

February 21, 1991 LB 237

states this opt out provision. And if we were to follow along, we would yield that decision to the federal government, if not, we're free to decide whether we think it should be treated that way or whether logic, experience tells us they should be treated a different way.

SENATOR PIRSCH: I tend to agree that we ought to look at our own experience instead of the federal government's which is pretty bad. but are there any penalties or federal sanctions for opting out?

SENATOR LANDIS: Opting out? No, and most states are opting out. Most states are saying, fine, you dictate for your code while you think, you know, whatever you think, but let us dictate for us how we analyze various transactions as to whether they should be regarded as equivalent to this or that. We'll make those decisions ourselves.

SENATOR PIRSCH: Now it says if they are as stringent or better than the federal. Who makes that decision then, the federal allow us to opt out because they have reviewed what we pass here and have decided that they are as strict or better?

SENATOR LANDIS: They've prescribed the rule that says... (interruption)

SENATOR PIRSCH: Do they set the standard?

SENATOR LANDIS: If we don't opt out, they will set the standard and they will tell us that these are equivalences. If we don't...if we do opt out...

SPEAKER BAACK: One minute.

SENATOR LANDIS: ...we will be able to decide whether we regard them as equivalent and treat them the same way or regard them as not equivalent and treat them in different ways.

SENATOR PIRSCH: So the opting out really has nothing to do with whether they are as strict or stricter then?

SENATOR LANDIS: Yes, the opting out simply then gives us the power to decide whether we think we're going to treat them the same way or whether we're going to decide to treat them differently.