

January 9, 1989

LB 267-278  
LR 4

Transportation Committee will meet in Executive Session upon adjournment.

Reference Committee, now, in 2102.

SPEAKER BARRETT: Thank you. The Legislature will continue to stand at ease while the Referencing Committee meets. We are not adjourned.

EASE

SPEAKER BARRETT: Announcements, bill introduction.

CLERK: Mr. President, a series of announcements. First of all, Executive Board would like to announce the makeup of the Building Maintenance Committee. Senator Conway has been selected as Chair with membership consisting of Senator Beyer, Senator Korshoj, Senator Scofield and Senator Warner. And with respect to the Education Commission of the States, which is also an Executive Board appointment, Senators Baack, Dierks and Withem have been selected to serve.

Mr. President, announcement from the Speaker, and that is that there will be a Committee Chairpersons meeting on Wednesday morning at eight-fifteen in Room 1517; Committee Chairpersons meeting at eight-fifteen Wednesday morning in Room 1517, as offered by the Speaker.

Mr. President, I have received a Reference Report referring bills up through 237. (See pages 122-25.)

Mr. President, new bills. (Read LBs 267-278 by title for the first time as found on pages 125-28 of the Legislative Journal.)

Mr. President, I have a new resolution by Senator Bernard-Stevens, LR 4, asking the Legislature to approve a gift from the Nebraska Game and Parks Foundation to the Games and Parks Commission of certain real estate located in Lincoln County. That will be laid over, Mr. President. (See pages 128-29 of the Legislative Journal.)

Mr. President, I have a hearing notice from the Transportation Committee for Tuesday, January 17. That is signed by Senator Lamb as Chair of the Committee.

February 23, 1989      LB 272, 361, 361A, 544

SPEAKER BARRETT: Thank you. You've heard the closing and the question is the advancement of LB 361 to Enrollment and Review Initial. Those in favor vote aye, opposed nay. Have you all voted? Record, please.

CLERK: 28 ayes, 2 nays, Mr. President, on the advancement of LB 361.

SPEAKER BARRETT: LB 361 is advanced. For the record? Mr. Clerk, let's go to the A bill next.

CLERK: Mr. President, LB 361A by Senator Landis. (Read title.)

SPEAKER BARRETT: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, 361A is an appropriations of fund necessary to do this program. It constitutes \$97,000 from 1989 to 1990, and \$72,000 from 1990 to 1991 for the Department of Revenue. I move for the advancement of the A bill.

SPEAKER BARRETT: Thank you. Discussion. Seeing none, those in favor of the advancement of LB 361A please vote aye, opposed nay. Have you all voted? Please record.

CLERK: 27 ayes, 1 nay, Mr. President, on the advancement of LB 361A.

SPEAKER BARRETT: LB 361A is advanced. The Chair is pleased to announce that Senator Warner has some special guests under the south balcony, Jennifer Schizas, the Chairman of Nebraska March of Dimes who is here to present to us Sara Parks, the March of Dimes Poster Girl, with her father, Randy. Would you please stand and be recognized. Thank you. Sara, we are glad to have you here. We understand that you are wearing the dress that you were wearing when you were introduced to President Bush, is that right? Thank you. It is beautiful. Come back again. Mr. Clerk, for the record.

CLERK: Mr. President, I have a proposed rules change offered by Senator Wesely. That will be referred to Rules Committee for their consideration. Your Committee on Banking, Commerce and Insurance reports LB 272 to General File with amendments, LB 544

March 23, 1989

LB 154, 155, 250, 254, 265, 272, 281  
421, 503A, 619, 623, 683

SPEAKER BARRETT: Thank you. Anyone else? A record vote has been requested. All in favor of the advancement of the bill please vote aye, opposed nay. Shall LB 281 be advanced, that is the question? Have you all voted? Have those who care to vote voted? Record, please.

CLERK: (Read record vote. See pages 1314-15 of the Legislative Journal.) 25 ayes, 18 nays, Mr. President, on the advancement of LB 281.

SPEAKER BARRETT: The bill is advanced. Anything for the record?

CLERK: Yes, Mr. President, I do. I have amendments to be printed to LB 272 by Senator Landis; and LB 683 by Senator Wehrbein. I have a new A bill, LB 503A by Senator Goodrich. (Read for the first time by title. See pages 1315-16 of the Legislative Journal.)

Mr. President, I have a lobby report for this past week; a confirmation report by the Judiciary Committee. It is signed by Senator Chizek. Notice of hearing by the Rules Committee for Thursday, April 6.

