

trust fund, and presently there is about one or two billion dollars that....I will read the article. It says, "A potential new trend in pension fund investment has alarmed farm groups, rural organizations and some members of Congress. A recently formed pension investment company, American Agriculture Investment Management, (they call themselves AAIM), plan to use pension monies to purchase large tracts of prime farmland hiring professional agriculture management firms to run the farms much like the agribusiness operations do now. Such an arrangement, says National Grangemaster, Edward Anderson, would leave farmers no more than sharecroppers or hired hands. Others worry that pension funds with some 60 to 70 billion dollars to invest this year". That's what they plan to invest in one year but actually presently they are about \$350 billion dollars in this fund and they say by the year 1995 this pension fund will amount to about 3 trillion dollars. So it is big money that we are talking about. It says, "even if pension funds invested only 1 or 2 billion dollars, a fraction of each year's money, in farmland, they could overwhelm the national and the local farm markets according to the Department of Agriculture Economists". I would like to state that all of the national farm organizations are supporting this concept to prevent this land from being acquired by the pension fund, including our Agriculture Department, the USDA is looking into this. They are proposing legislation to prevent these people from being tax exempted. Presently, according to the IRS they don't have to pay any income tax on the gains they receive from this farmland. So these people will be coming to the State of Nebraska competing with our small farmers, not only in the market to overbid them on buying this land, but at the same time they would be at an advantage because they would pay no income tax on the gains they make on this farmland. So I hope that you advance this bill and that we get the bill enacted into law. What this bill provides for, that no trust fund with more than 25 beneficiaries or those that are exempted from state and national, from the federal income tax shall acquire Nebraska land. The county assessors would report this to the Secretary of State when a trust would buy land and then the Attorney General and the county attorneys would determine if it is a violation of the law, and if it were, then they would have to dispose of the land and we would prevent them from acquiring any more land. So I move that the bill be advanced to E & R Initial.

SPEAKER MARVEL: Senator Marsh.

SENATOR MARSH: Mr. Speaker and members of the Legislature, you are tying the hands of farmers in saying, you cannot sell