

to work on trying to reach some sort of a resolution settlement with them. After that case went through the court system, we had to deal, then deal with the Enron case that the courts ruled on most recently. That issue has us here in special session and one possible solution, as Senator Warner brought it to us in LB 7, is the exemption of railroads' personal properties so that the basis for the Enron type arguments no longer exist in the State of Nebraska. The bill, as it was originally drafted, created the exemption for rolling stock but did not in any way change the way that railroads currently are assessed. The committee amendments deal with that. The railroads stated at the hearing that the change with regard to the assessment or the valuation by them needs to be changed in order that there would continue to be a unit value calculation that would allow for the settlement that has been agreed on to continue. We adopted the railroads' proposal that they offered to us, determining the amount of rolling stock based on book value so that the 75/25 percent settlement figure would be maintained. Another way to address this is an actual value approach. Senator Warner, I know, has amendments up to deal with that. Whether or not that has the same effect, I do not know. I do know that the book value method does allow for the 75/25 break to be maintained and that with that in statute there will be very likely no litigation on the part of the railroads and they will honor the settlement that they agreed to. With that, I will go into the committee amendments because the committee amendments become the bill and just do a very brief section by section for you. Under Section 1, the bill, as it was originally introduced and as the committee amendment contains intent language, is designed to provide the rational basis for exempting railroad rolling stock from personal property tax. Basically, it states that the personal property tax system in Nebraska is under attack and that railroad rolling stock is unique and that the bill was needed to affect pending litigation. It is our excuse provision, if you will. Section 2 states that the...basically deals with the sunset provision that allows for the bill to be in effect from the point that it becomes law through 1991. It allows for personal property tax exemption for the railroads and that would sunset or no longer be in effect after 1991. The reason the committee adopted this amendment was so that the litigation that currently is in the courts could be flushed through the system. It allows for two years for that to take place. At that point in time, if this proves to be...or sooner than that even, if this proves to be a viable solution that sunset could very easily be wiped out, it gives us time to test