

January 11, 1980

LB 284, 306

PRESIDENT: Motion carries and LB 284 is advanced. Next bill under special order is LB 306, Mr. Clerk, if you want to...

CLERK: Mr. President, LB 306 was a bill introduced by Senator Chris Beutler of the 28th Legislative District. (Read title.) The bill was first read on January 16 of 1979. It was referred to the Judiciary Committee for public hearing. Senator Nichol's committee moved the bill to General File. There are committee amendments pending by Senator Nichol's committee, Mr. President.

PRESIDENT: The Chair recognizes Senator Nichol.

SENATOR NICHOL: Mr. Chairman, members of the Legislature, Senator Beutler, did you want to take those amendments also?

SENATOR BEUTLER: If you wish, I would be glad to.

SENATOR NICHOL: Why don't you just go ahead if you don't mind and then you can organize it all together.

SENATOR BEUTLER: Mr. President, members of the Legislature...

PRESIDENT: Senator Beutler, go ahead.

SENATOR BEUTLER: Let me give you a little background first before I explain the amendments so you can understand the context of the amendment. Basically under the present law, if a person dies and has certain kinds of debts, property that is held in joint tenancy with right of survivorship is not presently subject to the payment of those debts unless the property is secure. Okay, the thrust of the bill in its original form was to simply say--let's take a hypothetical. Let's say a husband goes out, borrows three or four thousand dollars from his local banker to pay the taxes. The only property he has is a large ranch or maybe a house which is held in joint tenancy with right of survivorship with his wife. Before he is able to repay the local banker for the taxes, he dies. Under the present law the banker cannot look to that joint tenancy property for payment of the debt. Under the 306 as it was originally proposed, the banker could look to that joint tenancy property for payment to the extent that the husband who died had contributed to that property. If he had contributed 50%, they could look to 50% of it, if he had contributed 100%, they could look to 100% of it. This was a bill that the Bankers' Association originally asked me to introduce which I did on the condition that I would be allowed to amend it and that is the committee amendment that you see: "To provide