

I do think we need to put something in there on spec houses and I will present my amendment on Select File.

SPEAKER MARVEL: You have heard the motion. Is there any objection? If not, the amendments are withdrawn.

CLERK: Senator, you had two of them. Both? Okay. Mr. President, I have nothing further on the bill.

SPEAKER MARVEL: Senator Beutler, do you wish to advance the bill?

SENATOR BEUTLER: Mr. Speaker, I would move that the bill be advanced. Let me reiterate and simply and oversimplify for the members of the Legislature just a little bit what LB 512 says now. 512 says, that if the subcontractor or material man wants to have the right to file a lien under the present law, if they want to have that right, then they have to send to the homeowner a notice that they have supplied goods or materials. At the point in time that the homeowner gets that notice, if he has not already paid the prime contractor then he has to set aside the amount of money necessary to pay the subcontractor. He has to set that aside. The homeowner under 512 has an affirmative obligation to hold money for the subcontractor once he gets that notice, once he knows that the subcontractor is owed money. But if at the point in time that he gets that notice, he has already paid the prime contractor, then he doesn't have to pay twice. He doesn't have to pay twice. That is the basic idea. The subcontractor as material men have had an unusual remedy, very unusual. Let me give you an example that I think illustrates how unusual the remedy is. Let's say you are a farmer out near North Platte someplace and you go to town and you buy a TV set and you come home with it and a couple weeks later somebody knocks at your door and says, "I represent the manufacturer of that TV set and the retailer who sold that to you went bankrupt and he didn't pay us and I am here to tell you that you owe us money for that TV set now." And I say to you, "But I didn't deal with you. I dealt with the retailer. It was between he and I. I don't know about you." And he says, "Tough luck, that is the law, buddy." That is precisely what has happened right here, what is happening right here with the homeowners and the lien law. The homeowner says, "I didn't know who the subcontractor was. I didn't deal with them. I don't know who they are." And they are saying, "Tough luck. That is what the law says." In no other area of business is there this kind of a right. The most beguiling argument that I have heard today is that somehow by doing away with this law, we are feisting