

insolvent. Now, if in effect Amendment 4 does reduce that assessed value, then we are merely setting a lower floor than was the original intent of the bill. And I guess I see no harm in that and I see no problem with it. I think that makes...the Amendment 4, if anything, makes the bill more reasonable than it did before because it does less, in other words, it requires a lower floor which certainly should not be exceeded. It should not be lower than assessed valuation for valuation purposes in determining whether a bank should be declared insolvent. So I see no problems with the bill at this point. In fact, Amendment 4 even made the bill a little better because it is less restrictive.

SPEAKER NICHOL: Senator Eret, please.

SENATOR ERET: I would echo what Senator Lamb has said. This was just an intent to set some sort of a bottom value on land because, you know, the price of land could go to zero or the offers on land could go way down and could just destroy the banks all over the state, but we know there is inherent value out there and we just use our next best guide which is assessed valuations and use that just as a floor or a net under which this thing would not crash down through when it comes to evaluating our banks. Thank you.

SPEAKER NICHOL: Senator Chambers, then Senator Haberman.

SENATOR CHAMBERS: I have a question of Senator Lamb. Senator Lamb, let's presume that what you say is correct and the assessed value of the land will be lower, therefore, the conclusion that you arrived at, the bill seems more reasonable now than before because you are not going to artificially inflate the value of the land before the Banking Director can move. Let's say that the value, as Senator Eret mentions, drops to zero, but the assessment was made some time ago and it is not going to change and the nothing value of that land is not reflected in the assessment so the Banking Director cannot classify those loans and cannot declare the bank to be in trouble, then what happens?

SENATOR LAMB: My point, Senator Chambers, was that because Amendment 4, if the assessment is lower than it would have been without Amendment 4, then the bill is less objectionable to you and to everyone else who object to the, as I understand it, the fact that you could not...the bank