

the market value. There are other reasons why it is not a good idea but this is one of the big, major reasons and the unfortunate thing is that people who have a small amount of property, they are not paying much school taxes. Let's take in Douglas County, for example, 4½%, approximately, of their income goes to support the schools, whereas, in some other counties, it is as much as 10%. And so, let's take Sarpy County--about the same thing, about 4½% goes to support the schools of their income. Now their income is just as high per pupil as it is in many other counties in the state but they don't pay much property tax per pupil, whereas, in other counties in the state, they are paying twice as much property tax per pupil, and twice as much as a percentage of their income. So, when we talk about the rich counties, we talk about the poor counties, we are not being correct in what we say. Now, these so-called rich counties, they have to have property in order to make a living. For example, in the whole United States, the average farm debt is \$25,000 per farmer. In the state of Nebraska, I'd judge it is probably closer to \$35,000 per farmer. Well, this means they have debts and so when you have equalization aid, you say because you have a lot of debt we are not going to give you state aid to education because you need those debts in order to have tangible property. And so, the whole equalization formula is not good and what Senator Lewis intends to do here is to make all the state aid equalization aid, whereas, the Committee said, let's make half of it equalization aid, half of it so much per pupil. Now, let's assume we make all of it so much per pupil. In say the Papillion School district where the property tax is about \$430 per pupil, if we gave \$300 per pupil in the form of state aid that would mean that they'd only have \$130 left to pay per pupil in the form of property tax but in another school district where you have a \$900 property tax presently and you gave \$300 state aid, which would be the same amount per pupil, that latter school district has \$600 per pupil to pay compared say, to the Papillion School district of \$130. Well, obviously, if we go just the per pupil route, some school districts are going to wind up paying virtually no school taxes, whereas others are going to continue to pay a lot. So, even so much per pupil is not a satisfactory compromise. It should be based partly upon the cost involved but this is the way it is. So, I wish to oppose the amendment. It's entirely unfair and we'd have hundreds of districts, school districts in the state of Nebraska, that would get nothing or only pennies back.

SPEAKER: Senator Kremer.

SENATOR KREMER: Mr. Chairman, I think I'd have to start out by saying that I believe I would support additional state aid to schools. However, I cannot support the Lewis amendment to the Committee amendment. The Committee, I think, did the fair thing when we split the additional twenty million two ways, ten million each direction. Now, let's look what's happening to valuation in the rural counties. The sale of farm land today has been up, up, up until nothing can be purchased in many of our counties for less than \$900 or \$1000 per acre. Now, I have always said we ought to be talking about dollars rather than about mill levy and valuation. Just because a piece of property is titled to a certain person does not mean that he has the ability to pay the kind of a taxes imposed upon him. I would venture to say that most farms in the rural areas that have sold are mortgaged 50 to 60% of what they are worth. So, therefore, just because the title is in the person's name does not mean that he has the wealth upon which taxation is based to pay for the operation of our schools. I feel that what the Committee has done is only