

goods and personal effects, as defined by law, may be exempted from taxation in whole or in part. It goes on and points out the value of household goods and personal effects also can be determined. It also points out that the Legislature may classify personal property in such a manner that these fit and may exempt any of such classes, or may exempt all personal property from taxation. Now, I think that the biggest misunderstanding, and I'm very sorely tempted to call it something other than a misunderstanding, is the argument that it all goes back on. And, Senator Warner, when you repeat on the floor, time after time, that it all goes back on, do you also mean that household goods goes back on?

SENATOR WARNER: Senator Schmit, you bring up a point, and I should be very careful, what the Supreme Court said in MAPCO was relative to inventory of farm equipment and livestock, because business equipment was already on. But to extend to household items there was, as I recall, a couple of judges that made reference to that in their opinions. I don't recall if that was a majority court, it may or may not have been. But the bottom line is that the case that was filed in 1986 dealt with business equipment, farm equipment, livestock, and inventory, and these other items that the court did not comment on, or volunteered some things, was not specifically before the court, as I understand it. And we don't know what the court would do with those as a matter of fact.

SENATOR SCHMIT: Is it not then very risky for this Legislature, Senator Warner, to assume that the Supreme Court took a hear no evil, see no evil, speak no evil provision relative to the exemption of household goods and, of course, our favorites, the 775 exemptions, which they very carefully tiptoed around also. How can we be so naive as to assume that if we blindly, and I say it that way, blindly proceed to reimpose a portion of the tax on farm equipment or livestock that the court will not then again say, wait a minute, now in retrospect, we should have referred also to household goods and/or the 775 exemptions.

SENATOR WARNER: Senator, you're asking me a what if question, and a what if question, from my opinion, yes, there's a possibility. As I recall, one of the judges, Judge Shanahan, in his comments, directly addressed the issue that there was no more logic to leaving household goods and personal effects, charitable and educational exempt than other things. There was