And, finally, Mr. President, bills read on Final Reading this morning have been presented to the Governor. (Re: LB 265, LB 619, LB 155, LB 623, LB 154, LB 254, LB 421. See page 1317 of the Legislative Journal.) That is all that I have, Mr. President.

SPEAKER BARRETT: Thank you. The Chair is pleased to note that Senator Labedz has a very special guest under the south balcony, a friend of hers, Tom Kelly, who is a student at Westside Middle School. Tom, would you stand up and take a bow. We're glad to have you with us. Also observed under the south balcony is a former member of this body, Senator George Syas of Omaha. Senator Syas. Nice to have you back, George. LB 250, Mr. Clerk.

CLERK: Mr. President, Senator, I have E & R amendments on LB 250, first of all.

SPEAKER BARRETT: Senator Lindsay.

CLERK: E & R amendments, Senator.

April 11, 1989

LB 247, 272, 588, 739, 811

CLERK: Government Committee gives notice of confirmation hearing. Senator Wesely has amendments to LB 247; Senator Chambers to LB 588; Senator McFarland to LB 811; Senator Landis to LB 272. (See pages 1645 of the Legislative Journal.)

SPEAKER BARRETT: Senator Hannibal, I don't believe you have had an opportunity to open on the bill. Would you like to take this time to present the bill?

SENATOR HANNIBAL: Yes, Mr. Speaker, and thank you very much. I will try to be brief, because we have had a pretty good discussion of the bill. I hope that you have had a chance to look at the items, the handout that was before you, the blue covered copy dealing with the LB 739 tax cut. What you have now before you is a proposal of the bill in its original form and is laid out for you in the handout before you. The first page tells you what the four items are that are going to be done. First and foremost we're going to drop the marginal rates, marginal rates you can see, that are blackened out on the right-hand column, go down from the existing rates. You can see from the handout that the two brackets that are being reduced are in the lower and middle income areas. It's going to return or take off the tax rolls. Return...I think Senator Hall did point out we aren't giving money back, it's kind of a shame we can't do that, we aren't doing that. But what we are doing is changing the tax structure so we will no longer collect those taxes. You can't even call it a tax cut because it was an increase that we are trying to take off the rolls, because it was put on inadvertently. But we're rolling back those brackets to those two blackened areas, and they are the lower tax brackets. Secondly, we are going to raise the personal exemption by \$50 per person, that affects everybody. I might point out that the first item, lowering the marginal rate brackets, affects every taxpayer in the State of Nebraska. It affects better the lower income taxpayers, the lower marginal rate brackets, it affects them more dramatically than it does the higher, but it does affect all. The personal exemption obviously affects all taxpayers. Again, because it's a dollar rate, \$50 per person increase in the exemption, affects everybody, but affects the low income tax...low income earners more than it does the upper incomes. Thirdly and fourthly were the items that were left as part of the bill, the child care credit, which affects those people who can take a deduction from the federal income tax, a tax credit away from their liability, they will be able to take an additional 25 percent of that

SPEAKER BARRETT: LB 639 is advanced. LB 272.

CLERK: LB 272, Mr. President, was a bill introduced by the Speaker. (Read title.) The bill was introduced on January 9, referred to Banking, Commerce, and Insurance for public hearing, advanced to General File. I have committee amendments pending by the Banking Committee, Mr. President. (See page 1315 of the Legislative Journal.)

SPEAKER BARRETT: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, let me just ask the Clerk, we have committee amendments offered, Mr. Clerk, are there any other amendments that are on the desk?

CLERK: Yes, sir, there are. I have two sets, both from yourself, Senator.

SENATOR LANDIS: All right. I think I wish to with...oh, perhaps, we will have to accept the committee amendments, but I...

CLERK: Well,...

SENATOR LANDIS: Can you tell me what the pages are for the last one?

CLERK: The last one is 1645, and I might add, Senator, the lead in on it says "Strike the Standing Committee amendments and insert the following new sections."

SENATOR LANDIS: Thank you. Let's do this in that case, colleagues. This bill has undergone a change based on a negotiation with the Mortgage Bankers Association and the bill is agreed to by all parties. The bill originally meant to get the attention of the mortgage bankers. It did so. The committee made a good deal of effort to negotiate both in the presence of the Banking Department and the mortgage bankers. We have done that but the language that we want to go with is the last amendment that the Clerk has on his desk. Let's adopt the committee amendments, and if we could proceed through to that amendment, I would then explain to you what this registration of mortgage bankers bill is all about.

SPEAKER BARRETT: Senator Landis, perhaps you could repeat that

request.

SENATOR LANDIS: Sure.

SPEAKER BARRETT: It is a little unclear.

