

ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017
COMMITTEE STATEMENT
LB526

Hearing Date: Wednesday February 22, 2017
Committee On: Judiciary
Introducer: Morfeld
One Liner: Change provisions relating to debtor's rights, garnishment, attachment, and other debt collection procedures

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

Vote Results:

Aye:	7	Senators Baker, Chambers, Ebke, Hansen, Krist, Morfeld, Pansing Brooks
Nay:	1	Senator Halloran
Absent:		
Present Not Voting:		

Verbal Testimony:

Proponents:

Senator Adam Morfeld
Lea Wroblewski
Taraesa Sumrall
Brett Baalhorn
Kate Owen
Melony Moore
Kevin Ruser
Jacinta Dai-Klabunde
Stephany Maness
Ken Smith

Representing:

Introducer
Legal Aid of Nebraska
self
Legal Aid of Nebraska
Legal Aid of Nebraska
self
self
self
self
Nebraska Appleseed

Opponents:

Sara Bauer
Angela Burmeister
John Rogers

Representing:

self
Nebraska State Bar Association
self

Neutral:

Vincent Lutwinowicz

Representing:

self

Summary of purpose and/or changes:

LB 526 would alter the Nebraska Rules of Civil Procedure as they pertain to debt collection. LB 526 would instate the following changes:

- In any action based on written contracts, foreign judgments, or to recover collateral, the joining of claims from different creditors when claims do not come from the same transaction.
 - Disposable earnings subject to garnishment shall be any of the following: 15% of an individual's weekly disposable earnings; the amount exceeding 30x the state minimum wage; or 25% of a non-head of household individual when
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established by a sworn affidavit from a judgement creditor.

- When pay periods other than a week are taken into account, the regulations shall rely on the state minimum wage for calculations.
 - Creditors shall not be allowed to "double dip" by garnishing both the proceeds from a deposit into a financial institution and the debtor's wages in that same month.
 - Debtor deposits into a financial institution totaling two-thousand dollars or less shall be exempt from garnishment and all associated actions and claims by creditors.
 - Debtors shall not be imprisoned unless found to be willfully in contempt of court.
 - Indigent debtors shall be entitled to court appointed counsel in the event of a contempt hearing that could result in imprisonment.
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Explanation of amendments:

Strikes Sections 1, 2, 3, and 5 leaving only the provisions of Section 4 of the original bill and renumbers the Section accordingly.

Laura Ebke, Chairperson