

perhaps even the cost of the additional land.

SENATOR BROMM: Okay.

SENATOR WARNER: The two, as I recall the two instances that was talked about were both...were road widenings and something less than an acre...

SENATOR BROMM: Okay.

SENATOR WARNER: ...but nevertheless it created this issue.

SENATOR BROMM: It, I guess, and it is late and I don't mean to raise questions that are not meaningful, but it strikes me that it will in some cases give the public entity a definite advantage in negotiating for the property because it will save the owner considerable taxes if he sells it to the public entity versus the competing private buyer perhaps.

SENATOR WARNER: You are correct that the presumption is that the public entity would acquire the property at less cost.

SENATOR BROMM: It seems to me if I remember income tax law correctly that the income tax standard is you have a period of time to reinvest the money if it's acquired by public entity under threat of eminent domain, not...it isn't enough to show that the public entity that acquired it had the power to exercise it but actually it was under threat of eminent domain, then the income tax laws are relaxed to the extent to give the seller an opportunity to reinvest that money for two or three, three years I believe. I'm wondering about the language if it...and, again, I apologize this lateness, I guess, but if we should be thinking about being under threat of eminent domain rather than just having the power to exercise eminent domain. That's just a question. Maybe it hasn't come up in your discussions about the bill or if it has, would you want to comment on it?

SENATOR WARNER: Well, the issue that was raised was...the obvious answer was to go through eminent domain, at least the instances that was cited. It was small tracts. They said the cost of going through that process was going to exceed, you know, or be out of proportion at least to the cost of acquiring of the property. So that was the argument that was given.