SENATOR LANDIS: Thank you. Since the concluding amendment that the committee wants to have adopted amends the committee amendments, I think it is necessary to adopt the committee amendments at this stage, withdraw the intervening amendment, the first draft, and then adopt the second amendment which makes reference to the existence of committee amendments. For that reason, I ask that we adopt the committee amendments, and when that is completed, I will then explain when recognized by the Chair the body of the bill, which is, in fact, an amendment to the committee amendments, at a later time. I hope I make that clear.

SPEAKER BARRETT: I think that is acceptable, certainly. Any discussion on the committee amendments? Sorry, there are no lights. Senator Landis, anything at all? Shall the committee amendments be adopted? All in favor vote aye, opposed nay. Voting on the adoption of the committee amendments. Record, please.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SPEAKER BARRETT: Committee amendments are adopted. Senator Landis.

SENATOR LANDIS: I believe I have two sets of amendments, Mr. Speaker. I think I want to withdraw the first amendment and proceed to the one that is referenced on page 1645 of the Journal.

CLERK: Mr. President, I might add the amendment Senator Landis refers to is on 1645, you will find it in your bill books. It is AM1174, Senator.

SPEAKER BARRETT: Chairman Landis.

SENATOR LANDIS: Thank you, Mr. Speaker. And, members, on your desks you will find a two-page summary of this amendment as well. Let me start by saying we have one crackerjack Banking

Department Director in Cynthia Milligan. This last year her staff discovered some difficulties in dealing with a few outstate mortgage bankers. Mortgage bankers participate in the secondary mortgage market by buying up the paper mortgages, if you will, that have been made by first-time lenders. And it creates a problem for a consumer when you have had your mortgage sold because the original escrow requirements you might have made with the lender of first course might get changed by the second owner, and what we had was a limited set of problems created by a limited number of these bankers, most of them, no problem, a few of them, a problem. Director Milligan did not want to chart the path of public policy here but she did want to call this to the attention of the body, so what she did is she pulled out mortgage bankers from the usury law and from another important act that they had previously had an exemption from. It got their attention. They came to the committee, and as oftentimes happen, the place was filled with mortgage bankers who were not the problem, the good guys, the ones who'd not created difficulties. They admitted that there were other members of the fraternity who were not as scrupulous in their dealings with the consumers, that there were some difficulties. They would have no difficulty in entering into a process of negotiation with the Department of Banking to find a reasonable accommodation that would give the state some kind of disciplinary control over mortgage bankers. We first concluded that it was unnecessary to add a new form of license if this institution was licensed in Nebraska under one of the other financial institution licenses that we grant. So we exempted out a bunch of people. Why? Because we have clout with them anyway under existing law. Having taken those people out of the bill, we then dealt with people that we did not have a licensure or registration control over and negotiated a body of rules and rights for consumers and for mortgage bankers. The bill permits and authorizes the licensure of mortgage bankers, provides for criminal penalties for violations of the act, requires fidelity bonds to be filed, if they are not filing a fidelity bond under one of the other authorities that the department has, and tells licensees that they must disburse funds held in escrow accounts according to those terms and for the payment of insurance premiums and real estate taxes; they must give consumers annual escrow analysis to tell them what they did with their escrow; they have to give consumers notice of changes in escrow; and they must be prepared to answer requests by borrowers for payoff information, as well as, execute and deliver a release for a reconveyance once payoff has been made on a loan. These are

rights that consumers could not exercise under the old mechanism because these mortgage bankers were beyond the pale. We couldn't regulate them. They fell through the cracks. We either did not have jurisdiction or we did not have authority to do these things and to get consumers this kind of information. It provides for the preparation of a new abstract of title if a licensee fails to deliver an abstract. It requires the licensee to send borrowers notices of transfer of servicing rights if they have sold either the servicing right or the loan itself. It creates a series of fees. It establishes personal jurisdiction over non-Nebraska organizations who are conducting business in this state so we have remedy for Nebraska consumers. Let me thank the Banking Department and Mark Hesser for doing a fine job from their perspective, and, actually, I think some very fair and reasonable negotiation on behalf of the Nebraska Mortgage Bankers by Jim Sackett, Mike Fosdick, Larry Ruth, Trev Peterson, and by the committee, not only through Bill Marienau and myself, but other members who kept up on this issue. The bill has no opponents. The Nebraska Mortgage Bankers Association supports this amendment. I urge its adoption.

SPEAKER BARRETT: Thank you. Discussion. Senator Abboud.

