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LB 454

lending institutions in addition to banks and to make the credit card business truly and strictly a competitive business where any rate could be charged and ideally in that environment you would have the lowest possible rates in the nation.

SPEAKER NICHOL: Senator Wesely.

SENATOR WESELY: Yes, I have a question of Senator DeCamp, please. Senator DeCamp, you are referring...the amendment basically puts us in competition with South Dakota and you have got the article that was in the Herald, I think, a couple of days ago. What that article deals with is the bill that came through South Dakota also allowing for the insurance purchases of these holding companies. Could you talk about...in the committee did you know about this addition to South Dakota law and where does this put this in relationship to South Dakota with the amendment?

SENATOR DeCAMP: Answer: This has nothing to do with that particular proposal. Number one, number two, our proposal was introduced prior to South Dakota's and it was in reaction to our credit card proposal that South Dakota introduced their proposal, put emergency pressure with the cooperation of the Governor and got it passed. It was in order to make sure Nebraska did not, so to speak, compete against them. Our proposal as it is worded is more attractive to the credit card companies for a variety of reasons than South Dakota's. Number one, the capital is half as much. Number two, Omaha which very frankly is probably where you would get most of the activity as a result of this legislation, is already one of the centers for such things as eight hundred numbers and for processing of credit card transactions from the computer aspect. So if this legislation were passed it would offer a much more attractive system, both by virtue of the fact that Nebraska and Omaha is more attractive and by virtue of the fact that the capital requirements are half as much.

SENATOR WESELY: So the provisions on insurance....

SENATOR DeCAMP: Nothing to do with this bill whatsoever.

SENATOR WESELY: And what you are saying then is, in order to compete with South Dakota that is not needed in this legislation, that we've got what we need.

SENATOR DeCAMP: Absolutely.

SENATOR WESELY: Okay. Have you had it in conversations,