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LB 269

Mr. President. The bill has to do with the magnetic symbols at the bottom of checks. It just requires that the symbols include the routing for the federal reserve district and the maker in magnetic symbols. What the committee amendments do in terms of the original bill, the original bill also required the name of the maker to be on there. We are striking that. There were some banks that had a problem with that and some individuals but they are all going to the magnetic in coding. This just says it is going to happen, the bill says it is going to happen on January 1, 1980, you have got to have the magnetic coding on there and all we are doing in the amendment is eliminating the small problem that was raised in the bill that maybe some people don't want their name on checks.

SPEAKER MARVEL: The Chair recognizes Senator Cope.

SENATOR COPE: Mr. President, members, a question of Senator DeCamp.

SENATOR DeCAMP: Yes, sir.

SENATOR COPE: Senator DeCamp, I have had several letters from smaller town merchants and they believe this is the elimination of counter checks, is this correct?

SENATOR DeCAMP: It has the practical effect of eliminating counter checks. The amendment, however, the amendment I have offered or the amendment the Banking Committee offered merely eliminates the name on it so that is not a requirement. As for counter checks, they could still be used, they could still be used, but when they are used the person has to use the magnetic encoding of the makers magnetic symbols. This can be done individual at the bank, but as a practical matter, so many banks have adopted the policy of just eliminating the counter checks out there and this would reinforce that. In order to make sure that it doesn't cause any inconvenience, it is designed to occur January 1, 1980. It was brought in by the Nebraska bankers through Senator Hasebroock. At the hearing no one as I recall raised any objections to it. Subsequent to the hearing, I received a call from a banker in, where the heck was it, down there between Grand Island and Kearney saying he wanted to continue using counter checks and it was my understanding from him that his objection was the name, the name being required on there. As I say, the committee amendments eliminate the name so I would hope we would adopt the committee amendments and then do what you want