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Rough Draft

Floor Debate
January 31, 2019

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FOLEY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixteenth day of the One Hundred Sixth Legislature, First Session. Our chaplain for today is Dr. Eric Elnes of the Countryside Community Church in Omaha, Nebraska, Senator McCollister's district. Please rise.

DR. ELNES: (Prayer offered.)

FOLEY: Thank you, Dr. Elnes. I call to order the sixteenth day of the One Hundred Sixth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

ASSISTANT CLERK: There's a quorum present, Mr. President.

FOLEY: Thank you, Mr. Clerk. Are there any corrections for the Journal?

ASSISTANT CLERK: No corrections this morning.

FOLEY: Thank you, sir. Are there any messages, reports, or announcements?

ASSISTANT CLERK: There are, Mr. President. Your Committee on General Affairs reports LB65 to General File. Notice of committee hearing from the Agriculture Committee, as well as the Business and Labor Committee, and finally a report by the Executive Board regarding appointments to the Committee on Justice Reinvestment Oversight as established by statute. That's all I have at this time.

FOLEY: Thank you, Mr. Clerk. Members, please come to order. We're going to move right into the agenda, legislative confirmation reports, Agriculture Committee. Mr. Clerk.

ASSISTANT CLERK: Mr. President, the first report from the Agriculture Committee is for Bryan Tuma to the Climate Assessment Response Committee.

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FOLEY: Senator Halloran, you're recognized to open on the confirmation report of your committee.

HALLORAN: Thank you, Mr. President, and good morning, colleagues, good morning, Nebraskans. The Agriculture Committee reports favorably upon the appointment of Bryan Tuma to the Climate Assessment Response Committee. Bryan Tuma currently serves as the assistant director for the Nebraska Emergency Management Agency, NEMA, appointed to that position in 2014. Mr. Tuma was previously a 32-year veteran of the Nebraska State Patrol, including appointment as a superintendent of law enforcement and public safety beginning in 2004 to retirement in 2011. As the assistant director to the Nebraska Emergency Management Agency, he's responsible for the day-to-day operations of the agency. NEMA supports the Governor's Office and Adjutant General with the discharge of the statutory requirements identified in the Nebraska Emergency Management Act. The agency also coordinates response and recovery capabilities of state and local government to the planning, training, and exercise activities. Mr. Tuma replaces Mary Baker as the NEMA representative on the committee, who resigned to take a job in the private sector. Nebraska's Climate Assessment Response Committee, CARC, was established by the enactment of LB274 in 1991. The committee serves as a planning and information gathering entity for adverse climate events, particularly drought response and mitigation. It also serves to collect and assess data regarding damages and losses from severe and extreme weather events and to evaluate vulnerability of economic sectors to adverse weather. The specific duties assigned to CRC are listed in 2-4902. The CRC is budgetarily assigned to the Governor's Office and administratively housed within the Department of Agriculture. It is apparent from his biography and the very thorough and intelligent responses to the questions the committee had that Mr. Tuma is very qualified to fulfill NEMA's contribution to the Climate Assessment Response Committee. Mr. Tuma's confirmation hearing was held January 22 with the appointee in attendance. The recommendation to confirm Mr. Tuma's appointment was unanimous, and I would move approval of the Ag Committee report.

FOLEY: Thank you, Senator Halloran. Is there any discussion on the confirmation report? Seeing none, Senator Halloran, you're recognized to close on the report. He waives closing. The question for the body is the adoption of the confirmation report from the Agriculture Committee.

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Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 32 ayes, 0 nays on the adoption of the report.

FOLEY: The confirmation report is adopted. Next confirmation report, Mr. Clerk.

ASSISTANT CLERK: Next report is from the General Affairs Committee for two appointments to the Nebraska Arts Council.

FOLEY: This is the first of three confirmation reports, I understand. Senator Briese, you're recognized to open on your first confirmation report.

