

January 19, 1989

LB 94, 247, 570, 576, 683-808

as yet, please contact Joanne immediately. If you don't have the bill that you are expecting, please contact the Bill Drafters Office immediately. Mr. Clerk.

CLERK: Mr. President, for the record, I have received a reference report referring LBs 496-599 including resolutions 8-12, all of which are constitutional amendments.

Mr. President, your Committee on Banking, Commerce and Insurance to whom we referred LB 94 instructs me to report the same back to the Legislature with the recommendation that it be advanced to General File with amendments attached. (See pages 320-21 of the Legislative Journal.)

Mr. President, I have hearing notices from the Judiciary Committee signed by Senator Chizek as Chair, and a second hearing notice from Judiciary as well as a third hearing notice from Judiciary, all signed by Senator Chizek.

Mr. President, new bills. (Read LBs 683-726 by title for the first time. See pages 321-30 of the Legislative Journal.)

Mr. President, a request to add names, Senator Korshoj to LB 570, Senator Smith to LB 576, Senator Baack to 570 and Senator Barrett to LB 247.

SPEAKER BARRETT: Stand at ease.

EASE

SPEAKER BARRETT: More bills, Mr. Clerk.

ASSISTANT CLERK: Thank you, Mr. President. (Read LBs 727-776 by title for the first time. See pages 331-42 of the Legislative Journal.)

EASE

SPEAKER BARRETT: More bill introductions.

ASSISTANT CLERK: Thank you, Mr. President. (Read LBs 777-808 by title for the first time. See pages 343-50 of the Legislative Journal.)

CLERK: Mr. President, I have reports. Your Committee on

March 15, 1989

LB 54, 105, 183, 222, 250, 340, 746
749
LR 56

would ask if the Clerk has any messages on the President's desk.

CLERK: Mr. President, Banking, Commerce and Insurance reports LB 222 to General File with amendments; LB 746, General File; LB 749, General File; and LB 105, indefinitely postponed, all signed by Senator Landis. New resolution, LR 56, by Senator Haberman congratulating the Perkins County High School basketball team. Transportation gives notice of confirmation hearing. Amendments to be printed from Senator Beck to LB 250, Senator Goodrich to LB 340, Senator Wesely to LB 340, and Senator Korshoj to LB 54. That's all that I have, Mr. President. (See pages 1165-70 of the Legislative Journal.)

SPEAKER BARRETT: Thank you, Mr. Clerk. The question before the body is one of adjournment. Those in favor of adjourning please vote aye, opposed nay. Have you all voted? Record, Mr. Clerk.

CLERK: 12 ayes, 22 nays, Mr. President, on the motion to adjourn.

SPEAKER BARRETT: Motion fails. Back to discussion on the advancement of the bill. Senator Baack.

SENATOR BAACK: Are there others lights after mine?

SPEAKER BARRETT: I'm sorry, yes, there are. Senator Baack, I'm sorry, I overlooked one light. Senator Withem's light has been on.

SENATOR WITHEM: Yes, I was going to call the question.

SPEAKER BARRETT: The question has been called. Do I see five hands? I do. Those in favor of ceasing debate vote aye, opposed nay. Record.

CLERK: 25 ayes, 1 nay, Mr. President, to cease debate.

SPEAKER BARRETT: Debate closes. Senator Baack.

SENATOR BAACK: I think we've debated enough. I would just urge the advancement of the bill. Thank you.

SPEAKER BARRETT: Thank you. Shall LB 183 be advanced to E & R Engrossing? Those in favor vote aye, opposed nay. Have you all voted? Have you all voted, if you'd care to vote? Senator

appreciate the chance to come back to an issue that we talked about a little bit not too long ago, dealing with community reinvestment. As you recall on this bill, we had a previous draft of this concept that had not yet had a chance to be reviewed by the Bankers Association and we got in somewhat of an unfortunate fight that we didn't really probably need to. But we have sat down with the different interested parties and come out with a version of this issue that is not necessarily, of course, endorsed or supported by the Bankers Association but is one in which they have gone from opposed to neutral and I appreciate very much their desire to work with and cooperate on this matter. I go back again to the fundamental question and that is the issue of interstate banking and the opportunity for out-of-state financial institutions to move into Nebraska and what impact that will have on our state. The big concern is that when we have this change occur, which will be happening in the very near future, and we're now on a regional basis open to interstate and we will move to a national interstate opportunity next year, what impact will that have on communities in Nebraska. Currently, when an out-of-state bank would come in to acquire an institution in Nebraska, CRA review would be...is now currently in statute for the banking director to look at before approving that acquisition. After that institution comes into the state, however, there is no follow-up to ensure that community needs are being met by this out-of-state institution and that has been my concern now since we passed the interstate bill a couple of years ago. The Banking Committee did put out, I believe it was LB 746, out of committee to deal with this matter and it's stuck on General File. And so with this particular measure before us dealing with multibank companies' ability to grow and the cap that's been placed on multibank holding companies increased from 12 to 14 percent, it was felt to be appropriate to raise this issue now with this piece of legislation. So what we have done is, as I said, we proposed the amendment last time and there was some hard feelings about it and fortunately not hard enough to not sit down and discuss and negotiate. And what we have done is, I think, come up with a proposal that makes sense. What it says is that if an out-of-state bank does come into Nebraska, buy a bank or a series of banks in Nebraska, they will submit their public portion of their Community Reinvestment Act report to the Investment Council and there the investment officer will take that report, and if this out-of-state bank holding company is given a substantial noncompliance rating, see, they are rated under this CRA review, and if they get the substantial