

SENATOR R. JOHNSON: Okay, thank you.

SPEAKER BAACK: Thank you, Senator Rod Johnson. Next speaker is Senator Schmit.

SENATOR SCHMIT: Thank you, Mr. President. I think that Senator Rod Johnson has begun to ask a few questions which are sort of like the tip of the iceberg. And I think we need to explore just a little bit. And I'm going to support the advancement of the bill. But I hope that before we move the bill off Select File that we have more answers than we have now. I know that Senator Hall is concerned about some of these problems also. One of the problems that we have not addressed on this floor, or off of it, is the wide disparity in the valuation of property, other than ag real estate. Several years ago, some of you might recall, I did a little research. I took the real estate transfers in Douglas County and Lancaster County, and I contrasted them, compared them with the assessed valuation of the same property. As a rule of thumb, the lower the value of the house the closer it was assessed to its actual value. In other words, a \$40,000 house, for the most part was assessed at 40,000, sometimes as high as 50 or 60 thousand, it was assessed for more than its actual value. As the home increased in value, the percentage of market value at which it was appraised decreased dramatically. I recall in general terms a house that was worth about...that had sold for around \$200,000 had been assessed at about \$87,000. After it had actually transferred, this was in Lancaster County, after it had actually transferred, the assessor raised the value of that house to approximately \$92,000, still less than 50 percent of what it actually transferred for. I'm going to ask some of our research department here in this Legislature to do a little of that checking in the next few days to see if those disparities still continue. It has always been easy to go out to the rural areas and lament the undervaluation of rural real estate. Rural real estate changes in value very dramatically, as Senator Wehrbein pointed out, 8250 cattle contribute to an increased price for rangeland, \$2 corn cuts down the value dramatically of cropland, and the high cost of energy cuts down the cost of irrigated land. Those factors are there. I do not know if we can incorporate all of those factors, as we want to, into this kind of a formula. I want to make this point, and I'm going to make it again, and again, and again, and that is that the disparity in the valuation of real property is not all confined to rural