

March 23, 1981

LB 167

applies only to those areas where individual taxpayer has by application is being assessed at the agricultural value rather than market value under existing law, and under existing law when that property changes use, that is when it becomes used for something other than agricultural, that at that point it can have a deferred tax assessed going back five years on the property and it is at a rate of six percent interest. There is no delinquency involved because the tax was not due until that time. My argument is that it shall remain at six percent because to increase it has only one practical effect, that is to raise the price of the property that someone is going to pay when it is developed and I appreciate there are those, if it is commercial property, may see where that is no problem. However, if it is residential property and a vast amount of property would be residential, if you increase that interest rate to the level as proposed in the bill now, all you are doing is increasing the price of the lots to the eventual homeowner. There is logic to having some level of interest to be paid for that deferred tax for the reason that there is some cost incurred by local government when development takes place but that rate should not be so high that it exceeds what is justified for that additional expense to local government nor should it be so high that you, in effect, have a substantial increase in the price of the property that is going to be born by the eventual residential lot purchaser. So with that, I would move that that portion of the amendment be adopted, to strike section 13 from the act, which as I indicated, has the same or similar arguments to LB 412 where not only the interest rate but other matters can be discussed.

SPEAKER MARVEL: Okay, the motion before the House is the adoption of the Warner amendments which are designated as amendments to LB 167 and include #2, strike original section 13, and #6, on page 41, line 3, strike 77-1348. Senator Newell.

SENATOR NEWELL: Yes, Mr. President, just to clarify this, Senator Warner was debating this, we have agreed, Senator Warner and I, that we would discuss this in another bill, the greenbelt law that is my bill. It is coming up later so I am in total agreement with Senator Warner.

SPEAKER MARVEL: Okay, all those in favor of the Warner amendment as explained vote aye, opposed vote no. Record the vote.

CLERK: 33 ayes, 0 nays, Mr. President, on adoption of the first Warner amendment.