

rationale is that if you put into law that the assessed value is the minimum in reviewing a bank or a financial institution, the assessed value of the collateralized property is the least that it shall be valued. If I was responsible for a bank, that would also be the maximum that I would put in. At least most times it seems to me when you put a minimum or a maximum, that becomes the minimum or the maximum and it seems to me it could be a vehicle very easily to put individuals in the position that the property that they are mortgaging would be valued at less than its real value depending upon a particular county assessor and whatever county a specific piece of land, and I think that is a judgment that should not be put into the statute.

SPEAKER NICHOL: Senator Eret, then Senator Higgins.

SENATOR ERET: Mr. Speaker and members, the purpose for this bill was recognition first that there is nothing in statute that sets a standard as to what the Banking Director has as his guide to establish what the collateral value of property is on bank loans. So recognizing that there is nothing there that we specify as a standard for what information he should rely on for what is the value of farmland, especially in a volatile market situation, I simply put in the standard that it should at least be no less than the assessed value. There, at least, we have the judgment of county assessors operating with the land manuals that are established by the Revenue Department as to how land values should be set and then that that could be the guide for the Banking Director. The passage of Amendment 4 and what has ensued since then in the procedures that would be established in setting land value, I don't think really changes the...percentage-wise changes the value of land that much. There is going to be some adjustments of it. So I don't really see that that is making that big of a change and I feel that the standard that we are setting in this bill is still something for the Banking Director to go by. And the last time I talked to Mr. Beverage, the Banking Director, he said he had no problem with this bill at all. Thank you.

SPEAKER NICHOL: Senator Higgins, then Senator DeCamp.

SENATOR HIGGINS: Thank you, Mr. President. Senator Eret, as I read the bill, the only thing new that you have added to our present statutes is, "In determining whether a bank is insolvent, the cash market value of collateralized