

dam. or waterway or some such. I urge you to advance the bill to E & R initial.

PRESIDENT: Chair recognizes Senator Warner, Murphy, and F. Carstens.

SENATOR WARNER: Mr. President, I wonder if Senator Syas would yield to a question.

PRESIDENT: Senator Syas?

SENATOR SYAS: Yes.

SENATOR WARNER: Senator Syas two questions both for classification. Do you feel or what is your definition of urban in character. I'm thinking in part of the constitution the reason I bring the question up, I have had some experience with constitutional amendments to try and draft, implement legislation after it was adopted to fit the bill. Do you have a definition of urban in character or do you feel that that is distinctive enough that there is no question of interpretation.

SENATOR SYAS: I don't think that there is any question of interpretation because when I took this problem to Clarence Meyer he said that the various court decisions have defined pretty well what is Urban in character and rural in character and if you can recall on the annexation laws for instance use the word rural in character or urban in character and it is the court actions that have defined this. Bear in mind also that urban in character does not have to be a city. It can be a couple of houses or something like that or an SID is urban in character. A housing development is urban in character even though it may not be part of a city. The courts have defined this according to the Attorney General pretty exact and also bear in mind Senator Warner that if this bill passes, the legislature will be setting the rules on this thing by statutory legislation. I don't think that there is any worry there.

SENATOR WARNER: The next question Senator Syas, it states if I understand it correctly that the land would not be eligible which is used to produce income, does that include the appreciated value or only the goods which are sold on the land on an annual basis?

SENATOR SYAS: Again the legislature will define that but my idea on that is that if you use it for grazing it is producing income. If you lease out a the shores of a lake to housing developments you are producing income. If you are not producing income on it, it is worth a tax, wiping it off of the property tax. But....

SENATOR WARNER: If there is an appreciated value that would not....

SENATOR SYAS: A what?

SENATOR WARNER: AN APPRECIATED value, the property was worth a hundred dollars an acre today and ten years from now you could sell it for two hundred dollars an acre, now would that constitute income?

SENATOR SYAS: Not in my mind no. The natural increase in