

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

April 28, 2003      LB 156

Chairman of that committee, on the Banking Committee amendments.  
(AM0762, Legislative Journal page 821.)

SENATOR QUANDAHL: Thank you, Mr. President, members of the body. Just to give you a little bit of rationale behind the committee amendments which are before you, AM0762 to LB 156. LB 156 as originally introduced was accompanied by a significant fiscal note. The fiscal note resulted from an interpretation by the Department of Revenue that provisions required a certification that a notice has been served on the person whose information or records are being sought would have an adverse impact on efforts by the Department of Revenue to collect delinquent taxes. The department was concerned that by providing prior notice to a delinquent taxpayer could result in the transfer of funds from a bank account before the department could garnish that account in the course of their collection efforts. Now, this committee amendment, AM0762, as discussed, will remove the potential for the fiscal impact by eliminating the prior notice provisions and allowing the Department of Revenue to continue operating under its current system of collecting delinquent taxes. As revised by the committee amendment, Section 1401 would provide that a business or financial institution shall not be required to disclose their records or information concerning a customer unless...and then there's a list of specifications. For instance, a lawyer's trust account. That provision actually just reflects current law. Also, they would not be required to disclose unless the disclosure is governed by rules of discovery, litigation rules of discovery promulgated by the Nebraska Supreme Court. Also, if the request for disclosure is being made by a law enforcement agency regarding unlawful activity in which the business or financial institution to which the request for disclosure is made may be a victim of unlawful activity. That would be in the instance of check kiting or embezzlement or something of that nature. Additionally, if the request for disclosure would be made by a supervisory regulatory agency of the business or financial institution of the disclosure relates to examinations, audits, investigations, or inquiries. For example, that would be an annual examination by the Department of Banking or Department of Insurance or the like. That is just a recitation of current law, found at Section 81-119. Or if the request for