

approximation of evaluation of agricultural land in this state. When we began as a task force we outlined for ourselves a number of goals we thought a good ag land bill would achieve, simplicity, understandability, rationality, objectivity, maintenance of the status quo statewide for agricultural land, predictability of impact for the present and future, stability of assessed valuations, equitability across agricultural land categories, consideration of the ability to pay and stability over time without legislative tinkering. Additionally, the bill should be able to be implemented by 1986, should maintain the virtues of the Greenbelt Law and should be as best as we can predict, constitutional. That was what we laid out for ourselves and I believe we have achieved it. We reached, I think, three conclusions over time in trying to implement Amendment 4. First, we assumed that Amendment 4 was designed to achieve this status quo, not to shift tax valuation from rural land to urban land. In the computer run that we have given each of you by using our method in the rough state that it exists now, we think that the statewide average agricultural valuation will be 1.9 percent less than what it is or what it was in 1984. That comes pretty darn close to the status quo. I don't know how you could get closer. Secondly, we thought Amendment 4 stood for the proposition that agricultural land should be valued at its income producing ability. Now this doesn't necessarily mean profit. This means return to land. But because of that hopefully then it won't be the selling price of a piece of land, but the income generation off the land that will determine valuation. Third, in the end we also concluded that Amendment 4 meant to preserve over time the historical difference between agricultural land and other kinds of land and we have constructed a methodology that will have that effect. It will not only achieve the status quo relationship between agricultural land and other types of land, but it will serve to maintain that historical differentiation. What do we do now? Well, we have a statewide manual prompted by the Revenue Department, promoted by the Revenue Department and carried out by county assessors that is based on market theory. Market theory says go out and find what land sells for. Use that as a bench mark, take a piece of property, find an analogous piece of property that has been sold in the marketplace and make a rough calculation between the two. That will yield the valuation of a piece of property. It will tell you what the value of the land is. There are several problems with