

PRESIDENT: Senator Newell, will you respond?

SENATOR NEWELL: Yes, I will, Senator. I think the six million dollar figure is a bit high especially when you compare it to the cost estimated for Lincoln which is a city about half the size of Omaha and the fact that Omaha lies next to Council Bluffs and a lot of people tend to go across the river or at least to Carter Lake so I think the figure is high. There will be a revenue loss. I would think it would be more closer to four million, in fact, I think it is right at four million than six million but there will be a revenue loss.

SENATOR NICHOL: Fine, thank you. I don't have any idea what it would be so I will take your figure, four million, as being correct but it doesn't really matter. My question is several years ago, I think 1977, we passed LB 518 and we said we are going to replace this with some money from the state treasury which we appropriated some but not enough and I understand some of the problems across the state with the real estate taxes going up was because of this 518. I really don't think it had that much to do with it as inflation had but if there is a revenue loss of four million or six million, what is your proposal in replacing this for the City of Omaha. I don't like to...even though I live four hundred and fifty miles from Omaha, I don't like to be in the position of creating a problem for the Omaha city council.

SENATOR NEWELL: Senator Nichol, I do live in Omaha and I don't like to create a problem for the Omaha city council either. I had originally today planned to offer an amendment that would replace some of these revenues, the bulk of these revenues. The problem with that simply, Senator Nichol, and the reason why I am not offering that replacement tax at this time is, quite frankly when you offer replacement tax and since there is an unwillingness to provide for greater state aid to cities or counties, there is an unwillingness to as we did in the case of 518 where we use state sales and income tax dollars to replace those revenues. There was a real public support for that or at least legislative support for that. In this situation I could offer a replacement tax but that would, in the final analysis, would only make it more difficult to pass this legislation. So what I am proposing to do is to delay the implementation of this legislation until for a reasonable period of time at which time the City of Omaha, the City of Lincoln, the City of Bellevue, the City of North Platte will be helping myself and others on the Revenue Committee find that replacement revenue.