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1966 PROPOSED CONSTITUTIONAL AMENDMENTS

by Jack D. Timmons, Extension Public Affairs

Nebraskans are faced with making a decision on a record number of referendum issues this November. Only in 1920, when a Constitutional Convention submitted 41 proposals to the voters, and in effect, rewrote the Constitution, have there been more amendments on one ballot. The legislature has proposed 15 amendments, 2 of which call for votes on two separate issues. One constitutional amendment has been placed on the ballot by initiative petition. The voter is also asked, by referendum petition, to retain or reject L.B. 797 which was passed by the legislature in 1965.

The amendments cover a broad range of issues and several are quite complex. To make an informed decision on these issues Nebraska voters must carefully study and consider each amendment in advance of election day.

The law allows a voter to carry a sample ballot into the voting booth. With the large number of referendum issues that must be considered in the November election, most voters will probably find it easier and surer to mark a sample ballot at home and take it to the voting booth. Otherwise there could easily be confusion between some of the amendments which deal with closely related issues and have similar wording.

The following explanation of the amendments and the referendum are presented to help the voter understand the issues involved. An attempt has been made to present the major arguments on both sides of each issue as well as to explain what each amendment would do. Space does not permit a comprehensive discussion of each issue but the explanations should lend additional clarification to help the voter in his deliberations. The information was obtained largely from transcripts of the public hearings and floor debates on each of the proposals and from the Summary of Constitutional Amendments prepared by the Nebraska Legislative Council. Paragraphs designated by symbol 1/ are taken substantially from the Legislative Council's Summary.

The amendments are presented in the order they will appear on the ballot and the exact wording of each is given ahead of each explanation.

Proposed Amendment No. 1

Constitutional amendment to eliminate the ineligibility of elective executive state officers to any other state office during the term for which they have been elected.

_____ For

_____ Against

EXTENSION SERVICE, UNIVERSITY OF NEBRASKA
COLLEGE OF AGRICULTURE AND HOME ECONOMICS AND
U. S. DEPARTMENT OF AGRICULTURE COOPERATING
E. F. FROLIK, DEAN J. L. ADAMS, DIRECTOR

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The Constitution now prohibits any state elective or appointive officer from being a candidate for any other state elective office during the period for which he has been elected. This means, for example, that the incumbent Secretary of State can not run for Governor, Treasurer or other elective office until two years after his term as Secretary of State expires. The Constitution was changed by the voters in 1962 to allow the Lieutenant Governor to run for Governor while still holding his office.

This amendment would eliminate the restriction on elective officials and allow them to file for other offices. It does not change the requirement relative to appointive officers. The supporters of the amendment say there is no point in making officials sit out-of-office two years in order to run for a different office. Government needs high quality candidates and this restriction prevents some of the best known and most capable persons from aspiring to other offices. Competition for the same office by men already in office would probably be beneficial in that it would make them watch each other and publicize any behavior that was out-of-line. No other state has a prohibition of this kind. It is contrary to the traditional American system of training public officials in minor offices for promotion to more responsible offices according to the proponents.

Opponents have voiced the fear that there might be a breakdown of cooperation needed between state offices if two or more are competing for the same office. They also feel the candidate might neglect his current office.

Proposed Amendment No. 2

Constitutional amendment to authorize the payment of travel expenses and per diem to members of the Legislature while the Legislature is in session.

_____ For

_____ Against

This amendment would allow the Legislature to authorize payment of its expenses during the legislative session. At present each legislator receives two hundred dollars per month for the time he is a State Senator plus travel expense for one trip to and from each regular or special legislative session. With this amendment the Legislature could provide for travel expense once each month to and from home during a session and per diem to pay for the Senator's room, meals and other special costs while he is attending a legislative session. The per diem would be limited to 120 legislative days per session. Over half the other states allow payment for daily expenses of legislators during the legislative session in addition to salary.

