

May 7, 1975

SENATOR KEYES: In other words, when you say the \$750,000 for the purchase price of this land and its actual value according to its taxes is \$156,000, the whole thing including the money that was donated to the school . . . donated and the land that is being bought was purchased in the late 50's for \$50,000. Now they're asking \$750,000 for the whole thing . . . for just that portion of it. . . would you ask that we contribute on that investment? Of course you understand that I'm in favor of buying the land, but I'm not in favor of paying \$750,000 for it.

SENATOR KELLY: Senator Keyes, this is in your billywack over there. You would know what that land is worth. I would not know.

SENATOR KEYES: Why don't you ask me what I think it's worth.

SENATOR KELLY: I remember that.

PRESIDENT: Senator Mills.

SENATOR MILLS: Mr. President, I'd like to again direct a question to Senator Kelly concerning his amendment. Senator Kelly, again I want to bring forth to you and this body, how does the Board of Educational Lands and Funds set the rents for those lands in the State of Nebraska? Basically, this is whether who gives them the land or buys it for them . . . what we are giving them this land and then telling them we can't charge only so much rent, or your amendment charge them so . . . I want to know . . . have you explained to this body how the Board of Educational Lands and Funds charges?

SENATOR KELLY: Senator Mills, we have in our midst an expert in this area who has spent, of his personal time and his legislative time, literally thousands of hours on this. I'm going to refer your question to Senator DeCamp. Senator DeCamp, Senator Mills would like to know how the School Lands and Funds decides what to charge for the rent on a farm.

SENATOR DeCAMP: Mr. President, I'll answer the question. The answer is complicated so listen carefully. Previous to last year they had in the statutes that they charged a certain percent, like 4 percent of the appraised value. Then this . . . the Board of Lands and Funds found it did not work because in some years when corn was \$3 a bushel the lands might have the same value from an appraised value standpoint, but from a rental value might be completely different. So they adopted, and this Legislature approved, a new formula. The new formula being appraised rental value. The rental value, the appraised rental value, is determined by putting into a computer a whole variety of things: the history of the land, the potential production, the average price of a particular crop if it's crop land such as corn over a period of time. You'd come out with a figure such as \$762 per acre. You take 4 percent of that. Now it's important that you understand that this appraised rental value