

January 9, 1989

LB 112, 202-240  
LR 3

LBs 202-240 for the first time by title. See pages 100-108 of the Legislative Journal.)

Mr. President, I have a notice of hearing by Senator Rod Johnson who is Chair of the Agriculture Committee for Tuesday, January 17.

Mr. President, Senator Hannibal would like to announce that Senator Conway has been selected as Vice-Chair of the Intergovernmental Cooperation Committee.

Mr. President, a new resolution, LR 3. It is offered by Senator Baack and a number of the members. (Read brief explanation. See pages 108-109 of the Legislative Journal.) That will be laid over, Mr. President.

Mr. President, I have a request from Senator Smith to withdraw LB 112. That will be laid over. I believe that is all that I have, Mr. President.

PRESIDENT: Senator Lynch, are you ready to go back to work now? We will return back to adopting of permanent rules. Senator Lynch.

SENATOR LYNCH: Mr. President and members, I have one more proposed committee amendment, simple little amendment. It has to do with cloture. This change would adopt a cloture rule that would become effective after 12 hours debate at each stage of debate on any appropriation bill, and after 8 hours at each stage of debate on all other bills. To briefly explain it, and then Senator Moore will take it from there, let me give you a scenario. Some of you may be familiar with 428, the motorcycle helmet bill. It was my bill. An amendment, say, was offered under this rule by Senator Moore to the bill. As you know, sometimes amendments can take and need more time for discussion and debate than the bill, itself. After 8 hours of debate on Select File, I would move for cloture, or if that bill happened to be a committee bill, the chairman of the committee would move for cloture. The presiding officer then, under this proposal, would immediately recognize the motion and orders debate to cease on Moore's amendment. The vote on the Moore amendment would be taken without further debate. After that, a vote on the cloture motion without debate, 33 votes would be needed for that motion on cloture would be successful. If the cloture motion were successful, a vote on the advancement of the bill,

January 24, 1989

LB 1-6, 8-12, 14-17, 35, 36, 38, 53  
57, 67, 71, 79, 103, 123, 133  
158, 180, 181, 190, 223, 236, 255  
257, 277, 295, 297

LB 255 to General File, LB 257 to General File with amendments, LB 223 as indefinitely postponed. Banking, Commerce and Insurance Committee, whose Chair is Senator Landis, reports LB 295 to General File and LB 297 as indefinitely postponed. Your Committee on Revenue, whose Chair is Senator Hall, reports LB 133 to General File, LB 277 General File, LB 236 General File with amendments, LB 67 indefinitely postponed, LB 71, LB 103 and LB 181 all indefinitely postponed, all signed by respective Chairs. (See pages 413-14 of the Legislative Journal.)

Mr. President, I have notice of hearing from the Urban Affairs Committee, that is signed by Senator Hartnett; from the Education Committee signed by Senator Withem and from the Retirement Systems Committee signed by Senator Haberman.

Your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 35 and find the same correctly Engrossed, LB 36, LB 38, LB 53, LB 57, LB 79, LB 123, LB 158 and LB 190 all correctly Engrossed. (See pages 415-16 of the Legislative Journal.)

Mr. President, a communication from the Governor addressed to the Clerk. (Read communication re: LBs 1-6, LBs 8-12, LBs 14-17. See page 416 of the Legislative Journal.) Mr. President, that is all that I have at this time.

SPEAKER BARRETT: Thank you. Proceeding then to General File discussion, LB 180.

CLERK: Mr. President, 180 is a bill introduced by Senator McFarland. (Title read.) The bill was introduced on January 5, referred to Education. The bill was considered on the floor, Mr. President, on January 19. I now have pending an amendment from Senator McFarland. Senator, I understand the amendment you had printed on page 402 you want to withdraw that amendment.

SENATOR MCFARLAND: I'd like to withdraw that, Mr. Clerk.

CLERK: Mr. President, Senator McFarland would move to amend the bill and, if I may, Senator, I'll read the language.

SENATOR MCFARLAND: Please.

CLERK: (Read McFarland amendment. See page 417 of the Legislative Journal.)

of the reasons why they would appreciate having this opportunity to be treated just like everybody else in the state, and then not have to worry about something as insignificant in some ways as this. I would hope you will support it.

SPEAKER BARRETT: Thank you. Senator Withem, would you care to close?

SENATOR WITHEM: I'd just urge you to answer to the bill.

SPEAKER BARRETT: Thank you. The question then is the advancement of LB 277 to E & R Initial. Those in favor please vote aye, opposed nay. Record, please.

CLERK: 33 ayes, 0 nays, Mr. President, on the advancement of LB 277.

SPEAKER BARRETT: LB 277 is advanced. The Chair is pleased to take just a moment to announce the arrival of 40 students from the third grade, Brownell School, here in Lincoln, in the north balcony with their teachers. Will you folks please wave and be recognized by your Legislature. Also some special guests of Senator Hefner under the south balcony, Art and Nancy Schultz from Bloomfield. Would you folks please stand and be recognized. Thank you. We are glad to have you with us. LB 236, Mr. Clerk.

CLERK: LB 236, Mr. President. (Read title.) The bill was introduced on January 9, referred to the Revenue Committee, advanced to General File. I do have Revenue Committee amendments pending, Mr. President. (See page 444 of the Legislative Journal.)

SPEAKER BARRETT: To the Chair of the Revenue Committee, Senator Hall.

