

SPEAKER BAACK: Senator Warner, would you respond, please?

SENATOR SCHMIT: Is it your intent, Senator Warner, that this language have any application to existing federal law?

SENATOR WARNER: Yes, it would.

SENATOR SCHMIT: Would. And to future changes?

SENATOR WARNER: Yeah, you should understand that the...all this does is automatic as to class. The Legislature may be able to tax, depending on what the federal law is, or changes some of this property, but where federal law establishes a separate class, as they did under the 4-R Act for our Constitution, then it automatically becomes a separate class to the extent that it can be taxed because of federal law, we would still be able to proceed and do that, and, in fact, it would take legislation to implement that or to maintain it. But what we are avoiding by this language is that as those kinds of actions occur, should they occur again, that it becomes an automatic class and we do not bleed that over onto other types of personal property that want the same action for them. It would take separate action on Congress, for the Senate, or the federal government in each of those cases before it would bleed into others. But we would retain the state authority to not have our old system go down as was the case with the federal act that applied to one but not the other classes of property.

SENATOR SCHMIT: Senator Warner, can you envision this being applied to any entity or any type of taxing entity, other than railroads, pipelines, telephone lines, (interruption)...

SENATOR WARNER: Well, I think in a broad sense, I would assume, Senator, that the federal government is at least restricted in their laws that would pertain to property that is interstate commerce. I do not believe that a Congress could enact restrictions on the state internally within the state. I think, I believe historically, at least, that they are restricted to working with only...impose upon states in this area where there is interstate commerce involved.

SENATOR SCHMIT: Thank you, Senator Warner. It is always amazing to me what the federal government decides they can do and what the United States Supreme Court decides they can do.