

we used the 16 as we would an individual that is balking on paying. The percentage of nonpayment of property taxes has not been that high that it is significant. And I want to bring your attention, interest was not just a penalty, it is an interest bill that those delinquent taxes have. There are many other ways people are pressured into paying their taxes. One is the fact they are published in the paper and many people don't want their name published in the paper. The homeowner's taxes in the municipality are generally paid to the savings and loan association that finances the home, so the interest is no part of a collection procedure under this circumstance. The savings and loan then has that money in effect as a trust, and they have to pay the taxes when it comes due. Interest is not going to affect the timeliness of the payment of homeowners' taxes where they are paying in part of their monthly payment scheme the property taxes to that savings and loan. Rural borrowers have a key and lenders have a key interest in property tax payments, and those borrowing from the Federal Land Bank or other lenders will jeopardize their borrowing abilities if they do not keep their property tax bill paid. I think if we look at this that going on 16 for probably what might appear to be good at a very brief period I hope of extremely high interest rates that we do not tie it into law to 16 percent interest rate. Twelve is a much more viable figure and I urge the adoption of this amendment to the committee amendment that would put the bill back to the way it was drafted at 12 percent rather than 16. Thank you.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator Kahle. On the Burrows amendment to the committee amendments.

SENATOR KAHLE: Mr. President and members, I really am not so concerned about the 12 percent, but I think the 15 percent is a more realistic figure in today's market and last year when we went to 16 we thought a little bit later in the year that we were way too high. The way it turned out we are about right. I don't think anyone can guess what is going to happen. But I do know in my own county and I checked out some of these things that we collected considerable back taxes when that 16 percent went into effect. Our County Treasurer did send out letters to those that had delinquent taxes, many of which were letting them go simply because they had other money borrowed and it was much cheaper to let the taxes go and use that money for their operation than to pay the taxes. So I think we need a realistic figure. I don't