BRIESE: Thank you, Mr. President. Good morning, colleagues. I rise today to present for your approval two individuals for appointment to the Nebraska Arts Council. The Nebraska Arts Council was established in 1974 to promote, cultivate, and sustain the arts for the people of Nebraska. Both Joyce Hasselbalch and Sarah Peetz came before the General Affairs Committee for confirmation hearings on Monday, January 28, 2019. First, Joyce Hasselbalch is seeking reappointment to the Nebraska Arts Council after serving the balance of another individual's term. Ms. Hasselbalch is a resident of Lincoln and has served on the Nebraska Arts Council since September of 2018. She has previously served on the Lincoln Community Playhouse Guild Board and currently belongs to Art Ambassadors, a local social organization that serves to promote and enjoy the arts. Second, Sarah Peetz is seeking appointment to the Nebraska Arts Council. Ms. Peetz is a resident of Lincoln and is the vice president of the Lincoln Community Foundation and has a strong passion for the arts and the economic development that the arts can offer. Ms. Peetz is a graduate of Creighton University School of Law and has experience serving on additional boards such as the Lincoln Electric System Administrative Board and the District Energy Corporation Board. Both Ms. Hasselbalch and Ms. Peetz impressed the committee with their enthusiasm for and background in the arts. The committee approved both appointments unanimously. I urge the body to support the nominations of Joyce Hasselbalch and Sarah Peetz to the Nebraska Arts Council. Thank you, Mr. President.

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FOLEY: Thank you, Senator Briese. Debate is now open on the confirmation report. Senator Chambers.

CHAMBERS: Thank you. Mr. President and members of the Legislature, when I came down here there would be these confirmation reports offered and I noticed a glaring absence of females being appointed to anything. So every time one of these would come up, I would comment on that fact. I don't remember whether it started with Governor Johanns or Governor Heineman, but it reached the point where they started nominating women, and every time they would do so, they would make sure that whoever offered the report would note that there are women here. What people need to understand is that things being the way they are now have not always been this way. You cannot imagine that things were as bad as they were, and had I not taken action they would still be that way. What you see today is what you think is the way it should always have been. Just like when senators could not get expenses. Others didn't do anything about it, but I did. And when other senators came here after that was done, they had the feeling that that was a part of the system. It's logical. It's reasonable. It's rational that those who are in a public office should not have to go into their pockets to pay the expenses of being in that office, but that's what was happening. And nobody took the bull by the horns, except the man that the legislators had and now have contempt for. The one whom the Attorney General attacked because he's the one who said we couldn't get expenses while we're in session. But I knew it was wrong, and when something is wrong, I will do what I can to correct it. And I don't need people to come to me and say, Ernie, will you do this? But as the ball began to roll, some of the senators said they were glad that I had done it, and those who spoke against it, believe it or not, spoke against our getting expenses because the then Governor didn't want it, the Attorney General didn't want it, but when the day came that the Supreme Court made its ruling, they accepted those expenses. There are so many things about this Legislature, this government, which are different now because of me, and you all don't know it, but I'm going to tell you. And I'm going to let those younger people coming along know what a black man did to change a white people's Legislature. And because I can't get it all said now, I'm going to put my light on again. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. You may continue on your next opportunity.

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CHAMBERS: When I came here there were thick drapes all along that wall. They blotted out the daylight. We still don't get much light when it's dark, but you know what those drapes were for? Hiding the fact that when it rained, rain came through those windows, ran down and stained the walls. And when I found out what was going on, I'd stand on this floor and rail against my white colleagues. I'd tell them this building was dedicated to your government, to your Legislature, and you ought to leave it in decent shape for those who come after. It certainly shouldn't be worse when we leave than it was when we came. Kept talking about it, talking about it. Then finally, some things were done. Now those thick drapes are gone. You don't hear rain falling down on to the floor up there. When I came here, that desk-- I don't know if that desk was there, but they drilled holes in this beautiful wood to put closed-circuit television cameras to watch me and posted state troopers up there. That's when that happened. And I pointed out that when I came down here, I didn't come to fight. I came down here to follow the rules of the Legislature. You didn't have the office space that you have now. I brought legislation that threatened to take some of the other offices out of this building if the Senators didn't get more office space. The Governor didn't have to be here. The Supreme Court didn't have to be here. The Attorney General didn't have to be here, but the Legislature did, and all of a sudden changes began to occur in attitude. And some of you have space now that you would not have had. You know what you had by way of furniture? Surplus from old schools, I guess, 'cause they were those blond, wood desks that teachers had in schools in the old days. And they began to become worn. They had splinters that would stick out from the wood. And as I always pointed out, in those days women wore what were called knit suits, and if she had happened to catch one of those threads walking past one of your desks by the time she got out to the hall her suit would have come unraveled, and they'd have thought next thing she was going to do, would stop at one of those places and dance on one of those poles. You know what kind of furnishings you have in your office? Mismatched chairs, some wooden folding chairs, some metal folding chairs, a desk, which if you leaned to the right it would kind of cant to the right. If you were on the other side and moved to the left, it would kind of cant to the left. There was actually a time or two when during a hearing a senator might nod off and lean back and the chair would fall over. You all didn't know that, did you? These murals that you have on the walls, those art pieces that are made from metal were not there because I was so critical. I was put on a subcommittee that was supposed to work with the man who loves this building so much that he wants original lights here, which I disagree with, but I know what he's trying to do. His name is Robert Ripley, and ask him about the role I played in

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the upgrading of this Capitol Building that belongs to you all, your heritage. But you didn't care for it, you had no respect for it.

