

April 14, 1980

LB 647

CLERK: Mr. President, the next amendment is by Senator Marsh. That will be taken care of by Senator Wesely as I understand it, and that is on page 1679 of the Journal.

SENATOR WESELY: Mr. Speaker and members of the Legislature, the amendment now before you is one which has been discussed for some time, a very important piece of legislation, the General Homestead Exemption. What this motion would do...what this amendment would do is basically repeal our current General Homestead Exemption in the State of Nebraska for those individuals who are under 65. Essentially, this is a motion to do away with a homestead exemption break that I had trouble describing because I am not sure exactly what the best word is to use. On the one hand I thought ineffective would be one way to describe it. Perhaps another one would be basically it's silly. What we have is a program now where we provide an exemption on the first one thousand to four thousand dollars of actual value for a homestead and provide that as a break off the top of your property taxes. Well, that is I think a very valuable assistance to provide to homeowners in this state, but do you realize that on the average across this state that that means about \$17.00 is what we provide to homeowners as property tax relief, \$17.00. Now each and every one of you who owns a home realizes that \$17.00 off of your property tax bill is not that much of a savings. In fact, it is very little and if any impact on your property taxes. But this program costs the State of Nebraska...well, it will cost the State of Nebraska approximately 4.1 million dollars next year, and it is available to each and every homeowner in this state, and so that 4.1 million dollars is spread across the state and ends up actually providing very little property tax relief. Senator Marsh and myself have both discussed this and this has been discussed with a number of other state senators that perhaps this is a program that is not doing the job that it was intended to provide. I know that there has been some concern about this and one of the solutions has been to expand the program rather than eliminate it. Senator Venditte will have a motion to, I think, perhaps almost double the relief that is provided through this program. But it doesn't deal with the fundamental problem with the whole General Homestead Exemption that we have now, and that is that it does not provide targeted relief. It is \$17.00 across the board and does not recognize need, does not recognize burden, doesn't target tax relief to those who need it most. And so, in my estimation, and in the estimation of a number of individuals, this is not an effective tax relief program. My feeling is that we could eliminate this, say 4.1 million dollars, perhaps more, perhaps less, depending on what figures you use, and

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