SENATOR ABOUD: Yes, Mr. President, it was...I think this is an excellent piece of legislation and I would like to echo Senator Landis's remarks in regards to the Banking Department for coming forth with a solution, I think, to some of the problems that we are facing in the State of Nebraska. It was interesting because last summer I received numerous complaints meaning three different complaints from three different constituents of my district of situations in which they took out a mortgage with a local mortgage company and they thought it would stay in the State of Nebraska, and that mortgage was then sold to an outstate secondary mortgage group, a bank, either from New Jersey, or New York, Chicago, wherever, but this is a phenomena that is occurring. It will continue to occur and I think it is probably in the best interest of the consumer because that way they get the best possible mortgage rates, but it was to my chagrin that I discovered that there was no real regulation of this secondary mortgage market. I think that a couple of the areas that should be noted that are significant changes and I think will make it better for our constituents are that when there is a transfer of that mortgage that there must be notification to the borrower of this transfer of the servicing rights. In addition, if there is a transfer, there is a



requirement that the borrower notify the consumer of different...if there is changes in the amount of the periodic payment. Now there is a contract so there can't be any changes with that contract, but a lot of times there are changes in the amounts because of the escrow or sometimes, as a result of this transfer, the payment schedule is changed. There may be a month or some change in the time that requires more money or less money that goes into the escrow fund, and as a result, the consumer is left very confused and concerned as well because this mortgage is on his home. And, lastly, and probably most importantly, it allows the Banking Department to investigate some of these secondary mortgage banks or S & Ls or whatever they might become, investigate them, if there is some unscrupulous individuals out there, and it gives them the criminal penalties to investigate and prosecute if there are problems to some of our local homeowners. It is an excellent piece of legislation. It is something that we need to get enacted and I am happy because of all of the work that went into it with the committee and, most importantly, with Senator Landis and Bill Marienau in putting together this piece of legislation with the Banking Department. I urge its advancement. Thank you.

SPEAKER BARRETT: Thank you. Any other discussion on the amendment? Any closing, Senator Landis, on the amendment?

SENATOR LANDIS: Thank you, no, I will just close and urge the body to adopt the amendment.

SPEAKER BARRETT: Thank you. The question is the adoption of the Landis amendment to LB 272. Those in favor vote aye, opposed nay. Record, please.

ASSISTANT CLERK: 25 ayes, 0 nays on the adoption of the amendment, Mr. President.

SPEAKER BARRETT: The amendment is adopted. Back to the bill as amended, Senator Landis, please.

SENATOR LANDIS: Thank you, and, Mr. Speaker, I know I am doing your job, this being your bill, but don't worry, I don't hold a grudge here. I am happy to do it for you, Bill. The amendment now becoming the bill, and by the way, I think an excellent piece of public policy, a real step forward for Nebraska consumers but balanced with the legitimate interests of mortgage

May 11, 1989

LB 137, 272

bankers taken into account, I would urge for the advancement of Senator Barrett's LB 272.

SPEAKER BARRETT: Thank you for that sterling performance. Is there any question, any discussion on the advancement of the bill? Seeing none, those in favor of its advancement vote aye, opposed nay. Voting on the advancement of the bill. Please record.

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB 272.

SPEAKER BARRETT: LB 272 is advanced. LB 137.

CLERK: Mr. President, 137 was a bill that was introduced by Senator Chizek. (Read title.) The bill was introduced on January 5, referred to the Retirement Committee for hearing. The bill was advanced to General File. I have committee amendments pending by the Retirement Systems Committee, Mr. President.

SPEAKER BARRETT: Senator Haberman, on the committee amendments.

SENATOR HABERMAN: Mr. President and members of the body, with the absence of Senator Chizek, the introducer, I am more than pleased to handle this bill for him. First of all, members of the body, this does not include any state funds, does not have an A bill. There is no increase to anyone and the funds are already available. As introduced, LB 137 would provide an annual adjustment for State Patrol officers whose retirement benefits are below the minimum poverty level. In addition to this increase, there is a one-time cost of living adjustment for retirees or surviving spouses. Thank you, Mr. President.

SPEAKER BARRETT: An amendment on the desk, Mr. Clerk.

CLERK: Mr. President, Senator Haberman would move to amend the committee amendments. Senator, this is your amendment on page 1484 of the Journal that you filed in early April of this year.

SPEAKER BARRETT: Senator Haberman.

SENATOR HABERMAN: The amendment to the committee amendment, fellow members, deals only with Section 2 of the committee

May 15, 1989

LB 84, 137, 211, 215, 272, 377, 487  
639, 813, 816  
LR 211

SPEAKER BARRETT: Any discussion? If not, those in favor vote aye, opposed nay. Record.

