

January 4, 1990

LB 259, 259A, 505, 678A, 720A, 969-996
LR 231

SENATOR CHAMBERS: I don't mind.

PRESIDENT: Thank you for being so cooperative. We'll take it up after lunch. Mr. Speaker.

SPEAKER BARRETT: Mr. President, I move that we recess until one-thirty.

PRESIDENT: You have heard the motion. All in favor say aye. Opposed nay. We are recessed until one-thirty. Senator Chambers, we'll take yours up...Senator Chambers, we'll take yours up right after...at one-thirty. Okay.

RECESS

PRESIDENT NICHOL PRESIDING

PRESIDENT: Members of the Legislature who are hiding out in their offices, appreciate it if you would come to the sanctuary so we can start the service. We already have three members here but we need a few more.

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

PRESIDENT: Senator Chambers will be here in a moment, and then we can begin on the...Mr. Clerk, do you want to read in new bills while we are waiting, please?

CLERK: Mr. President, yes, I do. Thank you, new bills. (Read for the first time by title: LB 969-996. See pages 150-57 of the Legislative Journal.)

Mr. President, I have a series of amendments to be printed, Senator Hefner to LR 231, Senator Wesely to LB 720A, LB 678A, Senator Withem to LB 259, LB 259A, and Senator Weihing to LB 505.

Mr. President, I will announce now that there will be a Reference Committee meeting at three o'clock in Room 2101, Reference Committee at three o'clock. 2102. That is all that I have, Mr. President.

PRESIDENT: Ladies and gentlemen, as you will recall, we are on

January 8, 1990

LB 409, 958-1013, 1031, 1032
LR 235

SPEAKER BARRETT: Let's stand at ease until eleven-fifteen, Mr. President.

PRESIDENT: Okay, thank you.

EASE

CLERK: Three quick announcements. Reference will meet underneath the south balcony now. Referencing Committee, underneath the south balcony right now.

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: (Microphone not activated immediately.) ...return to the Legislative Chamber. The Legislature will reconvene and continue our discussion on the adoption of our permanent rules. Please return to the Legislative Chamber. Mr. Clerk, would you read in new bills, please.

CLERK: (Read LB 1031 and LB 1032 by title for the first time. See pages 198-99 of the Legislative Journal.)

Mr. President, in addition to those items, I have a new resolution. (Read brief summary of LR 235. See page 199 of the Journal.) That will be laid over.

I have amendments from Speaker Barrett to be printed to LE 409. Mr. President, I also have a Reference Report referring LBs 958-1013, as well as certain gubernatorial appointments received. That's all that I have, Mr. President. (See pages 199-201 of the Legislative Journal.)

SPEAKER BARRETT: Thank you, Mr. Clerk. Have you a motion, Mr. Clerk, to reconsider action taken last week?

CLERK: Mr. President, Senator Chambers would move to reconsider the vote on the Wesely amendment to the rules, which I believe the Legislature discussed on Thursday afternoon.

SPEAKER BARRETT: Thank you. The Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, this motion is designed to reconsider the vote that was taken on

January 25, 1990

LB 836, 956, 985, 1016, 1017, 1241
LR 246

PRESIDENT NICHOL PRESIDING

PRESIDENT: Ladies and gentlemen, welcome to the George W. Norris Legislative Chamber. We have with us this morning as our Chaplain of the day, Pastor Stan Schrag of the Grace Community Church in Lincoln. Will you please stand for the morning prayer.

PASTOR STAN SCHRAG: (Prayer offered.)

PRESIDENT: (Gavel.) Thank you, Pastor Schrag, we appreciate your being here this morning. Come again. Roll call, please.

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

PRESIDENT: Thank you. Any corrections to the Journal?

CLERK: Mr. President, I have no corrections this morning.

PRESIDENT: Do you have any messages, reports, or announcements?

CLERK: Mr. President, your Committee on Banking, Commerce and Insurance whose Chair is Senator Landis to whom was referred LB 1016 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File, LB 1017 General File, LB 956 General File with amendments, and LB 985 as indefinitely postponed, those all signed by Senator Landis as Chair of the Banking Committee, Mr. President.

I have notice of hearing or cancellation and rescheduling of a bill, signed by Senator Landis as Chair of Banking Committee. (Re: LB 1241. See page 495 of the Legislative Journal.)

