

May 28, 1981

LP 512

owner will be liable to the claimant only to the extent money is paid to the contractor after the owner receives the notice of lien liability. Delays in giving the notice may result in reduction or complete loss of lien rights. And that is true, but the notice need only to be mailed, not filed. You recall, we have talked about this that the notice just has to be mailed, not the complicated filing at the Register of Deeds, which the contractors and subcontractors objected to in our first hearing. The procedure...oh, it went on to criticize the procedure. This on page four. The procedure outlined in paragraphs one to three may be affected in the commercial construction situation or where a landowner contracts for the construction of a residence or improvement thereon and from that perspective a notice of commencement is more relevant. And that is probably the only place it will be used, and it will promote the second mortgage market. Liens may still be recorded....

PRESIDENT: One minute, Senator Pirsch.

SENATOR PIRSCH:after 30 days, but they will not have priority over the second mortgage, that's true. I guess I will just close by saying that when you get a barrage like this, I know it is alarming to you. I am sorry that you have had to go through the pressures that I know the lobbyists have put you under. I have been obliquely threatened. It is a hard decision to make, but remember, this is the only industry that has this ability. Why should they not have to go by the same standards of business that other businesses have to do, and deal with the party they contracted with? Thank you.

PRESIDENT: The Chair recognizes Senator Marsh.

SENATOR MARSH: Mr. President and members of the Legislature, I have been very quiet on this issue and I think it is time to cease being quiet. We have had a great deal of pressure from both sides presented to us, and I told people from the beginning that I expected to vote for a lien bill this year, and I intend to vote for a lien bill this year. The facts are, there has been a protected industry and it has had such protection that the consumer in many instances has been the category of individual to be hurt. This is not a perfect bill and I am not standing up to say LB 512 is perfect. But I am standing up to say, I believe it ought to have a chance to try to work. I will expect