

SPEAKER MARVEL: Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, when I spoke on this bill on General File I indicated that I had been troubled about multibank holding company legislation over the last three years, since I have been here and my trouble was increasing because I could see that changes at the federal level were naturally compelling the state to reexamine its position with respect to multibank holding company legislation. I said the one thing that was distressing me more than anything else about LB 376 as amended was the fact that the bill and the amendments really reflected the will, in my opinion, of a handful of members of the banking community and it seemed to me that if we were to deal honestly and earnestly with the subject of multibank holding company legislation we really ought to try to deal with it in a way that will benefit the depositors in this state, the investors in this state, and those that need credit in this state and that means we really as a Legislature, we really ought to try to fashion what would be a respectable industry position in the area and it is for that reason I at this time am offering, along with Senator Dworak, an amendment to LB 376. The amendment is really quite simple. Let me describe it to the body. The first thing the amendment does is it limits the branch bank facility to three. Under the bill as drafted and as currently amended a bank may have four full service facilities in any city. This amendment takes it back to three which was the initial committee amendment to this bill. It takes it back to three. Secondly, and what I think really is most important and I really do hope I have your attention on this one because this is a very, very important aspect of the overall multibank feature. The amendment alters the percentage of deposits which any multibank holding corporation could have. The bill right now would permit a multibank holding company to have up to 10% of the deposits in this state but, I want you to think about this. The kind of deposits that the bill describes are not what you might have in mind at the outset. They are not just bank deposits. They are savings and loan deposits and they are building and loan deposits plus bank deposits. So, at this juncture, LB 376 would allow a multibank holding company to have in its own banking deposits up to 10% of all of the basic financial institution deposits in the state. Now currently there is 9.6 billion dollars in bank deposits in this state and there is 5.5 billion dollars in savings and loan deposits in this state for a total deposit profile in this state of 15.1 billion dollars. Now you figure 10% of 15.1 billion dollars which is the maximum the current bill allows any one multibank holding company to have and that means any one bank holding company, and I shouldn't say one bank, any multibank holding company with more than one bank could have a total amount of economic wealth in this state of one and a half billion dollars which would represent 15.6% of the total banking