SENATOR HALL: Members, LB 236, as the Clerk stated, was brought to the committee by Senator Wehrbein. It deals with the issue of delinquent property tax notices and how they are printed in the local paper. The bill would have the name of the property owner as well as the legal description. Currently, only the legal description and the lot number is required under statute. It would also increase the cost assessed to the landowner from \$2 to \$4. What the committee amendments do is they eliminate the provision in the bill that would have kept the bill from

applying to Lancaster and Douglas Counties. So, in other words, committee amendments have LB 236 apply to all 93 counties in the State of Nebraska, and that is all that the committee amendments do.

SPEAKER BARRETT: Thank you. Discussion on the committee amendments. Senator Landis.

SENATOR LANDIS: No, I would rather discuss the bill.

SPEAKER BARRETT: Thank you. On the committee amendments, Senator Haberman, followed by Senator Coordsen.

SENATOR HABERMAN: Well, Mr. President, members of the body, I must have received or I did receive twelve phone calls from county treasurers on this issue. They were all opposed to the issue for this reason. I won't say all of them, but I will say the six that I talked to personally on the phone, their first objection was, that is discriminating. If we have to do it, everybody should have to do it. So to take away their first objection, I wholeheartedly support the committee amendment that says all of the counties in the State of Nebraska will comply with 236. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Senator Coordsen.

SENATOR COORDSEN: I want to talk on the bill, Mr. Speaker.

SPEAKER BARRETT: Thank you. Senator Wehrbein, on the amendments.

SENATOR WEHRBEIN: Mr. Speaker, members, I would just simply say that I support this amendment to this bill. We put it in simply this way this year because last year it had been amended the other way and I wanted to ease its passage through, but I certainly would support the broadening this out. As I will present a little more about this later on, presently now big cities in other areas, St. Paul, Minneapolis, Kansas City, St. Joe, I mean, St. Louis, already have this. You can see in the handout that this is not a problem in other big cities and so I don't think it should be a particular burden to Omaha or Lincoln either.

SPEAKER BARRETT: Thank you. Senator Hefner. Thank you. Senator Rogers, on the amendment. Thank you. Any other

discussion on the adoption of the committee amendments to LB 236. Senator Hall, any closing?

SENATOR HALL: No, Mr. President, I'd just urge the adoption.

SPEAKER BARRETT: Thank you. The question then is the adoption of the committee amendments to LB 236. Those in favor vote aye, opposed nay. Have you all voted? Record, please.

CLERK: 27 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SPEAKER BARRETT: The committee amendments are adopted. To the bill as amended, Senator Wehrbein, would you care to make a statement.

SENATOR WEHRBEIN: Mr. Speaker and members, this simply is a bill, as has been stated previously, to add the names to delinquent tax lists as printed in the paper. They already have now the description and the amount owed by delinquent taxes. I will proceed on a little bit more about this. We are around us...you can look at the fact sheet that I handed out. In addition to that, all surrounding states already have this. Many of them have had this for many, many years. The key to this, the key reason behind this is to try to increase our delinquent tax payments. If you look at it, we are heavily dependent on property taxes in Nebraska, and it only seems logical to me that those that are due and owing on property taxes should pay them, make it more equal and fair to all of us who pay taxes. I did some little research in my district in particular. In Cass County, out of \$12,100,093 due in 1987, there are presently \$750,314 delinquent, which is a 93.8 percent payment, or in reverse, it is a 6.2 percent delinquent. In 1986, we had \$10,843,000 due in Cass County, and at the present time, there is \$313,711 due. It is a similar case in Otoe County of 9 million, almost nine point...\$9.5 million. There are now presently \$500,000 in overdue taxes that are still not paid. So anything that we can do, I believe, to increase the payment of delinquent taxes in our counties should be helpful, and I think that this should really be cost effective. It cost Cass County in 1986 to publish their taxes, \$2,747. So if we can increase the return of taxes only slightly, the payment of taxes only slightly, it would appear to me to be very cost effective. That ought to be an excellent reason for supporting this bill. As you know, many counties, cities, and especially

schools depend on the property tax intake to support their functions, and I know it is not uncommon for them to have to issue warrants and pay interest on money because of taxes are not coming in at the appropriate times when they are due or when they are delinquent. And so this should encourage, even if it encouraged just a small amount of people to pay their taxes because of having their names published in the paper, I think it ought to be something we should consider. There are many have raised the questions about the possibility of liability and so forth.

I have checked with other large cities, in particular, St. Louis Daily Record, the Kansas City Daily Record, where they are publishing these names. They have not had any problem whatsoever in a case of liability because of errors or whatever, because if they have had even small errors, they correct them immediately before they are published and there has been no liability cases. This is also true in all surrounding states where they have had this. The liability factor has not been a factor and I don't...if you recognize how carefully these printings are screened and proofread, among local daily papers across Nebraska, you will find that they are thoroughly checked. Many of them are using computer printouts, will take this over to the publisher. They will print a first draft and then it is proofread by the county treasurer, at least in the cases that I am aware of, before it is published. So every effort is made now to do it. As you know, legal descriptions are very technical and hard to do, and they still have done that. Simply adding a name ought to be a very little increased effort to have to do and still have it right. So I really don't believe that additional names and the possibility of incorrectness should be a problem. So I think I would like to strongly urge the support of this bill as a measure to increase delinquent tax collections in Nebraska. As I said, even a small increase in a county such as mine with a \$10 million tax payment, 10 to 12 million dollar, if you would increase it only a small amount, with a \$2,700 tax expense or printing expense against this, the returns out to be very favorable and we would not have to have a very large increase to be cost effective.

