

neighboring farmers that are willing to pay more for a close tract, just because they can add it into their existing operation. And so they can afford to pay more than they can justify by the earnings of that tract of land, because they don't have all the overhead that they would have on a whole farm. So, if they had to pay that higher price for their whole farm or ranch, they could not afford to do it. Yet here we have a system, when we use market, that does not take into account parcelization. And so this bill, with the committee amendment, is an attempt to take that into consideration. And I think it's rational. As far as the actual committee amendment, I'm supporting it but, as Senator Hall has indicated, it's really a method of "jiggering" the cap rates to come out to 80 percent of market. I guess that's the best we can do at this point. I think, personally, deep down in my heart, I think it should be based on actual earning capacity of that land rather than "jiggering" these cap rates to come out to 80 percent of market. But that's what we have before us today, and then I would hope you'd support it.

SPEAKER BAACK: Thank you, Senator Lamb. Next speaker is Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, as the author of the amendments and the measure, I support the amendments. I heard Senator Lamb say, I wish we were doing straight income, straight production based valuation. And I, too, wish that we could as well. Upon analysis, we started looking at what we did with amendment four and seeking the advice of the Revenue Department. As you know, income method does not produce the same values as market. And depending on the historical circumstances, and a wide variety of factors, income values can be lower or higher than market values, depending on which method you choose to value the land. The difficulty for us was this, with amendment four we asked the public for and got the right to value agricultural land in a manner different and not consistent with the uniform and proportionate clause of the Constitution with other property. We don't have to be uniform and proportionate with other types of property with respect to the valuation of agricultural land. What we need to do, however, is to remain uniform and proportionate between types of agricultural land, dry land, irrigated land, grassland. All those which are types of agricultural land have to have values which are uniform and proportionate between them. That being our obligation, we