

January 5, 1996 LB 357

SENATOR CHAMBERS: Are you aware of any filing which, if not made, would subject that person to being taken into court by the Attorney General and assessed up to a \$5,000 penalty simply for not filing?

SENATOR WEHRBEIN: No, I'm not. I'm not an expert on it, Senator Chambers, but I do have a form here and on that form it says, failure to file the form and pay tax by April 15 will cause an automatic dissolution of the corporation by operation of law. That is the present so-called penalty in my mind.

SENATOR CHAMBERS: Right. And this is what I think most people with corporations know; but, as Senator Brashear and I were discussing, there would be a way to reinstate your corporation, revive it, in other words.

SENATOR WEHRBEIN: Yes.

SENATOR CHAMBERS: Under this bill, all that we see is being hailed into court and made to pay a \$5,000 penalty. Is that the way you read this bill?

SENATOR WEHRBEIN: For failure to report accurately, I guess, could be even, yes.

SENATOR CHAMBERS: Thank you. Now I'd like to ask Senator Matzke who has now arrived. And, Senator Matzke, because you may not have heard what I was asking before, did you say that you are...you look with disfavor on civil penalties?

SENATOR MATZKE: That's correct, I do.

SENATOR CHAMBERS: This is a bill which would require certain entities to make filings with the Secretary of State, giving certain types of information. And if the Secretary of State determines that such a filing has not been made, he notifies the Attorney General who files an action in court against this person, and that person can be assessed a \$5,000 civil penalty for failure to file. Do you support that proposition?

SENATOR MATZKE: I think probably we ought to go to the same procedure that's used with the occupational tax form...