

SENATOR HALL: Senator Kristensen, the issue of risk is I guess founded in the adjustment factor, the 1.25, or the 25 percent portion of the formula that basically brings us back to the market value at 80 percent. It's tied in there. It's used across all classes of property to also allow for uniformity in the cap rate, and that is where the risk factor, I guess, is...finds its place in this formula. You and I both come from, I guess, the same perspective, or are only 5 percent apart, in terms of how we might deal with this problem. And that amendment is up on the bill, as soon as we get done with the committee amendments. But in terms of what does it do, it really does nothing more than this. It protects against a challenge that, I think, could very well come and that would...one could then argue that market is, and I think they could argue legitimately that market is brought into this as a part of the formula. And that...

SENATOR KRISTENSEN: Okay, could I, could I give you some comments, and tell me if I'm on base or off base. Part of the risk factor might be what we might call a factor, because of the uncertainties of weather, because of uncertainties of markets,...

SENATOR HALL: Oh.

SENATOR KRISTENSEN: ...that agriculture has unique risk factors that may not be found in other commercial or residential sorts of valuations. And...

SENATOR HALL: That would be one argument.

SENATOR KRISTENSEN: ...that the risk might be this intangible factor...

SENATOR HALL: Underline "might".

SENATOR KRISTENSEN: And...might be, yes. But those are the sorts of things, whether you call it a fudge factor, an income tax, whether you call it a risk factor in property tax, but that part of the formula is an intangible determination because you can't put a handle on what the specific risk might be. Who makes the determination of the risk adjustment? Is that something that will be done at a state level? Is that something that will be done at a county level? I'm more comfortable if