SPEAKER BARRETT: Thank you. Discussion on the amended LB 236, Senator Landis, Coordsen, and Hefner. Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I would urge you to get your bill books out and open up to LB 236, take a look at the committee statement. Yes, open up those red-bound books, take a look at it, take a look at your list of

proponents and opponents. This bill is going to be a tax saving bill. It is going to get money into the coffers earlier. It is going to be good for property taxpayers. It is going to be good for schools. It is going to be good for counties, good for all those districts that has to do with property taxes, right? Take a look at the proponents. Is there a single school that has called you, a single NRD, a single tech college, a single county? I don't believe it. I don't believe this bill...take a look at the proponents. The Nebraska Press Association represents the only voice for this bill before the committee. Now you may ask yourself, was the Nebraska Press Association taking on for itself making better policy out of the altruistic good of its heart, or were they trying to expand the amount of money they get from these kinds of notices. One estimate by one of the representatives before the committee was a 50 percent increase in cost. If there was a cost transfer to other property taxpayers, I would have voted for this bill. I was not in Exec Committee when we voted on this. I would have voted no. But there isn't a cost transfer to other people, why? Because delinquent taxes have a 14 percent delinquency fee. And you collect that if you have to by auctioning off the property, or the next time the property is sold for the tax lien, but you collect 14 percent of any delayed money. That is a higher penalty than any cost of money that replaces that money that you get through a warrant. In other words, whatever amount of delay you get, you get a 14 percent penalty and that is a hefty penalty. You lose nothing. That is why the schools aren't here. They don't lose money. That is why the counties aren't here. They don't lose money. Who gains money? The Nebraska Press Association for more costs. Now if this is a more efficient system, why don't we reduce the number of publications from three to two? If this is going to get people to pay, why don't we reduce the total number, because these have to be done three different times, why can't we reduce costs by adding the name and reduce it to two publications instead of three? Did the Press Association offer that? No. Was there any negotiation? No. This is there bill. They dropped it in and it makes them 50 percent more money and that is the sum total of the story on this bill. I don't doubt you haven't heard from people. They are probably small town publishers. I can tell you this is the same group that eight years ago when I was here argued that it was, I won't use the word, immoral. There was an amendment that we had that did away with the legal notice, done in probate, a legal notice that no lawyer, in my knowledge, in eight years has ever found anybody ever using or being notified

of. It costs about \$125 and it is done at every time you do a will, and there are about 9,000 of them a year. It means a million dollars in publishing costs, and nobody has ever found somebody tripped by one of these notices. We brought in an amendment to strike this notice that nobody read and never had any effective public notice. It was killed by the Nebraska Press Association, saying you had to have this kind of a notice. This is a business, and this is a bottom line decision by a business that uses the law to get itself more money. If we are going to fight this fight, if we are going to make these kinds of adjustments, we ought to be very careful that we do this for a darn good reason. And if I had my way in this situation, we could keep our costs where they are by reducing the number of notices and adding the names. I will tell you I sat in the committee and there was no evidence of any hard or firm fast showing that the amount of property tax payments went up when this was passed. There was one piece of anecdotal information. It was a letter from another state that said, I think that was our experience, as I recall. That was the sum total of it. There was no comparison of the delinquency rate between this state and any state surrounding us, and I asked, would it be all right if we took some time to ask the delinquency rate between Nebraska and states surrounding us where this was used. The bill was reported out. No negotiation, no study, immediate action by I am sure small town publishers that are calling you and saying we have got to have this bill because it is good for property taxpayers. Where is Ed Jaksha's group? Where is the school board association? Where is the Nebraska Association of County Officials?

SPEAKER BARRETT: Thirty seconds.

SENATOR LANDIS: If this was good for property taxpayers, they would be here. They are not, and I ask you to call a spade a spade and own up to what this is, which is a claim for about 50 percent more in costs by the addition of this name with no reduction in the number of publications necessary to do this. At this point, this bill should not advance until there is some serious study or, in that case, a reduction of the number of publications so the total cost of government doesn't go up.

SPEAKER BARRETT: Time.

SENATOR LANDIS: If you want better efficiency, fine, put the name in and reduce from three to two the number of publications



and keep your costs steady.

**SPEAKER BARRETT:** Senator Coordsen, please.

**SENATOR COORDSEN:** Thank you, Mr. Speaker, members of the body. A little hard act to follow, I don't know if I could talk quite that fast, Senator Landis, if I was falling from the windmill to the ground and examined the possibilities of my state during the passage until collision. I also stand to oppose this. You know, 30 years or so ago when I first became aware of the responsibilities of the county treasurer's office, our county had a population of something around 8,500 people. The business of the county treasurer was taken up by a county treasurer and a part-time assistant during the licensing time and perhaps the sending out of the tax notices. Over the period of time that has ensued, this body has placed upon county treasurers and other county offices an onus of many reports and regulations to be obeyed, reports to be filed, to the extent that, in the county office of the courthouse of Thayer County, Nebraska, there is hardly room for the citizens of the county to get in and transact their business because of the number of employees that we have in that office to obey all of the things that they have to do. This bill, then, would accomplish very little more in the collection of taxes except providing the county treasurers in the affected counties with a little bit more work to do. A mention was made of the collection of taxes. It has been my experience, as Senator Landis indicated, we had to register many warrants at different times during the year in the nine years that I spent on the school board. It was not a problem. The taxes were collected in general within a period of one to two years was a major delinquency. The only pieces of property in the county that ultimately ended up being sold for taxes were small lots, small parcels of ground where the owners had disappeared, where they had no value, and, consequently, the taxes on those didn't amount to much. So I would think that this bill, while the intent of it is good, would serve very little good and useful purpose except to further complicate the issue of county government. Thank you.

**SPEAKER BARRETT:** Senator Hefner, followed by Senators Rogers, Schmit, Lynch, Haberman, Kristensen, Smith, and Nelson. Senator Hefner.