The proponents of the bill contend that the present system is a financial liability on many members and probably excludes many capable people from filing. Some of the proponents see this as a means of avoiding the free meals and other services provided by lobbyists. No one contends that a legislator's vote would be bought by a free meal but some feel that it may have at least a subconscious influence on his receptiveness to lobbyists' legislative appeals.

The only opposition to the amendment in the hearing or during floor debate is based on economy. Opponents feel that legislators are being paid enough salary to cover expenses and that the honor of serving is sufficient reward.

Proposed Amendment No. 3

Constitutional amendment to permit the state or governmental subdivisions to enter into contracts for services or training with private, commercial, or vocational schools.

_____ For

_____ Against

The Constitution presently prohibits the state and its political subdivisions from appropriating public funds to aid any educational institution not exclusively owned and controlled by the state or a political subdivision. This proposal seeks to amend this provision to allow appropriations and grants to private, commercial and vocational schools under contract with the government.

The Manpower Training Act of 1965 authorized the states to provide vocational training through contracts with private educational institutions where not available through public institutions. The Attorney General of Nebraska ruled that the Legislature could not make the appropriation under our State Constitution whether from state or federal funds. This amendment would make such contracts possible. The proposal is permissive and it is intended that the State Board of Education would have the authority to approve or disapprove any use of the provision.^{1/}

Supporters contend that there are several highly competent private and commercial schools in Nebraska. These schools could be utilized to provide training which public educational institutions are not equipped to handle. More students could receive needed vocational training without substantial new investment in space and equipment by public institutions. The bill was supported in legislative hearing by the Department of Education and the Coordinator of State Colleges.

There was no opposing testimony at the legislative hearing. However, several groups have since declared opposition on the basis of separation of church and state. They contend that the public should not help pay for a school system over which it has no control. The arguments are basically the same as those used in opposition to Proposed Amendment Number 6 which would allow public school bus privilege to private school children.

Proposed Amendment No. 4

Constitutional amendment to increase the number of members of the State Board of Education from six to eight to be elected from districts of substantially equal population and to decrease the terms from six to four years.

_____ For

_____ Against

This proposal would amend Article VII, section 15 of the Constitution. It would: (1) increase the size of the State Board of Education from six to eight members; (2) reduce the term of office to four years and (3) require that members be elected from districts of substantially equal populations.

The proponents of the amendment expect the larger board to reflect more fully the diversified thinking on education across the state. They also hope to obtain districts within which similar educational problems will be reflected. The reduction in term of office would allow election of one-half of the Board every two years and, according to the supporters, make it more responsive to public opinion.

The equal population provision would make the Board representative of all people in the state on a substantially equal basis and prevent possible future court action ordering compliance with the "one man, one vote" doctrine.

There was no opposition at the hearing or during legislative floor debate.

Proposed Amendment No. 5

Constitutional amendment authorizing the Legislature to fix the value of land actively devoted to agricultural or horticultural use.

_____ For

_____ Against

The Constitution presently requires that land be taxed on the basis of its market value. This value is determined primarily on the basis of sales of similar land in the area. This has caused a serious problem for lands in urban fringe areas that are still being used for agricultural purposes. Values of farm land are bid up for housing and industrial development but income does not increase until it is actually used for urban development. Those lands still in agriculture have increased taxes without increased income.

Proponents of this amendment feel that farm land should be taxed on the basis of its agricultural use until it is actually converted to other uses. This would encourage continued agricultural use of land until it is needed for other purposes and would encourage more orderly urban expansion.

Other states have attempted to deal with this problem in various ways. New Jersey has a law that allows taxation on the basis of agricultural use. When it is sold for other uses the tax on the new value is retroactive for three to five years. This discourages holding the land for speculation without confiscating farm income. If the amendment passes, proponents also intend to include a provision, in enabling legislation, that the owner would not qualify unless he had owned the land for five years or more. This is also to prevent speculators taking advantage of the provision.

Opposition in the legislative hearing came from the Nebraska Tax Research Council which felt this amendment would encourage lobbying for preferential treatment by other property classes.

