

March 10, 1980

LB 666

under existing law. I am concerned that this does not eliminate misuse it just puts it in a different form, or at least the same potential. If the amendment is adopted and the bill is advanced, at least I think it has to have more different wording because I am afraid that in some instances we are going to do something we don't want to do.

SENATOR KAHLE: Well, what I am saying is that right now the shape the bill is in it is not of any use for the purpose that I introduced it for, and if we could work it out I would certainly appreciate it.

SPEAKER MARVEL: Senator Newell, do you wish to be recognized on the amendment?

SENATOR NEWELL: Mr. President and members of the body, the amendment that Senator Kahle offers is one that the Revenue Committee dealt with to quite some extent. We spent about, I would say Cal could tell you more clearly, but I think we spent at least an hour in Exec Session trying to deal with this issue, and the problem that we find...this whole question of for use in a governmental capacity is a very difficult one and I am not sure exactly what side of that issue I am on. I have changed twice now. But the second part of the proposal which Senator Kahle is asking for, which would deal with the problem he has specifically in his district, I think is really the wrong direction in which to go in this whole issue. Tax law being, you know, needing to be fairly philosophical it is not easy to be changing this back and forth between the options and that when we provide both options as it has been discussed before, we find that it is abused and used to whatever benefit the local governments can possibly make it and, in fact, sometimes they even make money from state governments because of various options. I think the way the Revenue Committee finally resolved this issue, which was to say that all governmental subdivisions have a right to be tax exempt, but if they are going to be tax exempt they ought to be tax exempt and not have the sixty-fourth option or other options that are just plain from the onset right out front tax exempt, and that is the way we should be, that is the way it ought to be continually. We ought not switch back and forth and that is one of the problems we are into. Senator Kahle's problems is because, you know, because of some difficulties he has had in Minden, but in the end this is the most philosophically correct approach to deal with what local governments ought to pay taxes on or not pay taxes on, and for that reason

8065