

April 10, 1980

LB 882

\$70,000,000 ceiling as the great saving grace of 518 and indeed it was the only good part of 518 and now they want to undo that. Now, in fact, we are saying, hey, look, all the benefits of 518 really weren't benefits at all. We don't want a \$70,000,000 ceiling. We want to add each and every year to this exemption, to the costs of these exemptions, and consequently the way we will do this is through a very poor formula and that poor formula not only adds to the problems of the original bill, 1241 and then 518, but it also adds a bounty on local governments to increase taxes. Now there is enough pressure and enough enthusiasm...

SENATOR CLARK: You've got one minute left on the speech.

SENATOR NEWELL: ...at this point in time that we do not need to add any great enthusiasm by local governments to raise their taxes and we don't need to do away with what everyone agreed to in 1976, was the \$70,000,000 ceiling. Now if we were going to exempt these properties in the first place, what we should have done is said, if you want them exempted, well exempt them, no pay back, none of this distribution of sales and income tax dollars. Forget that. If you want the exemptions let it fall back on local property and that is the way it should have been done and that is why we need to at this time, take out this growth factor at this point in time. Now I want to say one last thing in regards (interruption).

SENATOR CLARK: Your time is up, I'm sorry.

SENATOR NEWELL: ...growth factor was taken out.

SENATOR CLARK: Senator Schmit. Your time was up, sir.

SENATOR SCHMIT: Mr. President, members of the Legislature, I recognize Senator Newell's concern. I believe that the amendment which he has proposed will destroy a part of the reason why the local subdivisions are supporting this bill. They feel that the escalation clause is necessary. I know that Senator Newell feels strongly the other way. I think that the escalation clause is also necessary to allow for the constitutionality of the bill and I would hope that you would defeat Senator Newell's amendment.

SENATOR CLARK: Senator Koch.

SENATOR KOCH: Mr. Chairman, are we speaking to the Newell amendment right now before we get to the body of the bill?

SENATOR CLARK: Yes.