

SENATOR R. JOHNSON: Thank you, Mr. President. I might add that our utility companies in the state, our railroads in this state, are also threatening to join in those lawsuits. Such continued lowering of commercial and residential values, I think, will continue to erode Nebraska's property tax base and continue to cause revenue losses to our county governments and our school districts. Such lawsuits, I think, will throw our entire property tax system into disrepair and chaos that will result in 93 counties interpreting the law differently and carrying out their duties in a different manner. The current earnings capacity formula provides for an accurate, fair, uniform and predictable method of valuing ag land. Historically, agricultural experience...agricultural land experiences economic and climactic risks that are not typically encountered by commercial and residential properties. So comparisons for them...or to them for purposes of achieving uniformity is not always justified. Take, for example, the problems we have with the variation of...or the variables of commodity prices, world trade conflicts and, of course, the changes in the federal farm programs. The key here, I think, is that agricultural land valuation manual is working well and has assessed values that correlate better than we have ever seen in this state. I might that overall ag land is currently valued at about 94 percent of residential and 86 percent for commercial. That is the closest that those three basic properties have ever correlated in, I think, the state's history. I would like to also indicate that market value, as interpreted by Dr. Bruce Johnson at the university, used to be the preferred methodology used in determining valuation. But now it is interpreted as being an antiquated and inferior method of ag land and earnings is better and a more progressive solution to the problem. The next question, of course, is, is it constitutional? Is this LR 2CA a constitutional provision? I think it is. We have asked the Attorney General, as of February 24th, that...to check every aspect of LR 2CA for constitutional questions. We have not received an opinion back at this point. We expect, and I hope an answer will be forthcoming within a week, but I think it would be unfair for me to represent the Attorney General's Office on this floor and say that we are going to receive a positive statement back from them. At this point, all I can say is we have been in touch with the office. We have spoken to the Assistant Attorney General who is reviewing this case and he has given us some positive feedback but I would...as I said, I think it would be unfair for me to suggest to you that we are going to