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LB 167

SENATOR HOAGLAND: The new lot owners pay them as they purchase the lots. They pay the delinquent assessments that have been accumulated on that lot.

SENATOR DWORAK: What about the existing lot owners?

SENATOR HOAGLAND: The existing lot owners have already paid off the special assessments for their particular lot. When they purchased their land, they paid it off.

SENATOR DWORAK: And who receives it?

SENATOR HOAGLAND: Well, it goes back in to pay off the revenue bonds that were originally taken out to purchase the paving and so forth. The financiers receive it.

SENATOR DWORAK: The financiers are recipients of the delinquent assessments and those people that have paid for the assessment are charged the same rate that those people who have not paid, right?

SENATOR HOAGLAND: I..I'm...

SENATOR DWORAK: If I bought a lot in a sanitary improvement district, one of the first lot buyers, you are telling me I have paid a delinquent assessment. That's what you said.

SENATOR HOAGLAND: Well, yes, virtually all assessments do become delinquent, technically, I mean delinquency, you know, is kind of loosely used in its context because they are not really delinquent, because the way the whole financial structure is set up, these special assessments are not paid off until somebody purchases the lot. So people that have already purchased their lots have paid off those assessments, that's right. But by applying this retroactively we are just going to hike the price way up on future lot sales and it is going to slow down the lot sales and put the real estate market even into more trouble than it is in right now.

SENATOR DWORAK: But somebody is paying for it. The delinquent assessment hasn't changed whether it is 6 percent or 12 percent, right? I mean we still have a delinquent assessment.

SENATOR HOAGLAND: That's right.

SENATOR DWORAK: It's a matter of who is paying for that....

SPEAKER MARVEL: I'm sorry but we can't carry on a dialogue.