Proposed Amendment No. 6

Constitutional amendment authorizing transportation services for children attending any elementary or secondary school.

_____ For

_____ Against

Article VII, Section 2 of the Constitution now provides that:

No sectarian instruction shall be allowed in any school or institution in whole or in part by the public funds set apart for educational purposes, nor shall the state accept any grant, conveyance, or bequest of money, lands or other property to be used for sectarian purposes. Neither the State Legislature nor any county, city or other public corporation, shall ever make any appropriation from any public fund, or grant any public land in aid of any sectarian or denominational school or college, or any educational institution which is not exclusively owned and controlled by the state or a governmental subdivision thereof

The Attorney General has held that the above section of the Constitution prohibits the expenditure of public funds to provide bus transportation for pupils attending private or parochial schools. Amendment 6 would change this by adding the following:

Provided, that transportation services may be provided for children attending any elementary or secondary school meeting the minimum standards of the compulsory attendance laws of the State of Nebraska.

The amendment is permissive and, if passed, will require action by the Legislature or local school districts before transportation is actually provided. The supporters of the amendment contend that the decision should be left up to each local school district.

This amendment is one of the most controversial proposals on the ballot. Because of the strong feelings aroused the voter must carefully consider all of the arguments and try to ignore those which appeal to emotion rather than reason.

A long public hearing was held by the Legislature with a large number of groups and individuals stating their views. Proponents included several state senators and representatives of the Catholic Diocese of Lincoln and Grand Island, the Catholic Archdiocese of Omaha, and the southern Nebraska District of the Missouri Synod Lutheran Church. Opposition included representatives of the State School Boards Association, the State Education Association, the Nebraska Council of Churches, and the Nebraska Conference of Parents and Teachers.

The proponents argue that all children should have the benefit of the same public transportation to school whether the school be public or private. They emphasize the permissive nature of the amendment and declare their intent that it should not involve special routing of buses but only allow private and parochial students to ride buses already provided. They indicate that 18 other states provide for bus transportation of private school students and two more have passed legislation to implement the same. One supporter stated that the experience in other states does not support the belief that this is the first step toward providing other aid to private schools. Proponents contend this is not an issue involving separation of church and state but one of human right. They feel that as long as the school is accredited, public or private, students should have the same rights to transportation.

Opponents of the amendment assert that there is no obligation on any parent and taxpayer to send his children to private school since public education is open to all. They oppose use of public funds for other than public schools regardless of the disguise. Opponents feel that the choice of sending one's children to private school is one of the freedoms our society grants to anyone, but the cost of that choice should be borne by those who choose that alternative. They fear that this is

the first step in allowing other types of public aid to non-public schools. Some opponents argue that it has been difficult enough obtaining adequate funds for public schools and if support is divided between public and private neither will be adequate.

Some opposition fears the consequences of the permissive nature of the amendment. If the decision lies wholly with the local school board, opponents feel there would be serious conflict within communities and bad feeling will develop when one district does not provide this transportation next to another district that does.

Proposed Amendment No. 7

Constitutional amendment to provide procedure for the removal or retirement of any justice or judge of any court in this state.

_____ For

_____ Against

The only methods presently available for removing a judge are impeachment and rejection by voters. The impeachment process is very difficult and the grounds are not clearly established in the Constitution. Each judge is also subject to approval or rejection (without opposition) by the voters in his judicial district every six years. This is also inadequate when, for example, a judge is physically or mentally ill and does not or cannot resign.