Amendments to printed to LB 836 by Senator Landis, and, Mr. President, I have a report from the Department of Roads filed pursuant to statute. That will be on file in my office. (See page 495 of the Legislative Journal.) That is all that I have, Mr. President.

PRESIDENT: Thank you. We will move on to LR 246.

CLERK: Mr. President, 246 is a resolution offered by Senator Kristensen and a number of other members. It is found on page 473 of the Journal. It asks the Legislature to join in commemoration of the bicentennial of the first meeting of the

January 30, 1990

LB 956, 985
LR 248

and that is all I have, Mr. President.

SPEAKER BARRETT: Thank you, sir. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LR 248. Proceeding to item five on the agenda, Mr. Clerk, General File, LB 956.

CLERK: Mr. President, LB 956 was a bill introduced by Senator Landis. (Read title.) The bill was introduced on January 4 of this year, Mr. President. At that time, it was referred to the Banking, Commerce, and insurance Committee for public hearing. The bill was advanced to General File. I do have committee amendments pending by the Banking, Commerce, and Insurance Committee, Mr. President.

SPEAKER BARRETT: Thank you. The Chair recognizes the Chairman of the Banking, Commerce, and Insurance Committee, Senator Landis.

SENATOR LANDIS: Thank you, Mr. Speaker, and members of the Legislature. I am grateful for the Speaker scheduling a bill that is a committee priority but with some timeliness since the S & L bailout federal provisions are running apace, and Nebraska law really ought to be brought into conformance with it so that we may take advantage of and participate in the S & L bailout to the extent that Nebraska institutions require it. The amendments that you see before you are, in fact, the portions of another bill that the Banking Committee put into 956, and the committee amendments that you see are suggestions brought to us by the Banking Department, itself, in their own bill, which was LB 985, if you want to look in your green copy of your books. What LB 985 generally does is to harmonize provisions between state and national banks, among other things. For example, the Section 2 of the amendments or of 985 provides an additional exception to the lending limits of state banks that are the same as the federal institutions, and there is also a proposal which requires free-standing trust companies to obtain a fidelity bond. This is another...in order, rather, to protect against potential loss. At one point, a very zealous Banking Department lawyer found that there should be a comma between the word "capital" and the word "investment" in their statutes because there is no such thing as capital investment in this section. It also amends the Securities Act to provide for notice, hearings and, orders, and then now that will be consistent throughout the Securities Act and will provide no diminution of

SENATOR LANDIS: I am sorry...Mr. Speaker, you were...

SPEAKER BARRETT: Would you like to close on the advancement?

SENATOR LANDIS: Yes, Senator Conway was right to remind me, it is entirely possible to put together a capital formulation right now and to buy out somebody who owns a bank, to buy out somebody who owns an S & L, to buy a previously chartered institution, and to become the successor purchaser of that institution, and that is entirely possible. Senator Owen Elmer was asking me about that, and that authority, that power exists in the marketplace today. LB 956 does not alter that power. What 956 talks about is the sale of branches of S & Ls and the proper acquisition methods for preexisting chartered banking institutions. But if you want to go out and if you want to buy an S & L, you can do it if you have got a zillion bucks, and you have got to buy the S & L, and you have got to buy the charter, and then you have to go and get the charter rechartered for you as the new purchaser, but that all exists in existing law anyway. The reason that this bill is so timely is because the RTC is getting ready to sell banks, or, sorry, S & Ls in this area, and there are failed S & Ls in Nebraska that need to be harmonized with our existing financial institutions. I am told the RTC is awaiting the outcome of this bill because they would consider selling some of their work perhaps by on a piecemeal basis should this bill pass, and that is why I asked the Speaker to put it on the agenda, and, in fact, that is why it is here before you today. Again, 956 has the amendments for the Banking Department in it, and those were LB 985. This permits the acquisition of failed and failing S & Ls, failed S & Ls by federal definition, or failing S & Ls who are trying to recapitalize themselves into health by selling off branches according to a definition of having been undercapitalized by the federal government, but the sales are, as I say, authorized and agreed to by state banking regulation. I would move for the adoption and advancement of 956.

SPEAKER BARRETT: Thank you. The motion before the body is the advancement of LB 956 to E & R Initial. Those in favor of that motion please vote aye, opposed nay. Have you all voted? Record, please.

CLEPK: 30 ayes, 0 nays, Mr. President, on the advancement of LB 956.