

May 23, 1973

SENATOR CAVANAUGH: Well, it would operate--as far as the flow of information? I'm not that familiar with the flow of information now. My assumption would be that it would be the same. If we're setting the rate, we would have access to the same information. I don't know who would deprive us of that information.

SENATOR KELLY: Thank you.

PRESIDENT: Senator Stahmer.

SENATOR STAHMER: Mr. President, I have a question of Senator Cavanaugh which is, in essence this: In essence then, the, under your proposal, the Legislature would set these rates and they would be set in the Spring and if I'm not mistaken, trying neither to speak for nor against your motion, when Mr. Peters came before the Budget Committee, it seemed to me that he alluded as how the late fall or sometime in that area would be the best time to set these rates and I'm just a little at loss, if we set them in the Spring whether we're going to have the knowledge that we could have if it were set in the fall. I'm not for ducking anything, I, I think the point Senator Syas raised earlier about special sessions, etc., now am I misunderstanding something here, are you expecting us to set these rates in our annual sessions in the Spring?

SENATOR CAVANAUGH: This bill, Senator Stahmer, would not require any, as the present law does now, requires an annual meeting before November 15th to set the tax rate. This amendment would not require any such annual session for the Legislature if you will, to set the tax rate. We are setting a tax rate in this amendment, setting them as, at the present rates that they are now and to change those; we could change those. We could change that tax rate at any time we so desired either by special session or as the eventuality arose either as we desired or as was required by appropriation from this body either during regular session or in special session.

SENATOR STAHMER: Well in other words if I can interpret what your amendment is here, that we would be setting them in the Spring for the, for the coming year and that if we wanted to, we could modify them when we came back in January, during that current year, is that what you're saying?

SENATOR CAVANAUGH: There is no requirement as to when we would set them. We would set them as it was determined it was necessary to have either an increase or a reduction.

SENATOR STAHMER: But again, as a practical matter, as Senator Syas pointed out, there is seldom, if ever, been special sessions called by the Senators. As a practical matter we would then be setting them in our regular session.

SENATOR CAVANAUGH: As a practical matter also, Senator Sya--or Senator Stahmer, there is no requirement that we change the tax rate every year. This tax rate, given our, whatever our expenditures are, could remain constant for several years.

SENATOR STAHMER: That's correct but the longer they remain constant, irrespective of the, either the expenditures or the taxload, then the greater the opportunity for having either surpluses or eating into our 5% which would not be possible as it now is. In other words, we can strike a balance closer to the 5% reserve called for, otherwise