

March 26, 1973

SPEAKER: Excuse me, Senator Lewis, I believe the clerk may have another amendment here.

CLERK: Mr. President, I have an amendment from Senator Whitney. I am not sure which is the first amendment. It must be this one. Read.

SPEAKER: Senator Whitney.

SENATOR WHITNEY: Mr. President, members of the Legislature, this is a very, very important matter. The state of Nebraska is the biggest conglomerate corporation in the farming business of any corporation in the United States, as far as I know, and here we are trying to keep it that way. Now with this amendment would offer for sale the land from three hundred leases as they expire each year. It would offer for sale. It would not mean that they would sell it. It would just simply offer it at the going market price as appraised by the Board of Educational Lands and Funds appraisers. Now, the reason for this is that I feel that the Board will never sell hardly any of this land if we don't make it mandatory that they sell a certain amount. This Legislature in 1965 made the decision to sell and they passed the decision to sell over the Governor's veto. Governor Morrison vetoed it. We passed it with 30 votes over his veto. This meant that back in 1965, this Legislature wanted to sell this land. Now, in 1975, there comes up a large number of leases and the Board of Educational Lands and Funds feels that it cannot sell all those lands at that time because it's too many. So, I asked them how much they could sell. How many leases could they take care of. One of the Board members said, four hundred. The Director of the Board who is the administrator said two hundred. I said, OK, let's make it three hundred leases, the land from three hundred leases we'll put up for sale. Now why do I want to continue to sell this land? Because it's going to make more money for the schools in the state. I estimate that if we could sell all the land tomorrow and buy securities that it would yield, probably, around five million extra dollars to the schools. That would reduce your property taxes by that amount. In other words, if you sold this land today, you could put it out at 7½% interest right off the bat, whereas, right now your return is about 2%, return on the investment net. In fact, that isn't even net. That's before taking out the about four hundred thousand dollars each year of operational costs to administer these lands. Now if the state does not have the policy of selling, there continues, therefore, to be a considerable amount of ill will between western Nebraska and eastern Nebraska. People in western Nebraska feel that they are feeding the cow and people in eastern Nebraska milking the cow. And this business of offering for sale will take away a lot of that ill will. For example, people in western Nebraska realize that this land is not paying county taxes, it's not paying the taxes with reference to the Weed districts, the Fire districts, the Cementary districts, and so forth, and so they feel that this land should be paying taxes. Now, it does pay school taxes. There is no question on that. Now, a third thing is that if we sell this land it means that there is going to be fuller development of the land. A person came and appeared before a Committee in which a very similar bill was being heard and he said before he bought some school land that gross rental was \$3.10 an acre. After he bought it, the taxes on it were almost \$5.00 an acre and that he generated a great deal more income to the state of Nebraska as a result of it having been sold. A fourth point I wish to make is that when you look at the statistics in Nebraska with reference to how much there is an increase in the value of farm land in Nebraska, you are not getting the right figures. The state agricultural statistics administrators...what do they do. They put in the value of the improvements along with the land,