

PRESIDENT: Senator Johnson, please.

SENATOR R. JOHNSON: Mr. President, I don't think there are any guarantees in tax law, ag land, commercial, residential, whatever. I don't think you can tie the hands of the Legislature. I guess, there is a...this is a two-way sword. There is always that possibility this Legislature could determine tax policy that could be increased valuations of ag land as it can do with commercial, residential, and industrial land.

SENATOR SCHMIT: Thank you. Mr. President and members, when we were debating the previous amendment time after time in 1984, or whenever it was, time after time on this floor we made this statement we are willing to pay taxes on actual valuation but we want those values to be determined based upon earnings, not upon some sales assessment ratio where only 5 percent of the land in a county may be used to determine the value of the 95 percent. We were telling the people of this state, we do not want to be different than you. We want to be the same as you. We want our properties to be valued at actual value but we want earnings to be a factor. I suggested a rental ought to be one of the capacities that would help to determine earnings. There are thousands of contracts for rent drawn each year within most counties and they vary with the year, based upon the income, based upon revenues, based upon taxes, based upon interest rates, many other factors. But with this amendment, with this amendment, and correct me if I am wrong, but I believe I have heard the proponents stand on this floor and say many times, we want to be valued at less, at less than actual value. Now, ladies and gentlemen, if that is what you want, then I believe it ought to be stated specifically in the amendment, and I have placed a range in there, not less than forty-five, not more than eighty percent of its value relative to other land. I think that we ought to take a look at that because if you don't we are saying in effect that, yes, future Legislatures can say the ownership of land is a symbol of wealth and, as a symbol of wealth, it ought to be taxed more than the home, more than a business, more than some other entity. We have heard it before. At the present time, we are locked in a tremendous struggle based upon the financial support of schools. One farmer after another stands on this floor and complains and pleads and cries for equity in taxation for support of schools. Most areas, most areas, in my own as an example, about 50 percent of the valuation in my home school district is rural. About