

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB252

Hearing Date: Monday February 02, 2015
Committee On: Banking, Commerce and Insurance
Introducer: Schumacher
One Liner: Change provisions relating to registration by coordination and federal covered securities under the Securities Act of Nebraska

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

Vote Results:

Aye:	7	Senators Schumacher, Williams, Campbell, Craighead, Gloor, Howard, Lindstrom
Nay:		
Absent:	1	Senator Scheer
Present Not Voting:		

Verbal Testimony:

Proponents:

Senator Paul Schumacher
Mark Quandahl

Representing:

Introducer
NE Department of Banking and Finance

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB252 was introduced at the request of the Nebraska Department of Banking and Finance.

The bill would amend section 8-1106 of the Securities Act of Nebraska to permit issuers of securities registering by coordination to file only one copy of its prospectus with the department rather than the currently required three copies. The department has determined that one copy is sufficient for review and record-keeping. The proposal is intended to save issuers copying costs. (Section 1)

In 2013, the Nebraska Legislature amended section 8-1108.02 of the Securities Act of Nebraska to reflect changes Congress made to the federal Securities Act of 1933 through the Jump-start Our Business Start-ups Act ("JOBS Act"). Section 8-1108.02 requires issuers to file documents with the department relating to federally covered securities, which are exempt from state registration requirements by federal law. The 2013 amendment provided authority to the department to require a notice filing and set a \$200 fee with respect to the initial offer of securities pursuant to federal Rule 506. (Rule 506 is a private offering exemption allowing sales up to 35 non-accredited investors and an unlimited number of accredited investors. No general advertising or solicitation is permitted.) A question has been raised as to whether the 2013 amendment inadvertently omitted or removed the authority of the department to require notice to the department of additional filings made with respect to such offerings. According to the department, this argument could be made, so the bill's amendments to section 8-1108.02 are intended to remedy this issue. The bill would combine current subsections (2) and (3) of section 8-1108.02 into a new subsection (2) for purposes of clarifications. (Section 2)

Jim Scheer, Chairperson