CLERK: 27 ayes, no nays, Mr. President, on adoption of the amendment.

SPEAKER BARRETT: The amendment is adopted. Senator Lamb.

SENATOR LAMB: I'd move to readvance the bill, Mr. President.

SPEAKER BARRETT: Question is the readvancement of the bill. Those in favor say aye. Opposed no. Carried. The bill is readvanced. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign Legislative Resolution 211. Senator Baack, for what purpose do you rise?

SENATOR BAACK: Mr. Speaker, I move that we recess till 1:30.

SPEAKER BARRETT: Mr. Clerk, anything for the record?

CLERK: Mr. President, amendments to be printed to LB 816 by Senator Haberman, Senator Landis and Scofield, LB 813; notice of confirmation hearing by the General Affairs Committee. Enrollment and Review reports LB 211, LB 639, LB 272, LB 137, LB 215, and LB 377 to Select File.

Mr. President, Senator Abboud asked unanimous consent to add his name to LB 84 as co-introducer. That's all that I had, Mr. President.

SPEAKER BARRETT: Thank you, and the question is recessing until 1:30. All in favor say aye. Opposed no. Carried. We are recessed. (Gavel.)

RECESS

SPEAKER BARRETT PRESIDING

CLERK: I have a quorum present, Mr. President.

SPEAKER BARRETT: Thank you. Anything for the record?

May 16, 1989

LB 257, 272, 272A, 272, 813  
LR 216

the question about the agenda tomorrow and while Rome continues to burn may I suggest to you that there is...that there is a motion on the agenda tomorrow to suspend the rules to permit consideration on Final Reading of bills having a fiscal impact of a million dollars or less. I want the body to think about it this evening, it is published in the Journal. I continue to suggest to you that you are in very deep water, very deep water. As of this morning we had about 30 hours of Final Reading stacked up. It is humanly impossible for our two Clerk's to handle the amount of Final Reading now backed up in the three days, the first three days of the week. We need to start getting the logjam unjammed. I would hope that you would give that some consideration. I have shared it with a member or two of the Appropriations Committee and I don't believe there is any particular problem in their minds. So that is the reason for the motion tomorrow. Also, because some of you continue to ask, I continue to suggest to you that 813 and 814 must move tonight along with four other bills that are unamended at the present time and can move very quickly. We presently have seven amendments remaining on 813, seven amendments remaining on 814. I told the governor's office early on that this Legislature would do everything in its power to get the budget bills to her by Friday evening. That would give the executive branch ample opportunity to consider vetoing, over the weekend, and use some great care and diligence. As announced earlier, it would give this body ample time then to give a lot of consideration to whether the vetoes would be sustained or overridden. At the present pace it appears we may not be able to hold our end of the bargain and then all bets are off. All bets are off, I guarantee you. Any questions? Senator Landis.

SENATOR LANDIS: Other than if anybody is interested in getting some pizza I would make a list and a... we will be here for a long time.

SPEAKER BARRETT: Bully. Thank you Sir. The call is raised. Mr. Clerk, the next amendment.

CLERK: If I may, right before that, a motion from the Speaker regarding rule suspension. Amendments to LB 272 by Senator Ashford. Senator Scofield has amendments to 257. New resolution LR 216. (Read brief description.) New A bill, Mr. President, 272A by Senator Landis, appropriate funds to implement LB 272.

May 18, 1989

LB 272, 340, 639

SPEAKER BARRETT: Thank you. Senator Bernard-Stevens.

SENATOR BERNARD-STEVENS: Question.

SPEAKER BARRETT: Question has been called. Do I see five? I do. Shall debate cease? Those in favor vote aye, opposed nay. Record.

CLERK: 27 ayes, 0 nays to cease debate, Mr. President.

SPEAKER BARRETT: Debate ceases. Senator Baack, anything? Thank you. The question then is the advancement of the bill to E & R Engrossing. All in favor vote aye, opposed nay. Voting on the advancement of LB 639. Record, please.

CLERK: 26 ayes, 8 nays, Mr. President, on the advancement of LB 639.

SPEAKER BARRETT: The bill is advanced. For the record, Mr. Clerk.

CLERK: Mr. President, I have amendments to be printed to LB 340 by Senator Wehrbein and Rod Johnson. (See page 2527 of the Legislative Journal.)

Mr. President, I have confirmation report from the Revenue Committee. That is signed by Senator Hall. That's all that I have, Mr. President.

SPEAKER BARRETT: Thank you. LB 272, Mr. Clerk.

CLERK: Mr. President, LB 272, the first item I have are Enrollment and Review amendments, Senator.

