



Ninety-Ninth Legislature - Second Session - 2006  
**Introducer's Statement of Intent**  
**LB 1193**

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**Chairperson:** Mick Mines  
**Committee:** Banking, Commerce and Insurance  
**Date of Hearing:** February 13, 2006

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

LB 1193 relates to the Delayed Deposit Services Licensing Act. The bill was introduced at the request of the Nebraska Department of Banking and Finance, the regulator under the Act. The primary purposes of the bill are to update the laws governing these entities and to provide for additional consumer protections.

LB 1193 proposes to update the Act by creating a short-form procedure for license applications made by persons who have a satisfactory record as a delayed deposit services licensee. The bill lengthens the time a licensee has before requiring deposit of a maker's check from thirty-one days to thirty-four days, to accommodate three-day holiday weekends. It also provides that a licensee may not renew, roll over, defer or in any way extend that length of time. "Completion of a delayed deposit transaction" is defined and strong penalties for licensees who permit customers to inappropriately roll over checks are laid out.

Other elements of the bill aimed at protecting consumers are: 1. the Director may require an additional surety bond, not to exceed \$100,000, if the original bond is exhausted or inadequate; 2. a licensee must inform the Department of Banking of personnel who are terminated because of violations or suspected violations of the Act; 3. the Director may revoke the license of any licensee who knowingly falsifies records. LB 1193 also permits off-site storage of older records.

**Principal Introducer:** \_\_\_\_\_  
**Senator David Landis**