This proposed amendment would establish an alternative procedure for the removal or retirement of all judges in the state. The major role in this new procedure would be played by the Commission on Judicial Qualifications composed of 11 members, including 2 judges of the Supreme Court, 2 judges of the district courts, 1 judge of a municipal court, 1 judge of the Workmen's Compensation Court, 1 judge of the county courts, all of whom would be appointed by the Chief Justice of the Supreme Court, plus 2 members of the State Bar Association chosen by its Executive Council, and 2 citizens appointed by the Governor. 1/

Any citizen of the state, under the provisions of this proposed amendment, could institute proceedings requesting the Commission to make the necessary investigation concerning either the removal of a judge or his involuntary retirement. The Commission would then make its recommendation for removal or retirement, if it found good cause, to the Supreme Court. That Court could then either order the removal or retirement of the judge or reject the recommendation of the Commission. 1/

The removal procedure would be followed in cases alleging misconduct in office, defined to include disregard of or failure to perform his duties, habitual intemperance, conviction of an offense involving moral turpitude, or disbarment. If removal is ultimately ordered the judge's salary stops as of the date of the order. If a judge is ordered retired, which would be because of a physical or mental disability seriously interfering with the performance of his duties, he would retain all the rights and privileges he would have had if he had retired voluntarily according to stature. 1/

The bill was supported by the Judicial Council and two individual judges. There was no opposition to the bill expressed at the public hearing.

Proposed Amendment No. 8

Constitutional amendment providing that when an income tax is adopted, the Legislature may base the tax upon the laws of the United States.

_____ For

_____ Against

The basic purpose behind this amendment is to allow the state to adopt personal income tax provisions of the Federal Internal Revenue Code so that maximum uniformity between the two laws can be secured. The greatest degree of uniformity would be had by basing the state income tax on the individual's federal tax liability. Under the present Constitution the Legislature could enact an income tax law based on federal definitions and provisions as of a certain date, but as the federal law was later changed, new legislation would have to be adopted at the state level to conform with these changes. Since the federal law is usually amended every year, the requirement that the state must take legislative action to conform to each change would set up difficult administrative barriers, particularly since the state Legislature does not meet every year. 1/

The adoption of this proposed amendment would enable the state to adopt by reference all provisions of the Internal Revenue Code, including changes that are made from year to year by Congress. For example, the state could define income subject to the state income tax by reference to existing provisions of the Federal Internal Revenue Code, and subsequent changes in the Code would automatically be adopted for state income tax purposes without the need for additional state legislation. 1/

The state of Colorado, New Mexico, and New York have already adopted similar constitutional amendments. Such an amendment has been submitted in California and North Dakota. There was no opposition to this amendment in hearings or legislative debate. 1/

Proposed Amendment No. 9

Constitutional amendment making the Governor ineligible to the office of Governor for four years next after the expiration of two consecutive terms for which he was elected.

_____ For

_____ Against

This amendment would provide that a person elected Governor of the State of Nebraska could serve only two consecutive terms in the office. After two four year terms he could not be elected until four years had passed and then would be eligible for two more four year terms if he chose to run and was elected.

The proponents of the bill contend that eight years in the Governor's office is enough. They feel that there are many people in the state who could serve the office well and since the office is a great honor it should be passed around. Supporters intend this amendment to prevent what they called a "potential dynasty."

There was no opposition in hearings on the proposal or during floor debate. However, one argument has developed in opposition which contends that if a Governor has been doing a good job, and the voters prefer him in place of the available candidates, this amendment would eliminate him as an alternative.

Proposed Amendment No. 10

Constitutional amendment authorizing the Legislature to provide for payment or cancellation of taxes against real estate owned or acquired by the state or its governmental subdivisions.

_____ For

_____ Against

This amendment was introduced as a result of a Legislative Council study of the problems of small communities. It was discovered that in many small towns considerable property belongs to the county because of nonpayment of taxes. Many properties have old age assistance liens filed against them and will also come into county possession with substantial back taxes due.

The Constitution now allows sale of these properties for taxes but they cannot be sold for less than the amount of back taxes. Since many of these have more taxes against them than the market value of the property they are sitting idle and deteriorating. Many communities, as a part of their community betterment programs, would like to improve these run-down properties or have them sold to someone who will.

This amendment would permit the legislature to authorize the county to sell property with back taxes due at market price and cancel the taxes not covered by the sale price. The proponents contend that this would allow return of these properties to the tax rolls and eliminate many community "eye sores."

Proposed Amendment No. 11

Constitutional amendment providing for the deducting of costs of administering the unsold school lands before distribution of income is made.

