

than market value." The reason for that, from my point of view, are two or three things. One, as I have another amendment that is coming up which was presented to the committee at the hearing and rejected which also would have a portion of the value be market value, 10 percent, but this does not directly deal with that issue. This merely states that this earning capacity value will not exceed the fair market value. A couple of reasons, from my point of view, it would give it individually a basis to protest values on market. It in all probability would mean the maintaining of a market price index which I think is extremely important so there is a standard to compare whether or not agriculture is getting a tax break as it is described from Amendment 4. It seems to me that there is every likelihood, certainly as of now, that market value may be the same as earning or less the way things are going. And if that is true, then Amendment 4 should not be perceived as a tax break because, in fact, it would not be and, in fact, as I recall, some of those who testified at the hearing in support of the bill indicated in their comments that they though the earnings, in fact, would have a higher value than market value in some instances, or at least in some years. And I think that unless you have some relationship to market value for comparisons why you're going to have a lot of people very dissatisfied. They are going to be in here all the time attempting to make adjustments to the law and I think it's important that somehow or other that standard is maintained and that's the purpose of the amendment.

SENATOR BEUTLER: Senator Nichol.

SPEAKER NICHOL: Mr. President and members of the Legislature, I believe I agree with Senator Warner. I was just wondering, Senator Warner, how is the market value established? Would it be established as it is now under present law or would it be established as to its earning capacity?

SENATOR WARNER: Market value would be exactly that, not as it is now because the market value now is at least...if you're talking about the 1980 manual, the 1980 manual was not, as I understood, market value and that is why, in fact, it was thrown out. Market value would be what property, agricultural land, brings in at arms length sales.

SPEAKER NICHOL: Then what you are saying is market value