FOLEY: One minute.

CHAMBERS: Had no respect for each other or the coming generations. So we got on an airplane and flew to Chicago to a factory, a furniture factory, and walked around and looked at the kind of furniture that they had to purchase desks for these white senators who have contempt for me. And that's another thing that I did, and if you doubted, go ask. You weren't here when it happened, so I have to tell you. You think I'm what your racist brothers and sisters out there tell you I am is all that I'm about. You don't take the time to study anything. Not only do you not know the history of this country, you don't even know the history of this Legislature. Those are just some of the things that occurred that you need to know about so you can know the manner of man who is walking among you.

FOLEY: Time, Senator.

CHAMBERS: Thank you, Mr. President.

FOLEY: Senator Chambers, you're recognized again for your third opportunity.

CHAMBERS: Thank you. And you all don't like what I say because you don't like the truth. The truth is far from you, but I'm going to tell it, and I'm going to take the time, and for those rural people who have forgotten what I did for them. They have short memories. When they need something, they can come to me. I have articles where I can prove it. Then their memories get short, and they say, kick him out and the only way we'll get him out is to get term limits. And I'm going to show you where a national organization participated. Which senator or governor ever had such an impact that national forces came to this state to get rid of him or her? National articles written because I was being term limited out. They didn't even care about any other senator in this country who was term limited out because there was none who did what I did day after day, week after week, month after month, year after year, decade after decade, and am still going strong, and will continue to do so. And just to spite you all, I have decided I'm going to

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live at least four more years when I leave here, so I can come back again. I was coming up the stairs today from my office, and when you come from my office there's kind of a winding staircase. And I saw some younger people on the stairs, so I waited until they just about got to the top before I ran up the stairs and I still overtook them. So then, good-naturedly, and they accepted it, I said, when I see young people on the stairs I usually wait so that they will not have me overtake and pass them on the stairs. And they laughed. They say, yeah, we can hardly breathe now. I say, well, I got to do it to stay in shape and stay alive. For you brand-new people, I told my colleagues that if these white people would have just left me alone I probably would have died ten or 12 years ago, but they wouldn't leave me alone, so to spite them I have continued to live. And to spite them even further, I shall outlive many of them. You cannot find somebody as incorruptible as I am. I don't take handouts from anybody. I don't take campaign contributions from anybody. I never leached, mooched, and sponged off the lobbyists. And every position I've ever taken on this floor, even when it embarrassed the others here sitting around like knots on logs, or moochers and spongers waiting for the next free meal, it was designed to uplift the image of the Legislature, to uphold the integrity of the Legislature as an institution. I would point out to people on the outside, it is foolish to try to destroy a branch of government because you don't like the people who currently are there. Leave the instrumentality there. Leave the structure and the system there and send better people there to operate and govern through that system. It is not the system of government. No system of government saves anybody. You can lay out on paper the best possible system, but if you get rogues, scamps, scallywags, carpetbaggers and all the rest in those positions, the form of government means nothing. You all have a form of democracy or republicanism, with a small r, but look who's there now.

FOLEY: One minute.

CHAMBERS: An idiot, an imbecile, who is destroying the reputation of your country, who is causing people around the world to wonder what manner of lunatic makes up the populace of this country? A man who can lie, so-called Christian. What do they call them? Fundamentalists or Evangelicals. A man who married more than once. A man who cheats on his wife, and these Christians go for him. This is my third time on this, but there are other bills here, so you all will have the opportunity to be regaled further. And this is just an object lesson of what can happen this session when you bring up the bills you love. Thank you, Mr. President.

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FOLEY: Thank you, Senator Chambers. Senator Briese, you're recognized to close on your confirmation report. He waives closing. The question for the body is the adoption of the confirmation report from the General Affairs Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 36 ayes, 0 nays on the adoption of the report, Mr. President.

FOLEY: The confirmation report is adopted. Mr. Clerk.

ASSISTANT CLERK: Next report from the General Affairs Committee is for Mike Hunsberger to the State Electrical Board.

FOLEY: Senator Briese, you're recognized to open on your second of three confirmation reports.

