

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

April 3, 2000

LB 1010

section of land, this 320 acres, for \$3,200, that's based on the value of the land. So as the rent goes up, obviously, that was based off the value of the land, the market value of the land went up. So, we're creating a vicious circle here. If we're going to talk about expected rate of return in the future, long-term, whatever it is the amendment says, then you have to look at, well, the reason the rent value return is going up is because the market value of the land is tied directly to the market value of the land in the statutes; it's right there, they shall return a 4 percent return. That has no merit to me to say, well, because the rent went up, it's going to return over the next ten years. Well the reason the rent went up is the market value of the land went up. We're going in a circle here. To just address Senator Chambers' concern over the leases, one of the reasons this bill is so important now is most of the leases down in my country are seven-year leases, we have one lease cycle to get this started here. If we wait another year to get this started, then you're going to have granted leases sold this year expiring in 2008, and the law, as it stands now, says this land shall be sold down to 25 percent of the portfolio value by January 1st of 2008. So we need to get them started on this thing, otherwise we're going to have a very unorderly sale of this land. And there may be some people with current leases that will ask to have the land put up, but they're not going to steal it, it still has to be at a fair market value. And I would expect Ted Turner is going to put some land up out west there, north of Lewellen, where he bought the 100 square miles. I think we're well protected under the bill, the board doesn't have to put it up, and if they want to negotiate with him, which they will, they'll say, look, you paid 200 bucks an acre for this land around you, we're going to require you to pay that as a minimum, and then put it up at public auction on top of that. They have that ability in the bill; we don't need this amendment, it's in the bill now. So, with that, I continue to ask people to defeat the amendment, it's simply not needed in the bill. Thank you.

SENATOR CUDABACK: Thank you, Senator Baker. Senator Bromm, on the Kristensen amendment, followed by Senator Kremer.

SENATOR BROMM: Thank you, Senator Cudaback. And I think Senator Baker is right. And I will not go back on my word,