

analyzed where a straight income method would find us. And we found that in an examination of the variety of circumstances in Nebraska that income produced numbers that were between 44 and 115 percent of market, depending on where you were in the state, depending on what kind of land you had, depending on all of the factors that are in the manual, part of the property, agricultural property was as low as 44 percent of market, and part of agricultural land was as high as 115 percent of market. And the difficulty there was that we could not find a method that would make uniform all those differences between agricultural land inside a theoretically appropriate income system. An income system would tolerate and justify all that range of variation. But, if you have that range of variation, you're probably not uniform and proportionate between agricultural lands, so you have to start tinkering with the income system. Now there are two ways to tinker. One is Senator Hall's bill, Senator Kristensen's bill, which is still in the Revenue Committee and which simply say derive the market figure, then take a percentage of it, or this kind of tinkering where you figure the income, you then go to the market and comparable sales to derive a capitalization rate, use the capitalization rate to set the value of the property, and then to that number apply this parcelization, or risk factor, which, by the way, in the amendment is simply described as an adjustment factor. You are looking at the income of the property. You are using a market derived capitalization rate. You are then applying a factor which will produce values for agricultural land that will be below their market value. And the figures that will be arrived at will be 80 percent of market, it will be uniform and proportionate, it will be constitutional, it will meet, in part, the intent of amendment four, and the rest of the intent of amendment four, which was, hopefully, to achieve a pure income system, cannot constitutionally be met.

SPEAKER BAACK: Time.

SENATOR LANDIS: Therefore, this is as reasonable approach for the proponents of amendment four as we can arrive at, that's why Senator Lamb and I agree, support the committee amendments and urge their adoption.

SPEAKER BAACK: Thank you, Senator Landis. We'll now go to Senator Wehrbein.