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Banking, Commerce and Insurance Committee
February 08, 2016

[LB770 LB1020 LB1096]

The Committee on Banking, Commerce and Insurance met at 1:30 p.m. on Monday, February 8, 2016, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB770, LB1020, LB1096, and gubernatorial appointments. Senators present: Jim Scheer, Chairperson; Matt Williams, Vice Chairperson; Kathy Campbell; Joni Craighead; Nicole Fox; Mike Gloor; Brett Lindstrom; and Paul Schumacher. Senators absent: None.

SENATOR SCHEER: Welcome to the Banking, Commerce and Insurance Committee hearing. My name is Jim Scheer. I'm from Norfolk and represent the 19th Legislative District. I serve as Chair of the committee this year. The committee will take up the bills and the confirmation hearings in the order they were posted. Our hearing today is your public part of our legislative process. This is your opportunity to express your position on any proposed legislation or hearing that is before us today. Committee members will come and go during the hearing. We have to introduce bills in other hearings, so please don't take offense if somebody does get up and leave. It's nothing that you've said to offend us, that's just part of our process that we may have to remove ourselves for a period of time. To better facilitate today's proceeding, I'd ask you to abide by a few procedures. First, please make sure your phones are on silence or vibrate, please. If you are going to be testifying on one of the bills or in support of one of the hearings, if you could move up to the front six chairs so we know how many people are waiting to testify, that would help greatly. The order of testimony today will be proponents, opponents, neutral, and then closing. And the senator that is introducing the bill will start. Testifiers, you need to sign in if you're going to testify in front. There is a yellow piece of paper in the back that you will need to fill out. When you come forward if you will hand it to Jan to your far right, the committee clerk, and she will make sure that she has that. When you do testify, when you do come up, the first thing I would ask you to do is please say your name and spell it for the record so that the transcribers have the correct spelling of your name. I would ask that you be concise. We will be using the time lights today. Green is for the first four minutes. The yellow light will be on for an additional minute, bringing your total to five. If the red light comes on, that is your clue that you should be stopping your speech or comments. And if you have trouble doing that, I will be most certainly there to help you do so. The committee will work on the agenda as presented. And I would ask that the committee introduce themselves; and we will start with Senator Schumacher on my far right.

SENATOR SCHUMACHER: Paul Schumacher, District 22; that's Platte and parts of Colfax and Stanton Counties.

SENATOR FOX: Nicole Fox, District 7, downtown and south Omaha.

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SENATOR LINDSTROM: Brett Lindstrom, District 18, northwest Omaha.

SENATOR WILLIAMS: Matt Williams, District 36, Dawson, Custer, and the north part of Buffalo Counties.

SENATOR CRAIGHEAD: Joni Craighead, District 6, Omaha.

SENATOR CAMPBELL: Kathy Campbell, District 25, Lincoln.

SENATOR GLOOR: Mike Gloor, District 35, Grand Island.

SENATOR SCHEER: Okay, thank you. And we have Jake and...who else do we have as our page? (Inaudible) And they are our pages. If, indeed, you are going to testify and you have a handout, which I did forget, so I'm glad I had to look over there, we will need ten copies of that. If you do not have ten copies, that's fine, if before you testify, if you could get in touch with one of the pages, they will go make copies for you so that you'll have that. It's always good to have those handouts when you're testifying so if there are questions, we can relate them to you while you are still testifying. And with that we will start. And the first thing we will be doing is the confirmation hearings. And Patrick Booth, if you would like to come forward, please. Welcome to the committee.

PATRICK BOOTH: Thank you. [CONFIRMATION]

SENATOR SCHEER: Whenever you'd like. I guess, maybe I should just...my mind is wandering today. If you'd just like to, maybe, perhaps, give us a short synopsis of yourself, and I know this is a reconfirmation so anything that you feel would be important that has transpired in the last several years that you've been on. [CONFIRMATION]

PATRICK BOOTH: Sure, thank you. It's Patrick Booth, P-a-t-r-i-c-k B-o-o-t-h; live in Dodge County, and the president and CEO of Fremont Health. So I was one of the providers on the insurance exchange commission the last few years. Originally, appointed by the Governor and then all of you, this committee. So now I'm up for reappointment as Senator Scheer mentioned. It's been an interesting process. There's a bill you'll hear about in a little bit, HR770,(sic-LB) where we've recommended the abolishment of our committee. Our chairperson, J.J. Green will get into some of the reasons, but our committees mostly listen to insurance providers, state officials, other organizations who were assisting people in enrollment. We've had no formal authority other than giving an annual report, feel like we haven't really done much. So, anyway,

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I'm happy to be reappointed, but in a few months I understand our committee may be abolished. And so I'm just here to answer any questions you may have. [CONFIRMATION]

SENATOR SCHEER: Okay, thank you, Mr. Booth. Any questions? Senator Schumacher. [CONFIRMATION]

SENATOR SCHUMACHER: Thank you, Senator Scheer. And thank you for appearing before us today. Just out of curiosity, how well the exchanges...how well has the federal exchange been working in Nebraska? Is that something you guys look at? [CONFIRMATION]

PATRICK BOOTH: I can only give you my personal opinion as a healthcare executive. I'm certainly glad that we didn't create our own state exchange. Those have been fraught with problems across the country. The federal government did a lousy job on implementation of the federal exchange. We've all heard about the enrollment problems, the computer problems. I think there were 60,000 enrollees the first year. There might be 40,000 this year. We get those updates from the various insurance companies. CoOpportunity went broke. A lot of us would still like to find out where all that money went, all the subsidies they received. I don't know that more people are insured now than when we started because for all the people that enrolled through the marketplace, there might be one other person who lost their health insurance out of that commercial sector either because their job was reduced to below 30 hours or they were working for an employer that had fewer than 50 lives. And so, even though there was a mandate that applied to those employers, they didn't apply to the smaller employers and to the 30-hour-a-week and fewer. So we...as insurance costs have gone up to cover the sicker patients, it's driven a lot of people out of the market. We can't get good data on whether the 40,000 people on the exchanges have been more than offset by other people losing insurance. So it's been a little frustrating to watch the whole thing. [CONFIRMATION]

SENATOR SCHUMACHER: What about people migrating from the old system to the exchanges? If they lost their insurance with an employer migrating over? Any way to measure those kind of things? [CONFIRMATION]

