

March 20, 1980

LB 627

SPEAKER MARVEL: Senator Koch, do you wish to speak now? Your light is on. Okay. The motion is the Burrows amendment. Senator Burrows, do you want to close or have you closed?

SENATOR BURROWS: Mr. Chairman, members of the body, I don't think we have really brought up the history of how this came about. When we imposed LB 2 and the 7% lid in the state there was a 5% constitutional lid before coming up before the voters of the state. Part of the rationales that came before the body for imposing these two bills was the defeat of LB 2. Part was an honest effort to impose a spending lid and with hold down spending. Both had merits in this bill's passage. I believe seriously that spending is a problem but that an even greater problem is the property tax system which we have failed to address. It has climbed and climbed on the real estate holders of the state until it is now at an intolerable level. I think too few of us have been to taxpayer's meetings across the state the last couple of years and I would like to bring when we say we may handicap the educational system a little bit, that we forget that you've got elderly people in Omaha that are voting bread and butter, that are looking for a way to pay their utilities, their rent and buy their food. You've got a farm situation that is coming up into the greatest crisis its had since the '30s with possibly sixteen to twenty percent interest rates, a return of two to four percent and people with high debt structure facing no cash flow to get their livelihood this year, those with heavy debt structures and facing in to an increasing tax system. The threat I feel, and I want to talk to the educators. They may be digging their own graves again. The voters of this state are very apt to come with a constitutional amendment again this fall and if we just write off their ability to impose a lid on a local level after we gave it to them, after we gave them this and then we just totally write it right back off from them, they are going to take it as an insult and it will be used as an impetus for passage of a constitutional amendment of some sort or another. I cannot assure success but I feel it is likely to have a great success. They will say the Legislature kidded them once and that they are going to route a constitutional amendment and tie it up. Now if they come with a 1 or a 1½ limit on property tax onto the property, there will be millions of dollars shorted to education than what it has now. This is a real possibility. It is real. You've got to face it. It is not pictured up here around this Legislature because the taxpayers haven't been here

8777