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January 24,2021

Members of the Judiciary Committee

Re: LB205 -- Change provisions relating to unpaid periodic rent under the Uniform Residential Landlord and Tenant Act

Dear Senators:

The League of Women Voters of Nebraska supports LB205 which we believe provides clarity and fairness in housing to both renters and landlords. The LWV opposes discrimination in housing. We support the provisions in this bill:

- require landlords to choose between assessing late fees or evicting for nonpayment
- protect the tenant from eviction based solely on late fees
- require that late fees must be based on actual damages not to exceed 5% periodic rent
- require that adequate information must be contained in written notices of termination

The provisions prevent discrimination by establishing a framework to ensure that landlords can move to evict within a reasonable time frame, but this cannot occur with unrestricted amounts for late fees.

Current Nebraska law puts no limits on late fees. Unreasonable late fees impact housing stability, especially for low-income renters. In many cases, late fees are charged upon late fees, leading to endless charges accruing to low-income renters who are already suffering from economic instability. By placing limits on late fees and penalties, clear guidance is established for landlords and tenants bringing consistency to the rental market. Clear limits on late fees and penalties provide greater housing equity. In addition, late fees must be reasonable, non-predatory and in line with late fees in other industries. Our research of late fees revealed that 1.5% is the typical late fee charged by small businesses. The fees established in this bill are reasonable and in line with this standard.

The League strongly supports LB205 and urges you to advance it for debate by the full legislature.

Thank you for considering our position and thank you for all you do for the citizens of Nebraska.

Sincerely,

Joanna Lindberg, LWVNE, Social Policy Committee
Gerry Sullivan, LWVGO, Social Policy Committee
Carol Dennison, Social Policy Director, LWVNE