PATRICK BOOTH: I don't have that data that shows the history. And Medicaid enrollment stayed about the same. There have been efforts to try to expand Medicaid and I'm generally supportive of trying to have more people insured if we could make it kind of be uniquely Nebraska solution where there's some responsibility on the part of the beneficiary themselves to engage in their care decisions and use healthcare wisely and efficiently that would be wonderful. I think we could have more people in the system and not spend that much more money, but I know that's something Senator Campbell has worked hard on for the last couple of years. [CONFIRMATION]

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SENATOR SCHUMACHER: Thank you very much. [CONFIRMATION]

PATRICK BOOTH: Sure. [CONFIRMATION]

SENATOR SCHEER: Thank you, Senator Schumacher. Any other questions? Senator Gloor.
[CONFIRMATION]

SENATOR GLOOR: Thank you, Chairman. And under the assumption that LB770 will go through, thank you for your service because I know you got all kinds of time since all you do is run a hospital, so thank you. [CONFIRMATION]

PATRICK BOOTH: Thank you. You know how that works, right? [CONFIRMATION]

SENATOR GLOOR: I kind of remember. [CONFIRMATION]

PATRICK BOOTH: Thank you. [CONFIRMATION]

SENATOR SCHEER: Are there any that would wish to speak on behalf of Mr. Booth's confirmation? Any of those that would like to speak in opposition? Any in a neutral capacity? Seeing none, that will end the hearing for Mr. Booth. The next reappointment is Shari Flowers. If you'd like to come forward. Welcome, Ms. Flowers. And we'll offer you the same as well.
[CONFIRMATION]

SHARI FLOWERS: Thank you. Great. Shari Flowers, it's S-h-a-r-i F-l-o-w-e-r-s, and I am the Chief Compliance Officer and Vice President of Compliance and Ethics at Blue Cross and Blue Shield of Nebraska. So I represent the insurers position here on the commission. Have been on the commission for the last couple of years. And like Mr. Booth said, I think...we've received a lot of great information through the commission, really learned a lot about, especially the navigator program, which I think was very successful; they did a great job. We learned a lot from Medicaid and got a lot of information, but as far as what we could provide for any type of a substantive recommendation, since we are with a federal marketplace, we really as a commission couldn't provide a lot of opinions or guidance on implementation, things like that. So I'm supportive of, as well, of LB770. But it's been a good experience. But like I said, I just...I feel, I think, like you'll hear from others that the actual information that we've been able to provide hasn't, I don't think, been extremely helpful. But any questions that you have, please let me know. [CONFIRMATION]

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SENATOR SCHEER: Thank you. Any questions for Ms. Flowers? Senator Campbell.
[CONFIRMATION]

SENATOR CAMPBELL: Thank you, Senator Scheer. Were you required to provide an annual report? [CONFIRMATION]

SHARI FLOWERS: Yes, we were. [CONFIRMATION]

SENATOR CAMPBELL: Okay. [CONFIRMATION]

SHARI FLOWERS: So we did provide that. I believe it was December 1 of last year, so we did provide those reports the last couple of years. [CONFIRMATION]

SENATOR CAMPBELL: Excellent. Thank you. [CONFIRMATION]

SHARI FLOWERS: Yep, absolutely. [CONFIRMATION]

SENATOR SCHEER: Senator Gloor. [CONFIRMATION]

SENATOR GLOOR: Thank you, Senator Scheer. And, again, I just want to thank you for...you're one of the original few and proud, so thank you for your willingness to serve also, Shari.
[CONFIRMATION]

SHARI FLOWERS: Absolutely. Thank you very much. [CONFIRMATION]

SENATOR SCHEER: Are there any other questions? Seeing none, thank you very much for coming over this afternoon. [CONFIRMATION]

SHARI FLOWERS: Thank you. Thank you. [CONFIRMATION]

SENATOR SCHEER: Are there any that would like to speak on behalf of Ms. Flowers? Any wishing to speak in opposition? Any wishing to speak in a neutral capacity? Seeing none, this will close the hearing on Ms. Flowers. The next hearing will be on Mr. Ed Rieker. And I'm hoping I pronounced that correctly, or is it Rycker (phonetic)? [CONFIRMATION]

EDWARD RIEKER: No, Rieker is correct. [CONFIRMATION]

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SENATOR SCHEER: All right, well, then we guessed correctly. Welcome, good afternoon. And, again, I will offer you the same format that the other two have used. [CONFIRMATION]

EDWARD RIEKER: Thank you. My name is Edward, I go as Ed, that's E-d-w-a-r-d, Rieker, R-i-e-k-e-r. I want to thank Senator Groene for nominating me to fill his vacancy when he was elected as our senator from North Platte; and I also thank the Governor for deeming me worthy to fill in. I'm kind of a new-comer on the commission. And I didn't have the benefit, I guess, of having the experience curve that some of the rest do. So I've been really trying to get up to speed. But it did occur to me, I guess, that the commission really serves very limited purposes after the Supreme Court's ruling, which essentially found something in the law that allowed all of the states to receive a subsidy. So it seems to me that the reason for having the commission no longer exists. And being a fiscal conservative, and I know in the whole scheme of things, paying us to come back and forth once a quarter for a commission meeting is probably insignificant, but nonetheless, I think it's money that could be spent better in some other place. And so I would support LB770 from that standpoint, and I appreciate the opportunity having sat on the commission. It's been very interesting and I've learned some things about government that I didn't know. Somethings, quite frankly, that I wish I didn't know. But, nonetheless, I thank you. [CONFIRMATION]

SENATOR SCHEER: Thank you. Any questions for Mr. Rieker? Senator Campbell. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Senator Scheer. Mr. Rieker, I'm just curious, because I don't recognize, what does Alpha and Associates do? [CONFIRMATION]

EDWARD RIEKER: Alpha (and) Associates is a marketing agent for W Design Associates and W Design Associates is an engineering and architectural firm. [CONFIRMATION]

SENATOR CAMPBELL: Okay. Thank you. [CONFIRMATION]

EDWARD RIEKER: You're welcome. [CONFIRMATION]

SENATOR CAMPBELL: I didn't quite have that. And we appreciate, it might be short lived, but that doesn't mean we don't appreciate your willingness to come forward and serve. [CONFIRMATION]

EDWARD RIEKER: Well, the pay was great. (Laughter) [CONFIRMATION]

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SENATOR SCHEER: Any other questions or comments? Seeing none, thank you very much.
[CONFIRMATION]

EDWARD RIEKER: You're welcome. [CONFIRMATION]

