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**Prepared Remarks for Opening Hearing of the
Assembly Committee on Taxation
February 4, 2003**

I don't think I need to tell anyone in this room the importance or gravity of the task this committee faces. We have an awesome responsibility ahead of us - as indeed do our colleagues who do not serve on this committee.

Over the last interim, I had the opportunity to attend most of the hearings of the ACR 1 task force. And I have spent the last two weeks in intensive budget hearings. However, the people we represent, and in fact, most legislators, have not had the opportunity to hear all of the testimony regarding the needs of our state or the proposals to provide new revenue to fulfill these needs. Regrettably, few people remember the extensive work that led up to the ACR 1 Task Force - the Governor's Fundamental Review which was an extensive review of all state budgets during the 1999-2000 interim.

Whenever we are talking about tax reform, two very legitimate questions are raised—questions that deserve answers. The first is why? Why does growth not pay for itself? Why do we not have sufficient revenues to provide the same level of services we have provided in the past, much less to improve those services?

The second question is how. How are we going to get the revenue we need to keep our schools operating, our road construction and repair continuing, and our families, seniors and children safe and economically secure? How are we going to reform our tax structure in a manner that is fair, equitable and that protects average taxpayers and small businesses? And how can we not only take care of our economic shortfalls in the short term, but how can we make sure our state never gets into this situation again?

I indicated that we have an awesome responsibility here. And I think the key word is responsibility.

As someone who has managed budgets and worked with numbers during my entire career, I continue to believe that we have not only a legal obligation but a moral responsibility to balance our state budget - and to do so in a way that we truly provide the services that our citizens deserve. Public schools that truly educate - that truly provide our children the tools they need to succeed, whether they choose to go on to college or to go directly into the workplace. Assistance to seniors who can't afford the medicines they need. Transportation dollars spent wisely to build roads to keep up with growth and to repair roads that have become worn and dangerous. Public safety, whether it is enough

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SUBMITTED BY: Chairman David Parks

police on our streets, firefighters to protect us and our property, or a corrections system that keeps dangerous criminals off the streets .

These are not luxuries in our society, these are not extras, this is not "fat" in our budget - this is our responsibility to the people we represent.

At the same time, we have a responsibility to ensure that our system for raising revenue is balanced, that it is fair, that we develop a broad enough tax base to limit wide cyclical fluctuations, that we cut where we can, and that we do not ask one segment of our population to pay too much while letting another segment pay too little or nothing at all.

This will be no easy task. But it is a responsibility that has been given to us and that we cannot shirk.

So let us begin.