

were delinquent or regular. So if there is something in there that we're not seeing, we can work on it, but that basically is the reason is that it can be used for that purpose for getting road work done at a lower rate. Otherwise the county would benefit for the difference if they had to charge 14 percent.

SENATOR BEUTLER: Senator Beyer, I thank you. I would just ask the members of the Legislature to consider very carefully this morning what is an important public policy decision here. Whether you're going to go back down the road of allowing different delinquency rates on differen' kinds of districts or whether you're going to stick with 45-104.01 which is the general statute applicable to delinquency rates on all different kinds of improvement districts. Thank you.

PRESIDENT MOUL: Thank you, Senator Beutler. I now recognize Senator Hall followed by Senator Landis. Senator Hall.

SENATOR HALL: Thank you, Madam Chair. LB 63 was brought to the Revenue Committee by Senator Beyer the other day and it does not change delinquency rates. I understand the confusion that Senator Beutler feels in looking at the bill because frankly I looked at it that way myself initially. What the bill does is it makes a distinction between the time the bonds and the payments are due and the time when they become delinquent. The point in time in which they become delinquent, absolutely Section 45-104.01 comes into play. The delinquency rate of 14 percent kicks in. What Senator Beyer's bill allows a county board to do is allow during the due process, the due process, when the payment is still timely, it is still due, to set a rate less than the 14 percent that you find in 45-104. Currently under the statute, they don't have any choice. They have to set it at 14 percent whether they can get that bond at 7, whether they can get it at 8, whether they can get it at 9, they have to charge 14 to that, in this case, the rural road improvement district. So this bill would allow the county board to do two things, one, allow them to work with the rural road improvement district and say we want to help you help yourselves. In other words, we want to help you pave that road that you would like to see paved. In this case it's a specific two-mile stretch in Sarpy County that affects a subdivision of about 70 homeowners and approximately 12 to 14 other landowners. They want to pave it. It is currently gravel. So they went in, they found the statute. They found that it also reflected a 14 percent interest rate because it did use a delinquency rate found in