

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB258

Hearing Date: Tuesday January 29, 2019
Committee On: Banking, Commerce and Insurance
Introducer: Williams
One Liner: Change provisions relating to banking and finance

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

Vote Results:

Aye:	6	Senators Kolterman, La Grone, Lindstrom, McCollister, Quick, Williams
Nay:		
Absent:	2	Senators Gragert, Howard
Present Not Voting:		

Oral Testimony:

Proponents:

Senator Matt Williams
Mark Quandahl
Jerry Stilmock
Brandon Luetkenhaus

Representing:

Introducer
NE Department of Banking and Finance
NE State Bankers Association
NE Credit Union League

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 258, introduced at the request of the Nebraska Department of Banking and Finance, amends various sections relating to financial institutions. The bill provides, section by section, as follows:

Section 1 amends Section 8-135 of the Nebraska Banking Act, which authorizes minors to establish deposit accounts, to update a reference within Subsection (3) to the federal Electronic Fund Transfer Act as it existed on January 1, 2019 (currently January 1, 2018).

Section 2 amends Section 8-143.01 of the Nebraska Banking Act, which governs loans to bank insiders, to provide a cross-referencing date of January 1, 2019, within Subsection (7)(b), to the statute's existing reference to 12 CFR 215.4(a)(2), and to update a reference within Subsection (10) to 12 USC 84 and its implementing federal Regulation O to such law and regulation as they existed on January 1, 2019 (currently January 1, 2018).

Section 3 amends Section 8-157.01 of the Nebraska Banking Act, which governs automated teller machines (ATMs) and electronic switches, to update a reference within Subsection (4) to the federal Electronic Fund Transfer Act as it existed on January 1, 2019 (currently January 1, 2018).

Section 4 amends Section 8-167.01 of the Nebraska Banking Act, which provides an exception to the requirement for publication of bank reports contained in Section 8-167, to update a reference to 12 CFR part 350 as the regulation existed on January 1, 2019 (currently January 1, 2018).

Section 5 amends Section 8-183.04 of the Nebraska Banking Act, which authorizes certain mutual savings associations to convert to a state bank charter and retain its mutual form of corporate organization, to change a reference from 12 CFR part 567 as such regulation existed on January 1, 2018 to 12 CFR 5.21 as such regulation existed on January 1, 2019, to reflect a revision at the federal level.

Section 6 amends Section 8-1,140 of the Nebraska Banking Act, which is the "wild-card" statute for state-chartered banks. This section is being amended to provide that state-chartered banks have the same rights, powers, privileges, and immunities as federally chartered banks doing business in Nebraska as of January 1, 2019 (currently January 1, 2018). Due to state constitutional restrictions on delegation of legislative authority, this statute is amended annually.

Section 7 amends Section 8-209 of the Nebraska Trust Company Act, which requires entities doing trust business in Nebraska to pledge securities to the Nebraska Department of Banking and Finance, to remove an obsolete reference within Subsection (5) to the federal Office of Thrift Supervision.

Section 8 amends Section 8-218 of the Nebraska Trust Company Act, which relates to regulatory examinations of trust companies, to update an obsolete reference to the federal Office of Thrift Supervision to its successor, the federal Office of the Comptroller of the Currency.

Section 9 amends Section 8-318, relating to customer accounts in building and loan associations, to update a reference within Subsection (1)(c) to the federal Electronic Fund Transfer Act as of January 1, 2019 (currently January 1, 2018).

Section 10 amends Section 8-346, relating to regulatory examinations of building and loan associations, to remove an obsolete reference within Subsection (1) to the federal Office of Thrift Supervision, and within Subsection (2) to update an obsolete reference to the federal Office of Thrift Supervision to its successor, the Office of the Comptroller of the Currency.

Section 11 amends Section 8-355, which is the "wild-card" statute for state-chartered savings associations. This section is being amended to provide that state-chartered savings associations have the same rights, powers, privileges, and immunities as federally chartered savings associations doing business in Nebraska as of January 1, 2019 (currently January 1, 2018). Due to state constitutional restrictions on delegation of legislative authority, this statute is amended annually.

Section 12 amends Section 8-602, which sets fees to be charged by the Nebraska Department of Banking and Finance for matters relating to financial institutions, to remove, within Subsection (4), the fee currently charged for renewal of bank executive officer and credit union loan officer licenses.

Section 13 amends Section 21-17,115 of the Nebraska Credit Union Act, which is the "wild-card" statute for state-chartered credit unions. This section is being amended to provide that state-chartered credit unions have the same rights, powers, privileges, and immunities as federally chartered credit unions doing business in Nebraska as of January 1, 2019 (currently January 1, 2018). Due to state constitutional restrictions on delegation of legislative authority, this statute is amended annually.

Section 14 amends Section 44-915 of the Privacy of Insurance Consumer Information Act, relating to the disclosure of nonpublic personal financial information, as follows:

- within Subsection (4)
 - to remove an obsolete reference to the federal Office of Thrift Supervision;
 - to include the federal Consumer Financial Protection Bureau as an agency with whom information may be shared;
- and
- to update references to 12 USC 3401 et. seq., 31 USC Chapter 53, Subchapter II, and 12 USC Chapter 21, as such federal laws existed on January 1, 2019 (currently April 5, 2001); and
- within Subsection (5) to update a reference to 15 USC 1681 et. seq., as such sections existed on January 1, 2019 (currently April 5, 2001).

Section 15 amends Section 45-702(10) of the Residential Mortgage Licensing Act, which defines the term "federal banking agencies" to remove an obsolete reference to the federal Office of Thrift Supervision, to correctly state the name of the federal Office of the Comptroller of the Currency, and to include the federal Consumer Financial Protection Bureau within the definition.

Section 16 amends Section 76-2,121(4), which defines the term "regulating entity" for purposes of statutes relating to real estate closing agents, to remove an obsolete reference to the federal Office of Thrift Supervision, and to include the federal Office of the Comptroller of the Currency and the Consumer Financial Protection Bureau within the definition.

Section 17 amends Section 81-855.01(19), which defines the term "federal financial institution regulatory agency" for purposes of the Nebraska Real Estate License Act, to remove an obsolete reference to the federal Office of Thrift Supervision, and to include the federal Consumer Financial Protection Bureau within the definition.

Section 18 amends Section 4A-108 of the Uniform Commercial Code to update references within Subsections (a) and (b) to the federal Electronic Fund Transfer Act as it existed on January 1, 2019 (currently January 1, 2013).

Section 19 repeals the statutes amended.

Section 20 provides for the emergency clause for all sections.

Matt Williams, Chairperson