**SENATOR HEFNER:** Mr. President and members of the body, it sounds like this is getting more interesting all the time. I

thought we were going right through these bills this morning. I figured we would be through by at least eleven-thirty, but it looks like we won't be. But I think this is a good idea. I support it. I like the idea that you print the names along with the legal description, because when you pick up a newspaper and read those legal descriptions, you don't know whether it is Senator Loran Schmit or Senator Carol Pirsch, or whose property that belongs to, and I think if it is our duty to pay taxes, we should pay them, and this is what we will do. Ladies and gentlemen, this is the right thing to do, and also I approve of the amendment that we adopted because I didn't feel that we should just make the small counties do it. I think if we make the small counties do it, well, the larger counties should do it, too. Let's treat everybody the same. Okay, I don't think there was any mention made...there was anything mentioned about whether we print one name or a number of names. This bill just addresses the first name or the first owner of the property, so we wouldn't, if we had five or six different owners, we wouldn't publish all of those. We would just publish the first name and then the legal description. It was mentioned in the Revenue Committee hearing that we are going to embarrass taxpayers. Well, maybe some of them need to be embarrassed but this is public information. When the newspapers publish the court costs or the court cases, such as speeders or other court cases, they give the names in. So I don't think it would be any more embarrassing to the delinquent taxpayer than it would be to the speeder on the highway. It is true that the county assessor did testify against this and I can see perhaps why, but they really didn't give the committee any good reason why. The cost of this, yes, the cost is going to double, but this wouldn't be up to the county to pay. The county would pay it up front, but then they would add it on to that delinquent tax. It was mentioned that this is a bill so that small newspapers can make more money. Well, I don't think they are going to make any money. I doubt whether very many of these newspapers make money publishing legal notices. For instance, the county that I live in, Cedar County, the county board designates one county as the official publication newspaper. Then all the papers in that county, and there is four of them, they all publish the public notices and divide this amount of money. So I don't think they are going to make that much money. A number of the states are doing this and it is working out good for them, and so I would urge you to support this bill as amended.

SPEAKER BARRETT: Thank you. Senator Rogers.

SENATOR ROGERS: Mr. Speaker and members, I won't repeat a great deal of the testimony that has been given, but there is one thing, of all the volume of mail and telephone calls I have received, and I imagine everyone in here has received many letters, many phone calls on it, the only correspondence or phone calls that I have received has been from county officials. I have not received one letter or one phone call from a constituent or a taxpayer in my district that said they didn't like the bill. I think maybe the county officials, they probably have a reason that they don't want to publish my name or your name or whatever. But just remember, I think all of the correspondence we have received has been from county officials, and I doubt if any of you have received any phone calls, any messages from constituents or taxpayers in your district. Thank you.

SPEAKER BARRETT: Thank you. Senator Schmit.

SENATOR SCHMIT: Well, Mr. President and members, you know, all of us who are candidates for office and who are elected for office like to speak about the evils of the property tax and the burdensome property tax system. One of the points we fail to make frequently is that it is not easy to pay property taxes. It is hard to pay property taxes. I think Senator Landis gave the best argument you can give against this bill, and I do have an IPP motion on the bill, but I am going to hold it for awhile because I believe we ought to discuss the bill a little bit. You are going to find, as you travel through life, that property taxes are always a burden upon people, but that responsible property owners make every effort they can to pay those property taxes. Frequently, it is not possible for them to pay them on time, but, as Senator Landis pointed out, a 14 percent rate of interest is a powerful incentive to those of us who have difficulty paying those property taxes, because even the exorbitant rates that are charged by many banks today, most of them would not have the arrogance to charge you 14 percent, at least not to pay your taxes. I want to point out that it seems to me that today the system works pretty well. The rates of collection cited by Senator Wehrbein point out that the system is working well and, again, I don't know of hardly a single tax sale that has taken place in my area in a long, long time, and I would think that proves the fact that if and when the individual has the money, they will pay those taxes. A few years ago, quite a few years ago, there was discussion on this floor along

this same line, and I recall a legislator offered an amendment, somewhat facetiously, to print the names of the individuals who didn't pay their child support, to print the names of the individuals who received a welfare check, to print the names of any person who received a government check. All of that contributes to the interest of the public. It would seem to me that it ought to be at least as much in the interest of the public to know the names of those of us who receive public funds as it is in the interest of the public to know those who pay them and who might have a little difficulty paying them from time to time. I know that Senator Hefner said that when you look in the newspaper and you read the legal description you don't know if Senator Schmit paid his taxes or not. Well, there are those of us on this floor who can attest to the fact that if a state legislator doesn't pay his property taxes, the good press, in their efficiency and zeal, will publish a news article about it. They will list that individual who is delinquent, who is delinquent, and point out the fact that that person is a state official who hasn't paid their property taxes. I can recall a number of such instances in the last few years that I have been around here. I just want to emphasize again that so often in this business where we are responsible for the expenditure of funds, we have taken the attitude that those individual taxpayers can just automatically come up with the bucks to pay those taxes. Let me tell you, ladies and gentlemen, it is not easy, and there are some of you who because of a particular method of financing your homes find that to be taken care of with your house payment. But in the rural areas, if you were to publish the names of the farmers in my area who were short on their taxes a few years ago, there would have been a lot of us who were late. Most of them were not delinquent but many of them were late. The point I want to make is this. There comes a time, I believe, when ordinary citizens have got a little bit of right to some kind of privacy and I think that that privacy probably is acceded when you don't pay your share of your taxes, but I want to point out again...

SPEAKER BARRETT: One minute.

