

April 27, 1989

LB 807

SENATOR SCHMIT: I'll use all the time, I think, if I can.

PRESIDENT: Okay.

SENATOR SCHMIT: Mr. President and members, Senator Hefner...pardon me, Senator Haberman says that for a variety of reasons we shouldn't sell the land. Let me suggest that, if the Millard school lands case is determined on behalf of Millard, and Senator Haberman loses that million two of in lieu tax money, which is now coming to his legislative district, he's going to come running back to this Legislature, next January, with his tongue hanging out like a steer out of water for three days, begging us to sell that land, because he's been living lucratively off of a very, very heavily slanted formula which favors his district. I am not entirely opposed to that. I really think that the ranch land areas have suffered over the years, because we have retained the ownership of those school lands. Senator Haberman says that the land can be sold and the money squandered and lost, that's right. Not very likely because of the way we handle our investments. But as we know, when the stock market took a dip, October 19th a year and a half ago, stock prices declined, as did rural land values decline. We saw substantial declines in the value of land, that's a fact of life. But the proposal you have here today is protective of that sort of issue. It says the land shall be sold and the money placed in the permanent tax fund. Senator Haberman and Senator Hefner, and Hefner actually talked about the appreciation of land values over the years, and it's a very valid point, Senator Hefner. For that reason I discussed what could be done to address that issue, and I have a proposal for that. We could, for example, take 5 percent of the annual income from the sale of the school lands, which normally must be returned to the school children annually, we could enact...we could propose a constitutional amendment that would say that 5 percent, 4 percent, 6 percent of the annual income should go back to the permanent school fund, thereby providing for growth in the permanent school fund. I would fully support that. I think that would be a very valid constitutional amendment, one which I believe would pass and one which would protect the school children of this state for time to come. Now there has been reference made to the fact that New Mexico kept their school lands and that they are funding all of higher education from their incomes. Let me suggest to you that New Mexico is not a highly populated state, number one; and, number two, that