

deflationary problem. If you think about it real carefully and analytically, recognizing that when valuations decline as they will in some of our rural counties, that then compels the political subdivisions to do the hard task politically of increasing the mill levies to generate the same amount of dollars. I am confident that Senator Abboud did not think that would be an easy task and, therefore, didn't believe this bill should work on the decrease side, simply on the increase side, and that is how it does work.

SENATOR HARRIS: Thank you very much. I would simply say that I think this is probably a statement, we don't want to have people increase their taxes but Senator Johnson just explained to us how the mill levy in certain cases would be almost automatically or encouraged to be raised, and in another case we are talking about trying to put some sort of an intent or idea that they shouldn't be raised. I would not support the amendments and I would think that we would not spend our time debating this for a long time because it simply does not accomplish anything. Those levels of government that need the money are going to increase it. Those that have the problem of the deflation, then they are going to have to increase the mill levy and deal with their local people and answer to the people through the election process is all that is necessary. That is the system we operate under, the people speak. Thank you.

SPEAKER NICHOL: Senator Abboud, did you wish to speak about the amendments?

SENATOR ABOUD: Well, Mr. President, colleagues, I wasn't planning on speaking to the amendments but apparently there is a lot of confusion generated by Senator Harris and which I don't feel is justified with the bill. I think Senator Johnson opened it up quite well and Senator Withem's statements were stated very well also. What the bill does, it is a simple bill. Last year I got some telephone calls from people saying why is the State Legislature increasing my property taxes. Well, as you know, we don't deal with property taxes. The State Legislature deals only with the income and the sales and a few other miscellaneous taxes but we got out of the property tax business a decade ago. And so what I did was I tried to figure out how they could possibly construe the Legislature as increasing their property taxes. Well, what I found was back in 1979 the Legislature amended Nebraska Revised Statute 77-201. What