SENATOR SCHEER: Are there any that would like to speak on behalf of Mr. Rieker? Any in opposition? Any in a neutral capacity? Seeing none, that will end the hearing on the confirmation of Mr. Rieker. And those of you that...the suspense was probably killing you, we will work on these this afternoon after our hearings in executive session and should have these back out in short order. So thank you, again, for all of you taking the time to come down. We will now move on the agenda to LB770. Senator Groene. Good afternoon and welcome, sir. [CONFIRMATION]

SENATOR GROENE: Thank you, Chairman. Mike Groene, M-i-k-e G-r-o-e-n-e. You heard from the appointees. Got called from Senator Gloor and from J.J. Green, the chairman, they asked me to drop this bill because I used to be a member of this commission, was one of the original appointees. But this bill was offered at a request of the chairman of the Nebraska Exchange Stakeholder Commission, J.J. Green, and the commission itself. The Nebraska Exchange Stakeholder Commission was created to oversee Nebraska's state healthcare exchange. Nebraska has never created a state health exchange, but instead opted into the federal exchange as the United States Supreme Court ruled in King v. Burwell that federal subsidies are available to persons enrolled in the federal exchange. Accordingly, there was no need or practical reason for Nebraska to create a state exchange, thus this committee serves no need, but is instructed by statute to meet at a minimum three times a year. If anybody remembers, Senator Gloor's bill last year, the commission asked to go from four to three because they didn't have enough to do, so three times was enough. This bill would move up the sunset provision ending the commission July 1, 2016 instead of 2017, and saving taxpayers one year of unnecessary and wasteful expenses. We first thought about eliminating it right away on emergency clause, but after talking to J.J., Mr. Green, they're just not going to hold a meeting. It's mandated to have three meetings, they're just not going to have any, and so we just moved it up one year. It was supposed to be sunset July 1, 2017, so we're just striking '17 and moving to '16. I talked to Senator Nordquist. It was his original bill. He's fine with this. No insult to him if we eliminate the commission early because of that Supreme Court case which, basically, it's no difference between the federal and the state commission, the same insurance companies, and everybody gets their subsidy now because of that ruling. So anyway, I'm going to leave it to Mr. Green to tell you what we did. We did learn a lot that first year. I think it did more good for the Department of Insurance than it did for us because they did a lot of reports and they really got both feet into Obamacare and...but they do a good job in the first place of overseeing our insurance industry in the state of Nebraska. So anyway at that, I'll leave it at that. If there's any questions? [LB770]

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SENATOR SCHEER: Thank you, Senator Groene. Any questions? Senator Williams. [LB770]

SENATOR WILLIAMS: Thank you, Senator Scheer. Just to be sure, Senator Groene, that I know you want the emergency clause in or out? I think it's still on the bill, as I'm looking at it right now. [LB770]

SENATOR GROENE: We could do it either way, I guess, because July 1 is...May, June, July, it would be 90 days anyway, it would take effect July 1. So what you guys... [LB770]

SENATOR WILLIAMS: But the bill as presented has the emergency clause. [LB770]

SENATOR GROENE: All right. I thought it was struck, but apparently it wasn't amended. [LB770]

SENATOR SCHEER: Okay, any other questions? Senator Gloor. [LB770]

SENATOR GLOOR: Thank you, Chairman Scheer. Just a couple of quick things first of all. Thanks for introducing the bill. Thanks for your service, when you served on it. And my guess is, if this...you know, assuming that the discussion goes well and this advances out of the committee appropriately, I'm guessing you would put this on as a consent for July. [LB770]

SENATOR GROENE: Yes, if you vote it out, I would. [LB770]

SENATOR GLOOR: Okay. [LB770]

SENATOR GROENE: And as you said, serving on the committee I got to meet Patrick and Shari and J.J., met some good people, and Ed, I knew for a long time and I owed him one, so I nominated him to be on it. So, anyway, any other... [LB770]

SENATOR SCHEER: Any other questions for Senator Groene? Are you sticking around or...? [LB770]

SENATOR GROENE: I...I'll make...what I wanted to make sure you knew was...to make sure you looked at the A bill also. [LB770]

SENATOR SCHEER: Okay. [LB770]

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SENATOR GROENE: I'm actually going to save \$4,320 to help towards the \$110 million.
[LB770]

SENATOR SCHEER: As long as you notated it to us now, it's in the record, Senator. [LB770]

SENATOR GROENE: Thank you. [LB770]

SENATOR SCHEER: All right. Okay, we'll now open the testimony to proponents of LB770.
Good afternoon. [LB770]

JAMES J.J. GREEN: Hello. Committee, Senator, my name is James J.J. Green. I'm known in the insurance industry as J.J. so that's what I'll put down, from Grand Island, Nebraska. [LB770]

SENATOR SCHEER: Could you spell your last name. [LB770]

JAMES J.J. GREEN: Green, G-r-e-e-n. [LB770]

SENATOR SCHEER: Thank you. [LB770]

JAMES J.J. GREEN: Thank you. Senator Gloor originally nominated me to be on the committee, which I accepted. The Governor then appointed us. And at our first meeting then, I got to get up and get a cup of coffee and they elected me chairman, so, (laughter) been chairman for...since in the initial meeting. But the purpose of doing this, and a big thank you to Senator Groene for supporting the bill, introducing it, is we really, as you've heard, we've learned a lot, and especially the first year in coordinating with the Department of Health and Human Services, the Medicaid program, why things were or were not working very well on the federal exchange, and the carriers were helping us understand why things weren't going very well that first year. So having said that, we've learned a lot, but now going into the next year or two we really aren't accomplishing a whole lot. There's a lot of information that's still out there about the federal exchange. We've, as you've heard, we're not a federal exchange in Nebraska...or we are. And so it's just time to maybe move on, save some taxpayer dollars. Department of Insurance has written, also, a letter of support of LB770. And so we think it's time to maybe move up the expiration date of the commission, which did have a sunset of 2017 by the way. And so we're just trying to move that up and save some consumer and taxpayer dollars, Department of Insurance resources. And so I'd be happy to answer any questions anybody might have. [LB770]

SENATOR SCHEER: Senator Craighead. [LB770]

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SENATOR CRAIGHEAD: Thank you, Mr. Chairman. I just want to say again, thank you for your service to our state. [LB770]

JAMES J.J. GREEN: Um-hum. Thank you. Yeah, it's been quite a learning curve over the whole process. [LB770]

SENATOR SCHEER: Any other questions of Mr. Green? Senator Gloor. [LB770]

SENATOR GLOOR: Thank you, Chairman Scheer. And I especially should thank you for your willingness to serve and having you in the role of chairman, I mean, gave me a sense of comfort knowing you and knowing the position you're in as related to the exchange, so thanks for serving. [LB770]

