

SENATOR VICKERS: Certainly.

SENATOR WARNER: Senator Vickers, the reference frequently is made to the bill that was enacted. It changed the mill levy and that was where the change was caused but my understanding goes back that the original change occurred in the middle fifties, long before I was here, and it was when we went from. . . we used to have a three factor formula that got to the valuation of property for tax purposes. And there was a 50%, I've forgotten what they have called it anymore, but they had to arrive at assessed value. There was a step between actual value and assessed value and when that change was made, then the change for school lands was not changed to be consistent with that and from 1955, I believe is when it occurred or '53, and 1974 or 5, whatever it was, we changed the mill levies to cents per hundred, then the in lieu of tax was actually higher than was intended. When you were going back, everyone has referenced this to the change that occurred in the middle '70s but the original change occurred in the mid fifties which was to the benefit of the schools that Senator Lamb is pointing out and that is how they got the 143%. They were actually overpaid in lieu of the concept for 25 years as I understood it. And that is why I thought 100% was fully reimbursing the schools. Now as I understand the explanation, we are arguing it should be 143% because other governmental subdivisions are not getting anything so we are overcompensating schools to make up for the loss that the county government and the other governmental subdivisions have because of school lands.

SENATOR VICKERS: That is the purpose as I understood it for the higher percentage, yes. Now I don't know the.....

SENATOR WARNER: It is more than just schools.

SENATOR VICKERS: Pardon me?

SENATOR WARNER: It is more than just schools. We are paying the schools more than their fair reimbursement to compensate other governmental subdivisions.

SENATOR VICKERS: Right, right. That is the historical reason as I understand it since that land pays no taxes to any other subdivision of government.

SENATOR WARNER: Well I suppose there is a policy issue there if that is correct. Thank you, Senator Vickers. I hadn't particularly intended to get into this discussion this morning except I think the members, at least if I am not mistaken and I don't believe I am, that the problem that came to light with the implementation of the cents