

March 3, 1992

LB 1063

All of the other personal property, such as motor vehicles, is outside of this issue, in any event. I understand the inventory is about 4 billion.

SENATOR SCHMIT: All right. The personal property that is depreciated under 775 would not be included though. Is that not right?

SENATOR WARNER: To the extent there are contracts, yes.

SENATOR SCHMIT: To the extent...and are all of those contracts written in a manner such that the personal property exemptions of 775 become null and void even though the Legislature worked to reimpose those taxes on that type of equipment?

SENATOR WARNER: My opinion, Senator Schmit, is that, in all probability, the Legislature could not negate the provisions of a contract that was constitutional at the time it was signed.

SENATOR SCHMIT: If the Legislature...

SENATOR WARNER: So we could not...

SENATOR SCHMIT: If the Legislature were to reimpose those taxes upon the jet aircraft and mainframe computers and food processing equipment, would it be the responsibility of the State of Nebraska to reimburse local governments for those taxes? Or would the local governments be unable to collect anything from that property?

SENATOR WARNER: If I understand, your question, Senator Schmit, is could the state...could the state reimpose those. And I would indicate again that if there is a contractual agreement, which I believe 775 has with all the conditions that are to be met, my understanding would be that we could...no matter what we did, we could not negate the provisions of that contract. You could...you could, obviously, from this point forward make changes where contracts do not exist.

SENATOR SCHMIT: But it would be possible for the statute to be written in such a manner that the State of Nebraska would be liable for those personal taxes to the local subdivisions. Is that not right?

SENATOR WARNER: If you...