

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee August 3, 2020

BREWER: Good afternoon, ladies and gentlemen. Welcome to the Government, Military and Veterans Affairs Committee. My name is Tom Brewer. I represent the 43rd Legislative District, and I am the Chair of this committee. We have our committee members here with us today. And I'll start by having them introduce themselves, starting on my right with Senator Lowe.

LOWE: John Lowe, District 37.

HILGERS: Mike Hilgers, District 21.

La GRONE: Andrew La Grone, District 49.

KOLOWSKI: Rick Kolowski, District 31.

BREWER: All right. And we have a, a substitute legal counsel today. So Christopher Jay came over from Education. Thank you for coming over and helping to fill in for, for Dick Clark. He's still recovering from his COVID 19, so we're more than happy to have him not be here today. Our pages today are John and Ashton. And we are here today to have a hearing on AM3186 to LB857. I'd ask that, if you have any electronic devices or cell phones, to silence them. If you wish to record your attendance, please-- or write on the-- or fill out a white sheet, if you plan to testify, one of the green sheets. And the pages-- or you can drop them in there when you come up to testify. If you have materials to pass out, make sure you have 12 copies. Letters being submitted to the committee need to be in before 5:00-- needs to include your name, address, bill number, and position on the, the bill. No mass mailings will be included. Please be seated in the front of the room when you're ready to testify. You'll need to state your name and spell it for the record. Please speak into the microphone clearly so the recorders can record it. And we'll begin the testimony with the opening senator. That just happens to me, to be me, so we'll hand the gavel over to the Vice Chair and get this show on the road.

La GRONE: Senator Brewer, welcome your Government, Military and Veterans Affairs Committee. You're welcome to open on the amendment.

BREWER: Thank you, Mr. Vice Chair. My name is Senator Tom Brewer; that's T-o-m B-r-e-w-e-r, and I represent the 43rd Legislative District. AM3186 is a simple amendment with one goal, and that's to make sure that the people who used the on-line notary earlier this year will not have a problem with their legal documents. Let me give

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you a brief explanation of why we believe this is necessary. Last year, Senator Brett Lindstrom got his LB186 passed into law. It created a new way for documents to be notarized in Nebraska, the on-line notary. This bill allows documents to be notarized with the signer and the notary in different locations. As we amended LB186, it had a delayed effective date of 1, July, 2020. This delay-- delayed effective date was so that the team over at the Secretary of State's office would have time to gear up their training for the new kind of notary. During the pandemic this past spring, we, we, we started thinking pretty hard about ways to avoid getting folks together in groups. A lot of the businesses were limiting in-person services, and that included a lot of financial institutions. The Secretary of State and his team had already put the on-line notary program together ahead of this, ahead of schedule and were ready to go. On March 13, Governor Ricketts issued Executive Order 20-13 that ordered, basically, to speed up the operational date of the on-line notary, the, the authorized Secretary of State, Bob Evnen, to roll-- and authorized Secretary State Bob Evnen to roll out the new on-line notary program three months earlier than planned, on 1 April. A lot of transactions, transactions rely on the notaries' documents. This amendment is about making sure that the folks who will not have their documents questioned just because they used the on-line notary during the three-month period in question. We are talking about mortgages, sworn statements, real estate documents, small business loans, etcetera, a lot of things that you really don't want to see fouled up. I think the Governor's order let a lot of people in Nebraska conduct important business like-- while social distancing-- and followed all of the directive health measures. This amendment protects the people who relied on the Governor's order, I believe. An attorney from the Nebraska Bankers Association will testify after me and can help with any legal details. Thank you. And that concludes my testimony.

La GRONE: Thank you, Senator Brewer. Are there any questions from the committee? Seeing none, thanks for opening, We will now move to proponents.

_____ : They need to decontaminate [INAUDIBLE].

La GRONE: Actually, we'll wait for proponents. OK, now we'll move to proponents. Senator Lindstrom, welcome to the Government, Military and Veterans Affairs Committee.