BRIESE: Thank you, Mr. President. Good morning again, colleagues. I present for your approval the appointment of Mike Hunsberger to the State Electrical Board. The State Electrical Board sets the policy and directs the efforts of the Executive Director of the State Electrical Division. The board adopts rules necessary to enable and carry into effect State Electrical Act. Mr. Hunsberger appeared before the General Affairs Committee on January 28, 2019, via teleconference. Mr. Hunsberger is a resident of Broken Bow, Nebraska, and desires to represent the western Nebraska area on the board. He has over 20 years of experience working as an electrical contractor and has served on additional boards and commissions, including the Broken Bow Board of Parks and Recreation, the Custer Economic Development Corporation, and is president of the Broken Bow Chamber of Commerce. Mr. Hunsberger answered all questions posed to him to the committee satisfactorily. The committee approved Mr. Hunsberger's appointment unanimously. I urge the body to support the appointment of Mike Hunsberger to the State Electrical Board. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. Debate is now open on the confirmation report. Senator Williams.

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WILLIAMS: Thank you, Mr. President. I would like to stand in full support of this nomination. I have known Mr. Hunsberger for a number of years. All the things that Senator Briese talked about him and he would have said at the hearing would be certainly echoed by me. Thank you, Mr. President.

FOLEY: Thank you, Senator Williams. Senator Briese, you're recognized to close on the report. He waives closing. The question for the body is the adoption of the confirmation report from General Affairs Committee. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

ASSISTANT CLERK: 38 ayes, 0 nays on the adoption of the report.

FOLEY: The confirmation report is adopted. Mr. Clerk.

ASSISTANT CLERK: The final report this morning from the General Affairs Committee is for Jeffrey Bomberger to the Nebraska Commission on Problem Gambling.

FOLEY: Thank you, Mr. Clerk. Senator Briese, you're recognized to open on your third confirmation report.

BRIESE: Thank you, Mr. President. And good morning once again, colleagues. I present for your approval the reappointment of Jeffrey Bomberger to the Nebraska Commission on Problem Gambling. The Nebraska Commission on Problem Gambling was established in 2013 with the passage of LB6. The commission aims to counter the negative impact of gambling addiction with effective evidence-based prevention and treatment services for Nebraskans and their families. Mr. Bomberger appeared before the General Affairs Committee on Monday, January 28. He is a resident of Lincoln and graduated from the University of Nebraska-Lincoln with a masters in finance. Mr. Bomberger has experienced volunteering with organizations such as Big Brothers Big Sisters, Teammates, and Junior Achievement. He has served as treasurer of the Lincoln Interfaith Council. Mr. Bomberger is seeking reappointment to the Nebraska Commission on Problem Gambling to share his story and experiences of the downfalls of compulsive gambling. He was convicted in March 2016 for theft by deception as a result of his addiction to gambling

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and wishes to use his experiences as an opportunity to make improvements in the lives of those who share the same affliction. The committee appreciated Mr. Bomberger's candor and passion to help those who struggle with gambling addictions. The committee approved Mr. Bomberger's appointment on a 7-0 vote. I ask for your confirmation of Jeffrey Bomberger to the Nebraska Commission on Problem Gambling. Thank you, Mr. President.

FOLEY: Thank you, Mr. Briese. Is there any discussion on the confirmation report? Senator Briese, you're recognized to close on the report. He waives closing. The question for the body is the adoption of the confirmation report from the General Affairs Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 38 ayes, 0 nays on the adoption of the report.

FOLEY: The confirmation report is adopted. Items for the record, Mr. Clerk.

ASSISTANT CLERK: Mr. President, your Committee on Enrollment and Review reports LB193, LB196, LB117, LB79, LB82, LB190 and LB33 all reported to Select File, some with E&R amendments. Your Committee on Urban Affairs reports LB85 to General File with committee amendments. Business and Labor reports LB102, LB301, LB359 and LB306 to General File. Natural Resources Committee provides notice of committee hearing for February 7. That's all I have at this time.

FOLEY: Thank you, Mr. Clerk. Proceeding on the agenda to General File. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB70 introduced by Senator Matt Hansen. (Read title.) The bill was introduced on January 10 of this year, referred to the Banking, Commerce and Insurance Committee, placed on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Matt Hansen, you're recognized to open on LB70.

