

SENATOR WARNER: ...pursuant to the rule provision, the Appropriations Committee last week, a majority voted to place a motion before the body to override the veto of LB 839 provisions for the reimbursement of the homestead exemptions. It goes back to local government. I think the basis for that recommendation is primarily one of recognizing that the reimbursement is based upon statute. Legislation was enacted, and if the deficit is not appropriated, it results in reduced revenue to local governments that they were anticipating. Making the situation more acute this year is the fact that during the special session in November, we had already reduced funding that was anticipated by local government by 3 percent and the reduction of this additional funds, if it is not to be done, would be about the equivalent of another 3.4, 3.5 percent, 3.4 percent of shifting from sales and income tax to property tax or loss of revenue at the local level. It can properly be argued that proportionately that's not a big share of their total budgets and that's probably correct, but the fact remains that we will have reduced current receipts twice during the fiscal year for local governments if we do not override the veto. We're in apparently a kind of a strange position, I guess. As I understand, the Governor's position is that we should sustain his veto today and then enact the same appropriation a week or so from today and frankly, I'm at a little bit of a loss to understand if it's wrong today, why it's right next week, but apparently it has something to do with strategy of other legislation that might be considered. As we all know we deal with these issues one at a time. There is no way to assure, if this veto is not overridden, there is no way to assure that something else will be passed or something else will not be passed. It seems to me it's a very clean cut issue. The statute requires in good faith on the part of local governments that they would receive this reimbursement. I think we should. The cost is a little under 5.4 million. I do not see this as the issue in which a sales or income tax rate increase turns. There is numerous places that it turns and I would argue as I have in the past that the size of the reserve is more significant than the override on LB 839 insofar as what may happen to tax rates. So I would urge, and I assume everybody knows what they're going to do, I would urge that you keep faith with local governments where we have in the past and it's not unusual if I go back to special ed. You will recall it