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FLOOR DEBATE

March 29, 2005 LB 268

CLERK: Senator Beutler would move to amend with AM0860.
(Legislative Journal page 966.)

SENATOR CUDABACK: Senator Beutler, to open on your amendment,
AM0860, to LB 268.

SENATOR BEUTLER: Senator Cudaback, this was an amendment worked out with the sponsor of the bill. You may recall on General File we had some discussion about the fact that with respect to these award...this award benefit program relating to fire protection district volunteers, that for tax purposes and for the benefit of the volunteer and the program, they had to structure it in such a way that it was subject to claims of creditors of the city, village, or rural or suburban fire protection district, so that even though nobody ever thinks this is ever going to happen, it could happen; and so the sponsor was agreeable to putting into the program's provisions that are otherwise provided to them in the statement, a simple notice that this is a possibility, it could happen. And the language in the amendment simply describes what they will include: shall include the following statement and such additional explanation as shall be deemed appropriate by the sponsor. And the statement will read: Due to definitive interpretations of the relevant provisions of the Internal Revenue Code, in order to ensure that funds deposited on behalf of a participant are not taxable to the participant in that or any subsequent year in which they are nonforfeitable, any funds held by a city...dah, dah, dah...on behalf of a qualifying program shall be subject to the claims of creditors of the city, village or rural...protection district in the event of insolvency or bankruptcy. So all we're doing is being very clear to those that are in the program that this is the way the program is set up. It's set up this way for their benefit and, even though there's almost zero probability that such a thing would happen, it is subject to claims of creditors of the entity that's setting up the program. And with that, I would return my time to the Chair.

SENATOR CUDABACK: Thank you, Senator Beutler. You've heard the opening on AM0860 by Senator Beutler. Open for discussion,