Hundredth Legislature - First Session - 2007
Committee Statement
LB 122

Hearing Date: January 29, 2007
Committee On: Banking, Commerce and Insurance

Introducer(s): (Banking, Commerce and Insurance)
Title: Change provisions relating to banking and finance

Roll Call Vote – Final Committee Action:

	Advanced to General File
X	Advanced to General File with Amendments
	Indefinitely Postponed

Vote Results:

8	Yes	Senators Pahls, Langemeier, Carlson, Christensen, Gay, Hansen, Pankonin, Pirsch
	No	
	Present, not voting	
	Absent	

Proponents:	**Representing:**
Senator Rich Pahls	Introducer
John Munn	NE Department of Banking and Finance
Robert J Hallstrom	NE Bankers Association

Opponents:	**Representing:**

Neutral:	**Representing:**

Summary of purpose and/or changes:

LB 122 (Banking, Commerce and Insurance Committee), introduced at the request of the Director of Banking and Finance would amend various statutes regarding assessments, fees, and examination costs collected by the Director of Banking and Finance.

The bill would provide, section by section, as follows:

Section 1 would amend section 8-108 of the Nebraska Banking Act to update an internal reference.

Section 2 would amend section 8-601, regarding assessments, by deleting all of its provisions and inserting new provisions to provide that the Director of Banking and Finance may employ deputies, examiners, attorneys, and other assistants for the administration of the provisions and purposes of Chapter 8, articles 1 to 10, 13 to 16, 19 to 21, and 23 to 25, Chapter 21, article 17, and Chapter 45, articles 1 to 3, 7, 9, and 10, and that the director may levy upon financial institutions an annual assessment based upon asset size of the financial institution.

Section 3 would amend section 8-602, regarding assessments, by deleting provisions which would be reconstituted in new sections 4 and 5.

Section 4 would enact a new section to provide that assessments and fees shall be remitted for credit to the Financial Institution Assessment Cash Fund.

Section 5 would enact a new section to provide for creation of the Financial Institution Assessment Cash Fund to be used solely for administering and enforcing the laws specified in section 8-601.

Section 6 would enact a new section to provide that (1) each year the director shall estimate the total sum required to administer and enforce the laws specified in section 8-601 and the total sum of fees expected to be collected and base the assessment to be levied upon the difference; (2) the assessment shall be based upon the total assets of each financial institution, as reported in each financial institution's report of condition prepared for the period ending June 30 of each year, and the assessment may further be based upon the total amount of fiduciary and related assets and the total amount of off-balance sheet receivables as reported in each financial institution's report of condition prepared for the period ending June 30 of each year; (3) the director may prorate the assessment; and (4) a special assessment may be levied and collected if there is an insufficiency.

Section 7 would enact a new section to provide that the Department of Banking and Finance shall bill a financial institution or entity following its examination.

Section 8 would enact a new section to provide that if a financial institution or entity fails to pay an assessment, fee, cost, or expense, the Department of Banking and Finance may impose a fine and if the financial institution or entity is an arrears, the department may suspend or revoke the charter or license of the financial institution or entity or the license or authority of any person responsible for the failure.

Sections 9 to 21 would amend section 8-915 of the Nebraska Bank Holding Company Act of 1995, section 8-2107 of the Interstate Branching by Merger Act of 1997, section 8-2312 of the Interstate Trust Company Office Act, section 8-2504 of the solicitation for financial products or services statutes, section 21-17,112 of the Credit Union Act, sections 45-347 and 45-351 of the Nebraska Installment Sales Act, sections 45-710 and 45-716 of the Mortgage Bankers Registration and Licensing Act, sections 45-920 and 45-927 of the Delayed Deposit Services Licensing Act, and sections 45-1014 and 45-1017 of the Nebraska Installment Loan Act to update internal references and delete provisions made redundant by the new provisions of the bill.

Section 22 would provide repealers for the amendatory sections.

Section 23 would provide for outright repeal of section 21-1739 of the Credit Union Act the provisions of which would be made redundant by the new provisions of the bill.

Explanation of amendments, if any:

The committee amendments (AM152) would amend new section 6 to provide that the provisions in subsection (2) which provide that the assessments upon each financial institution may be based upon the total amount of fiduciary and related assets and the total amount of off-balance sheet receivables as reported in each financial institution's report of condition prepared for the period ending June 30 of each year shall not be applicable until "after June 30, 2009".

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Senator Rich Pahls, Chairperson