

March 6, 1979

LB 105

SENATOR MARESH: It will be the end result, though, eventually, won't it?

SENATOR CULLAN: I think that that would be correct, Senator Maresh.

SENATOR MARESH; Well, I guess if the value isn't there, I have no argument with that. You can't tax something that isn't being used, and if we can just maintain the branch lines, I think that is the main thing. Probably if the taxes aren't high on these branch lines, probably they will keep them longer.

SPEAKER MARVEL: Senator Cope, then Senator Keyes.

SENATOR COPE: Mr. President, members, a question of Senator Cullan.

SENATOR CULLAN: Yes.

SENATOR COPE: Senator Cullan, I understand on page 8, the major change, you said, I understand the rail property, the personal property and all that, anything you can see, rails, roundhouses and that sort of thing, but would you explain to me the density factor that you mentioned?

SENATOR CULLAN: Technically, it is probably incorrect to call it a density factor. That is a term that I use, and to explain that, Senator, I think I will have to talk about the existing system of rail taxation and how it functions, and I will talk about, briefly, if I could, should I take a minute to explain it, Senator?

SENATOR COPE: Go ahead.

SENATOR CULLAN: It will take two or three minutes. There are two systems of rail taxation in the State of Nebraska. The first system is the terminal system and the terminal system is that system which is used to supply revenues for municipalities and municipalities only. Only city government derives revenue from the terminal system. The terminal system basically considers locally assessed property such as depots, warehouses and facilities within a terminal or a municipality. It also has some rolling stock assigned to it but this bill does not change in any way, shape or form revenues in the terminal system and it does not affect the terminal system. So it is a complicated system but I will leave it alone for now, just that you should know that that's the way municipals derive their funds. The unit system is