

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

CORRECTED COMMITTEE STATEMENT

LB868

Hearing Date: February 20, 2008

Committee On: Judiciary

Introducer(s): (Nantkes)

Title: Prohibit delayed deposit services

Roll Call Vote - Final Committee Action:

Placed on General File with Amendments

Vote Results:

5 Yes	Senators Ashford, Lathrop, McDonald, Pedersen, Schimek
0 No	
1 Absent	Senators Chambers
2 Present, not voting	Senators McGill, Pirsch

Proponents:

Senator Nantkes
Amanda Gwartz
Lea Wroblewski

Representing:

Introducer
Nebraska Chapter of National Social Workers
Legal Aid

Opponents:

Kurt Yost
Richard Horner

Representing:

Check Cashers
Wyoming Financial Lenders

Kevin Bernadt
Walter Radcliffe
Mr. Lutkenhaus
Neutral:

Cash Solutions Inc
Community Financial Services of America
Credit Union League
Representing:

Summary of purpose and/or change:

Currently, delayed deposit service providers are operating businesses under the Delayed Deposit Services Licensing Act that was passed into law in 1994. These businesses are referred to as delayed deposit services, check cashers and payday lenders.

Delayed deposit services are small unsecured advances on personal or business checks. They are intended to be used as an alternative to a loan and a short-term solution in an emergency situation. Providers charge high fees relative to the size and duration of the transaction.

Legislative Bill 868 repeals the Delayed Deposit Services Licensing Act and creates a criminal offense for operating a delayed deposit service business. Under LB 868, the penalty for operating a delayed deposit service business is a Class IV felony (maximum of 5 years in prison or \$10,000 fine or both).

Explanation of amendments, if any:

Committee Amendment 2178 replaces the green copy of LB 868. The amendment imposes an annual thirty-six percent cap on the fees that can be charged for delayed deposit services. The thirty-six percent cap is based on the face amount of the check cashed by the delayed deposit service provider.

Senator Brad Ashford, Chairperson