

March 23, 1981

LB 167

CLERK: 25 ayes, 6 nays to cease debate, Mr. President.

SPEAKER MARVEL: Debate is ceased. The Chair recognizes Senator Hoagland to close on his motion.

SENATOR HOAGLAND: Let me, Mr. Speaker, just make one remark and then I would like to yield to Senator Labeledz to finish my closing for me. You know, as we talk about these amendments this morning I think it is becoming clear that these issues are very, very complicated and it is very difficult for us to understand what retroactive means and what prospective means. But let me just say that in most cases, in my opinion, it is fair to have only prospective application, only application for the future. In this particular case it is particularly important, this one case out of over fifty that this bill deals with it is particularly important to have only prospective application and I urge you to support it. And with that, Mr. Speaker, I will yield to Senator Labeledz.

SPEAKER MARVEL: Senator Labeledz.

SENATOR LABEDZ: Thank you, Mr. Speaker, and thank you, Senator Hoagland. I support Senator Hoagland's amendment and I am sorry that I wasn't here on time yesterday to be able to put my name on his amendment because I think it is good and urge the support of the members of the Legislature. The old special assessments that are used to pay old bonds which were issued at old lower rates than today's, those rates were to the old rates on special assessments. New higher interest costs to SIDs will be reflected in prospective application of this bill. Increased interest rates on specials will not speed their payment, instead only lot sales will speed their payment. Increasing the rates on old specials will increase lot prices and, therefore, hurt a lot of the sales. The resolution levying special assessments specified the percentage they would draw if delinquent. It is unfair and I believe very unfair now to change what was due then, 3, 4, 5 or 10 years ago. The lot prices, the projections and so forth all were based on the percentage specified in the levying resolution. If the new increased rates are applied retroactively way back to the time of the levying, it would no doubt tremendously cost a lot to the homebuyers. It may result in foreclosure of specials and would be disastrous to the SIDs which may collect only a small percentage of the principal amount of the specials at a foreclosure sale. I, therefore, support Senator Hoagland's amendment and urge