

**SPEAKER WITHEM:** The bill is advanced. I would like to announce, under the south balcony, we have Mike, Patti and Alicia Applegate from Fullerton, guests of Senator Robak. If they're here, would they please stand. Just caught you just in time. Okay. The next bill, Mr. Clerk, LB 456.

**ASSISTANT CLERK:** Mr. President, LB 456 was introduced by Senator Lindsay. (Read title.) The bill was read for the first time on January 17th of this year, referred to the Banking Committee. That committee advanced the bill with committee amendments.

**SPEAKER WITHEM:** Senator Lindsay. Excuse me, committee amendments, there are committee amendments. Senator Landis, on the committee amendments.

**SENATOR LANDIS:** Thank you. Mr. Speaker, members of the Legislature, Senator Lindsay has brought us a bill to address a particular situation that occurred out in the western part of the state, in the Gering-Scottsbluff area. We changed our rules in bank structure recently. One of the things we did was to make sure that no S&L could have branching rights greater than a state chartered bank, which means that instead of unlimited branching, which is what federal savings and loans have, that all of our financial institutions will have basically the branching rights of what banks have. And that's been...that's sort of like a cornerstone of structural changes in recent years. Now, one of the ways you get branching rights is if you take over a failing institution, and one of the banks in the state took over a failing S&L out west. Well, a failing S&L has, under the old days, unlimited branching rights. We've changed that rule. Senator Lindsay's bill clearly sets what should have been intended, what should have been accomplished the last time we made branching laws. It simply makes clear and applies uniformly the practices that we've adopted generally on bank structure. And it says that a financial institution, including a failed or failing thrift institution, this is an S&L, in other words, acquired by a bank shall continue to be entitled to establish and maintain the branches that they could have established if the acquisition had not occurred. So the parent bank gets the branching rights of the institution that they're absorbing. However, we also wanted to make clear what those branching rights were and the committee amendments provide that the continued branching rights of the financial institution, that is the S&L, acquired by the bank shall have no