

March 21, 1996

LB 1273A, 1321

All in favor vote aye, opposed vote nay. Record.

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of 1273A.

SPEAKER WITHEM: LB 1273A advances. Mr. Clerk, LB 1321.

CLERK: LB 1321, introduced by Senator Hartnett. (Read title.) The bill was introduced on January 18 of this year, referred to Urban Affairs, advanced to General File. I do have committee amendments pending by Urban Affairs Committee.

SPEAKER WITHEM: On the committee amendments, Senator Hartnett.

SENATOR HARTNETT: I maybe could explain the bill and then give the committee amendment. This bill would amend Section 31-755 which deals with finances of sanitary improvement districts. Under the current statute, warrants are issued by the operation and maintenance expense for SIDs become due and payable, not later than three years from the date of issuance. Following these issuances, these warrants draw interest until they are ultimately paid. However, there is no provision which now specifies when such warrants must be issued. Thus, by simply delaying the issuance of the warrants, the SID can reduce the ultimate interest cost and there's no statutory provision requiring issuance. The purpose of this bill is to require that warrants issued for operation maintenance expenses be issued no later than 60 days following the date upon which the district is in the receipt of the bill for the amount of operation and maintenance expense owed. It was established that there is a duty for warrants to be issued within the time period. That's what the bill does. What the committee did was that they added a penalty for noncompliance with the 60-day requirement. The amendment would specify that if warrants are not issued within 60 days, the principal sum owed for the operation and maintenance expense would bear interest from the 61st day until the date on which the warrants was actually issued at a rate equivalent to one and a half times of the rate set in Section 45-1040.22 which specify the interest rate on delinquent taxes or special assessments owed the state of Nebraska. According to the Department of Revenue, that rate is now 9 percent and 1.5 times 9 would be 13.5. The rate is changed in January of every odd-number year according to what was set in statute. So, the amendment simply provides a penalty after the