SENATOR SCHMIT: ...taxes are almost always paid, almost always paid, and if you don't pay them on time, you pay 14 percent interest. Any person who has the money or who can get the money is going to go down and get the money and pay his taxes. Why would he penalize himself there two or three or four percent? If you want to be the individual who says that we are going to

add to that the additional embarrassment of putting your name in there if you are a little bit delinquent, that is fine. I will point out again, 93 percent of the taxes, I believe Senator Wehrbein said, they just were paid, so you are only going to protect the 7 percent that are negligent. Most of the people are going to say, yeah, go ahead and print them, except once in awhile somebody is going to find out that he is in that position or she is in that position, and then, oh my gosh, I suffer embarrassment. I think, ladies and gentlemen, that as has been pointed out, the county treasurers do a good job of collecting taxes. The taxpayer does a very good job of paying his taxes, burdensome as they are.

SPEAKER BARRETT: Time has expired.

SENATOR SCHMIT: Let's not add one more humiliating factor to the issue as it stands today.

SPEAKER BARRETT: Thank you. Senator Haberman.

SENATOR HABERMAN: Well, Mr. President, members of the body, this bill, on Select File, and the other bill that is coming up before us pertaining to newspapers, whichever bill fits, there will be a proposed amendment to cut the number of times of publication from three to two. That will be offered, and if that is accepted, then the cost and the savings and a lot of these problems should go away. The next thing I would like to address is, what do other states who have done this, what has been their results? Well, we have a letter from the Kansas Department of Revenue and it states that my personal opinion is that it accomplishes little or nothing in the way of compliance to publish only a property description in a delinquent tax listing. Now the State of Colorado did this, and due to the State of Colorado doing this, the county treasurers voted unanimously to continue doing it. Once it was done, they saw the benefits and they support it. Two counties in Colorado, the first year it went into effect, received an increase of \$33,000 and the other one received an increase of \$31,000 over the previous year. There was a levy drop of 1.21 percent in reductions due to this collection, so the states that have put it into effect, it has worked. And I am sure that Senator Wehrbein, when his time comes, will explain further to you what the states in the surrounding...the states surrounding Nebraska, how they handle it. So, Senator Schmit, I will be glad to loan you the money to pay your taxes so that your name won't be, as a

public official, appeared for the delinquent. Thank you.

SPEAKER BARRETT: Thank you. A motion on the desk, Mr. Clerk.

CLERK: Mr. President, Senators Schmit and Rod Johnson would move to indefinitely postpone the bill. Senator Wehrbein would have the option to lay the bill over.

SPEAKER BARRETT: Senator Wehrbein, what are your wishes?

SENATOR WEHRBEIN: Let's go ahead.

SPEAKER BARRETT: We will proceed, then. Pursuant to our new rules, Senator Schmit, you have the first option to speak, followed immediately by Senator Wehrbein. Senator Schmit.

SENATOR SCHMIT: First of all, I accept Senator Haberman's generous offer if it does not violate any of the laws regarding legislative officials or public officials. I think you are most generous, Senator Haberman. I didn't mention the rate of interest. I suppose that it will be usurious as usual, but the point I want to make is this. There are those of us who do not have a lot of money. There are a lot of people who own property who from time to time consider themselves to be property poor. I guess I am a little disappointed that my good friend, Senator Wehrbein, a rural legislator, would bring in this bill. I don't suppose the fact that he is close by Mr. George Miller would have any connection with that. Let me tell you that I have always supported fair publication rates for the Nebraska Press Association for legal notices and I would continue to do so, but I want to point out that in this instance I think we are going too far. Senator Haberman said that there is a decrease in the levy because of the collection of taxes. Senator Haberman, I would dispute that. The failure to pay taxes does not remove the obligation, and I want to point out that they are going to collect those taxes one way or another and, in most instances, those taxes are collected. There isn't any way in the world that you cannot abdicate your responsibility by not paying those taxes. Those taxes continue. You can't wipe them out. I would just like to point out that there are many people who want to speak on this. I am not going to take a lot of time now. I am going to give first Senator Landis some of my time, and then if there is any time after that, let Senator Jacky Smith have the rest of the time, but I want you to speak on this bill, but I want to point out, again, it is not easy to pay your property

taxes, and I am fed up and disgusted with those of us who stand up and speak to the public about the evils of property taxes and then turn around on the other hand and say, but, by golly, we are going to humiliate, embarrass, and intimidate you by the publication of your name along with the legal description. The legal description is fine and I am satisfied with that.

SPEAKER BARRETT: Senator Landis, please.

SENATOR LANDIS: Thank you. Mr. Speaker, Senator Haberman offered what was offered to the Revenue Committee as the evidence in support of the bill. The personal opinion of the tax official in Kansas, it says, the way you do it now, in my opinion, doesn't foster compliance; no evidence about the use of names, no evidence about it diminishing delinquency rate. In Colorado, anecdotal as well, that the county officials voted to retain the idea; no information about declining delinquency rates; no facts and figures to show what the pattern is. Taxes, let us remember, run with the land, not with the taxpayer. They are a lien against the land. Can't embarrass the land into paying the taxes or not, and, by the way, the taxes are often held by people who are out of state, they are held by companies who have no ability to be humiliated. If somebody is going to be humiliated, it is a residential or a property taxpayer or a farmer, but a great deal of property is held by absentee landlords. It is held by companies, and I think they are impervious to the humiliation that is apparently our new model as far as punitive actions in this state, as opposed to fines, as opposed to penalties of economics. Apparently, the stockades should be brought back and we should use public humiliation as a new form of punitive action. I am uncomfortable with it. I am uncomfortable with the case that has been made for 236. We have got 800 bills. We shouldn't be passing bills with this little evidence to support them.

