

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

April 3, 2000

LB 1010

with expected return. I'm interested, what are you included in expected return? Are you included...including whatever income you might receive in the immediate period but also appreciation in asset value?

SPEAKER KRISTENSEN: Well, as long as you do it with both, I don't care, but what...

SENATOR RAIKES: Okay, let's take...

SPEAKER KRISTENSEN: ...that's the reason Senator Wehrbein and I had that discussion about increased value of the land. When Senator Baker talks about expected long-term rates and return, they do include in that calculation a capital gain.

SENATOR RAIKES: So part of your thrust is just simply to suggest that the same elements need to be included in the expected return on both types of investments.

SPEAKER KRISTENSEN: You've got to compare apples to apples, exactly.

SENATOR RAIKES: Okay. Well, generally speaking, wouldn't you expect that if you do include everything that the appreciation value, immediate earnings, and for a comparable time arising, wouldn't you expect the rates of return generally speaking to be about the same?

SPEAKER KRISTENSEN: Well, I think the discussion we've had in the past was that the ag, as a general number, was around 6 percent if I remember correctly. That's an aggregate.

SENATOR RAIKES: Well, but if it's an apples to apples comparison and immediate income in addition to expected appreciation is included, you think that would still be 6 percent?

SPEAKER KRISTENSEN: It would probably be a little higher than that.

SENATOR RAIKES: Well, I guess that's part of my point. I'm not sure what you're distinguishing. Depending on what you include,