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SENATOR CUDABACK: Thank you, Mr. Clerk. Members, we are on General File. If you could give us a little bit of your attention, it's getting a little loud in here. Thank you very much. Senator Redfield, if you would fill us in on...take a minute or two and fill us in on where we were.

SENATOR REDFIELD: Thank you, Senator Cudaback, members of the body. This constitutional amendment was before us last week, and we did talk about it a little bit. We have in the state of Nebraska a program of homestead exemption for older citizens and those with disabilities. There is a very clear-cut income level requirement. There is a very clear-cut requirement on the value of your property. What we do not have under the Constitution of Nebraska is a clear-cut differentiation between voter-approved and nonvoter-approved levies. So in fact, the state of Nebraska has been paying the qualified percentage of the homestead exemption for these people, irregardless of what issues may have been approved by the voters. We have seen in the Revenue Committee, as we look at the data that has been compiled by the Department of Property Tax Assessment, an increase, an exponential increase, at double the rate of other levy increases or, I should say, property tax increases, for these voter-approved issues. Why? Well, sometimes it's a bond issue. We've had those around for a long time. They're for construction projects. But we are also seeing levy overrides. And certainly, as we are facing our budget here at the state level this year, there will be a great deal of discussion whether again we will allow small government entities, such as schools, to exceed that levy limit with or without voter approval, but certainly if they choose to exceed it on their own. We have people going to the polls and they are incurring a debt which is paid for by the state of Nebraska. This is something that is difficult for us to budget for, because in fact we can't predict how many voter-approved issues are actually going to be successful on the ballot. And so as we look out into the next two years, or even into the biennial after that, we have to ask ourselves whether in fact we are going to be able to continue to fund the existing homestead exemption as we have prepared it. We do have an inflation factor that is built into that. And we may in fact find ourselves, as more and more voter-approved issues are successful