

the railroad tax. Thank you.

SPEAKER MARVEL: Senator Newell, do you...Senator Cullan, do you wish to be recognized on the kill motion?

SENATOR CULLAN: Mr. President and members of the Legislature, and in particular Senator Schmit, I would like to address some of the remarks made by Senator Schmit. Now this study...it's been about a year and a half process, and we looked very diligently at a good number of different proposals to tax the railroads, and Senator Newell and I started from the same premise. The railroads, in our opinion, were not paying what we wanted them to pay and it wasn't being distributed the way we wanted it to be distributed. We considered the possibility of a ton-mile tax on the railroads. That was unconstitutional because it would be a burden on interstate commerce, and we found that that was unconstitutional, and we could not do that. We looked at an alltrack system, which increases the railroads taxes more, but it also changes the distribution more. So if you will lose a little now under this bill, you'd lose a lot more under an alltrack system. We looked at various proposals. We came up with two bills, one of which is already passed that relates to reporting requirements and the use of information and other things, and we tried to address some of the questions raised by Senator Schmit, and I think Senator Schmit is talking about the actions of the State Board of Equalization and Assessment. Now if the State Board of Equalization and Assessment does not, or does give the railroads some breaks which should or should not be given, or perhaps is a little generous with the railroads, nothing can be done from our perspective as far as that's concerned. That's the State Board of Equalization and Assessment's responsibility. We have the information. It is required to be submitted, and so I really think this bill has been well researched. Further delay does no good. We have taken a look at other alternative proposals, and have rejected them for numerous reasons. Now, I personally think the State Board of Equalization and Assessment should be a little harder on the railroads. In particular, I think they should be considerably harder on the railroads when it comes to assessing terminal properties, and I think County Assessors should be much more careful in the way they assess terminal property, but that's not what this bill is about. This bill changes the distribution formula. It changes some reporting requirements. So I think that we're confusing the issue here. Now, Senator Rumery said we shouldn't kill the bill because there are other things that can be done to it. I'm not sure