SPEAKER BARRETT: Senator Smith.

SENATOR SMITH: Thank you, Mr. Chairman. Members of the body, I am going to stand to give my support to Senator Schmit's IPP motion, and I think that maybe I can add a little more information. As Chair of the General Affairs Committee, I should tell you that we have reported out of committee LB 298, which is a bill, which I guess the point I would like to make, and I think the Nebraska Press Association has been very busy during the interim, because this bill will allow a 15 percent



increase in the fees for legal notices. And so you see that they will not only, if this bill passes, there will be the capability of adding a line which humiliates taxpayers, as has already been stated, but also there will be a 15 percent increase over and above that for all legal fees. The other thing I would like to point out to you all is the fact that, you know, the amendment that was just reattached to the bill which reinstates Douglas County and Lancaster County, Lincoln and Omaha, really does nothing because those counties at this point in time are not required to publish legal notices. They have what is called, at least in Omaha, this information was provided to us the other day in testimony, a Daily Register, and by the words of some of our senators, it is nothing more than a nice little publication that aids insurance agents and lawyers because they are the only ones that take any interest or ever read it, so if the purpose of public notices is to notify the public, I guess we should make sure that we have a statewide coverage and we really are not going to be getting that anyway. I am going to support this IPP motion.

SPEAKER BARRETT: Thank you. Now, directly to Senator Wehrbein, please.

SENATOR WEHRBEIN: Am I in line or is this my five minutes or am I next?

SPEAKER BARRETT: This is your response to the IPP motion.

SENATOR WEHRBEIN: I guess, obviously, I would urge not to IPP this motion. I think there are several things that I would like to discuss. One is that it's surrounding states, I admit I can't document surrounding states having been cost effective because most, to my knowledge, they have had it for so long, some go back into the '40s, that it is difficult to document today whether it is effective over what they had before. I don't know exactly why it is more embarrassing to have your name published in Nebraska than it is to have it published in Kansas, Colorado, South Dakota, Iowa, and Missouri. Evidently, that is the case. I guess I could take some issue of the fact that this is a Press Association bill. Admittedly, it was brought to me by them. On the other hand, I, in good conscience, can support the bill because I believe a half a million dollars in a county overdue, delinquent, paid by me instead of my neighbors, in many cases which can afford it, is not necessarily an undue burden. If taxes are due, taxes are due, a half a million dollars in a



county. It is true, like Senator Schmit says, that it follows the land. I agree with that, but I can remember vividly how many thousands of dollars we had to write off at the county level in times past because taxes weren't paid. People that owe them leave the country, and what happens, I don't know. Now, admittedly, legitimately landowners have problems. You talk about the 14 percent, but we are getting to the point now where it is going to be cheaper to let that money go, and let the county carry your interest rate than it is to borrow the money. If we have just a little bit more interest, increase in interest, you are going to see that more and more. It was rampant a few years ago when we had 18 to 20 percent interest how many people let that go. So the system is abused both ways. Many cases now, people don't know that their taxes are delinquent until they read them in the paper because of the escrow account. Companies don't pay, insurance companies, come the first of May, or those that are holding those in escrow account, not necessarily insurance, but banks and other places, will hold that money and use it as long as they can. For one reason or another, they may not even pay the taxes when they are due. And so it is a cash flow management deal that is there, and this, when people have paid in an escrow account over the year and then not have their tax payments. Many times they don't know this until they read in the paper that they have delinquent taxes. As far as increasing cost to the county, I deny that because any increase in printing...cost of printing will be borne by the taxpayer, themselves. My estimate is that this would increase the cost of printing approximately 20 percent and not 50 percent. If you take, depending on how many lines that a property description takes, you can simply add that. If it is three lines, it would be a third increase. If it is four lines, it would be a 25 percent. If it is five lines, it would be a 20 percent increase, only one additional line. In addition to that, if we are only spending, in the case of my county, \$2,700, that, I can't see how any newspaper is going to necessarily get rich on that; \$2,700 is not much of a printing cost in relation to \$500,000 in delinquent taxes, and nearly that much, \$396,000 that are over a year old. And I know that some of those taxes, I admit, I goofed, I should have gone back to '83, and '84, and '85, and I would predict that at least 1 percent, 1 percent of a million is \$120,000. I know that is not big money to everybody but it is to me, and I think anything that we can do to improve the performance of proficiency and the efficiency of our government, whether it be school or local, should be something that we should consider. So I don't think

it is out of line to ask for this. Total cost to government will not go up. I can't see how that can be related by adding additional name. I cannot see how local governments should have to increase their cost because of that, especially when any additional printing cost is to be covered by the...

SPEAKER BARRETT: One minute.

SENATOR WEHRBEIN: ...taxpayer, themselves. Talking about the effectiveness of publishing names, several newspapers have published delinquent child support notices over the years, and I know it helped enormously to publish the amount of delinquent fathers that had not been paying their fair share of child support. This is definitely documented, in fact, I would guess that this may have been some of the impetus for this bill because it was very effective when publishing those names. In addition to that, they said we ought to publish the names of those farmers that get tax...government payments. That is true and that has been published in the paper, and I am sure many of us in this room, I know ours has been published in the paper as to getting government farm support. So that is really nothing new. It is done. Many don't like it. Many don't care. But it is done. It is a fact of life that many of the things that you don't want in the paper gets in the paper, and it probably has occurred to all of us.

SPEAKER BARRETT: Time.

SENATOR WEHRBEIN: Wow, that was perfect.

SPEAKER BARRETT: Thank you, sir. We now revert to the regular speaking order for those of you who might want to speak to the kill motion. The list begins with Senator Kristensen. Do you care to speak to the kill motion, sir? Followed by Senator Nelson.