JAMES J.J. GREEN: Yeah, thank you. It's been very enlightening to my career as...I represent small business and since I owned one, that was the chair I was sitting in, but being in the health insurance industry was a significant advantage. [LB770]

SENATOR SCHEER: Any other questions or comments? Seeing none, thank you very much for coming down. [LB770]

JAMES J.J. GREEN: Thank you, Senator. [LB770]

SENATOR SCHEER: (Exhibits 1, 2, and 3) Any other proponents for LB770? Any in opposition to LB770? Anyone speaking in a neutral capacity for LB770? Seeing none, I would note for the record that we have letters of support from the Association of Insurance and Financial Advisors, from David McBride. We have a letter of support from the Platte Institute from Jessica Hermann. And we have a letter of support from the Nebraska Department of Insurance from Director Bruce Ramage. And those will all go on the record. And if Jake could come over and drive those to Jan and then hand them out so everyone has a copy. And with that, Senator Groene waives closing. And that will end the hearing for LB770. Okay. The next hearing will be LB1020, Senator Fox, whenever you would like. And welcome to your committee. [LB770]

SENATOR FOX: Good afternoon, Chairman Scheer, members of the Banking, Commerce, and Insurance Committee, I'm Nicole Fox, N-i-c-o-l-e F-o-x, state senator for Legislative District 7. LB1020 would amend section 76-854 and 76-861 of the Nebraska Condominium Act. It provides a procedure for the executive boards of condominium associations to correct a scrivener's error or omission, which is a clerical error or an unintentional drafting mistake such as an unintentional omission in the condominium association's declaration. Section 76-854 and

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76-861 currently require a super majority of 67 percent of the members of the executive board, or any larger majority, as the declaration specifies. The idea for LB1020 was brought to me by constituents in my district. They are members of an executive board for a newly developed condominium association in downtown Omaha. The development had experienced water intrusion issues. In checking the association's declaration as to where the financial responsibility for the water intrusion issues laid, executive board members learned that a water intrusion amendment had accidentally been deleted prior to the owners taking control of the executive board from the developer. The deleted amendment had been filed with the register of deeds. In my constituent's case, in order to correct this error, a 51 percent majority of mortgage holders was needed. Due to mortgages being bought and sold, this can be a onerous task. LB1020 was modeled after similar language in Illinois' condominium laws and would allow condominium associations to correct a scrivener's error or omission by a two-thirds vote of the executive board members or a majority vote of the unit owners. I have spoken with members of the Nebraska Bankers Association about LB1020 and they had no objections to amending the aforementioned sections of the Nebraska Condominium Act. As many of you know, many condominium owners are young, upwardly mobile professionals, a population we want to recruit to Nebraska. Another growing segment of condominium owners are retirees who are downsizing, a population which, unfortunately, has a history of moving away from Nebraska. LB1020 would help make condominium associations more effective, which in turn will help make the condominium living more attractive to both young professionals and to retirees. Today, one of those constituents is here to discuss their support of LB1020. Thank you. [LB1020]

SENATOR SCHEER: Thank you, Senator Fox. Any questions for Senator Fox? Seeing none... [LB1020]

SENATOR FOX: All right. [LB1020]

SENATOR SCHEER: I'm assuming you're going to stick around. [LB1020]

SENATOR FOX: Yeah, I think I will. [LB1020]

SENATOR SCHEER: We'll now entertain proponents for LB1020. Welcome and good afternoon. [LB1020]

LOUIS LAMBERTY: Thank you. Mr. Chairman, Senators, my name is Lou Lamberty, L-o-u L-a-m-b-e-r-t-y. I am the president of the Riverfront HOA board. The Riverfront is a condominium development on the Missouri River in Omaha, right next to the Bob Kerrey Bridge, and we are the ones that brought this problem to the...to Senator Fox, and we very much appreciate that she introduced this bill on our behalf. Senator Fox pretty well covered the problem. I just want to

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reiterate what happened. Two years ago the owners of the condos took over operation of the HOA. Before that, the developers were running the HOA, and that's normal in a condominium development. The owners had made an amendment to the declaration. It was a perfectly good amendment, they just, unfortunately, didn't draft it quite right and they left out a couple of very key words which we discovered when we had taken control of the HOA. What we were trying to figure out who had to pay for some leak problems that we had in the windows. The original language was very clear who was responsible. The amended language, because of some missing words, made it very unclear, and it left us in a little bit of a lurch. When we talked to our lawyer about how to change this, he, basically, said it's easier to come to the Legislature than to try to do it by the rules of our declaration because we need 51 percent of our mortgagees approving any amendment to the declaration, and that's an almost impossible task. So we are here today asking if you would help us by making a very simple amendment to the Nebraska Condominium Act to allow the board...the HOA board to make amendments to the declaration when there is an error in the declaration due to a drafting error. And it's as simple as that. I'd be happy to answer any questions. [LB1020]

SENATOR SCHEER: Thank you, Mr. Lamberty. Any questions? Senator Schumacher. [LB1020]

SENATOR SCHUMACHER: Thank you, Senator Scheer. And thank you for your testimony today. I guess I'm a little confused because the...a scrivener's error is an error that...well, something like saying the northeast corner instead of the northwest corner in a document. Does everyone know what was meant? There's no disagreement as to what was meant. It was just a typo. It doesn't materially affect anyone's rights. And as a result, scrivener's errors are, in almost every format, very easy to correct because everybody agrees, should have been the northeast corner, not the southeast corner. On the other hand, the situation which you described must affect some material rights of somebody. I mean somebody different is going to pay the bill. [LB1020]

LOUIS LAMBERTY: It does effect some material rights. And what it does is just fuzz up, quite frankly, whether the HOA or the homeowner is responsible for certain leak problems in windows. [LB1020]

SENATOR SCHUMACHER: But that's real money. [LB1020]

LOUIS LAMBERTY: That's real money. That's correct. [LB1020]

SENATOR SCHUMACHER: Okay. And if it were just an honest typo, a scrivener's error, it would be easy to correct. [LB1020]

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LOUIS LAMBERTY: Well, it was an honest scrivener's error. They simply forgot two words. [LB1020]

SENATOR SCHUMACHER: And that sounds like an attorney's problem. [LB1020]

LOUIS LAMBERTY: Well, it is. But you know, what...what...but the attorney's problem...the attorney can't fix it. [LB1020]

SENATOR SCHUMACHER: Right. [LB1020]

