

That is part of what you plug into the computer to come out with the price. So I am suggesting another thing that is wrong with this is the five-year situation. Thank you.

SENATOR BEUTLER: Mr. Clerk, I understand we have a further amendment to the committee amendments.

CLERK: Mr. President, Senator Warner would move to amend the committee amendments. (See Warner amendment found on page 1923 of the Legislative Journal.)

SENATOR BEUTLER: Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, this is the amendment that has been passed out that I made reference to earlier. It would avoid some of the concerns that the previous amendment had, such as a double valuation system, the lower of two values, those kinds of concerns. What this amendment will do, in terms of the formula, is that market value would become one-tenth of the factor for determining the cap rate that was to be used. In all probability I would guess that in most cases it might even lower the capitalization rate certainly based on the sales values that were used in 1985 manual. But it does provide, which is what I am basically concerned about, it will provide a standard as a part of the formula that does not require additional work on the part of the local assessor, the county assessor rather. It would be a part of the factor that was determined to be used by the assessor, but the formula is done by the State Department of Revenue. Again the principle purpose, as I have indicated several times, I appreciate the desire of the purity of the formula that the study committee suggested, but I also believe that it is essential in the long run to have the ability to make a very accurate, or as accurate as possible comparison. We are kidding ourselves if you don't think that people are not always going to look at that valuation for tax purposes in relation to what they perceive the market value to be. I think it is significant enough, particularly if you get down the line where formulas for distributing funds are to be used, you need to have a basis that is absolutely as good as the state can put together for market values in order to compare with the other kinds of property that would be in the same taxing district. So I would urge that you consider this amendment on that basis. It does have one additional...some words that are changed. Page 3 it strikes