

that this makes other tax and I definitely agree that I wish the body had never allowed a city sales tax in the first place, but we did that, and I guess that is one mistake that we can't correct, and I appreciate the support on the bill.

PRESIDENT: (Gavel.) May we have order please (gavel). The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. President and members of the Legislature, I now intend to vote against LB 890 because LB 890 has become a bonanza for our cities and it has become a bonanza for our cities at state expense. The bill as introduced by Senator Harold Sieck was a responsible, thoughtful, carefully drafted measure to allow localities an opportunity to go to their voters and get specific sales tax authorization for special projects. The Revenue Committee had no difficulty with that, but with the Lundy-Pappas amendment every city in our state will now have the ability to go to their voters and further erode the state's tax base, the state's tax base. Now the last three years the State of Nebraska has had to fight and fight and fight for its budgets, and in fact, we have been reducing our budgets, but do you know what has been happening at city level? Do you know what cities have been doing? They have been spending more money. It is as though there was not a problem in rural Nebraska. They have been spending more money, and the cities themselves have yet to really face the difficulties of retrenchment. If the cities have the additional authorization that LB 890 now contains by reason of the Lundy amendment, the easier thing for the cities to do will simply be to ask their voters to increase the sales tax rather than to make the necessary retrenchments that have to occur in hard economic times, and sales taxes are relatively easy for voters to approve because voters pay those taxes in such small increments that they, in effect, don't complain bitterly about the money that they are going to lose. And so what will happen with this additional authorization is we will simply find our cities continuing a business as usual practice of a little expansion here, a little growth there, a little pay raise here, et cetera, et cetera, et cetera, knowing that they can go to the voters for additional authority for sales taxes, and the State of Nebraska is going to be the loser because the State of Nebraska is going to face a 1 1/2 percent local option sales tax, not just in Omaha, not just in Lincoln, but across the face of this state. It is going to have its own