

April 15, 1981

LB 173, 327

CLERK: (Record vote read. See page 1481, Legislative Journal.) 42 ayes, 1 nay, 6 excused and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. That completes item #4. Then we now proceed to item #5, Select File. First I would like to introduce some folks in the North balcony from Senator Von Minden's District. 25 eighth grade students from Wakefield Community School, Wakefield, Nebraska. Mr. Joe Coble is the principal and they are in the North balcony. Will you hold up your hand so we can see where you are so we can welcome you to the Unicameral?

CLERK: Mr. President, Business and Labor would like to have an executive session, Thursday, April 16 at one o'clock in the west lounge.

And I have an explanation of vote offered by Senator Haberman.

SPEAKER MARVEL: The first bill on Select File is LB 327.

CLERK: Mr. President, I have no E & R amendments to LB 327. I do have an amendment from Senator Landis. That is found on page 1305 of the Journal.

SPEAKER MARVEL: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature. Thank you, Mr. Speaker. The amendment that is offered is clarifying language suggested to me by the insurance association in conjunction with the banking association. You will notice it strikes a reference to the Federal Bankruptcy Act and the reason for striking that reference is the fear, irrational I believe, but present in the minds of some bankers that by referring to the Bankruptcy Act it may in some way open a legal question that we are somehow authorizing the federal exemptions to bankruptcy. As you recall, last year we slammed the door on those and indicated that we would use only state exemptions. This defines in law what we had intended to do last year to make a maximum of \$5,000 of cash value to survive bankruptcy, that anything over that amount was subject to attachment. It has been the practice in the past that well-to-do and well-heeled and knowledgeable individuals going through bankruptcy purchased life insurance policies just before going through bankruptcy with paid up cash values which they could then use after bankruptcy for their own financial resources and this would stop that. We had intended to stop this last year but it was drafted poorly