

ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017
COMMITTEE STATEMENT
LB341

Hearing Date: Tuesday February 14, 2017
Committee On: Banking, Commerce and Insurance
Introducer: Lindstrom
One Liner: Change provisions relating to executive bank officer license revocation and suspension

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

Vote Results:

Aye: 8 Senators Baker, Brewer, Craighead, Kolterman, Lindstrom, McCollister, Schumacher, Williams
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Brett Lindstrom
Director Mark Quandahl
Bob Hallstrom
Kurt Yost
Nicole Fox

Representing:

Introducer
NE Dept. of Banking and Finance
NE Bankers Association
NE Independent Community Bankers
Platte Institute

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill, introduced at the request of the Governor, would amend section 8-139 of the Nebraska Banking Act with regard to regulation of active executive officers of state-chartered banks by the Department of Banking and Finance.

Section 8-139 provides that no person shall act as an active executive officer until the person has been issued a license to do so from the department. Section 8-139 further provides that if the department, upon investigation, is satisfied that an active executive officer is conducting business in an unsafe or unauthorized manner or is endangering the interests of stockholders or depositors, the department may revoke the license of the active executive officer. The bill would provide that, in the alternative, the department may suspend the ability of such active executive officer to continue to act as an active executive officer. The bill would further provide that as part of an order of revocation or suspension, the Director of Banking and Finance may levy a civil penalty in an amount not to exceed \$10,000, which amount shall not be paid out of the assets of the bank. The bill would further provide that a bank may elect for its active executive officers to be exempt from the requirement to apply for and obtain a license from the department.

Brett Lindstrom, Chairperson