

January 24, 1992 LB 226

both sides of the issue, and I am trying, but it appears that there...I think the reason for a duration on a contract is more to protect the business, in this case, because it has got...

SENATOR ASHFORD: No.

SENATOR WEHRBEIN: ...some dollar value, and I can understand the consumer has a value because if they can get a longer contract, there is less risk to the provi...there is more assurance to the business that they have something there for the consumers to want.

SENATOR ASHFORD: Correct.

SENATOR WEHRBEIN: I think I understand all of that, but by the same token, for those that may be prone to going out of business, they have less to lose, too, if they have a short-term contract...a long-term contract because they are going to have...they have sold those and I assume those contracts are still valid if they are sold as a method of financing.

SENATOR ASHFORD: No, no.

SENATOR WEHRBEIN: Do you want to comment on that?

SENATOR ASHFORD: Yeah, very briefly, that the bill would provide that the assignee of that contract would have no greater rights than what the assignor has. So if they go out of business and those services aren't provided, then the contract is cancelled.

SENATOR WEHRBEIN: What if it has been sold?

SENATOR ASHFORD: That is assigned and it would be the same. It would be cancelled. You can't get a...the consumer does not lose any rights to get out of a contract if the contract has been assigned under this bill. This bill protects the consumer...

SENATOR WEHRBEIN: But if it was a shorter duration contract, they wouldn't be tied up for so long so that would be a form of protection, am I right?

SENATOR ASHFORD: No, not assurance...well, Senator Nelson was also asking me a question, so I didn't hear your last one,