

April 9, 1979

LB 568

tion to pass, is that correct?

SENATOR GOODRICH: Yes, for federal participation in the acquisition of the public entity that they are bumping into. Now I would like to elaborate on that a little bit though and that is, we will tie, where did Senator Duis go? Is he still here? Okay, Senator Duis had asked a question along the same line that, Senator Duis, Senator Duis, oh well, I will answer it anyhow. Okay, Senator Duis said, for example, why not use depreciation on a public building. Two reasons, number one is that some of the courts in Massachusetts have said, no, you cannot use depreciation on public buildings. The function is still there regardless of whether the building is two years old or two hundred years old. It still serves that same function so therefore you cannot depreciate it. The other reason for not using depreciation on a public building is that, let's assume that it is a community that, oh, I don't know, I am going to pick one out of the air, a small community of Nebraska, and if we use depreciation and depreciated the value of that building down and they still have to have a school with which to send their children to, we would then put an undue burden on that particular community. Okay, we have depreciated your school down to ten percent of what it costs to replace it, therefore, we want your site, the site where your school is. We are forcing you now to move the school and you pay ninety percent of replacing your school. It ain't fair to a small community to force them, for example, to replace, whether they can afford it or not, whether they are at their mill levy limit or not, wherever they are, they cannot afford to replace that facility having to pay ninety or maybe ninety-five percent of it. That is why, for example, you should not and the courts have recognized and the Federal Highway Commission has recognized that you should not force that community to bear that undue burden because of a state purpose, and you will notice it says for a public purpose. The state wants the highway through that particular place. Then the state should replace that school for that community or that library or whatever it is. It is for that reason that we cannot use depreciation on that.

SENATOR HOAGLAND: And so if this bill passes, the community will be able to get federal assistance in replacing that facility, is that correct?

SENATOR GOODRICH: Yes.