

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

January 26, 1999 LB 113

It says, "The authorization process shall authorize each transaction in accordance with the instructions provided by the State of Nebraska for each state official, state agency, or political subdivision." Now after I spoke on this issue a few minutes ago, I've had a couple of you come up and say, well, maybe this cures it. I don't believe it does. It requires the authorization from the state agency or political subdivision to the credit card company, and then we put the credit card company in the middle, and the credit card company is going to be making the decision whether state funds are going to be charged on a credit card or not. That authorization has to go through the credit card company on the basis of the language in this paragraph. Now it's very possible that this paragraph could be amended or clarified in some manner, but I think the way it's stated is we are abdicating and we are granting to the credit card company the right to make the final decision on whether a charge is paid by the state of Nebraska, and I think it's an illegal method of transferring that type of authority to credit card companies. Maybe this could be cured or amended later on. I don't know, I'm not attempting to amend it at this time, but I would urge you, at this point, to not advance this bill.

PRESIDENT MAURSTAD: Thank you, Senator Matzke. The Chair recognizes Senator Tyson.

SENATOR TYSON: Thank you, Mr. President and members of the body. I...if I understand the process by which debits or credits are placed on the state account by the credit card company, the lines 22, 23 and 24, "The authorization process shall authorize each transaction in accordance with the instructions provided by the political subdivision." The political subdivision could be a county government, a state agency, and they tell the credit card company we don't want any gasoline purchases on this card. The card goes into a debit slot at the pump, it's rejected because the authorization by the credit card company is based on the instructions of the people who are responsible for the payment of the bill to the credit card company. This is nothing more, nothing less, than a device by which the political subdivision or the state agency can guide or authorize what types of purchases they wish to have. I don't see a lack of control here. The lack of control would exist only at the pay point, the one who issues the warrant, if they