

Nebraska's senior citizen homestead exemption law is really two-faceted. It is based on the level of income of the homeowner as well as valuation of the home. So it takes into consideration the income that the retired individuals are receiving. There is limitations that are given and there is also limitations on the value of the home. The current law hasn't been changed since 1980 and since property values have increased every year since then, the percentage of the exemption that they have received has decreased every year since then. If we were to state it very simply, the homestead exemption fails to keep up with inflation, therefore, those elderly individuals who are forced to live on a fixed income have to pay a greater percentage of their income in property taxes than they did in 1980. For Douglas County as an example, property valuations have increased at an average of 5four percent while the homestead exemption has remained unchanged over the last five years. This body has not acted to change that in that period so what was originally intended as an exemption is now the net result to those individuals is less than half of what it was at that time. I would like to say also that I don't think that this is a rich person's exemption. In order to qualify for the 100 percent level of exemption the individual may have no more than \$8,400 of income per year. That equates to \$700 a month. There are many homes in the Douglas County area that are not valued over \$60,000 that require taxes, personal property tax or the homestead exemption that requires those individuals to put away in the neighborhood of \$100 to \$150 a month. And in order to qualify for the minimum 20 percent exemption an individual household can have no more than \$10,400 per year and that's income of roughly \$850 a month. This bill is only attempting to stop inflation. The rise in the valuation of property and real estate has actually very definitely cut into the exemption that those individuals were receiving five years ago. It has cut into the tune of 5four percent. I would urge the body to support this bill and pass it on to Select File today. Thank you.

PRESIDENT: Thank you. The Chair is going to raise the call of the house so that we may proceed with the debate now. Senator Nelson.

SENATOR NELSON: Mr. Speaker, members of the body, I hate that I have to stand up here and speak against Senator Labedz's bill, but I believe in all fairness I have to