

February 21, 1996 LB 972

may offer a Select File amendment. Senator Hilgert, I notice from the committee statement that it says that the federal government has exempted the issuance of charitable gift annuities from application of federal and state antitrust and securities laws, but the state of Nebraska would have three years from 1995 to impose its own state regulations with regard to these...and I'll characterize them as securities, I don't care what other people call them. Have you thought about that? Do you think that is appropriate or maybe something that we should do? And I am curious about why these securities ought to be unregulated. It's my experience they occasionally involve large sums of dollars. The people that utilize them do expect to be paid. The, and even if an individual annuity is not for a large sum of dollars, I think they're increasingly used as a means of supporting charities. It seems to me that we have some state interest in making sure that people get what they have bargained for. Would you, do you have any response?

SENATOR HILGERT: Sure.

SENATOR CROSBY: Senator Hilgert.

SENATOR HILGERT: Certainly, yes, Senator Wickersham, one of the reasons why this has...there's an organization called the Committee on Gift Annuities, and what had happened during the competition of different charitable organizations issuing these charitable gift annuities, the interest rates and the returns that were promised got higher and higher and higher. So what you're saying, you know, was a big fear among the charitable community, saying there is very little charity at this point, there's very little donative intent, and we're basically going into business. So what had happened was the Committee on Gift Annuities got together and they basically set an interest rate that, I think there's over a thousand charities that subscribe to these interest rates, so that they guarantee that there's a big chunk of that that is a charitable gift annuity. Now what...

SENATOR WICKERSHAM: Well, that's an antitrust issue.

SENATOR HILGERT: Right.

SENATOR WICKERSHAM: But what about the securities issue about whether people get paid, whether there's adequate security to