

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

April 3, 2000

LB 1010

because I said I would support the amendment, and I will. But, if 48 others choose not to, it certainly won't hurt my feelings. But let me illustrate what makes us worry about having other thresholds in here. And the threshold that this amendment is adding is, even though the land would bring more than market value, if the board, I guess you could infer, if the board could project that the rate of return on the land would be greater than the investment portfolio, they could still reject a bid greater than market value. I don't know that that will happen very often, but it could. Let me explain something that I noticed in the audit. I think this is worth listening to, at least I want to say it. The auditor determined that, based on the value submitted by the Board of Educational Lands and Funds, that in 1999, 65 percent of the board's assets were in farmland, that is as opposed to 68 percent in 1996 when we passed the bill. So it changed 3 percent. And so the auditor said, you're not making good progress towards the statutory requirement of getting down to 25 percent. Senator Chambers, I really would like to explain this to you, if I could. The board...the board had appraised values on their land and, based on those values, the auditor said, in June of 1999 you have 65 percent of your portfolio in farm ground; in 1996, when we passed the original bill, you had 68 percent; you've only gone down 3 percent in 3 years; you're never going to make it in an orderly fashion to 25 percent. In response to that the board came back and said, oh, well, we want you to use the University of Nebraska land figures for land in Nebraska, instead of our appraised value. Based on the University of Nebraska figures for ground in Nebraska, which anyone that's familiar with that report knows that that takes regions of Nebraska and puts an average value on land, it doesn't look at individual parcels. Based on the University of Nebraska figures for ground, we're down to 56 percent. That was their response to the auditor's point. So, the auditor says, okay, based on University of Nebraska figures, you've made considerable headway down to 56 percent. But I guess the point is that it is such a moving target, and I think our efforts here are going to be thwarted any way they can, however you say that word. And so, I guess, if we're leery about things, that's part of the basis for it. I said I would vote for this amendment, and I will; I don't think the...I don't think Senator Baker will, and I don't think it helps the bill, but I think it's better than it was, the amendment, and so I