

April 20, 1979

LB 390

PRESIDENT: The Chair recognizes Senator Duis.

SENATOR DUIS: Mr. President, members of the Legislature, I would oppose this amendment and mainly due to the fact that the Legislature will be back here next January and if there is a necessity at that time I am sure that they could handle the situation. The interest rate will vary I am sure but according to a new bill in the House in Congress we are finding out that if this new bill goes through that there will be a 5% differential between that and the government rate which they will allow national banks so let's leave out the sunset provision here and take it up again when we do meet here because we will have plenty of opportunity to do that.

PRESIDENT: The Chair recognizes Senator Newell. Is Senator Newell in the Chamber? The Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President and members of the Legislature, I rise to support the concept Senator Burrows has. What we are really talking about is what is going to be the permanent interest rate for the State of Nebraska, whether it will be 11, 12½. As the bill is right now it would be at 12½ and it would stay at that. What Senator Burrows is proposing is to kind of keep this Legislature on record that it is our concept the usury rate ceiling should be 11% but we would allow an exception for this two year aberration in the economy and I think that, as Senator Duis says, we will be back in a year or two years and if we are back in a year and two years and the economic situation has not changed, then he or if he moves on to other jobs, other legislators could move to continue it at 12½% but I think that once we move it up it suddenly becomes permanent and then it becomes very difficult to take it back down. So I think Senator Burrows has a good concept here which puts this Legislature on record as saying that we believe 11% is what a usury rate should be except for the exception of these two years when there is a certain economic problems. So I think Senator Burrows provides us a very good concept here and I hope that this Legislature could go along with it.

PRESIDENT: The Chair recognizes Senator Goodrich.

SENATOR GOODRICH: I just noticed that we are still under Call and I move to raise the Call.