

SENATOR HALL: ...Class 2 misdemeanor in the second year.

SENATOR SCHMIT: Sounds like the usual legislative process. You can avoid taxation on a million dollars of art work by simply calling it personal property or household goods. If it's owned by a business, is it taxable?

SENATOR HALL: If it's owned by a business, it would be taxable.

SENATOR SCHMIT: Is there a definition somewhere in the statute to that effect?

SENATOR HALL: I can't tell you that. It would be...it would have to be listed as business property as opposed to personal property. The likelihood of that happening would depend on what advantage or disadvantage the individual would have with...probably with regard to the federal income tax code, not so much the state, but it would have more to do with the federal income tax and whether or not they could better shield it by having it owned through a corporation as opposed to personal.

SENATOR SCHMIT: I have a number of other questions. For example, many of you are aware that at David City we have a privately owned museum. The Historical Society thought they only had \$800,000 worth of property there, there are those who value the property at \$5 million, give or take a little. Would that property be assessed as personal property or are there exemptions in the statute for that property?

SENATOR HALL: That property, is it tax exempt, the Historical Society, the museum?

SENATOR SCHMIT: No, it's privately...

SENATOR WARNER: One minute.

SENATOR SCHMIT: It is privately owned.

SENATOR HALL: It's privately owned. It would be assessed as personal property.

SENATOR SCHMIT: Then I think there will be a vacancy in the assessor's office in David City if they go out to assess Mr. Bongers' museum, because I remember once before that happened and terrible things happened.