

March 6, 1979

LB 105

SENATOR COPE: Thank you.

SPEAKER MARVEL: Senator Keyes.

SENATOR KEYES: Mr. Speaker, I think everything that I was going to say has been said on it. This bill will not hurt anyone. It is not going to cost the railroads very much more money but it is going to make it allocated out so that it is more fair, so that we are using an up-to-date recording system and so we understand exactly what the valuation of railroad property is. This bill, LB 105, should be passed with no objections whatsoever.

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Would Senator Cullan yield to a couple of questions?

SPEAKER MARVEL: Senator Cullan.

SENATOR CULLAN: Yes, sir.

SENATOR SCHMIT: Senator Cullan, how is the railroad property valued now and how current is the methodology that they use in valuing that equipment?

SENATOR CULLAN: I am not sure I understand your question. Most of the information that the State Board of Equalization and Assessment uses is submitted to them by the railroads, if that is your point?

SENATOR SCHMIT: The railroads submit that information to the Board of Equalization, is it book value of the railroad property or how do they determine the value of a piece of equipment?

SENATOR CULLAN: They really don't value a particular piece of equipment, as I understand it. They determine their total value. They would not, for example, place a value on a particular line of, a mile of track or anything else. They would consider those three factors which I mentioned earlier to determine the net value or the taxable value of a railroad and that would include income, stock and debt and historical cost. So they don't actually look at any particular piece of equipment or any particular facility as far as the unit taxation system is concerned.

SENATOR SCHMIT: Is there any particular statute that allows the railroads to value their property differently than we