LINDSTROM: Glad to be here. I don't get in here very often, but Senator Brewer invited me to testify on this amendment and just speak

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to kind of what's gone, transpired in the last couple of months. So I will do that. My name is Brett Lindstrom, B-re-t-t L-i-n-d-s-t-r-o-m, representing District 18 in northwest Omaha. Good afternoon, committee members. In 2019, I introduced the Online Notary Act [SIC], which allows registered notary publics commissioned in the state Nebraska to perform notary duties remotely through an authorized on-line platform. This action can be done on a laptop, a desktop or through a smartphone. The technology enables those in the state that are not physically near a commissioned notary, whether it be for sale of property or for business purposes, to have the accessibility and convenience that an on-line notary allows. LB186 was heard in the Government, Military and Veterans Affairs Committee on January 25, 2019, with no opposition. The bill was advanced to General File and passed on final reading, 45-0-4. The original operative date was scheduled for July 1, 2020, as requested by the Secretary of State Bob Evnen, in order to prepare the public for the, the program for the public. However, due to the COVID 19 pandemic, Governor Ricketts proclaimed Executive Order 20-13 on April 1, 2020, to allow for the Online Notary Act [SIC] to be performed after April 2, 2020. The executive order was especially sensible for the continuance of business, real estate, and legal transactions while the state was adapting to life in lockdown. AM3186 to LB857 simply validates any transactions conducted through the on-line notary program between the issuance of the executive order and July 1, 2020. Thank you again to Senator Brewer for allowing this important amendment to be included in the bill. Thank you.

La GRONE: Thank you, Senator Lindstrom. Are there any questions from the committee? Seeing none, thanks for coming down.

LINDSTROM: Thank you. Thanks for having me.

La GRONE: We'll now move to the next proponent. Mr. Hallstrom, welcome to your Government, Military and Veterans Affairs Committee.

ROBERT J. HALLSTROM: Vice Chairman La Grone and members of the committee, thank you. My name is Robert J. Hallstrom, R-o-b-e-r-t H-a-l-l-s-t-r-o-m. I appear before you today as a registered lobbyist for the Nebraska Bankers Association, to testify in support of AM3186 to LB857. Senator Brewer and Senator Lindstrom have done a nice job of laying out the landscape as to why this amendment is important at this time. Just for the Cliff's Notes version, traditionally notary publics required physical presence of individuals who were required to sign individual legal documents, to be in their physical presence. LB186,

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introduced by Senator Lindstrom provided for a remote manner in which to do those notaries through the use of audio and video technology. We've noted that real estate closings, loan closings-- we had a number of individuals come to the NBA and suggest that we ought to have a way to carry out the desire of social distancing. And so we and other interested parties worked with Governor Ricketts' administration and the director of the Department of Banking and Finance to get the executive order that the senators referred to, number 20-13, put in place. That accelerated the operative date of LB186 to allow for the use of on-line notary publics between April 2 and July 1 of this year. Subsequent to all of this happening-- and it certainly was a welcome relief to have that authority issued by the Governor's emergency powers-- we had some attorneys, however, who approached the NBA and suggested that in the, in the event that there were some questions raised regarding the Governor's authority, whether he exceeded the bounds of his emergency authority in accelerating the effective date of LB186, that we perhaps should have legislation that will validate or ratify the validity and enforcement of those documents that were executed and notarized with on-line notary publics between April 2 of this year and July 1. So simply put, that is what AM3186 to LB857 would do. We have plans to address a bill that's on Final Reading to utilize this amendment, provided there are no objections from the committee or others, and would hope that we'd be able to get it passed yet before the end of the session. Be happy to address any questions that you might have.

La GRONE: Thank you for your testimony. Are there any questions? Seeing none, thanks for coming down.

ROBERT J. HALLSTROM: Thank you.

La GRONE: Seeing no other proponents, we will now move to opponents. Seeing no opponents, we'll now move to neutral testimony. Seeing none, Senator Brewer, you're welcome to close on your amendment. Senator Brewer waives closing, and that concludes our hearing on AM3186.