_____ For

_____ Against

According to the provisions of Article VII, Section 4, the general management of all lands and funds set apart for educational purposes, and for the investment of school funds, is vested in the Board of Educational Lands and Funds. The costs of administering the lands and investing the funds are now appropriated to the Board from the State General Fund. As Section 4 now reads it is not possible to deduct these expenses from the income from the lands, as it states that all of the income shall be "exclusively applied" to the support and maintenance of the common schools. For the 1965-67 biennium a total of \$222,371 was appropriated to the Board for the administration of the school trusts and for the collection of the school land rentals. 1/

This amendment would require the costs of administering unsold school lands be deducted from the income of the land. Proponents contend that present conservation improvements on school land are the total responsibility of the tenant. Bidders are not willing to assume this investment cost for short-term leases but would pay higher rents if this investment was made by the state. However, they feel it should not be done by the taxpayer through general fund appropriations. The Legislature would limit the use of this provision by statute if the amendment passes.

Supporters felt that, with present income from school lands around \$3 to 4 million per year the fund could easily support present administration costs and the Board would then have the authority to invest in conservation practices that would improve the value of the land.

Opponents say the provision would reduce income from the school fund to be distributed to schools and would thus increase the fiscal burden of local school districts.

Proposed Amendment No. 12

This proposal involves two amendments to the Constitution and the voter must make a decision on each one. The first one will appear on the ballot as follows:

Constitutional amendment providing that educational funds shall be invested as the Legislature may by statute provide.

_____ For

_____ Against

The present Constitutional provision limits the investment of educational funds administered by the Board of Educational Lands and Funds to United States or state securities, registered county or school district bonds of the state, and such other securities as the Legislature may from time to time direct. The last phrase of this provision seems to allow considerable latitude, but the Attorney General has held that investment in higher yield securities, such as corporate stocks, would violate Article XIII, Section 3 of the Constitution (This provision prohibits giving or loaning the credit of the state in aid of any individual, association, or corporation).

Adoption of this amendment would eliminate the above restriction and enable the Legislature to authorize the Board of Educational Lands and Funds to invest in other than government securities if they thought it desirable. Proponents contend that corporate stocks have realized much better returns than land over a long period. They point to at least 29 other states that are following this policy very profitably. Supporters intent is to broaden investment opportunities in order both to increase income and to create greater income stability.

Opponents fear that this might be too risky and do not want to endanger the potential stake of future generations in these funds. They feel that land is a good investment and since it is in limited supply would remain good regardless of other future developments.

The second constitutional amendment under Proposed Amendment No. 12 also deals with investment of public funds. It will appear on the ballot as follows:

Constitutional amendment authorizing the Legislature to provide for investment of funds of the state and of cities, villages, school districts, public power districts, and other governmental or political subdivisions as it may by statute provide.

_____ For

_____ Against

This amendment also has the basic purpose of authorizing the Legislature to undertake a broader and more diverse investment program for surplus state funds. It, in effect, would do for all state funds what the prior proposed amendment would do for educational funds. The first part of the proposal would enable the Legislature to determine the manner in which all state funds, including those of the state employees' retirement and teachers' retirement systems, would be invested. For example, it could create an Investment Board, or employ a trained investment counselor, to invest these funds. Thus, the Legislature could establish a centralized investment agency for these funds. The retirement systems funds are presently invested by the Board of Educational Land and Funds and are primarily invested in United States Government bonds. 1/

Under the terms of this proposed amendment the Legislature could also authorize the investment of these funds in other than government securities. For example, some could be invested in corporate stocks or mortgages. It specifically states that notwithstanding the provisions of Section 3 of Article XIII (the one discussed earlier prohibiting the credit of the state from being given or loaned in aid of any individual or corporation) the Legislature may determine the manner of investing these state funds and also where they shall be invested. 1/

This proposed amendment would also allow the Legislature to authorize the investment of retirement or pension funds of cities, villages, school districts, public power districts, and other government subdivisions in such manner and in such investments as the governing bodies thereof might determine, subject to such limitations as the Legislature might prescribe by statute. This would also have the effect of allowing wider and more lucrative investment opportunities for these funds which are growing in amount each year, and again without the present inhibiting effect of Section 3 of Article XIII. 1/

The supporting and opposing arguments for this amendment are essentially the same as those for the school fund investment amendment.

