

to the Revenue Committee. The bill was advanced to General File. I do have committee amendments pending by the Revenue Committee, Mr. President.

**SPEAKER BAACK:** Senator Hall, Chair of the Revenue Committee.

**SENATOR HALL:** Thank you, Mr. Speaker, members. LB 320 is the bill that would implement the income formula with regard to ag land valuations for purposes of levying property taxes, real property taxes. The proposal is one of three that was introduced to the Revenue Committee, the other two being straight percentages of market value, one introduced by Senator Kristensen, the other by myself. The committee met for an extended period on these issues, had a number of discussions, both in Executive Session, and just in a learning capacity, if you will, on the issue of constitutional question that surrounded not only the recent decision in Enron II, but the discussion of what the voters voted on in relation to amendment four, as it was advanced and subsequently amendment one. The handout that you're receiving right now is a handout that explains the capitalization rate, and the process that one goes through in order to arrive at the income formula that would establish value based on market. Mr. Speaker, if I could get a gavel.

**SPEAKER BAACK:** Yes. (Gavel.) Please keep your conversations down, please. Thank you.

**SENATOR HALL:** Thank you. I just...I'm not sure I understand this, so I need to think about it for a minute. I appreciate that. The issue here is really...there's just a variation on a theme. And the question is, how do you go about the process of getting to valuing ag land at a value that is less than market and is constitutional? Really the proposal that is offered in the committee amendments is one that I'm sure is as close as you can get to using a straight market based formula, or percentage, and still call it income. And I'm going to be very honest with you, I'm not sure I support this approach. But in presenting the committee amendments to you, I must tell you that it is a little laborious in getting through and understanding, and I'll respond to any questions. But the handout does a better job than I probably would, but I'll walk you through it real quickly, and I will preface my comments by saying that it's as close as you're ever going to get. And in order to...I think in that regard it's probably the best formula that could be derived