

One Hundred Third Legislature - Second Session - 2014

Introducer's Statement of Intent

LB880

Chairperson: Senator Mike Gloor

Committee: Banking, Commerce and Insurance

Date of Hearing: February 24, 2014

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

LB 880 requires business entities to inform a customer if pre-authorization hold practices are being conducted and facilitated through a business. The business must notify the customer either through oral or electronic communication during the transaction or a posting in at least 14 point in capital letters displayed at point of sale. The notification must include the maximum amount and duration of the pre-authorization hold.

This legislation may apply to fuel, restaurant, retail, lodging and rental car companies, but is not specific to a particular industry. Furthermore, this proposal applies only to a debit card transaction.

LB 880 requires the Department of Banking and Finance to work with interested groups on a consumer awareness brochure to be distributed to businesses and financial institutions. This legislation requires the Attorney General to report to the Banking, Insurance and Commerce Committee by January 31, 2016 on the number of consumer complaints received between January 1, 2015 and December 31, 2015 regarding pre-authorization hold practices in Nebraska.

Under this legislation, a business that is not in compliance is susceptible to a civil action penalty up to \$2,000 under the Uniform Deceptive Trade Practices Act.

Principal Introducer: _____

Senator John Harms