

PRESIDENT: Send Senator DeCamp a glass of water. Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I rise to oppose this amendment. I think it will create too much of a liability. I would like to ask Senator Hoagland a question. Senator Hoagland, how much of a liability will this be, or don't we have any estimate on that at all?

SENATOR HOAGLAND: Well, Senator Hefner, what we are saying in this amendment is the bill shall apply retroactively if it is constitutional to do that. And as far as the liability is concerned, we are talking about the partial redemption rights and the notice to cure rights, applying those to existing contracts if the court says it is constitutional to do that. Does that answer your question?

SENATOR HEFNER: Thank you, Senator Hoagland. But isn't a contract a contract? How can we go back and change that after a contract has been made?

SENATOR HOAGLAND: Well, because the courts might find that this partial redemption, the opportunity to come up with cash, or use your equity to buy the homestead and up to 160 acres, is a remedy, is a remedy that can be exercised in court, not a substantive provision of the contract itself. If the courts find that it is a remedy, why then it can be applied retroactively.

SENATOR HEFNER: Okay. Where would this money come from?

SENATOR HOAGLAND: To partially redeem?

SENATOR HEFNER: Yes.

SENATOR HOAGLAND: Well, the farmer could either take some of the equity remaining in the property and marshal that equity and apply it to the homestead. Or he could borrow some cash from a distant relative, or use a combination of both.

SENATOR HEFNER: Okay.

SENATOR HOAGLAND: I can't tell you if it is a re...if it is going to happen in very many cases, Senator Hefner.

SENATOR HEFNER: Okay. Thank you.