

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB609

Hearing Date: Monday February 03, 2025
Committee On: Banking, Commerce and Insurance
Introducer: Bostar
One Liner: Adopt the Controllable Electronic Record Fraud Prevention Act, require certain notice to purchasers of gift certificates or gift cards, provide for forfeiture of controllable electronic records, and provide for forfeiture of assets for theft by deception, forgery, and identity theft

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 8 Senators Bostar, Dungan, Hallstrom, Hardin, Jacobson, Riepe, Wordekemper, von Gillern
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Eliot Bostar
Aaron Hanson
Mike Dechelis

Aimee Melton
Cynthia Koenig-Warnke
Kelly Lammers
Ryan McIntosh
Dexter Schrodt

Joshua Planos
Jina Ragland

Opponents:

Spike Eickholt

Neutral:

Representing:

Opening Presenter
Douglas County Sheriff, Nebraska Sheriff Association
Douglas County Sheriff, Nebraska Sheriff Association

Omaha City Counsel
Lincoln Police Department
Nebraska Department of Banking and Finance
Nebraska Bankers Association
Nebraska Independent Community Bankers Association
Better Business Bureau
AARP Nebraska

Representing:

ACLU Nebraska

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

Sections 1 to 11 of LB 609 would create the Controllable Electronic Record Fraud Prevention Act (Act). The Act is



designed to regulate controllable electronic record (e.g., cryptocurrency) kiosks in order to protect individuals from scams and fraud. It does so primarily by requiring electronic record kiosk operators (kiosk operators) to be licensed and registered, to provide risk disclosures, to create and implement anti-fraud measures, to provide consumer warnings, and to abide by transaction limits.

The Act also requires kiosk operators to maintain a compliance officer on a full-time basis, under certain restrictions, to ensure the kiosk operations are compliant with the Act.

Section 12 is related to consumer protection. It seeks to protect consumers of "gift certificates" and "gift cards" from prepaid card scams by requiring certain notice requirements related to the sale of these items. There are exceptions for some types of gift cards and prepaid cards.

Sections 13 to 22 within LB 609 are changes to Chapter 28 of the statutes (Crimes and Punishments), and are related to civil forfeitures involving criminal activity.

Explanation of amendments:

AM 157 strikes original sections 13 to 22 of the bill.

AM 157 amends section 2 by changing how "controllable electronic record" is defined and changes the time frame within certain definitions from 30 days to 14 days.

Section 3 is amended to better reference the Nebraska Money Transmitters Act and it removes the approval requirement for the Department of Banking and Finance on the placement of kiosks. It also ties the reporting requirements under this section back to the Nebraska Money Transmitters Act.

Sections 4 and 8 are amended by changing the daily limits from \$5,000 to \$10,500 in certain situations.

Section 11 is amended by removing the reference to any regulatory agencies in regard to what contact information kiosk operators shall possess.

Subsection (3) of Section 12 is changed to state that the Consumer Protection Division of the Office of the Attorney General shall release model notice language. Entities listed in subsection (2) of Section 12 may use the model notice or a notice substantially in the same form to comply with notice requirements.

Finally, AM 157 adds Neb. Rev. Stat. 29-817 to the bill as amended by inserting "any controllable electronic records" as a type of property that may be seized in criminal investigations.

Mike Jacobson, Chairperson

