

February 21, 1996 LB 972, 1001

CLERK: 27 ayes, 0 nays, Madam President, on the advancement of 1001.

SENATOR CROSBY: LB 1001 advances. LB 972.

CLERK: (LB) 972, introduced by Senator Hilgert. (Read title.) The bill was introduced on January 4 of this year, referred to the Banking Committee, advanced to General File. I have no amendments to the bill, Madam President.

SENATOR CROSBY: Senator Hilgert.

SENATOR HILGERT: Madam Speaker, members, this bill comes before you as a result of a problem that happened down in the state of Texas. For many years, since the 1800s, charitable gift annuities was the...and it was an accepted practice of donation. Down in the state of Texas there was a lawsuit by an attorney from a disgruntled heir that said that the charitable gift annuities were basically vehicles of insurance, they are vehicles of banking, and as a vehicle of trust. And what this does is this responds to that class action lawsuit, the federal government has already responded. There was legislation passed last December by...legislation sponsored by Senator Chris Dodd and Kay Bailey Hutchison, some of the states have already responded. Texas, it was a unanimous bill. The only thing this does is says that charitable gift annuities are a legitimate form of donation. That they are not engaging in the business of insurance. It's not engaging in the business of a trust company. And they're not deceptive trade practices, nor are they an illegal restraint of trade or commerce. This basically allows the charitables of Nebraska to continue what they have been doing and puts that into state law. The Nebraska State Bar Association and our own Department of Insurance are supportive of this bill. Let's see, and, of course, this bill also does not preempt any of the provisions of the federal Charitable Gift Annuity Antitrust Relief Act or the federal Philanthropy Protection Act, which I made a reference to earlier. Thank you.

SENATOR CROSBY: Thank you, Senator Hilgert. Discussion on 972. Senator Wickersham.

SENATOR WICKERSHAM: Thank you, Madam President. I will be brief, I do not intend to hold this bill up on General File. I