

SENATOR MORRISSEY: Senator Warner.

SENATOR SCHMIT: Senator Warner, much has been said about the reduction in the taxes that would be paid by the railroads from approximately five and a half or five and a quarter to \$4.25 million and that this language that's included would result in the avoidance of a lawsuit. Has there been any kind of concrete agreement as to the dollar amount in taxes which the railroads cumulatively will pay?

SENATOR WARNER: No, but to be specific, I don't know what you mean by concrete agreement. What I do know is that using the methodology as outlined in the amendment, that it is the belief that it would meet the...it would avoid the necessity of a lawsuit whether someone conceivably would file, obviously they can. We tend to speak of railroads and carlines as relatively few in number. As I understand it there's probably 300 or more, 350 when you...carlines are thrown in because some of them could be a very small potential for a lawsuit by one of them, certainly I assume is there, however, it is also my understanding that the larger carlines as well as the railroads would...are...consensus at least is that this provision would avoid the necessity of litigation.

SENATOR SCHMIT: Well, thank you, Senator Warner. Ladies and gentlemen, I want to say this, that I really believe that the Legislature is doing something which we cannot do, that we are giving to the tax commissioner responsibility which exceeds his authority. I do not think that he can sit down and negotiate as is indicated here with the railroads what tax they will pay. I will predict that if this does take place with the existing personnel in charge, that the dollar figure will be considerably less than 4.25, four and a quarter million dollars. Another thing that I predict will happen will be that nothing ever remains constant in politics and although the best intentioned plans of the Governor and certain legislators and certain railroaders may be that this agreement would hold forth ad infinitum, we all know that will not happen. Another Governor will come forward, another tax commissioner will be in place. Another individual will be in charge of the railroad and someone will say, why should we do this, we obviously do not need to do it. More than anything else, I believe the adoption of this amendment will guarantee the failure of Constitutional Amendment 1 because it is perceived, whether it is true or not,