

April 3, 1992

LB 719A, 1063

we get to that issue we will again point out that that is being proposed to be put in at this time in order to give to the tax commissioner the authorization to comply...for the state to comply with the provisions of the 4-R Act affecting railroads only and possibly airlines. Their federal supremacy laws are somewhat different than the 4-R Act. But it is to give the possibility to the railroads in the state to comply and if the tax commissioner chooses not to, of course, a lawsuit can still be filed. I may as well talk a little about the railroad because that keeps coming up here. There is a slight difference in the estimates, slight reduction to what the railroads across the state would be paying from the way the bill was...LB 1063 was enacted. The comparison on personal property is about 5.5 million, reduced to 2.25, about a million and a quarter less. The issue with me is, as we have dealt with this, however, was that if you force to go to court to resolve an issue, if you force to go to court, then there is, true, once the case is filed, the opportunity to negotiate but there is none before that under existing law. Maybe a lawsuit then would not necessarily be followed through but assuming that it was followed through, which I suspect is more likely, then the courts are not going to tell you how to do it. They're going to tell you whether what you did was correct or not, which means that you, from my viewpoint, there are either approximately 4.25 million paid or zero, if you go to the courts; or it could be 5.50 or zero. I don't want to run that chance. It makes a significant difference when the case...

SPEAKER BAACK: One minute.

SENATOR WARNER: ...if there would be a case be filed, railroads chose to file the case under the 4-R Act after the State Board of Equalization had made valuations, and, by the way, the county has no responsibility in the implementation of the personal property as far as railroads are concerned, it's all down at the state level and each county is sent as well as each subdivision what proportionate amount of valuation they have to the valuation statewide of a railroad...of a particular line, and the end result is that we are not going to be faced with refunds.

SPEAKER BAACK: Time.

SENATOR WARNER: We're going to avoid a lot of those kinds of problems which I think is important to do, but we'll discuss