

April 1, 1982

LB 761

Now I want to say very quickly that for many of you, you realize that I have not been terribly anxious about personal property tax exemptions and I didn't like the fund all that much when it was first established. But the fact of the matter is that in 1977 the people of this state, the people of this Legislature anyway, put a \$70 million ceiling on personal property tax. That has been the level that we have traditionally funded that amount and, frankly, I was opposed to it but that is the level that it ought to be funded at. It has not been increased since 1977 one dime. But this year for reasons which are quite interesting to me the logic and the arguments that were used are most interesting to me. We have, or the Appropriations Committee to be more specific, has cut \$1.5 million from this fund. They are going to appropriate in LB 761 \$68.5 million, not the traditional \$70 million. Their argument is that if state employees are only going to get 3.75 then we ought to cut back personal property 3.75. That argument I don't quite understand. I am sure that others will give you the benefit of their thinking on that regard. But the pact was made in 1977 rightly or wrongly to give local government \$70 million, not 68.5, not in hard times 23.2, not when certain conditions change such and such and such. This proposal is just simply to raise this money back to where it ought to be. Now I have talked to a few members of the Legislature about this and I have said to them, I said, you know, we ought to bring it back to where it ought to be and some of them have said in very couched terms that...maybe blunt, Senator Johnson suggested they said it in blunt terms. They may have done that too. But they said we need this million five for this reason or that reason, or some other reason and if this million five should go out because they understand that I am sympathetic to the problems of the state employees, if this million five should be added back, then there could be a problem with state employees' salaries. Now I want to say that I don't see any relationship direct or indirect in state employees' salaries and whether we should fund this at \$70 million or not, which has traditionally been where we funded it at since we established it with no increases. I see no direct relationship. But if for some reason I find that those people who are concerned about the state employees' salaries and those people who have suggested that there is a tie should not support this, you know, in a pattern which I could easily understand, then I am prepared to offer an amendment to reduce, to set back for one month from October 1st to November 1st, 1982 the salary increase to fund, to find the \$1.5 million to fund this program. Because this is aid to local subdivisions it is not increased, it ought to at least stay the same. I urge this body to do what is right, what is fair, what is a long tradition and restore