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FLOOR DEBATE

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beneficiaries, are subject to the claims of the creditors of the city, village, or rural or suburban fire protection district conducting the program in the event of the insolvency or bankruptcy of the city, village, rural or suburban fire protection district." The likelihood of an insolvency involving a city or village, probably even a rural or suburban fire protection district, is not...is highly unlikely, of course. But we had an insolvency in the mid-1980s where an industrial bank failed. We had set up a system that was inadequate. The state didn't have formal liability for it. There was nothing in the statute that said we had to pay these people who lost their money because of the system we had set up. But the argument was made that there was a moral obligation there because we set up a system that we should have known simply wouldn't work. My question is this. First of all, in a legal sense, should a rural fire district, for whatever reasons become bankrupt or insolvent, as I understand this bill, they could take the money in the trust and pay the claims and they wouldn't have to pay these people who had put the money aside in the trust. In other words, I could work for 40 years, have all this money in the trust; if this admittedly rare event occurred, and the creditor did have a legitimate claim on the money, all of the money, then the individual participate would simply not be paid. Is that accurate?

SENATOR FRIEND: That's accurate.

SENATOR BEUTLER: Okay. So then following that, would it also be accurate to say that the state had no liability, no legal liability whatsoever, to reimburse those persons for that lost money?

SENATOR FRIEND: That's correct.

SENATOR BEUTLER: Does the state have a moral obligation to reimburse these people for that money?

SENATOR FRIEND: Well...

SENATOR BEUTLER: I mean, if that happened, would you be standing up on the floor here arguing that we should probably