

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT
LB830

Hearing Date: Thursday January 28, 2010
Committee On: Judiciary
Introducer: Coash
One Liner: Limit small tourism business liability and adopt the Tourism Insurance Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Ashford, Christensen, Coash, Lathrop, Lautenbaugh, McGill, Rogert
Nay:		
Absent:		
Present Not Voting:	1	Senator Council

Proponents:

Sen. Colby Coash
Richard Baier
Ann Frohman
Jim Pappas
James Cavanaugh
Edward Schaefer
Renee Seifert

Representing:

Introducer
Department of Economic Development
Department of Insurance
Independent Cattlemen of Nebraska
Independent Insurance Agents of Nebraska
Bellevue Berry Farm
Nebraska Travel Association

Opponents:

John Lindsay
Roger Foster

Representing:

NATA (Nebraska Association of Trial Attorneys)
Self

Neutral:

Korby Gilbertson

Representing:

PCIAA (Property Casualty Insurers Association of America)

Summary of purpose and/or changes:

Legislative Bill 830 would establish the Tourism Insurance Act. The bill would provide definitions for the following terms: fee, gross negligence, liability insurance, property, recreation or tourism activities and small tourism business. The bill would establish the intent of the act as encouraging small tourism businesses to make property available to persons for recreation or tourism activities by limiting liability for those that acquire and maintain liability insurance. The bill would require small tourism businesses to post a sign on their property warning patrons of potential dangers of participation in tourism activities and indicating that the business is not liable for injury or death resulting from ordinary negligence and assumes limited liability for injury or death resulting from gross negligence. The bill would cap liability of small tourism businesses for incidents that occur on their property and are related to the tourism activity. The liability would be limited for the gross negligence of the small tourism business resulting in injury or death to \$500,000 for one person per occurrence and \$3,000,000 for two or more persons per occurrence. The bill would require small tourism businesses to acquire liability insurance and have an active policy to be covered by the limited liability protection under the act. The bill would require the liability insurance policy to be posted in a readily available place on the property.

The operative date for the act would be January 1, 2011.

Explanation of amendments:

Committee Amendment AM 2258 would strike the original provisions of LB 830 and replace them with provisions to establish the Agritourism Insurance Act. The bill would provide definitions for the following terms: liability insurance, agritourism activities, small agritourism activities. The bill would establish the intent of the act as encouraging the development of small agritourism businesses by providing a non-refundable income tax credit to such businesses that acquire and maintain liability insurance. The bill would create the Agritourism Insurance Fund to hold funds transferred from the Local Civic, Cultural and Convention Center Financing Fund which will provide funding for the tax credits. The Department of Economic Development would grant the tax credit to qualified businesses as applications are received. A small agritourism business could apply for the tax credit for a maximum of five consecutive years. The tax credit would be equal to twenty percent of the cost of liability insurance, not to exceed \$2,000 annually. The bill would cap the total amount of tax credits granted per year at \$100,000.

Brad Ashford, Chairperson