

April 4, 1979

LB 103

that they will help clarify the bill no matter what happens to it and for that reason I urge adoption.

SPEAKER MARVEL: Senator Schmit and then Senator Rumery.

SENATOR SCHMIT: Mr. President, members of the Legislature, would Senator Cullan yield to a question please? Senator Cullan, would you tell me and the rest of the members of the body how the terminal properties that is owned by the railroads is assessed at the present time?

SENATOR CULLAN: Okay, this bill nor LB 105 with the exception of some reporting requirements and some other things, these bills do not change the terminal taxation system in the State of Nebraska. The terminal taxation, only some reporting requirements and some other things will change but nothing substantially. Now the terminal taxation system in the State of Nebraska is for cities and only municipalities derive funds from the terminal taxation system. As it currently works, the local county assessor receives some information required to be submitted in state law from the railroads. He receives that information. Sometimes they make a visual check. Sometimes they do not. They review that information, decide whether to increase it or lower it or whatever they want to do and they send it to the State Board of Equalization and Assessment. The State Board of Equalization and Assessment then certifies it. They can also increase it or decrease it. So the final determination is made by the State Board of Equalization and Assessment but they basically assess all real property within a terminal. There is also a complicated formula for putting...that is the real property. There is also a complicated formula based upon density factors and other things to see that a certain share of the traffic that moves is also taxed in the terminal and I can go into that in more detail but it is very complicated.

SENATOR SCHMIT: Yes, well, I think we all know that that factor is one that is very much subject to question insofar as its fairness is concerned, but in regard to the terminal property, is there any change, after your amendment is adopted, in the manner in which that property is assessed and valued or do we still rely upon the railroads to place their own valuations upon the property and then for the county assessor to rubber stamp it and the Board of Equalization then to further rubber stamp the action of the county assessor?

SENATOR CULLAN: Senator Schmit, the Board of Equalization and Assessment is the one that is finally makes that deter-