

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

April 6, 2000

LB 932

happened in this last year is that ATM cards are now getting surcharges by the person who owns the ATM, so there are two charges, one at the time of using the ATM and then a second one when your bank gets charged and makes against you by the foreign bank who owns the ATM as well. Those two charges are possible. We know about one of them because we agreed to it when we took out our ATM card, but that one that the owner of the ATM is imposing we may or may not know about. Now, federal law has stepped in and said you should have a screen that says you're being charged \$1.50 or whatever, but that is not...that has just gone into effect and we want a state law that says the same thing. So what this says is that if there is a special surcharge at the ATM by the ATM owner for the person who is using that facility, essentially in addition to the charge that you've agreed to with your ATM card provider, with your debit card provider, then that will be flashed on the screen. You'll have a chance to see that, know what the amount is, and choose "yes" or "no" and be able to cancel. We think that's a legitimate thing to be able to do. Lastly in this is a provision to allow for the pooling of securities that banks give to public political subdivisions when they put their...essentially when they put their accounts or their deposits into the bank. What happens is the public entity puts in a deposit and if...if it's over the FDIC amount then the bank return...in return pledges securities to make sure that there is a source to pay back the political subdivision should there be any trouble, and what we're looking to do is give banks the ability to pool those accounts. Essentially, it would be the efficiency of imagining yourself with ten checking accounts. You have to keep an appropriate amount of money in every one without ever writing a bad check so that your time and energy in managing the ten accounts is immense. Truth of the matter is, if you could put all those deposits and account into one, it would save you time and energy and you would have a much better idea if you were overdrawn or not and, if you could collect them together, perhaps get an even better interest rate for your deposit. Well, that's roughly the concept here. Banks would be able to pool their securities that they're holding for political subdivisions. That pool would allow them to be most efficient in their administration and also to respond to the amount of securities needed to be pledged. Because those securities usually have a lower return than others, it's not really