LOUIS LAMBERTY: They have filed the amended declaration with the incorrect language in it. And it's almost impossible for us to go back and try to amend that and that's why we're here. [LB1020]

SENATOR SCHUMACHER: Have you gone back to your members and asked them to sign off and correct this innocent mistake? [LB1020]

LOUIS LAMBERTY: The members of our association? [LB1020]

SENATOR SCHUMACHER: Or the mortgagees or whoever is affected? [LB1020]

LOUIS LAMBERTY: It's almost impossible. [LB1020]

SENATOR SCHUMACHER: Why is that? [LB1020]

LOUIS LAMBERTY: Do you know who holds your mortgage today? The problem is fighting the mortgagees, number one, no we haven't tried because it's very difficult. And number two, getting them to even respond to a request like this... [LB1020]

SENATOR SCHUMACHER: But they have vested rights. They've got rights based upon the mortgage package that they bought. And how is it in our power to change those vested rights as to what the percentage of votes should be? We're to correct a document that's filed. [LB1020]

LOUIS LAMBERTY: We're not trying...we're not going to change...we're not trying to change any of their rights. We're trying to correct a drafting error. [LB1020]

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SENATOR SCHUMACHER: I suppose that's in the eyes of the beholder. Now, let me go on and look at the actual language here. It talks in terms not just of a scrivener's error, but an error or omission. Now who is going to define what is an omission 20 years later? You might have wished that something would have been in there. Is that an omission? [LB1020]

LOUIS LAMBERTY: I think, if you could go on and read you will see that if the board takes action, that the members disagree with, they can overturn our action. And so...and so, I mean, what you're worrying about is the board is going to take some action and it will be beyond what the intent of this bill is. There is a correction. [LB1020]

SENATOR SCHUMACHER: But right now it takes an unanimous vote, doesn't it? [LB1020]

LOUIS LAMBERTY: A unanimous vote to what? [LB1020]

SENATOR SCHUMACHER: Of the condominium unit owners. [LB1020]

LOUIS LAMBERTY: Two-thirds. Two-thirds to make an amendment. [LB1020]

SENATOR SCHUMACHER: To make an amendment. But in some cases... [LB1020]

LOUIS LAMBERTY: Yeah. Make an amendment to the declaration takes a vote of two-thirds of the owners. [LB1020]

SENATOR SCHUMACHER: What if the declaration says more? [LB1020]

LOUIS LAMBERTY: The declaration doesn't say more. [LB1020]

SENATOR SCHUMACHER: But what...this would apply to many laws besides the declaration...I mean, many declarations besides yours. What if the...if the declaration says--this shall not be done except by unanimous consent. [LB1020]

LOUIS LAMBERTY: Well, I don't...I'm not following the question. [LB1020]

SENATOR SCHUMACHER: Okay. What if the declaration on file... [LB1020]

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LOUIS LAMBERTY: I don't think it makes any difference. Our declaration says two-thirds. Somebody may say something else. But what this is saying, if it's a drafting error, the board can take the action. [LB1020]

SENATOR SCHUMACHER: Okay. I guess we'll talk about that later. But that's not the way it's drafted. And even as this is drafted, it says--the omission or the error can be corrected if it is required to be corrected by the Condominium Act or an applicable statute. Is the change that you have in mind, in your document, required by the Condominium Act or the applicable statute? [LB1020]

LOUIS LAMBERTY: Okay, let me...may I read it so I understand what your question is? [LB1020]

SENATOR SCHUMACHER: Sure, sure. Sure. [LB1020]

SENATOR SCHEER: Please take your time, Mr. Lamberty. [LB1020]

LOUIS LAMBERTY: Sure. I'm not a lawyer. [LB1020]

SENATOR SCHEER: As I recall, you had some other type of (inaudible). [LB1020]

LOUIS LAMBERTY: Okay, so I guess I'm going to have to ask some lawyer to figure this out. I don't know. I don't know the answer to your question. [LB1020]

SENATOR SCHUMACHER: Thank you very much. [LB1020]

LOUIS LAMBERTY: I didn't draft this. [LB1020]

SENATOR SCHUMACHER: Thank you very much. [LB1020]

LOUIS LAMBERTY: I know what our intent is. [LB1020]

SENATOR SCHEER: Thank you, Senator Schumacher. Any other questions? Seeing none, thank you very much. [LB1020]

LOUIS LAMBERTY: Okay. Thank you. [LB1020]

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SENATOR SCHEER: Thank you. Anyone else wishing to speak in favor of LB770 (sic-LB1020)? Seeing none, are there any who wish to speak in opposition? Anyone speaking in a neutral capacity? Seeing none, Senator Fox would like to close. [LB1020]

SENATOR FOX: Again, thank you for your time this afternoon to listen for the case for LB1020. And I'd like to just reiterate again that, you know, in my constituents' case, it had been found that the deleted amendment had been filed with the register of deeds and that this is an HOA executive board that is making this decision. A board that has been elected by the unit owners. And what they're really wanting to do is allow for them to have a super majority to vote to reinstate the accidental deletion as opposed to having to go through the mortgage holders. Because again, it's very onerous with mortgages being bought and sold. And again, I did run this by the members...some members of the Nebraska Bankers Association. They saw no problem with this bill and gave me a verbal support for it. So, anyway, that's all that I have. Thank you. [LB1020]

SENATOR SCHEER: Any questions for Senator Fox? Seeing none, that will close the hearing on LB1020. And I see Senator Harr has graced us with his presence so we will move to LB1096. Senator Harr, welcome, welcome to the committee. [LB1020]

SENATOR HARR: Thank you, Chairman Scheer, and members of the Banking, Commerce and Insurance Committee. My name is Burke Harr, H-a-r-r; I represent Legislative District 8 located in Douglas County. You may remember a bill I introduced last year, LB336, to address some changes to the Nebraska Condominium Act. There were a number of concerns raised, legitimately. And so I'm back this year with a scaled-down version that addresses one issue only. So, for example, you purchase a unit in a large condominium complex. You are then bound by the declaration regarding use, allocated interest, and boundaries. In order for any of those three things to change, it requires a unanimous vote of the allocated interest of the condominium association. You then buy the adjoining unit and wish to take down the dividing wall in order to make your two units into one. Under existing law, you need a unanimous vote to do so. This means that one other owner can block you from making changes to your own property that don't have an impact on any other owner. They don't have to change...they don't change the covenants for use or allocated interest, just the central wall or boundary. This threshold is simply too high. And LB1069 (sic-LB1096) wishes to address this issue. Under LB1069, (sic-LB1096) the threshold for boundaries to be changed in a unit would require a vote of 80 percent of the allocated interest in the condominium association. [LB1096]

