

next speaker, I would like to introduce some guests of the Legislature. They are guests of Senator Nelson. We have 35 fourth graders from the Starr Elementary School in Grand Island and their teachers. Would you folks please stand and be welcomed by the Legislature. And we also have some guests of Senator Beutler. We have 34 third graders from McPhee Elementary here in Lincoln and their teachers and they're in the south balcony. Would you folks please stand and be welcomed by the Legislature. Thank you for being with us. The next speaker is Senator Schellpeper.

SENATOR SCHELLPEPER: Thank you, Mr. Speaker, and members, I would like to ask Senator Hall a question, if he would.

SPEAKER BAACK: Senator Hall, would you respond?

SENATOR SCHELLPEPER: If we did this, Senator Hall, if we took this amendment and took it off of the other amendment, would that give us any constitutionality problems that we could live with or would it be something we have to do this year, do you think?

SENATOR HALL: Senator Schellpeper, my argument for doing this is that automobiles are dealt with separate and distinctly in the Constitution. I mean, they're just a separate class. It's spelled out in the Constitution that they can be treated differently for tax purposes. I would argue that we don't need to make this change this year, I don't believe. I know that there are those that do and the administration is one of them that the...you need to repeal all the personal property tax to protect against the potential for your real property base to be declared unconstitutional, the real property tax base to be declared unconstitutional. I don't...I don't think that's, frankly, a threat. The argument of the personal property tax on automobiles is clearly one of do we need to do it? If you think there is a constitutional risk there, then I would argue you would not want to vote for this, you would want to put the fee schedule in place. If you think that it is not a problem until we address the overall tax system, which means personal property, in the interim, I think we can get by. I don't think that there is going to be a case that comes up that jeopardizes the million dollar...excuse me, \$100 million...plus dollars that is represented in the personal property tax on automobiles.

SENATOR SCHELLPEPER: Okay, thank you, Senator Hall. I really