

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

February 5, 2001 LB 165

owe that money to get it back, and when they are on a fixed income, that's a very, very difficult thing to do when you are sending in somewhere between 1,200 and 2,000 dollars a year. LB 125 (sic LB 165) would prohibit that practice and would allow that...we have an existing statute that talks about solicitors, sponsors and sellers that does not apply to...impact charities, okay, we are not talking about charities, who get a contribution and give someone back a prize as a result of that. We're talking about those people who solicit and send out a letter which says you have won, you may win, or you will win providing you pay us a fee or a processing fee. This practice is illegal in a number of states. It is not in Nebraska. Nebraska is one of those states where it is fine to send that letter, ask the people for the money to be sent in and, of course, they never their prizes. And that happens regularly. Last year, there was probably roughly \$10,000 worth of complaints but that is just a small tip of the iceberg because most people are so embarrassed when they find out that they've been taken that they never report it. As a result, I've introduced LB 120...or LB 165; LB 165 would add to the existing law a paragraph that says that it is unlawful for a solicitor, sponsor or seller to request or accept any payment or create the impression that any payment is required from an individual prior to the receipt of a written prize notification by such individual. If you have won a prize, that's okay, but you actually have to have won. If not, this will become a practice that is prohibited under the Telemarketing Act. I think that it is one that we need to probably put into place to protect those people. It is not going to stop them from sending the letters. I don't want to mislead anybody. It is not. It is not going to chill someone from sending the letter, but what it does do, and I think there is a committee amendment which allows for a civil penalty to be collected if these people have this practice and do collect the money from these unsuspecting people. I would be happy to answer any questions. I think this is probably one of those bills that we intended to so sometime ago but as the telemarketers become...well, or has become the solicitors, they are not going to serve the telemarketers because they do that by telephone, which is harder to prove, but the solicitors, as they become more sophisticated in trying to get money from people, this is the most common practice at the time.