

Bond Case Briefs

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UTILITIES - NEBRASKA

REO Enterprises, LLC v. Village of Dorchester

Supreme Court of Nebraska - August 7, 2020 - N.W.2d - 306 Neb. 683 - 2020 WL 4555090

Landlord brought action challenging requiring tenants to obtain a landlord's written guarantee that the landlord would pay any unpaid utility charges for the rented property.

The District Court granted landlord's motion for summary judgment on equal protection claim, and village appealed.

The Supreme Court held that ordinance did not violate equal protection.

Under rational basis review, village ordinance which required tenants, when applying for utility services, to obtain a landlord's written guarantee that the landlord would pay any unpaid utility charges for the rented property did not violate equal protection; ensuring payment for utility services was a plausible policy reason for the classifications requiring landlords' guarantees for tenants but not for residential owners, who were tied to real estate located in village and against whom collection could be more easily pursued, village considered the inherent increased likelihood of a tenant's lack of creditworthiness, costs associated with locating residential landowner were less than locating a previous tenant, and guarantees allowed village to collect from persons directly tied to property.