

surely think that we ought to be changing this situation whereby year after year we don't say to the counties, we'll pay you and then renege at a later time. So, with that, Mr. President, that's what I have to say about it.

PRESIDENT: Senator Rod Johnson.

SENATOR R. JOHNSON: (Response inaudible.)

PRESIDENT: Senator Warner.

SENATOR WARNER: Mr. President, I want to repeat again the issues so that you have it well in mind because this is not a minor decision we're making as far as total dollars. As I understand it, and I think that I know, if I remember correctly, Revenue Committee held some, or at least I think I read in the papers where they held some conversation with the Department of Revenue as to why the increase in the deficit was so much more than had been anticipated. This is a result of the legislation enacted two years ago which increased exemptions, as I recall, from 25,000 to \$35,000, first valuation for people over 65 with certain income conditions as to whether or not they had 100 percent exemption or some portion. As I understood from the information, at least, from the county officials that they had estimated there was probably something like 7,000 more individual claimants that qualified under that particular act and based on an average levy across the state, that would have increased the cost per additional claimant that qualified by about \$700 which, if that is accurate, and I have no reason not to believe it's not accurate, that that would count for roughly 5 million of the 6.5 million that is in the full deficit. I think Senator Nichol has outlined the issue very well in that and reflects the position I think of the Appropriations Committee at least in the deficit side. In the deficit bill the local governmental subdivisions, it is not only counties of course, it's all governmental subdivisions that share a portion of that property tax levy, did anticipate that this revenue would be coming back from the state to replace the revenue lost from the exempt property. There does remain a question, I indicated earlier, as to whether or not you want to fund the same level next year and historically it's been the Appropriations Committee's position that if you're not going to fund these kinds of entitlement programs, then the law should be changed to reflect that difference in funding