

March 29, 1989

LB 628, 681

Legislative Journal.) 38 ayes, 0 nays, Mr. President, on the advancement of LB 628.

SPEAKER BARRETT: LB 628 is advanced. LB 681.

CLERK: LB 681, Mr. President, introduced by Senator Lindsay. (Read.) The bill was introduced on January 19, referred to the Banking Committee, advanced to General File. I have committee amendments pending by the Banking, Commerce and Insurance Committee, Mr. President.

SPEAKER BARRETT: Senator Landis, on the amendments, please.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature. This bill by John Lindsay regulates rent-to-own operations. The bill is premised on the model of Iowa, and they have been regulating rent-to-own operations for several years. Iowa, however, has passed the UCCC, the Uniform Commercial Credit Act (sic) and it's bill is written in a way that contemplates recovery and acknowledgment under that law. So when John brought this idea to the bill drafter some of those assumptions of UCCC tie ins were written in the green copy. The committee adopted an amendment which is substantially all of the rules that John wants the State of Nebraska, absent those mistaken bill drafting assumptions that worked into the green copy of the bill because of the Iowa connections to the UCCC, which Nebraska does not have. The white copy or the committee amendment should be treated as the bill for your purposes. And this is basically a scheme of regulation overseen by the consumer, on one part, and the Department of Banking and Finance on the other. It lists the kinds of fees that rent-to-own operations may charge and may not charge. It lists the kind of disclosures that must appear on the face of contracts, it limits the kind of misleading advertising that rent-to-own operations may have. It limits the right of rent-to-own operations to take back goods without giving the consumer a chance to purchase the goods. It gives the consumer a right to renegotiate should there be a late payment late in the paying off of this kind of contract. I can tell you that the committee advanced the bill unanimously quite impressed with the attempt by Senator Lindsay to protect consumers from practices by some of the more unscrupulous representatives of the industry. The industry was present before the committee, they testified in a neutral capacity. They said that they did not object to regulation so long as that regulation was reasoned, principled and fair and