

February 6, 1991 LB 36

protections that are in this bill and the tenant could sue the landlord for wrongful disposition of that property, similar to what they did in the Supreme Court case. So that is the reason it is important for the landlord to make good judgments on the \$250 limit.

SENATOR ROBAK: But sometimes he can make an honest mistake.

SENATOR KRISTENSEN: Yes.

SENATOR ROBAK: And, therefore, he could be challenged in court on that and he would not be...he would be liable for the court costs, is that right, and everything else?

SENATOR KRISTENSEN: Well, the cost of a court proceeding could be assessed against the landlord, yes. When you go to court, if the landlord will have the opportunity to present why he made the belief that she did or he did and what process they went through. So the landlord should always be cognizant that they're going to have to make some reasonable and valued judgment and that's the standard that they are going to be held to.

SENATOR ROBAK: Okay, so really the landlord does have...doesn't really have a lot of protection then if he does make an honest mistake?

SENATOR KRISTENSEN: Well, I think as long as the landlord uses reasonable belief, you know, and say, well, you know I looked at similar property in the past or I've known this property in the past, I've been to auctions, you don't have to go out and hire an appraiser but I think that the burden is on the landlord to use good judgment and to defend that good judgment.

SENATOR ROBAK: And what is the definition of reasonable belief? You might have answered that.

SENATOR KRISTENSEN: That is on page 2...

SENATOR ROBAK: Okay.

SENATOR KRISTENSEN: ...Section 2, subsection (4).

SENATOR ROBAK: That's all I have. Thank you.