

March 12, 1991

LB 161, 162

the various member banks. Now we do this by electronic information. And it is all the more reason why we need to have a system of what's called "check truncation", whereby a bank sends an electronic piece of information rather than the check itself to the next party who deals with the cashing of the check. This then sets the rules in this faster paced electronic kind of world that now exists. A great deal of the information of Article III and IV is existing law, but there are changes to it in order, basically, to bring up to date, first, the electronic system of banking and, secondly, the fact that other institutions are doing this procedure besides banks. I would urge the advancement of LB 161.

SPEAKER BAACK: Thank you, Senator Landis. Does anyone wish to discuss the bill? Seeing no one, Senator Landis, do you wish to close?

SENATOR LANDIS: Senator Cudaback said this is the new way, and he's exactly right, in our conversation. Our old article applied to a kind of commercial situation which no longer applies. Now the rules are still there, but courts are forced into making variations from those rules and interpretations of those rules, given the new electronic climate in banking. This updates our code and is designed for the existing world of electronic transfers of monies, and, for that reason, is timely. I urge its advancement.

SPEAKER BAACK: Thank you, Senator Landis. We'll now proceed to vote on the advancement of LB 161. All those in favor vote aye, opposed vote no. Record, Mr. Clerk.

ASSISTANT CLERK: 25 ayes, 0 nays on the motion to advance the bill, Mr. President.

SPEAKER BAACK: LB 161 advances. We'll now go to LB 162.

ASSISTANT CLERK: LB 162 was introduced by Senator Landis. (Read title.) The bill was read for the first time on January 11th, was referred to the Banking Committee. They report the bill to General File with no committee amendments, Mr. President.

SPEAKER BAACK: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, in the