

Legislature, I had a copy of this amendment handed around to you so you should each have it on your desk and you will see some hand lettering on it. The words lettered say, "(add this amendment if Sec. 14 is struck by committee amendment)". So, the committee amendment did strike the original Section 14 from the bill. That having been the likely progress of events, I drafted this amendment which gives a statement entirely rather than trying to amend Section 14, which is no longer a part of the bill. The significant new language says, or deals with the idea of a fair and reasonable bid having to be offered on the nonhomestead portion of the land. We are again considering the two-sale method. This amendment would say that if no fair and reasonable bid is made, then an appraisal method is resorted to to determine the value of the homestead for the purpose of allowing the farmer debtor to purchase it. If a fair and reasonable bid is offered on the nonhomestead portion, then the bidding method would be used to determine what the value of the homestead is for purposes of the debtor trying to buy it. Now, to restate the two-sale method in an over-simplified fashion, there is one sale of the entire amount of land involved. The second sale is broken into two parts. There is a bid on the nonhomestead portion, then a bid on the homestead itself. The bid juggling would come in on the second part of the sale. When the bid is made on the nonhomestead portion, if the lender happens to be the only one bidding, he or she could bid unnaturally low and that would naturally make the bid on the homestead portion have to go higher to bring the two amounts up to what the en masse bid had been. So, if the bid on the entire property had been \$100,000 and say the homestead portion is worth \$20,000, but the bidder, the lender is the only one bidding, then in the second portion of the sale the lender could bid \$20,000, \$10,000, or whatever small amount he or she chose on the nonhomestead portion and that would force the debtor farmer to bid for the homestead an amount to bring it up to a \$100,000; which is a way of saying that you could create a situation where the farmer would have to bid as much for the homestead alone as would be necessary to bid on the entire piece of property. This amendment that I am offering is saying that a fair and reasonable bid would have to be made on the nonhomestead portion. If that is done, the fair and reasonable bid is made, then you leave the determination of the value of the homestead portion to the bidding process. The reason I think this is a fair proposition is that we have started as a Legislature down a path with the passage of 999, a promise was made to the farmers. There may have been a misconstruing of what 999 offered, but the belief and the justifiable