SPEAKER BARRETT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move the adoption of the E & R amendments to LB 272.

SPEAKER BARRETT: The question is the adoption of the E & R amendments to the bill. All in favor say aye. Opposed no. Carried, they are adopted.

CLERK: Mr. President, Senator Ashford would move to amend the bill.

SPEAKER BARRETT: Senator Ashford.

SENATOR ASHFORD: Thank you, Mr. Speaker and members. This amendment, which is located on page 2423, is a...was originally introduced as LB 333, a bill involving auxiliary banks of a bank holding company. It had a public hearing before the Banking Committee and Insurance Committee, and was voted out of committee. It was a Banking Committee priority bill but obviously because of lack of time it was...we requested the sponsor of the, sponsor of LB 272, that we be allowed to try to amend LB 333 into LB 272. Excuse me, Mr. Speaker. If you look at...I've handed out a flow chart for the two situations which are covered by this amendment and essentially the bill does two things and it arises out of a situation in Omaha with the American National Corporation, American National Bank. About a year ago the American National Bank approached the Nebraska Department of Banking seeking approval for the transfer of its bank in Louisville, Nebraska, which at that time was a branch of...which is now also a branch of the American National Bank's Humboldt bank, to the company's Omaha bank, so, in effect, transferring the Louisville branch of the Humboldt bank to the Omaha American National Bank. And basically because the application was made on the basis of the fact that both are wholly-owned subsidiaries of American National Corporation and have essentially the same management, however, they were informed by the Department of Banking that such a transfer was not authorized by the current statutes and rules and regulations and, therefore, one of the first reasons for LB 333 was to allow the acquisition of the, in effect, of the Louisville bank by the Omaha bank from the Humboldt bank, all three banks being under the holding company of the Omaha...or the American National Corporation. And that's...if you look at the flow chart, that's situation number one. The Humboldt bank purchased the Louisville bank and now the Omaha bank wants to purchase the Louisville bank or bring it into...purchase it from the Humboldt bank and that's what is being attempted here and is the first part of LB 333. The second part of LB 333 is on the second page, or situation number two of the flow chart, and this would allow one bank to acquire a detached auxiliary bank of another bank if the detached auxiliary bank to be acquired was chartered as a bank prior to becoming a detached auxiliary office of the other bank. And in this case, this part of the amendment would allow the American National Corporation to negotiate a purchase of a small bank which was merged with another bank and converted

to a branch of the acquiring bank. It's a little confusing and hopefully the flow chart adequately describes what occurred, and hopefully Senator Landis will clarify it as he usually does clarify issues like this when he speaks. Again, in the case of situation number two, the Banking Department indicated that a change in statute was necessary for this transaction to occur. Again, and in both cases, the public policy rationale is the same, one to encourage small rural banks to stay in operation, those that already exist to be purchased by a larger bank or another bank and to stay in operation in rural communities. It is not a branch banking bill. There is no branching of, into another county or within a county. It is simply assuming the ownership of an existing bank in these two situations, both...and as you'll notice by the letter that we handed out, both the Nebraska Bankers Association and the Nebraska Independent Bankers Association have endorsed the amendment. The Nebraska Department of Banking has no objection. And, again, as I said, there's...I think there's a good, sound public policy reason for maintaining this, in this case, the bank in Louisville and other rural banks, enabling them to continue to operate. I appreciate Senator Wehrbein for his help in co-sponsoring LB 333. I appreciate the Banking Committee for moving it to the floor and Senator Barrett for allowing us to amend this on to this bill. Thank you.

SPEAKER BARRETT: Thank you. Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, you all know that a bill that has the word "bank" in the same sentence with the word "branch" is a potential minefield. It is because these circumstances, these two circumstances are rare, unlikely to occur a second time, but existing at the present moment that this amendment is before us. I promised to tell you who winners and losers were as best I could in banking bills. In this case the American National Holding Company will get administrative assistance, American National Corporation will get administrative ease by being able to have a branch that is attached to or connected with a home bank that is 20 miles distant as opposed to a home bank that is 70 miles distant. That is what will occur when the Louisville bank becomes connected to the Omaha bank rather than the Humboldt bank. It's all inside the same holding company, no banks change hands, it is simply to which of the banks this branch will become attached and it will save some administrative difficulty. The portion of the bill that had some headway to make, some suspicions to