M. HANSEN: Thank you, Mr. President, and good morning, colleagues. I rise today to introduce LB70, a bill that would adopt the Uniform Voidable Transactions Act, or UVTA, and eliminate

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the current law known as the Uniform Fraudulent Transfers Act, or UFTA. This is a 2014 update that is a product of the Uniform Law Commission, which is a nonprofit formed to create nonpartisan state legislation or uniformity of state law is desirable. The Uniform Voidable Transaction Act provides remedies for certain transactions by a debtor that are generally designed to keep property out of a creditor's reach and addresses a few narrowly defined issues and is not a comprehensive revisions of the act that it would replace. First, the title of the act would be changed from the Uniform Voidable Transactions Act. The title of this current law has a misleading description because fraud is not a necessary element of a claim under the current law. Similarly, the Uniform Fraudulent Transfers Act is always applied to the incurrence of obligations as well as transfers of property. Thus, the name change is to clarify the purpose and application of the act. Overall the name change is intended as a clarification of the current acts purpose rather than changing the scope or the role of the act. The new act also includes a few new provisions. For example, it adds a choice of law role for claims governed by the act and includes uniform rules for allocating the burden of proof and defining the standard of proof with respects to claims and defenses under the act. It also adds a new section dealing with series organization that provides that each protected series of a series organization is to be treated for purposes as a person for purposes of the act even if it's not treated as a person for other purposes. It also deletes the special definition of insolvency for partnerships. The currently enacted UFTA set forth a special definition of insolvency applicable to partnerships which adds to the sum of the partnership's assets to the net worth of each of its general partners. The new act deletes the special definition and thus makes partnerships subject to the general definition. Under the general definition of insolvency in the act, a debtor is insolvent if at fair valuation some of the debtor's debts is greater than some of the debtor's assets. This update has been passed by 19 states so far and has been approved by the American Bar Association and was listed by the Council of State Governments as suggested state legislation in 2015. At the bill hearing there was no opposition testimony and the committee voted it out with no opposition with seven yeases and one member absent. I'd like to thank legal counsel, committee legal counsel as well as the Uniform Law Commission for their assistance and expertise in this bill. And with that, I would ask the body for a green vote on LB70. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. You've heard the opening on LB70. Is there any discussion on the bill? Senator Hansen, you're recognized to close on LB70. He waives closing. The

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question for the body is the advance of LB70 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 43 ayes, 0 nays on the motion to advance the bill, Mr. President.

FOLEY: LB70 advances. Proceeding to LB78. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB78 introduced by Senator Williams. (Read title.) The bill was introduced on January 10th of this year. Referred to the Banking, Commerce and Insurance Committee that. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Williams, your recognized to open on LB78.

WILLIAMS: Thank you, Mr. President, and good morning, colleagues. Those of you that were in the body last year will remember that we passed LB1121 which established the Uniform Protected Series Act in our state knowing that we had a deferred date of enactment in 2021 and that we would need to do a number of clean-up activities so that that would be ready to be operational, and that is the purpose of LB78. LB78 amends the Nebraska Uniform Protected Series Act and the Nebraska Uniform Limited Liability Act to properly coordinate the provisions of those two acts. Nebraska's Uniform Protected Series Act was enacted in 2018 by way of LB1121, and is based on the Uniform Protected Series Act as promulgated by the National Conference of Uniform Commissioners on uniform state laws in 2017. The changes to Nebraska's Uniform Protected Series Act under this bill would become operative on January 1, 2021, which is also the operative date of LB1121. Uniform Protected Series Act provides a comprehensive framework for the formation and operation of a protected series limited liability company. A protected series LLC has both horizontal liability shields as well as standard vertical liability shields. All modern business entities provide the traditional vertical shield which protects the entities owners and their assets from automatic vicarious liability for the entities debts. A series limited liability company provides horizontal shields protecting each protected series and its assets from automatic vicarious liability for the debts of the company and for the debts of any other protected series of the company. A horizontal shield likewise protects the