Proposed Amendment No. 13

This proposal also has two separate amendments. Both of them deal with legislative reapportionment. The first reapportionment amendment will appear on the ballot as follows:

Constitutional amendment changing the method of apportionment of the members to be elected to the Legislature.

_____ For

_____ Against

The present form of the constitution says the legislature may redistrict not more than once in ten years. The proposed amendment would change this to shall redistrict after every decennial census.

The United States Supreme Court holding that state legislatures must be apportioned according to "one man, one vote" indicates that states will have no choice but to redistrict after every census. This amendment puts that requirement in the Nebraska Constitution and makes it a state responsibility.

The second reapportionment amendment will appear on the ballot as follows:

Constitutional amendment authorizing the Legislature to specify representation in districts changed by reapportionment.

_____ For

_____ Against

Beginning in 1966, all members of the Legislature will be serving four-year terms with one-half the terms expiring every two years. This means that a reapportionment after the census could find two legislators, whose terms continue, living in the same district or, perhaps, one whose term expires with the next election in the same district as one who has two more years remaining. To allow those with two years remaining on a four-year term to finish their term of office and to maintain the balance of one-half of the Legislature elected each two years, this amendment would allow the Legislature to designate the district they will represent for the remaining time.

There was no opposition to these two amendments, although there was some argument about using the term "shall redistrict." A few senators feel that there might not be sufficient change to warrant reapportionment. Proponents said that each of the past decades have shown substantial changes between districts and that these trends show every indication of continuing. They contend that the lack of such requirement is the cause of the state's reapportionment problems in the past few years.

There had been some question raised also as to how the designation of districts in the second amendment would be handled. Some opponents object because they do not want to see a man designated to a district that has not had a chance to vote for him. Proponents respond that regardless of what change is made in district lines, there will be some areas represented for two years, in new districts, by someone they have not voted for and the only alternative is to discard the four-year staggered term entirely. This situation would not exist for more than two years of every ten and would affect only a few districts at most.

Proposed Amendment No. 14

Constitutional amendment providing that when a general sales tax, or an income tax, or a combination of a general sales tax and income tax, is adopted by the legislature as a method of raising revenue, the state shall be prohibited from levying a property tax for state purposes, except for funds to be used for capital building improvements of the state, and the Legislature shall allocate not less than twenty per cent of the proceeds from such tax to the common schools which are exclusively owned and controlled by the state or an educational governmental subdivision thereof.

_____ For

_____ Against

This amendment would modify the so-called "Duis Amendment" which was adopted in 1954. The Duis Amendment was adopted to guarantee that at least the state portion of the property tax would be replaced in the event an income or sales tax were adopted. The new amendment would eliminate the property tax for general fund purposes if a

sales or income tax were adopted, but would allow continuation of the capital improvement levies (this includes, for example, the State Building Fund which was created for construction of facilities at the University of Nebraska, the state colleges, the school for the blind and deaf, and the Department of Public Institutions).

To make up for the continued capital improvement levy the amendment would allocate at least 20 percent of an income and/or sales tax to local schools. This would provide relief for local property tax levies. The Legislature would have the responsibility of determining the formula for local school allocation.

Proponents of the measure contend that greatest property tax relief is needed at the local level. They also feel that the state needs to remain in the property tax, to some extent, to effectively maintain equalization between counties and supervise local property tax administration. This amendment, according to its supporters, would guarantee both of these needs.

Some of those opposed to the amendment say that the 20 percent provision is "earmarking" which is not a good practice since it unnecessarily limits the discretion of future legislatures. They also state that 20 percent would not provide very much local relief, but its very existence may, psychologically, tend to make this an upper limit as well as a minimum. The legislature can provide local relief simply by appropriating the money and adjusting the income or sales tax rate to cover both state needs and appropriations for local units of government.

