

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 16, 1999 LB 194

of them have substantive effect and I think I'll try to discuss some of those rather than discussing all of the individual provisions of the bill. One of them, and I'd almost forgotten about it until I heard the Clerk reading the title and when he said "provisions relating to mortgages" then it rang a bell in my mind. So maybe I'll talk to you about that provision first so I don't forget it later on. There are provisions in Nebraska law that require the taxation of the value of a mortgage to the financial institution or other person that holds it; that requires the taxation of the value of a mortgage to the financial institution that holds it. So, in other words, if you have property that's valued at \$100,000, it has a \$50,000 mortgage, the assessor would be required to send a bill for the tax on \$50,000 to the bank and the bill for tax on \$50,000 to the property owner. Sound like a good deal? Well, it doesn't work that way because there's provisions that says you can waive payment of the tax by the financial institution and, guess what, every single financial instrument in the state of Nebraska that secures a loan with real property has a waiver of that provision. Hasn't been used in many, many, many, many years, but it stays on the book and...books and is a curiosity for people like me, who are interested in such things. Property Tax Administrator's Office became interested in it and now wants to strike it. Now, that makes a substantive change in Nebraska law, but it does affect a provision that hasn't been used for a long, long time. There are provisions that are more substantive. One of them is a new definition and that is the definition of assessment roll. And what you will...what you see in the bill in principle is that the definition of assessment roll is broad enough to include all property in the county, whether it is taxable or not taxable, and then I'm going to suggest to you that there be an amendment to that provision a little bit later on in the committee amendments. But the main issue is a new definition and that definition is assessment roll and, as it is in the bill, it is very, very, very broad. Now, if something is contained within something call...defined as an assessment roll, does that mean it's going to be taxed? Does that mean it's going to be valued? Not necessarily, because there will be exempt property in the assessment roll. It will be described in the assessment roll so you know what it is, but it won't be valued and it won't be taxed. So the assessment roll is not a roll of taxable property. That isn't what it's