

strikes that portion of the bill which would have permitted property even though it was zoned for commercial use or some other use to be farmed and then qualified. That is restricted. The first amendment that is written here is the correction in the bill to correctly identify those sections in the law dealing with appropriate zoning whether it is the county or the city or a particular size of a village and then the other amendment deals with adding the factor which disqualifies land to be eligible for this kind of treatment and that factor with any kind of land or when zoning is changed then it would no longer qualify and that is in essence what the committee amendments do, if they are adopted I will discuss the bill in total as amended.

PRESIDENT: Any further discussion of the committee amendments? Question is shall the committee amendments be adopted? All those in favor of adopting the committee amendments please say aye, those opposed say no. Ayes have it so ordered. The Committee amendments are adopted. Back to you Senator Warner for an explanation of the bill.

SENATOR WARNER: As I mentioned again this deals with the evaluation of property generally on the fringe of urban areas although it could be at other locations as well. As of now there are some 30 states which had adopted some form of special evaluation of property of this nature generally the three types and it is called a preferential assessment which means that there is just a flat reduced evaluation for this kind of property only a handful of states use this and another alternative is in essence is a contractual relationship between the property owner and the local government to maintain the land that is open, space or agricultural land but the most frequent one that is used is the one that is referred to as deferred tax which is encompassed in 359 and under this provision and under the act, an individual who owns property who has this potential upon application to the county assessor. If the land qualifies as agricultural land it can request 2 evaluations. One its evaluation for agricultural purposes and the other evaluation dealing with the potential value that the assessor might, the land might have for some other use. After the application is made the assessor would be running values on the property as far as his records are concerned, but when the land use is changed or there is a series of things, if there is...a...a..the land changes ownership or if it is changed in ownership by virtue of transfer because of death of the owner or if there is a change in the zoning classification of the property at that point the assessor under the bill would assess the owner of the property for five years back taxes. The difference between what the land actually paid and what it would have paid at a higher evaluation plus a rate of interest. Most states normally have a three provision. This bill was written for five years which is somewhat longer in time. Again the bill recognizes the problem that assessors can not anticipate properly or rather property that is going to be developed. We all know that there is the tendency to drive land into some change of use that the value becomes excessively high in terms of what it could produce and generally it is felt that this type of legislation discourages urban spral it makes more orderly development of the urban areas and from that standpoint would be beneficial. Mr. President, that is all that I wish to say on the bill at this point unless there are questions.

PRESIDENT: Chair recognizes Senator Frank Lewis, then Senator Nore.