the Legislature had made some modest homestead exemption changes last year, I don't think anybody anticipated that the homestead exemption costs would increase 26 percent. In the absence of, in the absence of some type of changes to the homestead exemption program this Legislature will be faced with a very large homestead exemption bill in the 1987 legislative session. And in fact part of our budget considerations have to deal with how much of a deficiency appropriation we are going to have to look to in the 1987 legislative session. So one of the things that Governor Kerrey has asked our Legislature to deal with, and I think responsibly, he's asked us to take an examination of the homestead exemption, he's asked us to determine the kind of changes that could be made this year in a short period of time to the homestead exemption so that we will not face too many unexpected and untoward costs in 1987. LB 1258 proposed three different things, one of which I think is relatively noncontroversial, one of which is moderately controversial, and one of which is quite controversial. Now let me discuss the three things. The first change, which I think is a noncontroversial change, deals with the elderly homestead exemption. That change would do this, it would simply say that for an elderly claimant to the homestead exemption to be eligible to claim the homestead exemption, that person must be 65 at the beginning of the claim year. Current law is if that person becomes 65 at any time during the course of the claim year then that person is eligible for the homestead