

February 4, 1982

LB 623

amendments. I believe copies have been handed out, Mr. President.

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: Mr. Speaker, at the late hour, what is your pleasure? Do you want to go ahead with this amendment?

SENATOR CLARK: We are going to attempt to. I don't know whether we can complete it or not.

SENATOR KILGARIN: Okay, I will give you a quick rundown. I am sorry, I did put my name on the amendment that I handed out but it didn't copy very well. So the amendment on your desk is my amendment. Essentially, what this does is it retains the state's right to establish the interest rate, so it keeps the Section 10 that we are all concerned about. If you turn to page 8....

SENATOR CLARK: The Call is raised.

SENATOR KILGARIN: If you turn to page 8 of the committee amendment, in (c) Section 10, one thing that it does do that I think is important to set intent...legislative intent into law, is that it does strike in lines 16 and 17, it says, "The State of Nebraska elects to retain the power to establish or not establish usury limits provided under the Nebraska statutes". What the amendment does is it strikes "or not establish". In other words, the amendment says we will establish usury limits. With the new federalism we are talking about state's rights and that is what this...that is what the public law said when they passed it in Congress back in 1980. They said they will leave it up to the states. If they want to go under federal law, they can. If they want to set their own usury limits, they may also do that. I believe as I think most of the members of this Legislature believe that we should retain that power and authority and responsibility to set the usury limits. The other thing the amendment does besides keeping the authority in the state's hands to set usury limits is that it raises the current rate from 16 to 19 recognizing that the marketplace shows that there is a need for an increase in the interest rates, that 16 percent probably and unfortunately is not a realistic figure to be dealing with. So what this is is kind of a compromise amendment. It will keep the state's option where we can set the usury limits. We will raise it from 16 to 19 percent on the usury limit and hopefully that will solve some of the problems. As