

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

April 7, 1999

LB 271

used for the authorized public purposes, and the public purposes are those authorized either by statute or by the constitution, the Legislature may classify such property, exempt such classes, and impose or authorize taxes some or all of such property to be subject to property taxes or payments in lieu of property taxes except as provided by law. The last phrase, except as provided by law, designed to recognize that in some instances we might have federal laws that would supersede whatever the state law happened to be in that particular area. The green copy of the bill is rather short and begins to address the issue in simply the terms of whether or not property is used for a government purpose, and if it is not used for a government purpose, which, and there is also a definition that says, means property to provide public services, including the general operation of government, public education, public safety, et cetera. And then says government purposes do not include the leasing of property to a private party unless the lease of the property is necessary for the provision of a public purpose. So we're beginning, in the green copy of the bill, to recognize that leased property, in particular, is a category of property held by a government entity that could be subjected to tax. And then, in Section 3 of the green copy of the bill, you see that we have provided that the leased property be assessed to the holder of the lease as if the property was owned by the leaseholder. That language, and the subsequent language, is designed to address various issues about who is...who should pay and who, if tax is due, should bear the burden of the lien. Now that language is changed substantially in the committee amendments to the bill because as the committee gave further consideration to the issues that are raised by 271 and the potential taxation of property held by governments, we became aware that the approach had to be a little bit more complete than the approach that was in the green copy; that is just a simple bifurcation, if it's for a government purpose, that's okay, a definition of the government purpose, and then another provision that simply says if it's leased, then it would be subject to tax. That became, as I say, a considerably more complex issue by the time we gave further consideration to it and prepared committee amendments. I'm also going to forewarn you that the committee amendments, themselves, are now subject to some debate and discussion, not...and all that this debate and discussion does not circulate around the purposes of the