

April 27, 1981

LB 512

SPEAKER MARVEL: You have a minute left.

SENATOR BEUTLER: ...the same group that brought you a whole number of uniform laws that are in effect in the State of Nebraska and it is a bill that has been approved by the American Bar Association and the attorneys in the Bar Association who work in this area and it has been gone over by a number of attorneys in this state to be sure that the Uniform Law complies to the law of Nebraska or comports with the law of Nebraska. What does 512 in its original form do? It does simply this. It says basically that the homeowner is going to have a way of protecting himself against paying twice. No homeowner pays twice for any goods or materials except in one possible circumstance. Under LB 512 the subcontractor of material can send a notice to the homeowner and that notice can say, I have supplied goods and material. At the point in time that the homeowner gets that notice...

SPEAKER MARVEL: Time is up.

SENATOR BEUTLER: ...he is obligated to withhold those funds for the payment of the subcontractor but if at that point in time when he gets the notice he has already paid the contractor, then he is home free. He does not pay twice. That is the basic mechanism of LB 512. Mr. Speaker, since these amendments are very complicated I would ask unanimous consent to take another couple minutes.

SPEAKER MARVEL: Okay, is there any objections? So ordered. Go ahead.

SENATOR BEUTLER: Under LB 512 in its original form the subcontractors and the material men still have an opportunity to protect themselves. They still have that opportunity. If they want to protect themselves they should send the homeowner notice immediately that they supplied goods and materials and in the event the homeowner hasn't paid the contract and in most cases he will not have if they send the notice right away, he is protected. Or in a situation where the contractor owns the house, if he wants to protect himself against the contractor selling the house to another buyer, then he can simply file the lien. If he is worried about the contractor, if he is worried about getting paid, he should simply file the lien. Nothing prevents him from filing the lien the day after he supplies the goods and materials. So the point I am trying to make is that LB 512 is not a radical solution. It does not do away with all subcontractors or material men's rights. It gives them a means of protecting themselves. It is itself a compromise solution. The