SENATOR SCHEER: Excuse me, Senator Harr, are we (LB)1096 or (LB)1069? My paperwork has LB1096, so I'm... [LB1096]

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SENATOR HARR: LB1096, yep, sorry. [LB1096]

SENATOR SCHEER: Okay. Just want to make sure our record...you're speaking on the correct bill here, so. [LB1096]

SENATOR HARR: I'm dyslexic, apparently. [LB1096]

SENATOR SCHEER: There you are. [LB1096]

SENATOR HARR: And I apologize. This is the same threshold it takes to terminate the condominium association under (section) 76-855. LB1096 would leave in place the unanimity requirement as it pertains to creating or increasing special declarant rights. It would also leave in place the 80 percent requirement for termination and require the consent of the owner of the affected unit for any change of unit boundaries, allocated interest, or use to which the unit is restricted. LB1096 was introduced. We received word from the Nebraska Bar Association that they did not think it was clear that a unit owner would have to consent to any changes that would affect his or her unit. Because of that, I am offering AM4884 (sic-AM1992) which states no amendment may change the boundaries of any unit without the consent of the owner of the unit. I would ask for your support of this legislation as I believe it would be a candidate for consent calendar. Thank you. [LB1096]

SENATOR SCHEER: Thank you, Senator Harr. Questions for Senator Harr? Senator Schumacher. [LB1096]

SENATOR SCHUMACHER: Thank you, Senator Scheer. Thank you, Senator Harr. [LB1096]

SENATOR HARR: Is this (inaudible) for tomorrow? (Laughter) [LB1096]

SENATOR SCHUMACHER: The...just on first reading, this changes and kind of sets this paragraph (d) on it's head. It had read--except to the extent permitted, or required by the Condominium Act, no amendment may create or increase special rights. And then it goes through the rights you say. So, except as it were permitted, no amendment to the declaration may be had. And now you're saying that the boundaries of any unit may be changed if the vote for the change of boundaries is approved by 80 percent. Well, what if the original agreement, the agreement itself, not just as it says, it will be unanimous. Does that agreement then remain at unanimous despite the statute? [LB1096]

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SENATOR HARR: Well, obviously, a condominium agreement is an agreement between parties. And that's a private law right there. This is public law that we're dealing with. I would probably look to an AG Opinion, but it would be my assumption that this would supersede a private contract. [LB1096]

SENATOR SCHUMACHER: How's that? I mean, when I buy this condominium, there's going to be no changes in boundaries unless I agree. That says it in my document and it would have said it in the statute. Okay, but it says in my...the agreement, my private agreement. Now this thing comes along and says, yeah but, it's a...the private agreement is out the window, even though it was enforced before this law. And it's only going to be whatever, 80 percent. Isn't that impairing my contract, my agreement? [LB1096]

SENATOR HARR: It could. [LB1096]

SENATOR SCHUMACHER: Okay. So...and let's...you said that this would apply only if it doesn't have an impact on anyone else. But if you increase the size of your area, what if it's over a common area, you're bulging out into a common area? [LB1096]

SENATOR HARR: You couldn't do it over a common area. It has to be two adjoining...it can't affect boundaries. [LB1096]

SENATOR SCHUMACHER: Is that what your amendment does? [LB1096]

SENATOR HARR: Yes. [LB1096]

SENATOR SCHUMACHER: So to consent for a common area, it then is whatever the declaration. [LB1096]

SENATOR HARR: Yeah. You couldn't affect the common area with this. It would have to be two adjoining condos. And I want to knock down a wall between the two of them. [LB1096]

SENATOR SCHUMACHER: But this doesn't really limit it to two adjoining condos. [LB1096]

SENATOR HARR: What's that? [LB1096]

SENATOR SCHUMACHER: This doesn't limit it to two adjoining condos. This is anything that increases my boundaries. [LB1096]

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SENATOR HARR: Well, they would have to be adjoining. [LB1096]

SENATOR SCHUMACHER: What if I...I'm on the top floor and I wanted to go up, I wanted to put a second story on my condo? [LB1096]

SENATOR HARR: Well, I suppose if you owned the second floor, the floor above you or below you, that ought to affect... [LB1096]

SENATOR SCHUMACHER: It's just air above me. [LB1096]

SENATOR HARR: Well, that would be, probably, the roof. You'd have to look at the condo agreement. You may not be allowed to because that's common area, exterior. It would depend on what the condo agreement says. But you could have a situation where it would be someone above and below. But I don't think you would have a situation where if I'm in the penthouse I can build on top of it. Most condominium acts would address that issue. Otherwise, you could do that right now. Nothing would stop you if you had unanimous. [LB1096]

SENATOR SCHUMACHER: Well, if you had unanimous. [LB1096]

SENATOR HARR: Yeah. Now it's 80 percent. [LB1096]

SENATOR SCHUMACHER: But this will allow you to do it with 80 percent. [LB1096]

SENATOR HARR: Yeah. But remember, exterior condos are generally addressed in that condo act of how it should be...who has ownership of that. And the exterior walls are, generally, owned and the responsibility of the condominium association. So I don't think that would apply in this situation. [LB1096]

SENATOR SCHUMACHER: But 80 percent of it could change this then. [LB1096]

SENATOR HARR: Well, no, because the condo association generally owns the exterior walls. So you wouldn't have the right to above you anyway, because you would have to go through condo which is common land...area. Going through that wall, that roof, would be going through a common area because it's owned by the condo association. [LB1096]

SENATOR SCHUMACHER: And you're saying...the condo association isn't governed by the declaration? [LB1096]

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SENATOR HARR: Well, no, with this amendment, you can't change the boundaries. So you're changing the boundaries of the condo administration. Because right now, your boundary ends on the roof because there you run into a different owner, the condo administration. [LB1096]

SENATOR SCHUMACHER: Okay. This... [LB1096]

SENATOR HARR: Okay, so if you look at the amendment, you can't change the boundaries. I suppose you...well, let me think about that. Is it possible to build on the roof with 80 percent instead of 100 percent? Maybe, would be my answer. [LB1096]

SENATOR SCHUMACHER: Okay. And what if I bought this condo because it has a beautiful view of the Bob Kerrey Pedestrian Bridge, that's why I bought my condo. [LB1096]

SENATOR HARR: That was the last testifier's. [LB1096]

SENATOR SCHUMACHER: I know. (Laughter) Well, I bought one next to his. Any rate, and I don't want anybody messing my views. And then this proposal comes to extend out my neighbor's balcony to get right in the way of my view. [LB1096]