overcome was the second situation in which a holding company wants to buy a bank. That bank is now the branch of another bank outside the holding company. The branch was at one time a stand alone facility with its own charter. It has been merged into the second bank's operation and the second bank is willing to sell the branch to the holding company. Because of our existing definitions, they can't unless we adopt this language. The winner in this case is American National. We cannot identify a loser. The gains that are made are administrative ease in amendment portion one and in the maintenance of an existing rural facility in number two. The IBA, the Independent Bankers Association, very gracefully allowed the American National Corporation to make a special presentation to its board of directors with the Banking Committee representative present to explain their purpose and rationale. Upon hearing and cross-examining the American National representative, the IBA changed its position and removed its objection to the language. Mr. Speaker, I should say, however, that under any fair definition of the germaneness rule, Senator Ashford should probably offer a rule suspension to attach this motion. It's not, I think, directly germane to the mortgage banker's law without a rule suspension, and if he won't offer that, I certainly will. I urge the adoption of the amendment, but I do think it's necessary to suspend the rules in this case.

SPEAKER BARRETT: Thank you, Senator Landis. Any discussion on the motion to suspend the rules? If not...Senator Ashford, did you...

SENATOR ASHFORD: Well, I believe Senator Landis is in the process of filing a motion to suspend the rules and it would be most appropriate I guess, that we do that now.

SPEAKER BARRETT: Yes, and he just made the motion, so...and there's no other lights on to discuss it, so we'll proceed to a vote. Shall the rules be suspended? All in favor vote aye, opposed nay.

SENATOR LANDIS: It may have slipped the body's attention or memory, this being a calm and torpid day, that it requires 30 votes on a rules suspension of this nature, and as we sit here, I am loathe to have a call of the house. It's my preference not to call the house. If I didn't have to call the house, that would be the best thing I could think of.



SPEAKER BARRETT: Record.

SENATOR LANDIS: ...already.

CLERK: 30 ayes, 0 nays on the motion to suspend the germaneness rule, Mr. President.

SPEAKER BARRETT: The germaneness rule is suspended. Senator Wehrbein, would you care to discuss the Ashford amendment?

SENATOR WEHRBEIN: Yes, Mr. Speaker, I just want to say I support this amendment.

SPEAKER BARRETT: Thank you. Any other discussion? Any closing comment, Senator Ashford?

SENATOR ASHFORD: I think it has been covered, thank you. I would just ask that the amendment be adopted.

SPEAKER BARRETT: Thank you. The question is the adoption of the Ashford amendment to LB 272. Those in favor vote aye, opposed nay. Have you all voted? Record, please.

CLERK: 27 ayes, 0 nays, Mr. President, on adoption of Senator Landis's...Senator Ashford's amendment, excuse me.

SPEAKER BARRETT: The amendment is adopted.

CLERK: I have nothing further on the bill, Mr. President.

SPEAKER BARRETT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that LB 272 as amended be advanced to E & R for Engrossment.

SPEAKER BARRETT: Thank you. The motion is to advance LB 272. Those in favor say aye. Opposed no. Ayes have it, motion carried, the bill is advanced. Mr. Clerk, to LB 137.

CLERK: Mr. President, 137, I have no E & R. I have an amendment to the bill offered by Senator Chizek and a number of members. I believe Senator Chizek is excused until he arrives.

SPEAKER BARRETT: Is anyone authorized?

SPEAKER BARRETT: Thank you. Anything for the record?

CLERK: Mr. President, your Committee on Enrollment and Review reports LB 75 and LB 272 as correctly engrossed. That's all that I have, Mr. President. (See page 2575 of the Legislative Journal.)

SPEAKER BARRETT: Thank you. May I have your attention, please. (Gavel.) For those of you who continue to have a little question in your mind about what is happening, let me again tell you that we will proceed as the agenda declares to LB 525. Upon completion of that bill, whenever, we will then return to the Select File agenda and commence with 272A, the point where we left off before lunch. We will continue Select File at that point and upon completion we'll move immediately to Final Reading. The bills under item 9 with motions to return will be considered. These bills will not be read at that time. Should they not be returned, as the agenda suggests, they will fall to Final Reading item 11. It was my purpose to list the bills on Final Reading for motions to return, giving everyone a chance to get their bills amended. And at least it was my judgment that we started with the easiest bills first, a judgment call. Everyone's bill then will be handled in that manner. We will plan to stop again, as the agenda suggests, at nine o'clock. Nine o'clock is the bewitching hour. Are there questions? Senator Chizek.

SENATOR CHIZEK: Mr. Speaker, just a quick question. I didn't hear when you started out, did you say little question or little minds?

SPEAKER BARRETT: I said little question.

SENATOR CHIZEK: Thank you, Mr. Speaker.

