

March 23, 1981

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time, Senator DeCamp, for you to get together and put in there some language that would take care of the problem because I believe it is right that the delinquent taxes should always draw the interest at the rate which was established by the Legislature for the period of time, but I do not think you can go back now and lower that 16 percent rate to 14 percent and get away with it.

SPEAKER MARVEL: You have one minute.

SENATOR SCHMIT: Therefore, I am going to oppose the Carsten amendment until we can get something done about that language.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, I would oppose the Carsten amendment because presently we are 12 in the bill and the 12 is just as high as 15 was here about a month or a month and a half ago. We had 20 percent prime. It's moved down to 17 and the actual drop in interest rates nationally that has taken place in the progress of this bill has equaled the difference we are talking about between 12 and 15, or 12 and 14. Fourteen is supposedly a compromise figure. And I remind you that the subdivisions could at the highest peak borrow for 12 or less on warrants if they had a good sound warrant issue. Nine and a half over the last six...twelve months. Nine, nine and a half to eleven and a half were generally the amounts testified as to the costs of warrants, so if a little slippage developed and the subdivision had to borrow some money, they still had a profit at 12. They did not justify their case for higher rates. I think most of you got a letter from the City of Blair. Now they made agreements to some of the developers on specific interest rates that they could set on their assessments and taxes until they sold it on the development. Now it puts that city in trouble when you raise the interest rates or anything above what they were originally going at and we were talking about 9 and 11 previously on the property tax. We are talking about a change from 6 on income tax delinquencies to 12. I think it is totally unfair to have gone and hit in like we did a year ago at a 16 percent retroactive situation, and 12 at least gives us a moderate rate of interest in relationship to what is happening today and with national interest rates forecasted to come down. I don't see how we can overlook what the President has declared as far as the future of interest rates that they are going to be coming down when we are passing a bill that is involving interest rate