SENATOR HARR: Okay. [LB1096]

SENATOR SCHUMACHER: Okay. And I don't like that idea. And I had this agreement, my agreement says...and the law said "unanimous agreement." And I'm just...really don't think this idea is very good. But you're going to change the boundaries of his property to jog out in front of me and I can't see the bridge (inaudible). [LB1096]

SENATOR HARR: Okay. [LB1096]

SENATOR SCHUMACHER: Okay. And you can do that with 80 percent of the vote. And since it's just air out there, you know, I...I mean, I want to be able to say no, because I bought that condominium with the idea that nobody was going to change their boundaries. [LB1096]

SENATOR HARR: Well, it would, again, depend on how many units were in the building. [LB1096]

SENATOR SCHUMACHER: Well, this...doesn't change the amount of units, it just... [LB1096]

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SENATOR HARR: Well, sure, well it depends on what the voting, maybe you have 22 percent right...votes so you could still... [LB1096]

SENATOR SCHUMACHER: And maybe I don't, maybe I just have my vote. [LB1096]

SENATOR HARR: Yeah. [LB1096]

SENATOR SCHUMACHER: Okay, thank you, Senator Harr. [LB1096]

SENATOR HARR: Eighty percent is still pretty darn difficult. I try for 50 (percent) at home and don't make that, so. (Laughter) [LB1096]

SENATOR SCHEER: Any other questions? Senator Williams. [LB1096]

SENATOR WILLIAMS: Thank you, Senator Scheer. Senator Harr, I just want to be certain on one other piece that I think you stated--any of the covenants could not be changed by this. So you couldn't change the use of the space. So if they were two units that were currently residential in nature, you couldn't change anything to... [LB1096]

SENATOR HARR: That is correct. [LB1096]

SENATOR WILLIAMS: ...something different. [LB1096]

SENATOR HARR: Yes, correct. [LB1096]

SENATOR WILLIAMS: Thank you. [LB1096]

SENATOR SCHEER: Any other questions? Seeing none, are you sticking around, Senator? [LB1096]

SENATOR HARR: I will, thank you. [LB1096]

SENATOR SCHEER: Okay. We will now entertain proponents for LB1096. [LB1096]

KORBY GILBERTSON: Good afternoon, Chairman Scheer, members of the committee. For the record, my name is Korby Gilbertson, it's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n, I'm appearing

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today as a registered lobbyist on behalf of One Vista, LLC. I think Senator Harr covered everything in his opening very well. I wanted to address a couple of questions. I did not work on this issue last year, so I went back and looked at the transcript on the hearing and I saw the different questions already raised by Senator Gloor and Senator Schumacher, and so I wanted to address a couple of the interests. The bill last year, obviously, did several more things, and so the intent of this bill this year is to, obviously, restrict it to only deal with one thing. I wanted to...Senator Schumacher brought up the issue of if you have the roof line and you want to build up, my guess would be that that would somehow mess with the use...the built, the use, and the rights of the adjoining condo owner or the other person that had that property up there. And so that they would not be able to do that unless they consented. Secondly, if it is a common area, the common area would be owned by the condo association and thus would go back to the 100 percent rule. That would not be a specific owner of a condo. So if you read the together the amendment that Senator Harr brought to you today that clarifies what the Bar Association asked to be clarified that no amendment may change the boundaries of any unit without the consent of the owner of that unit. That means that if that is common area, then that area is not owned by one person that would give consent. That would then go back to your original if it's common area, it's owned by the association, not one specific owner. With that I'd try to answer any other questions. [LB1096]

SENATOR SCHEER: Thank you. Any questions? Going...going, gone. All right, thank you. [LB1096]

KORBY GILBERTSON: Thank you very much. [LB1096]

SENATOR SCHEER: Are there any other proponents? Good afternoon and welcome to the committee. [LB1096]

TAM ALLAN: Chairman Scheer, members of the committee, my name is Tam Allan, T-a-m A-l-l-a-n. I'm a real estate developer in Lincoln. I testified last year on the much larger bill on this. And so I guess I thought I'd better show up this year as far on the (inaudible) version. On the larger bill last year, I think the threshold that was being sought was 67 percent. I see that that's been changed to the 80 percent. Both are onerous, but I think the 80 percent would be fair on doing that. Since the time of last year, and I've been involved in condominium...forming of condo regimes and different things as far as some projects I've worked on. One thing that I found out I did not know last year is that I thought is with the 100 percent requirement on there that in the condo documents that you can go ahead and address that privately in the inception of that to, let's say, make the...do what this change in the law would do is put it down to 80 percent. You couldn't do that. So therefore is anybody that you're forming up a new condominium regime, everybody looks at the documents. I couldn't do this by contract on there because the state law

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would, of course, control on that, so I guess I would be in favor of doing this. I think this would be a fair way to do this, and if you have any questions, I'd be happy to give you my opinion. [LB1096]

SENATOR SCHEER: Thank you. Are there any questions? Seeing none, thank you very much. [LB1096]

TAM ALLAN: Thank you. [LB1096]

SENATOR SCHEER: Any other proponents for LB1096? Seeing none, are there any opponents to LB1096? Good afternoon, welcome. [LB1096]

MICHAEL McNIFF: Hello. Thank you. My name, for the record, is Michael McNiff, M-c-N-i-f-f. I live in downtown Lincoln in University Towers condominium regime. And I'm actually the president of the board, but I'm not speaking as the board...for the board, I'm speaking as an individual owner. So in the little bit of background of this was is we had such an event happen a couple of years ago where someone wanted to build up, and by the way, they can build out, not just up. But we were told at the time, and we spent considerable amount of legal expense finding out that you can lease a common space, a roof top from a condominium association for this purpose. And I can tell you just from...I've lived there 11 years and we've changed our amendments once, and it is possible to get 100 percent. And so I guess...hardly ever anything happens in the condominium association that everybody is in favor of. Nobody wants somebody to just...there's not everybody in the building clamoring to have someone do something that improves their property that would adversely affect someone else's property. Let me give you an example: a condominium association or condominium complex is just...it's like a neighborhood that you compress into a small building. So you have a lot of different...it's like a whole bunch of houses in just one building. So it's still a neighborhood and you have people a lot closer. And so when somebody wants to change something it...even with 80 percent, you're still going against the wishes of 20 percent of the people, and to me it's a fundamental issue that affects the material rights of people. In our instance, taking a historic building and building up or out of it, out on the side of it, affects the nature of the building. It could affect the neighborhood; could affect somebody's view, as you said, and it gets down to money and power, in my opinion. You know, the attempt that was made in our instance had to do with just that and we were able to get it stopped, but I'm not sure that 80 percent would have been...got the job done in this case. So I'm opposed to it just because I think it's fundamentally unfair. As Senator Schumacher pointed out, when you buy a condominium, you buy it with a set of rules that are in existence with a certain understanding. And if you buy the condominium with the understanding that it takes 100 percent of the people to change the boundaries and you, all of a sudden, say it's 80 percent, then you've actually changed your understanding and concept of the contract by which you bought that

