

# **One Hundred Second Legislature - Second Session - 2012**

## **Introducer's Statement of Intent**

### **LB843**

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**Chairperson: Senator Brad Ashford**

**Committee: Judiciary**

**Date of Hearing: January 20, 2012**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

There are two types of auctions under the Uniform Commercial Code. One type is called “absolute without reserve” auction under which a bidder buys an item for the last bona fide bid and the seller has no right to reject that bid or to bid on the item. The other auction is called “with reserve” under which a notice of reserve is given and a seller can run up or reject a bid.

LB 843 would apply only to sales of good in Nebraska through internet auctions. It provides that in the event a seller in an “absolute without reserve” auction surreptitiously runs up the bid, the last good faith bidder can collect attorney fees in the event he or she sues the seller to enforce his or her rights. Conversely, the bill provides that if a bidder does not act in good faith in making a claim against the the seller, the seller may be awarded attorney fees. The provisions acts as a tool to enforce already existing rights for bidder and sellers in internet auctions.

**Principal Introducer:** \_\_\_\_\_

**Senator Paul Schumacher**