SENATOR KRISTENSEN: Thank you, Mr. President. I would rise in support of the killing of this motion. I do believe the motivation for this bill was that of an embarrassment bill. I don't think it is a press bill at this moment. The press bill is yet to come and the issues of fees and so on. The reason that people can't pay these property taxes are generally because they don't have the ability to pay, and an embarrassment isn't going to be enough of a motivation to create that to happen. I think a 14 percent interest rate certainly will do so, and I

also would raise an issue of bankruptcy. I am afraid that publishing the notices of first names might be a violation of the bankruptcy stay, and that is an issue that concerns me greatly. I wouldn't want some of my treasurers held in contempt for publishing the notices of someone in bankruptcy. Thank you.

SPEAKER BARRETT: Senator Nelson, on the IPP motion. Senator Wehrbein...excuse me, Senator Nelson, do you care to speak to the motion to indefinitely postpone.

SENATOR NELSON: Mr. Speaker, members of the body, I definitely would be in favor of indefinitely postponing this bill because I will tell you why. Senator Landis had it right in the first place. Why are we paying for three times in the newspaper beside subsidizing the newspaper and, again, I hate to point fingers at people, that I think they would pay their taxes today because the interest rate is higher than that, and I very much support indefinitely postponing this bill.

SPEAKER BARRETT: Thank you. In the regular speaking order, Senator Wehrbein, your light is on next. Would you like to make any other statement?

SENATOR WEHRBEIN: I will pass on from this.

SPEAKER BARRETT: Thank you. Senator Hall, do you care to speak to the motion to kill?

SENATOR HALL: Thank you, Mr. President, members. I rise in opposition to the kill motion. The bill came to the committee, as Senator Landis pointed out, and there was really only one group of individuals who were in support, and there was really only one group of individuals who were in opposition. The press association wanted it and the county officials did not, and clearly it is because of reasons, I think, other than the fact that they have to look up the names or have to add them to their computer printout. I think those, if you were to ask your county officials, those names are clearly included with the legal description. The ownership is registered with the Register of Deeds in all the counties, and it is not an issue of inconvenience. It is an issue of we don't want to have to publish it because it is going to come to bear with regard to those individuals calling us up and being offended by that. Well, frankly, I have to tell you that I am offended by the fact they don't pay their taxes. Senator Schmit is right in that

there there would be some individuals who would be harmed because they, basically, could not pay their taxes, but I think one of the arguments that was used in opposition to the bill and the argument that Senator Landis laid out was that you cannot embarrass a company, you cannot embarrass a corporation, you cannot embarrass an absentee landlord. Well, ladies and gentlemen, those individuals are not individuals who do not pay their taxes because they cannot. They choose not to. Many of those names that were spelled out, told in the committee, were names that were clearly very profitable companies that operate throughout the State of Nebraska, but for one reason or another, I don't know what it is, they fully were aware of the 14 percent penalty that goes along with the delinquent property taxes, choose not to pay their taxes. This is not an issue of we are just unable to pay them, we cannot afford to, and the argument was...by that one county official was that the vast majority of these people were companies, corporations, and absentee landlords, and they have made the conscious decision not to pay their taxes. I am not, and I never will be, one who says that it is right or proper to embarrass individuals. I can open up the daily paper in Omaha and see divorce notices that lists names. I see notices of individuals who have been sentenced for one reason or another, whether it be anything from shoplifting to DWI to whatever, and those are done by our local daily at no charge to those individuals. Senator Schmit, the publication that you talked about is the Daily Record, and it clearly is the paper that allows for legal notices, and one of the reasons for that is that the World-Herald does not accept the legal rate, and for that reason, the Daily Record thrives because the World-Herald does not accept the rate that is laid out in statute and does not charge that. But the issue here is one of, do we publish the names or don't we? I guess if we don't publish the names, my question would be, why do we even publish the legal description? Why not just do away with the notice altogether? I mean, I clearly don't have any strong feelings with regard to this being, as one senator put it off the record, the farm bill for the press association. I mean, by adding a line, I don't see where their revenues are going to increase to any great extent. Now the other bill that Senator Smith alluded to that was heard in General Affairs that deals with the increase after seven years is a different matter altogether, in my opinion, but this is one where you clearly lay out who owns the property. If you don't do that, I guess I would fully expect...

SPEAKER BARRETT: One minute.

SENATOR HALL: ...some of the same opponents to this bill to bring in an amendment, if this bill is not IPP'd, maybe to the bill that Senator Smith alluded to, to wipe out the notice altogether because what purpose does that serve. If it is on record, let those who are interested, I would use that argument, let those who are interested go down to the Register of Deeds and find out who is delinquent. Why even offer this publication at all. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Senator Schellpeper, followed by Senators Lynch, Landis, Warner, and Wehrbein. Senator Schellpeper moves the previous question. I do see five hands. Those in favor of closing debate please vote aye, opposed nay. Please record.

CLERK: 26 ayes, 3 nays to cease debate, Mr. President.

SPEAKER BARRETT: Debate is closed. Any closing statements, Senator Schmit?

SENATOR SCHMIT: Senator Rod Johnson.

SPEAKER BARRETT: Senator Johnson.

