

penny increase in the sales tax will not provide the full 120 million but it will just about get us there. So we have provided virtually all the funding and that tax increase will go into effect on January 1st of 1987. Now let me indicate why I think the proponents should support this amendment. Remember, from the beginning in the debates on this bill, we have maintained that the intent of the co-sponsors of this bill and the proponents of this bill in no respect is to close any school house anywhere in the state and for that reason we included a provision requiring that there be a vote of the people, a vote of the people in the old district before any learning center can be shut down. Now clearly if some mergers take place, the taxes are going to change in those areas because I think all of us know that a number of those Class I districts were created and indeed continue in part as tax havens. We have all heard stories about how people of families are given free room and board in a trailer inside the boundaries of a district so the number of students will stay at the necessary level so the district can remain open. So it is clear that in some areas if a merger takes place, taxes are going to have to go up. Now this will have the advantage of mitigating that. This will have the advantage of providing \$120 million in state funds which ought to be provided education anyway to mitigate some of the untoward tax effects that are going to take place out in the central and western part of the state and I think we owe it to the opponents of this measure, to those who have a number of Class I school districts in their area, to try and make this provision to soften the impact of the compulsory K-12 consolidations and mergers which this bill represents. One final comment, we have had a number of bills introduced this session that assume a 1 percent increase in sales tax in order to afford property tax relief. So we have talked about those bills already and we will talk about them again. This simply accomplishes the purpose that those bills were designed to accomplish. They raise the sales tax 1 cent effective the first of 1987 to provide that property tax relief that all of us acknowledge is in need that all these other bills would intend to do and that we can do here in unison and as part of the reorganization proposal of LB 662 to make it work better for everyone around the state. So I would urge you and encourage you to vote for this amendment. Thank you, Mr. Speaker.

SPEAKER NICHOL: Senator Beutler, please.