

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB409

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: February 14, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The purpose of LB 409 is to create a procedure so that a county, city, or village can guarantee that an owner of a building materially damaged by fire or other disaster will repair the structure or remove debris and make the premises safe and secure.

LB 409 requires the insurer to withhold twenty-five percent or fifteen thousand dollars, whichever is greater, from the insurance proceeds of a materially damaged structure and give notice to the appropriate county, city, or village that the funds have been withheld. The county, city, or village can take the withheld proceeds and place them in escrow to be used to for the repair or demolition and clearing of the damaged real property if the owner fails to take the necessary action.

The bill provides that there is no liability for the insurer for withholding the funds.

Principal Introducer: _____

Senator Dennis Utter