

from taxation of the first \$3,000 of valuation. Arithmetically, that worked out to be a probable homestead exemption of \$75 per homeowner in our state. And while we passed the bill, we didn't quite muster the strength to fund it. So what we did is we had this homestead exemption on the books and we have 93 county assessors and the 93 county assessors sent out thousands of letters to homeowners in Nebraska telling them that they now had a general homestead allowance available to them and, of course, hundreds of thousands of homeowners went to the offices of county assessors throughout the state and signed up for their general homestead allowance. But the local county assessors always noted that the allowance itself was conditioned upon legislative funding. Well, during the '85 regular session, which seems like an eternity ago but it was really only a few weeks, during the '85 regular session we again declined to fund the homestead exemption. We decided not to do it. But we did defer its implementation date for one year. We did do that. Well, Governor Kerrey has said to us that given our economic difficulties and given the probability, and it is a very strong probability, that we simply will not be able to financially afford the \$18.6 million that the funding of the general homestead bill requires, given that, then the better part of discretion is to repeal the homestead allowance, which has never been funded, and the better part of discretion is to repeal it now because if we wait until the regular session to repeal it, we will have hundreds of thousands of homeowners go into the same scenario they went through last year which was to sign up for an allowance that never got funded. So it is silly to have them jump the hoops without the dollars at the end and Governor Kerrey says the dollars won't be at the end. So he says repeal the hoops. LB 6E repeals the hoops. I think the Revenue Committee advanced this to the floor, I believe by an eight to nothing vote. If it wasn't that, it was seven to one. I think it was eight to nothing. And I think again it is simply a reflection of realism on the part of the Revenue Committee as we looked at revenue projections and as we understood, had some sense as to what our spending priorities were. We knew that this was probably an item, while a necessary and important item, was simply not sustainable, was simply not sustainable in these difficult economic times knowing that we had to provide money for our university system and our welfare system and our road system and the like, and so we decided that, yes, we would go along with the Governor's request that we repeal the legislation