



Ninety-Seventh Legislature - First Session - 2001
Committee Statement
LB 146

Hearing Date: January 22, 2001

Committee On: Banking, Commerce and Insurance

Introducers: (Kremer)

Title: Authorize an increase in origination fees for installment sales

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

- | | | |
|---|---------------------|--|
| 6 | Yes | Senators Landis, Aguilar, Bruning, Jensen, Kremer, Smith |
| 2 | No | Senators Tyson, Bourne |
| | Present, not voting | |
| | Absent | |
-

Proponents:

Senator Bob Kremer
 Steve Kayton

Jerry Landell

Paul Grosshans

John Hiatt

Representing:

Introducer
 Iowa-Nebraska Farm Equipment Dealership
 Association
 McCullough-Landell Implement John Deere
 Dealership
 Iowa-Nebraska Farm Equipment Dealership
 Association
 John Deere Credit

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 146 (Kremer) would amend sections 45-335, 45-338, and 45-341 of the Nebraska Installment Sales Act to provide that a seller may require a buyer, upon the execution of an installment contract “for a commercial or business purpose,” to pay an origination fee of not to exceed five hundred dollars. Because the bill would not amend other related provisions, the origination fee for all other installment contracts would remain an amount not to exceed ten dollars.

The bill would use the existing definition of “commercial or business purpose” which provides that the term means “primarily for a purpose other than a personal, family, or household purpose.” The bill would move this definition within the Nebraska Installment Sales Act from section 45-341, where it pertains only to delinquency charges, to section 45-335, where it would become part of the definitional section and could thereby apply to both delinquency charges and origination fees.

Explanation of amendments, if any:

The committee amendments would strike the original provisions of the bill and would amend only section 45-338 to provide that if the installment contract is for an installment sale of agricultural machinery or equipment for use in commercial agriculture, the buyer may be required to (1) pay an origination fee of not to exceed \$100 if the cash sale price is less than \$25,000, or (2) an origination fee of not to exceed \$250 if the cash sale price is \$25,000 or more.

Senator David M. Landis, Chairperson