Others opposing the amendment prefer that the state not levy any property tax in the event a sales and/or income tax is passed.

Proposed Amendment No. 15

Constitutional amendment to permit the exemption from an intangible property tax of life insurance and life insurance annuity contracts and any rights to pension or retirement payments.

_____ For

_____ Against

The Constitution now provides that "no property shall be exempt from taxation except as provided in the Constitution." In 1964 a Constitutional amendment was passed authorizing the Legislature to exempt intangible property held for the purpose of funding pension, profit sharing or employee benefit plans. However, this did not cover persons who provided their own retirement funds through purchase of life insurance and life insurance annuity contracts.

This amendment would give the Legislature the authority to exempt life insurance and annuity contracts if they so choose. The proponents felt this type of intangible should be exempt if the employee pension and benefit plans are exempt. It was argued that many people are not certain whether their insurance and annuities are taxable and are being caught when estates are settled. This uncertainty is damaging to a taxing system and should be clarified.

There was no opposition to the amendment either in committee hearing or floor debate.

Constitutional Amendment Proposed
by Initiative Petition
#301

Proposed amendment to Article VIII, Section 1A of the Constitution of Nebraska, relating to taxation; to provide that the state shall be prohibited from levying a property tax for state purposes.

_____ For

_____ Against

This amendment was proposed by petitions containing adequate signatures of eligible voters in the state. This is the 14th amendment proposed by the initiative process since it was authorized in 1912. Five of the 14 were passed.

The proposal would amend the same section of the Constitution as Legislative Proposal No. 14. However, if this amendment receives approval it would prohibit the state from levying any property tax at all. It would force the state Legislature to find some source of revenue to replace the present state property tax levy regardless of what happens to the income tax.

In effect, the Duis Amendment and the proposal contained in No. 14 give the state Legislature a choice between the property tax and a sales and/or income tax. This amendment simply prohibits the property tax as an alternative and leaves it to the Legislature to find a replacement.

Proponents feel that the property tax is a totally unfair system of raising revenue. They contend that the only way to assure reform is to eliminate the property tax as an alternative for state revenue. Supporters also propose this amendment with the intent of giving the voters a choice between an income or property tax since the opponents of the income tax had obtained enough signatures on petitions to refer the income tax law to the voters for approval or rejection.

Opponents of this amendment feel that it could place the state in a financial crisis. If the income tax law is rejected and the property tax prohibited the Legislature would have to pass a sales and/or income tax (or other non-property source of revenue) in the next session. If that law were also subjected to referendum it would leave the state without a major source of revenue for the general fund. Other opponents favor the property tax over other alternatives and want the state to continue using it as the major source of state general fund revenue.

Referendum Ordered by Petition of
the People
#300

"Shall Legislative Bill No. 797, enacted by the Seventy-fifth Session of the legislature of the State of Nebraska, the purpose of which is to provide for a State income tax beginning January 1, 1967, be approved."

_____ For

_____ Against

This proposal is a referendum to determine whether the income tax passed by the 1965 Legislature shall become law. It is not a constitutional amendment. This is the seventh referendum of state law since 1912. In only one of those was the Legislature upheld.

Nebraska has been debating the question of a "broadened tax base" for many years. The 1965 Legislature passed the first income tax bill to ever go beyond general file, although many sales and income tax bills have been introduced since the 1940's. The opponents of this income tax circulated petitions and obtained sufficient signatures to refer the question to a vote of the people.

The arguments for and against this income tax are well publicized and the voter should carefully judge those arguments both on validity and relevance. The arguments will not be presented here.

The opponents of this income tax act are primarily those who oppose income taxes in general, although some have said they oppose it because it is not the right kind of income tax. Proponents of this bill contend that it is the best alternative to the property tax that could be passed in the Legislature.

A vote for is approval of the income tax and against would repeal it.

