

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 3, 2000

LB 1010

if your lease is only for \$60 and a rate of return is only 60 percent...or 6 percent, then you probably would be better off selling the property and investing it. All I'm doing with this amendment is to guarantee that the good land doesn't get sold off and then it will be self-fulfilling. The land that's left won't be able to show near the rate of return. And I think this amendment does that. It just says that if the leases are going to yield a rate in excess of what the long-term rate of return is, then you don't sell it. And that's my purpose in doing it. You could take into account the appreciation of land values, but I don't think that's correct one...

SENATOR CUDABACK: One minute.

SPEAKER KRISTENSEN: ...to do at this point in time and have not done that. Thank you.

SENATOR CUDABACK: Thank you Senators Wehrbein and Kristensen. Senator Bromm, on the Kristensen amendment.

SENATOR BROMM: Thank you, Senator Cudaback. I would ask Senator Kristensen if he would yield to a question or two.

SENATOR CUDABACK: Would you respond, Senator Kristensen?

SPEAKER KRISTENSEN: Absolutely, sure.

SENATOR BROMM: Senator Kristensen, I'm trying to, trying to interpret how this amendment would be looked at by the Board of Educational Lands and Funds. Shall not accept any final bid for a tract of land that has an expected long-term rate of return. What does "expected" mean and who determines that rate of return on the land? I understand from the amendment that on the permanent school fund projected by the Nebraska Investment Council, but does the Nebraska Investment Council ascertain the expected long-term rate of return?

SPEAKER KRISTENSEN: Yes.

SENATOR BROMM: And are we talking about looking at a 10-year period, a 20-year period, or what is...is there a standard already that exists for what long-term means?