

January 28, 1992 LB 470

PRESIDENT MOUL: Thank you, Senator Schmit. Senator Landis, followed by Crosby and Rod Johnson. Senator Landis.

SENATOR LANDIS: Thank you, Madam President, members of the Legislature, last year on two occasions I stood on the floor and argued that we should not advance LB 470. Today I rise to join with Senator Schmit to ask you to advance this bill to the next stage of debate and I want to tell you the story of the change between last year and this year and where 470 lies in that story line. Last year, you'll remember that I argued that the Legislature who is rarely a part of the discussions of bank structure issues that we basically sit on the sidelines while the industry did their battles and then we wound up passing pieces of legislation with little understanding of what they were about. This summer, in an attempt to correct that situation, the Banking, Commerce, and Insurance Committee, of which Senator Schmit is the Vice-Chair, called the major banking entities into sort of a consultation mode, a round table at the Mahoney State Park and we discussed bank structure issues and what was good for Nebraska's financial future. That line of discussions occurred, oh, for about three months. It involved the Nebraska Independent Bankers, the Nebraska Bankers Association. Initially it involved FirstTier of Omaha, First National of Omaha, NBC or First Commerce Bank and Norwest. In the end we found that there were things of interest to most of the groups involved that were not directly contradictory. What we found is that the independent bankers of this state share among themselves, and with me by the way, a belief that Nebraska needs to control its own financial fate with respect to the regulation of banks. Now you might think that that's axiomatic and there is no problem with that but, in fact, there is a threat to Nebraska controlling its own laws of financial institutions. There is two sources of those threats. One is federal regulations that the Bush administration plumped for in the last congressional session. At the very end those provisions were deleted from the ultimate bank bill that was passed by Congress but that's one source of an external threat that could limit Nebraska's ability to control its own economic destiny and its bank structure rules. There is a second line of argument or a second threat and this one continues. There is a line of cases that says a national bank has all of the rights of any competitor financial institutions in a state that it operates in and that if that state has given an advantage to a state bank or it has given it to a state S & L, then that