

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB814

Hearing Date: January 24, 2008

Committee On: Revenue

Introducer(s): (Raikes)

Title: Change delinquent property tax notification and collection provisions

Roll Call Vote - Final Committee Action:

Placed on General File with Amendments

Vote Results:

5 Yes	Senators Burling, Janssen, Langemeier, Preister and Raikes
0 No	
3 Absent	Senators Cornett, Dierks and White
0 Present, not voting	

Proponents:

Senator Ron Raikes
Phillip W. Euler

Representing:

Introducer
Himself

Opponents:

Janet Suminski

Representing:

NACO, County Treasurers

Neutral:

Bob Hallstrom

Representing:

Nebraska Bankers Association

Summary of purpose and/or change:

LB 814 changes provisions of tax delinquency statutes. The current law allows the use of an escrow account and a payment plan for taxpayers in delinquency. The proposed

bill, by changing “may” to “shall” in Section 1, would require the use of an escrow account for payment of delinquencies. This escrow account can be managed by the county treasurer, or contracted out to another party, including a financial institution.

Section 2 of the bill would establish a MANDATORY notice requirement where there is now discretion. The mandate would be a mail notice to the last known address, and require this duty to be performed by May 15th in counties of over 100,000 population, and June 15 in all other counties. A \$1 charge for the notice to the taxpayer would be added.

Section 3 of the bill would establish a September 1 deadline for taxpayer compliance on delinquencies, at which time foreclosure or sale action may be taken if the taxpayer has not addressed the delinquency through escrow or other payment. A delinquency notice would be required and the taxpayer would be charged \$1 for the notice.

Section 4 of the bill amends existing law to require a notice by mail of a sale action to be taken by the county treasurer, with a first Monday in March sale action timetable, following delinquency.

Section 5 would repeal the original sections.

Explanation of amendments, if any:

The Committee amendments would require counties to accept partial payment of property taxes so long as the amount offered is at least \$500. These partial payments would be applied against the outstanding balance and stop the accumulation of interest on the amount of the delinquency relieved by the partial payment. Partial payments would be applied to the oldest delinquencies first. Proceeds from partial payments would be distributed to the local governments in proportion to the tax liability.

Under the Committee amendment, the escrow process would remain discretionary, but would only apply to payments of less than \$500. Section 77-1719.03 would also be amended to harmonize the change in 77-1704.02 with regard to the escrow process.

Finally, the Committee amendment would change the notice to state that the property may be sold “on or before the first Monday of March” to match the tax sale process.

Senator Ray Janssen, Chairperson