



One Hundred First Legislature - Second Session - 2010  
**Introducer's Statement of Intent**  
**LB 762**

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**Chairperson:** Rich Pahls  
**Committee:** Banking, Commerce and Insurance  
**Date of Hearing:** January 25, 2010

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 762 would create a more flexible rule in statute to be applied by the Department of Banking and Finance in determining whether a business or organization can use the word "bank" in its title or a description of its business activity without misleading or confusing the public.

The bill would amend section 8-113 of the Nebraska Banking Act which currently provides that no individual, firm, company or corporation, or association, other than a bank, building and loan association, savings and loan association, or savings bank, shall use the word "bank" or any derivative thereof as any part of a title or description of any business activity. Section 8-113 contains an exclusive list of entities to which this prohibition does not apply.

The bill would provide that the prohibition would continue to not apply to section 501(c)(3) organizations as long as they are not providing or arranging for financial services subject to the authority of the Department of Banking and Finance, a foreign state agency, or the federal government.

The bill would provide, as a general rule, that the prohibition does not apply to an individual, firm, company, corporation, or association which uses the word "bank" or any derivative thereof as any part of a title or description of any business activity if such use is unlikely (1) to mislead or confuse the public or (2) give the impression that such individual, firm, company, corporation, or association is lawfully organized and operating as a bank, building and loan association, savings and loan association, or savings bank.

The bill carries the emergency clause.

**Principal Introducer:** \_\_\_\_\_  
**Senator Rich Pahls**