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property. So I think from that point of view it's unfair. And if it even affects one person in an adverse way, it's unfair. A condominium association is a little different than just neighbors. You...building...having a right to build up on a house or out on a house, you're really affecting the building itself, the neighborhood, the structure, a lot of things. And Senator Harr used an example of building between two condominium units and that to me it's just like in a neighborhood, if you had a neighborhood with rules in it that said you couldn't build a tunnel between two houses and you got the permission to build a tunnel between two houses would it affect the neighborhood? Possibly. You know, so, but in a condominium it could significantly affect a whole wing or a whole floor or really the value of the whole building. I just think it's...I believe that there was a reason why 100 percent was put into it and that was to protect everybody's rights in the condominiums that are, by nature, really close knit community or can be, which ours is. So I'd be opposed to that, and I have ten years of history with legal issues in the condominium, so if anybody wants to ask me a question, I'd be happy to answer. [LB1096]

SENATOR SCHEER: Thank you. Any questions? Seeing none, thank you very much. Are there any other opponents to LB1096? Seeing none, are there any that wish to speak in a neutral capacity for LB1096? Seeing none, Senator Harr. [LB1096]

SENATOR HARR: Thank you. Well, I guess I jinxed myself by mentioning consent calendar. I listened to the concerns and it still...how many filibusters have we had this year? How hard is it to get to 80 percent? It's darn near impossible. You have to have near unanimity. The Speaker talked, you hardly ever get anyone to...everyone to agree. Well, that's right. And it can...you can have...I always believe in majority rules with minority rights. Well, this is no majority...it's absolute majority and there are no rights. The rights of majority are being overlooked by the rights of minority. You could have one person who may not even really care, but will hold the rest of the condo unit or association hostage to get the one thing they want. And that does not create...is not conducive for a good condominium association. And I think we have to look at what are our priorities here. And we, as a body, we make laws all the time and we change laws all the time, and this is a changing of a law. Right? And no one legislature can bind future legislatures. And yet, that's what I'm being told is we have to do that. We have to be bound by what was in the condominium association act beforehand. Folks, that's just not the way we operate. We are not bound by what our predecessors did. So if you have a private law or a contract that says it has to be 100 percent, that private contract will still hold. But if you just went off with the condominium association is, well, we change the law all the time. We would be...we could never do anything because there's going to be someone, somewhere who relied on the law that some legislature somewhere, sometime passed. So I understand their concerns. I'm just not quite sure if they work. Remember what that opponent said was you could lease a ceiling. Well, that's exactly it, it's a lease. You have to have the approval. You can't just automatically build out. Now maybe you can build out if there's already a condo there, I don't know. If it's a historic building, I wonder what that would do to the historic tax credits that are on

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that building. If it's a historic building, I wonder if there are city ordinances already there. I don't know the specifics. What I do know is the generalities which what this bill is about is--do we want to have one person...and we all know, there are crazies in this world. Now, fortunately there are none in my neighborhood or district, (laughter) but they exist. And you don't want that one person to be able to hold the whole rest of the condominium association hostage, because that will have an effect on the value if that association is allowed to move forward. So with that, I would ask for your support on LB1096, along with AM1992. Thank you. [LB1096]

SENATOR SCHEER: Final questions? Senator Schumacher. [LB1096]

SENATOR SCHUMACHER: Thank you, Senator Scheer. Senator Harr, let's just say the agreement of the declaration of private agreement said that it's under the condominium act as it exists, whatever the date of the agreement was. Okay. And that condominium act would be...says "unanimous." Okay. Is it your interpretation then that in that particular case where it was done in conformity with the act as it then existed that this change will apply only prospectively to new declarations or to declarations which said condominium act as it may from time to time be amended? [LB1096]

SENATOR HARR: Well, if you're asking is it of that date, you can't go and change it because what it was as of that date was unanimous. So it would stay what it was as of that date. If it says as of the condominium date, your second one, as amended from time to time, then I think this would change the agreement. [LB1096]

SENATOR SCHUMACHER: And if it says "unanimous" without reference to any act, this will not change it. Private agreement says it's got to be unanimous to change a boundary. This can't change it. [LB1096]

SENATOR HARR: Well, I would have to see all of the language of that condominium. I would hate to say without seeing the document in front of me, because there could be other language that would (inaudible). [LB1096]

SENATOR SCHUMACHER: But if a fair reading required unanimous vote in that agreement, then this...there's nothing we can do as a Legislature to change that private set of rights. [LB1096]

SENATOR HARR: What I would say is you can make private law that is stricter than the public law. [LB1096]

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SENATOR SCHUMACHER: Right. But, okay, you, basically, you're looking at... [LB1096]

SENATOR HARR: I think that answers your question. [LB1096]

SENATOR SCHUMACHER: ...a prospected change with this--existing condominiums, existing rules do not change by what you're intending to do here. [LB1096]

SENATOR HARR: I would hate to paint a broad stroke like that, because I would have to see what the agreements are in each condominium act...that each unit has for their...but, generally, I would agree with you. But I don't want to paint such a broad stroke that says it's only going forward because I don't know what the language of each one of them says. It may say--as changes from time to time. [LB1096]

SENATOR SCHUMACHER: And I guess the issue that I have, is if I...if in the past a private agreement, the declaration, which is a private agreement, said this--us trying or purporting to make changes in that agreement, because we can't. [LB1096]

SENATOR HARR: Well, that's why you hire good lawyers. That is, right? I mean, I don't know what those agreements say or what they thought or if they used a uniform contract, if they went out and hired someone, I can't speak to specifics because it is just that, it is private law--an agreement between individuals. [LB1096]

SENATOR SCHUMACHER: Thank you. [LB1096]

SENATOR SCHEER: Thank you, Senator Schumacher. Any other final questions? Seeing none, that will close the hearing for LB1096. [LB1096]

SENATOR HARR: Thank you for your time. [LB1096]

SENATOR SCHEER: Thank you, Senator Harr. [LB1096]