SPEAKER BARRETT: Is that clear? That's my intent and I wanted to again share it with you. Thank you. We will then proceed, Mr. Clerk, to...excuse me, Senator Warner.

SENATOR WARNER: Yes, Mr. President, I have just one question. Have you had anyone look...I noticed there are three or four A bills in the list, some of which are quite a ways down, some of which I suspect are being used as a vehicle and I'm, obviously, not suggesting they should have any priority, but if there are any of them that are just a technical adjustment that

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LB 187, 187A, 213, 258, 272

acceptable solution to this problem.

PRESIDENT: Thank you. Senator Korshoj, please.

SENATOR KORSHOJ: Question.

PRESIDENT: Thank you. You were the last one so it won't be necessary, but thank you anyway, Senator. The question has been asked for unanimous consent to bracket. Is there any objection? If not, it is bracketed. Senator Lynch, you meant that to apply to LB 187 and LB 187A?

SENATOR LYNCH: Mr. President and members, I think we have to consider both separately since they're two separate bills.

PRESIDENT: Okay. The question is, unanimous consent to bracket LB 187A. Is there any objection? If not, it is bracketed also. LB 213 with the emergency clause attached.

ASSISTANT CLERK: (Read LB 213 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 213 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Record vote read as found on page 2689 of the Legislative Journal.) 49 ayes, 0 nays, Mr. President.

PRESIDENT: LB 213 passes with the emergency clause attached. LB 258 with the emergency clause attached.

ASSISTANT CLERK: (Read LB 258 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 258 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Record vote read as found on page 2690 of the Legislative Journal.) Vote is 49 ayes, 0 nays, Mr. President.

PRESIDENT: LB 258 passes with the emergency clause attached. LB 272 with the emergency clause attached.

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LB 75, 89, 89A, 147, 177, 177A, 272  
279, 289A, 289, 487, 487A

ASSISTANT CLERK: (Read LB 272 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 272 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Record vote read as found on page 2691 of the Legislative Journal.) Vote is 47 ayes, 0 nays, 2 present not voting, Mr. President.

PRESIDENT: LB 272 passes with the emergency clause attached. I understand we're going to skip LB 272A for the moment and continue on with LB 279 with the emergency clause attached.

ASSISTANT CLERK: (Read LB 279 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 279 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Record vote read as found on page 2692 of the Legislative Journal.) Vote is 44 ayes, 0 nays, 5 present and not voting, Mr. President.

PRESIDENT: LB 279 passes with the emergency clause attached. While the Legislature's in session and capable of transacting business, I propose to sign and do sign LB 147, LB 487, LB 487A, LB 75, LB 89, LB 89A, LB 177, and LB 177A. Continue on with LB 289 with the emergency clause attached.

ASSISTANT CLERK: (Read LB 289 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 289 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

CLERK: (Record vote read as found on page 2693 of the Legislative Journal.) 44 ayes, 0 nays, 2 present not voting, 3 excused not voting, Mr. President.

PRESIDENT: LB 289 passes with the emergency clause attached. LB 289A with the emergency clause attached.

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LB 213, 258, 272, 279, 289, 289A, 355  
355A, 357

may recognize you. Thank you for visiting us today. While the Legislature is in session and capable of transacting business, I propose to sign and do sign LB 213, LB 258, LB 272, LB 279, LB 289 and LB 289A. Move on to LB 355 with the emergency clause attached.

CLERK: (Read LB 355 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 355 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

CLERK: (Record vote read. See pages 2697-98 of the Legislative Journal.) 41 ayes, 0 nays, 7 present and not voting, 1 excused and not voting, Mr. President.

PRESIDENT: LB 355 passes with the emergency clause attached. May I introduce a couple of guests, under the north balcony, of Senator Scofield. We have Kathy Andersen and her son, Jason, from Lakeside, Nebraska. Will you folks please stand so that we may welcome you. Thank you for visiting us today. LB 355A with the emergency clause attached.

CLERK: (Read LB 355A on Final Reading.)

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: All provisions of law relative to procedure having been complied with, the question is, shall LB 355A with the emergency clause attached pass? Those in favor vote aye, opposed nay. Have you all voted? Please record.

CLERK: (Record vote read. See page 2698 of the Legislative Journal.) 44 ayes, 0 nays, 4 present and not voting, 1 excused and not voting, Mr. President.

SPEAKER BARRETT: LB 355AE passes. LB 357.

CLERK: (Read LB 357 on Final Reading.)

SPEAKER BARRETT: All provisions of law relative to procedure having been complied with, the question is, shall LB 357 become law? Those in favor vote aye, opposed nay. Have you all voted? Record, please.