

**ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011**  
**COMMITTEE STATEMENT**  
**LB74**

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**Hearing Date:** Monday January 24, 2011  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Pahls  
**One Liner:** Change provisions relating to banks and banking

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

**Aye:** 8 Senators Christensen, Gloor, Langemeier, McCoy, Pahls, Pankonin,  
Pirsch, Utter

**Nay:**

**Absent:**

**Present Not Voting:**

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**Proponents:**

Senator Rich Pahls  
John Munn  
Robert Hallstrom  
Brandon Luetkenhaus

**Representing:**

Introducer  
NE Dept of Banking and Finance  
NE Bankers Assn  
NE Credit Union League

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB74 (Pahls), introduced at the request of the Director of Banking and Finance, would amend various sections regarding banking and finance. The bill would provide, section by section, as follows:

**BANKING**

Section 1 would amend section 8-1,140 of the Nebraska Banking Act, which is the "wild-card" statute for state-chartered banks. This section would be amended to give state-chartered banks the same rights, powers, privileges, benefits, and immunities which may be exercised by a federally chartered bank doing business in Nebraska as of January 1, 2011. Due to state constitutional restrictions on delegation of legislative authority, this statute is amended annually.

**BUILDING AND LOAN ASSOCIATIONS**

Section 2 would amend section 8-355, which is the "wild-card" statute for state-chartered savings and loan associations. This section would be amended to give state-chartered building and loan associations the same rights, powers, privileges, benefits, and immunities which may be exercised by a federal savings and loan association doing business in Nebraska as of January 1, 2011.

**DEPARTMENT ASSESSMENTS AND FEES**

Section 3 would amend section 8-602 to add an internal reference to subdivision (8) in order to clarify that applicants for credit card bank charters are responsible for examination, investigation, and hearing costs which may be incurred by the Department of Banking and Finance in connection with the application.

## CROSS INDUSTRY ACQUISITIONS AND MERGERS

Section 4 would amend section 8-1501 to modify the requirement that the Department of Banking and Finance provide notice of the filing of a cross-industry merger application to all other financial institution offices located in the county or counties where the offices of the institution to be merged are located, by allowing financial institutions which have more than one office in the county or a main office in another county to designate one office where the notices are to be sent.

## CREDIT UNIONS

Section 5 would amend section 21-17,115 of the Credit Union Act, which is the "wild-card" statute for state-chartered credit unions. This section would be amended to give state-chartered credit unions the same rights, powers, privileges, benefits, and immunities which may be exercised by a federal credit union doing business in Nebraska as of January 1, 2011. Due to state constitutional restrictions on delegation of legislative authority, this statute is amended annually.

## MISCELLANEOUS PROVISIONS

Section 6 would provide for operative dates.

Section 7 would provide for repealers of amendatory sections subject to the emergency clause.

Section 8 would provide for the repealer of the amendatory section not subject to the emergency clause.

Section 9 would out right repeal section 8-132.01 of the Nebraska Banking Act, which allows certain banks to develop a plan to amortize certain losses over seven years, because such authority no longer comports with accounting standards or federal reporting requirements.

Section 10 would provide for the emergency clause.

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Rich Pahls, Chairperson