SENATOR R. JOHNSON: Mr. Speaker, members, most of the points I wanted to make have been made so it would be redundant for me to cover too many things that previous speakers have spoken on, but as the debate opened on this issue, I walked down to Senator Schmit and I said, you know, five years ago three-quarters of all the farmers in the State of Nebraska probably would have their names printed in the weekly newspapers across the state because financially we were going through a pretty difficult time, and it is difficult for me to agree with a proposal that would, basically, result in public embarrassment of any individual, but especially in a situation where ownership of property is necessary to produce an income, and that is really what farming is all about, in many cases both owning it and renting it. But I have no connection with the county officials association nor the press association in any way, so this is not a battle over those two parties. In my particular case, it is just a situation where I don't see this as a tax collection proposal. I see it as a public humiliation proposal that serves no basic reason or good to the society in general but I do

believe, as Senator Wehrbein, that the collection of taxes and the payment of taxes is necessary. But to attempt to humiliate people into paying taxes I don't think necessarily reaches its end result, and that is the increase in the collection of taxes from those individuals who cannot pay. I guess I am more concerned with those individuals who cannot pay than those who can pay and choose not to, and I don't know how you are going to embarrass anyone who chooses not to pay their taxes to do so. So I signed on with Senator Schmit on this particular motion, primarily out of concern for a class of citizens in this state that go through fluctuations in income and certainly that was the case not more than two or three years ago.

SPEAKER BARRETT: Senator Schmit, please.

SENATOR SCHMIT: (Mike off) those remarks and I think they are right on target. I want to point out one more thing. The adoption of the amendment doesn't mean a darn thing to the people in Douglas County because, as has been pointed out, they are not going to read those names in the World-Herald anyway because they won't print them for the legal rate that is being charged. I want to point out also that county treasurers and the county officials would be the first to come in and ask for this publication if they were being handicapped in the operation of the government by not being able to collect the taxes. Those county treasurers have not requested that we use this mechanism. Senator Kristensen is right on target when he says you cannot publish the names of someone in bankruptcy anyway and you further the exposure of the public officials when you provide for the publication of the name. I see now, more than ever, the reason for Senator Scofield's bill this morning on additional massive testing in college and high school. Senator Wehrbein referred to 1 percent of a million dollars as being \$120,000. We should have made that retroactive, Senator Wehrbein, as far as testing is concerned. A little bit of the problem with the whole blasted thing is just that point right there. We do not understand frequently the cost of the programs we put together on this floor. Senator Warner, the other day, called my attention to the fact that a bill I was bringing in here might very well have a price tag on it that I hadn't even seen, and many times we don't think about those things when we enact a bill into law on this floor which one way or another traces back to additional property tax increases. Most responsible people pay their taxes. The irresponsible people, as has been pointed out by Senator Rod Johnson, aren't going to pay them anyway. So

then the only possible motive for this bill is public embarrassment. Well, then why not bring back the stocks and put us on the courthouse lawn in stocks for three days or so, something like that, bring back debtor's prison, if you so choose, do something that really humiliates people, do something that really puts the screws to them if you want to do that.

SPEAKER BARRETT: One minute.

SENATOR SCHMIT: I can pay the tax on the luxuries that I choose to buy. If I make any money, I can afford to pay the income tax, and I am glad to do it. I can control to some extent the taxes I pay on sales taxes, but, ladies and gentlemen, I have absolutely no control, so to speak, on my property taxes nor do the vast majority of the citizens of this State of Nebraska, which is why they object more strenuously to the abominable property taxes than any other tax. I think our county officials are fully aware of that, and they do as good a job as you can expect anyone to do under the circumstances, but they do not want to add the additional embarrassment of publishing someone's name because they might be temporarily strapped for cash. Ladies and gentlemen, I am off the hook. Senator Haberman has generously agreed to loan me the money to pay my taxes. That leaves a million, six hundred and some other persons out there who don't have that kind of an offer. Senator Haberman, you might be able to extend that offer to someone, but the point I want to make is this.

SPEAKER BARRETT: Time.

SENATOR SCHMIT: The bill is for one purpose, to publicly humiliate the taxpayer. We don't publicly humiliate those who can't...who for some reason or other have to live on the public largess. We don't humiliate those people who don't pay their child support. There are many other areas. I don't think we should pick on the one person who has no defense, and that is the property taxpayer in this state.

SPEAKER BARRETT: The question before the body is the indefinite postponement of LB 236. Those in favor of that motion vote aye, those opposed no. Voting on the motion to indefinitely postpone. Have you all voted? Record.

CLERK: 23 ayes, 12 nays, Mr. President, on the motion to indefinitely postpone LB 236.

SPEAKER BARRETT: The bill is on General File. The motion prevails. The bill is killed. I would like to ask for your indulgence for the movement of three bills on Select File. Anything for the record first, Mr. Clerk? Let's proceed to LB 45, Mr. Clerk.

CLERK: Mr. President, on LB 45, Senator Lindsay, I have E & R amendments pending, Senator.

SPEAKER BARRETT: Senator Lindsay.

CLERK: E & R amendments, Senator.

SENATOR LINDSAY: Mr. President, I would move that the E & R amendments to LB 45 be adopted.

SPEAKER BARRETT: Shall the E & R amendments to LB 45 be adopted? Those in favor say aye. Opposed no. Carried. They are adopted.

CLERK: I have nothing further, Senator.

SPEAKER BARRETT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that LB 45 be advanced.

SPEAKER BARRETT: You have heard the motion to advance LB 45 as amended. Those in favor say aye. Opposed no. Carried. The bill is advanced. LB 168, Mr. Clerk.

CLERK: LB 168, Senator, I have E & R amendments pending.

SPEAKER BARRETT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that the E & R amendments to LB 168 be adopted.

SPEAKER BARRETT: Thank you. Shall the E & R amendments be adopted to LB 168? All in favor say aye. Opposed no. Carried. They are adopted.

CLERK: I have nothing further on the bill, Senator.

SPEAKER BARRETT: Senator Lindsay.