



Ninety-Seventh Legislature - First Session - 2001
Introducer's Statement of Intent
LB 68

Chairperson: Senator David M. Landis
Committee: Banking, Commerce and Insurance
Date of Hearing: January 16, 2001

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 68 seeks to clarify the provisions of the Nebraska Time-Share Act by amending sections 76-1701 to 76-1703, 76-1713, 76-1715, 76-1716, 76-1718, 76-1719, 76-1722, 76-1725 to 76-1727, 76-1732, 76-1734, 76-1736, and 76-1738.

LB 68 clarifies ambiguous or unclear provisions in the existing act and corrects inconsistencies between filing information of a developer and an exchange agent.

Section 4 & 5:

The bill would require the maintenance and annual dissemination of a list of all current time-share owners and the providing of the list upon request whether in electronic or paper format.

Section 7:

The proposed amendments expand the escrow options for deposits held by the developer from the in-state financial institutions to ones in the situs state so long as the escrow agent is subject to the personal jurisdiction and venue of Nebraska courts. Additionally, it provides an alternative of a \$50,000.00 surety bond in lieu of an escrow.

It prevents forum shopping for public offering statement disclosure requirements by restricting a developer to the laws of our state or the situs state of the time-share project.

The bill requires a developer to have a Nebraska broker to insure compliance with Nebraska real estate laws.

Section 16:

In an original application for registration, in lieu of audited financial statements of a developer, the bill allows audited financial statements of the developer's parent company if the parent company guarantees the obligations of the developer to Nebraska purchasers.

Section 17:

The bill limits the time that a developer has to correct an application to 90 days, unless otherwise allowed an extension by the Commission, in order to avoid information in the application from becoming months out-of-date.



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Section 19:

The bill imposes supervision requirements on the developer. Specifically, this requires the developer to supervise, manage and control all aspects of the offering of a time-share interval including promotion, advertising, contracting and closing.

Principal Introducer:

Senator Jon C. Bruning