

April 1, 1980

LB 940

somebody's public assistance benefits, somebody's veterans assistance benefits. In no way can a creditor following a bankruptcy under the federal exemptions take somebody's disability...regular private disability benefits, somebody's sickness benefits, somebody's unemployment benefits under a private plan, somebody's alimony support or separate maintenance benefits. Now, let me tell you the truth. Right now, even if we didn't have the federal exemptions, I don't think you could take anybody's social security benefits, nor even if you didn't have the federal exemptions do I think you could take anybody's unemployment compensation benefits, nor anybody's veterans' benefits, but I am not so sure about disability benefits, illness benefits, unemployment benefits, private unemployment benefits, alimony support or separate maintenance benefits. If we reject the federal exemptions, we allow those kind of things to be taken in the bankruptcy process and as you and I well know those things are essentially used for the support of people. Is that what we want, to deny that kind of benefit? I think not. The federal exemption at this time will not allow the creditors in a bankruptcy...listen to this...will not allow the creditors in a bankruptcy to take an award provided under a criminal victims reparations law. Now we in Nebraska have criminal victims reparations laws, and people can get awards under that, and it may well be that because of the particular crime that was committed they were so seriously injured they have incurred medical expenses that has pushed them into bankruptcy.

PRESIDENT: One minute, Senator Johnson.

SENATOR JOHNSON: Under the federal exemptions, that little award that they get from the Nebraska criminal victims reparations fund is not touchable by the bankruptcy creditors. If we repudiate the federal exemptions, it is reachable and it ought not to be. Wrongful death money is not reachable under the federal exemptions. It will be under the Nebraska program. Life insurance payments are not reachable under the federal exemptions. I'm not sure what happens under the Nebraska program, to be truthful with you. Personal injury payments are not reachable under the federal program, but they sure will be reachable under the Nebraska program. Now my amendment simply says we hike up Nebraska's existing exemptions but we do not decline the federal exemptions. I truly urge your support to return this bill to Select File for the specific amendment.

PRESIDENT: The motion is the return of LB 940 for the specific Johnson amendment. All those in favor vote aye,