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series limited liability company and its assets from creditors of any protected series in the company. The Uniform Law Commission provided for their Protected Series Act to be enacted as part of the state's already existing version of the Uniform Limited Liability Company Act. That is a named act within a named act. Nebraska followed that course the best it could last year in 2018, but there was a hitch. Nebraska's existing Limited Liability Company Act was originally enacted in 2010 based on the 2006 version of the Uniform Law Commission. However, the Uniform Protected Series Act was designed by the Uniform Law Commission to fit within the 2013 version of their Limited Liability Company Act, not the 2006 version that Nebraska has in statute. LB1121 last year was enacted in such a way that it did not fix these critical edits and therefore that is what LB78 is intended to do. This bill was developed by a working group put together pursuant to an interim study resolution, LR378. Those participating included members of the Nebraska State Bar Association, the Office of the Secretary of State, and Uniform Law Commissioner, Larry Roof. The group had a great deal of assistance from two other uniformed law commissioners, David Walker, a retired professor from Drake Law School, and also Steven Frost, an attorney in Chicago. I would also like to thank Bill Marienau, legal staff for the Banking Committee, and Dexter Schrod, my LA for all of their work in coordinating these efforts to make certain that our Nebraska law works. LB78 will make a number of cleanup and correcting changes in our Protected Series Act. The bill would fill in gaps in the area of filing requirements. The bill would provide for the use of existing requirements for business entity name filings. The bill would correct internal statutory references and provide a correct usage of defined terms. The bill would also harmonize terminology between the Uniform Act and our existing statutes. The bill would provide filing requirements for a foreign-protected series of a foreign-series limited liability company. Finally, the bill would outright repeal a section of the existing act, which is unnecessary in Nebraska because it only has utility in states that already have protected-series statutes on their books. The changes in this bill are cleanup, clarifying, and gap filling. They do not alter the subsistent direction of the underlying act. In summary, the decision to provide a protected series LLC was made when this body passed LB1121 last session. This bill is a follow up to make adjustments and corrections so that the Nebraska Protected Series Act properly fits within our existing statutes. This bill in its testimony in the hearing had no opposition and was voted out of committee with no dissenting votes. I would ask for your green vote to advance LB78 to Select File. Thank you, Mr. President.

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FOLEY: Thank you, Senator Williams. Debate is now open on LB78. Senator Williams, you're recognized to close on the bill. He waives closing. The question for the body is the advance of LB78. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 40 ayes, 0 nays on the motion to advance the bill, Mr. President.

FOLEY: LB78 advances to E&R Initial. Proceeding now to the next bill. Mr. Clerk.

ASSISTANT CLERK: LB221 introduced by Senator La Grone. (Read title.) The bill was first read on January 14th of this year. It was referred to the Committee on Banking, Commerce and Insurance. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator La Grone, you're recognized to open on LB221.

LA GRONE: Thank you, Mr. President. LB221 is a bill that provide that a closing or settlement protection letter is not required when a title insurer or its agent is not performing as gross settlement or closing services. Nebraska law currently requires a closing protection letter to be issued in connection with the issuance of any title insurance commitment or policy. This letter protects the insured against theft or of purchase price and also provides protection from their instructions not being followed correctly. Some consumers, though, do not actually need that protection because they handle their own funds for settlement in closing and work directly with the borrowers. LB221 provides that instead of always being required, a closing protection letter is only necessary when the insurance company or its agent actually handles the escrow settlement or closing for the consumer. In other words if this bill passes, the consumer will no longer be required to pay for closing protection letters if there's no insurance commitment. Thank you, and I'd encourage your green vote on the bill.

FOLEY: Thank you, Senator La Grone. Debate on LB221. Senator Clements.

CLEMENTS: Thank you, Mr. President. I support this bill because having to have a closing protection letter in many of our bank closings has been unnecessary and an unnecessary charge

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to the consumer and the borrower. It's really only needed if the title agent is handling the money. In my experience, my brother's an attorney, he closes the loan. The bank handles the money, and we don't need protection from the title company as to who is handling the money. So I think this is a good proposal, and I support it. Thank you.

FOLEY: Thank you, Senator Clements. Seeing no further discussion, Senator La Grone waives closing. The question for the body is the advance of LB221 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 35 ayes, 0 nays on the motion to advance.

FOLEY: Thank you, Mr. Clerk. LB221 advances to E&R Initial. Announcements and items for the record, Mr. Clerk.

ASSISTANT CLERK: Thank you, Mr. President. Amendment to be printed to LB92 from Senator Wayne. Series of name adds this morning: Senator Howard to LB15; Senator Matt Hansen to LB15; Senator Quick to LB15; Senator Bolz and Senator Hunt all to LB15; Senator Erdman to LB16; Senator Hunt to LB51; Senator Erdman to LB54 and to LB185; Senator Dorn to LB267; Senator Erdman to LB454; Senator Walz to LB642, and Senator Ben Hansen to LB720.

Finally, Mr. President, Senator Bolz would move to adjourn until Friday, February 1, 2019, at 9:00 a.m.

FOLEY: Members, you heard the motion to adjourn until tomorrow. Those in favor say aye. Those opposed say nay. We are adjourned.