

exemption. Now obviously this change, if allowed by the Legislature, will not affect any current recipients of the elderly homestead exemption, will not affect a one. But it will, in a sense, curtail some applications of men and women who become 65 during the course of the claim year, but are not 65 at the beginning of the claim year. That savings to the state would be about \$750,000. I'm sorry, \$714,000, you can look at your fiscal note. I do not think that is a controversial change. The second change is this, which is more controversial, our homestead exemption is also applicable to certain disabled people. Unlike the elderly homestead exemption where there is an income test, that is not only must a person be 65, that person must have income below certain statutory amounts. For the disabled there is absolutely no income test whatsoever. They simply have to establish that they are paraplegic, they suffer from a neuro muscular disorder, they have a 100 percent service connected disability from the service, and they are veterans, or they have a nonservice connected disability and they are also a veteran. If they meet those categories then they become eligible for the homestead exemption without any examination of income. The second change would apply to the disabled claimant the same income standards currently being applied to the elderly. Now a lot of income the disabled people receive is not even included in the equation. Veterans benefits are not included in the equation. Social security benefits are not included in the equation. Railroad disability benefits are not included in the equation. Public assistance benefits are not included in the equation. So to a large extent the kind of income that a disabled claimant would have, that could conceivably render that claimant ineligible, would be interest income, wage earnings of a spouse, and other items that are basically taxable. That change, which I believe is more controversial, would save the state \$1.7 million. Now the highly controversial change is one that, for the first time, requires local cost sharing. And by local cost sharing I mean that we will have in place this exemption program, but we will then say that the state will only pay 90 percent of the cost. Obviously the other 10 percent is simply not paid for by the state. If the other 10 percent is to be met it obviously has to be met by the schools, and the county, and the cities, and other property tax consumers so to speak. I am going to offer an amendment somewhere, if I find it on my desk, which will limit that one change to one year. I'm going to sunset it. One reason why is because the Revenue Committee has taken the pledge, sort of like the temperance pledge I guess, but we have taken the pledge that this summer and fall we will do a very