

March 23, 1981

LB 167

existence after the effective date of the bill. So, in other words, if there is an existing delinquency at this time, it will remain delinquent at whatever rate the Legislature had put into effect at the time that the tax was levied and on that particular delinquency if they should allow it to remain delinquent, the new rate that we are establishing with LB 167 would go into effect with regard to that delinquency on and after the effective date of this act. So what we are doing, in effect, if we are going to raise the delinquency rate back up to 14 percent which is a high rate, then we are saying, let's be fair to the people who already have delinquencies and apply the old rate to them insofar as that rate would be applicable up to the effective date of this act, and apply the new rate to them as of the effective date of the act. The one aspect of the bill that we discussed is the fact that the county officials and others will have to apply two delinquency rates to any one particular item if, in fact, it has been in existence prior to this act. The county officials are not excited about this, but they are willing to live with it so long as they can get the overall rate back up to 14 or 15 percent. So just in fairness to people who have existing delinquencies, we would ask that you adopt this amendment. Thank you.

SPEAKER MARVEL: Senator Dworak.

SENATOR DWORAK: Mr. President and colleagues, I think the bill we have before us right now, or the amendment we have before us right now erases completely the work that the committee, the Legislature, has done up to this point. What we are saying essentially is that if you haven't paid your taxes, we are going to reward you with a 6 percent use of money. That's what we are saying. And now we are going to guarantee you that 6 percent, that reward, forever, and ever and ever. Now who is paying for this? The people that are paying for this are those poor not-so-smart, not-so-diligent people that happen to pay their taxes. They are the ones that are subsidizing the people that aren't paying their taxes. Now this is really setting an admirable bit of public policy. There is one axiom that holds true, money rises to its highest level, and if somebody goes delinquent on their taxes and invests that money at a guaranteed 10, 11, 12, 13 percent, that is where the money is going to go. Now I have heard a lot of great social arguments, and I am sure they are very sincere and very honest. Great arguments about this poor little person who is unable to pay his taxes. Well, this, in fact, is the