

centrally assessed properties. They are unique in the way we treat them. They all take up huge land masses, in terms of the state, but they are linear in their approach. They have public access that we allow them, because they use...I mean really the railroads are the only ones that own any substantive amount of property, real property, the rest of them we let have access for their pipelines, or their cables, whatever it may be on centrally assessed. Yes, they clearly all are treated uniquely in our valuation and assessment. That's why we call them centrally assessed. So for my purposes it's a clear, rational, reasonable classification by which we look at centrally assessed properties. And, clearly, we have the ability to tax them at a different rate.

SENATOR BEUTLER: And that same kind of distinction can't be made in terms of pure personal property taxation.

SENATOR HALL: That's correct.

SENATOR BEUTLER: The courts have already said that.

SENATOR HALL: That's correct, and these...

SENATOR BEUTLER: So all the factors that you're talking about equally apply to the two different taxes, except for the method of collections, is that not so?

SENATOR HALL: Well, that and then in the personal property tax case the question there was, the problem was that you had individuals who were exempted. Seventy-five percent of the income producing property, personal property was exempted completely. We do not exempt anyone from the surcharge on depreciation, no one, we tax them all. We tax all of them at 2 percent, and then we tax the centrally assessed an additional 2 percent. That's another key ingredient here, is that you were dealing with an exemption...

PRESIDENT MOUL: One minute.

SENATOR HALL: ...issue in the personal property, 75 percent were paying no tax, and that's where the discrimination came in on the Leuenberger, the trailer train issue.

SENATOR BEUTLER: Senator Hall, thank you. I remain a little skeptical, I guess, and conservative in the sense I would much