

April 12, 1979

LB 390

that to 534, Senator Keyes. First 390, Senator Duis.

CLERK: Mr. President, LB 390 was introduced by Senator Duis. (Read LB 390 by title.) The bill was read on January 17 of this year. It was referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File, Mr. President. There are Committee amendments pending.

SPEAKER MARVEL: I'd like to introduce, underneath the south balcony, Mr. Craig Spencer with the Kearney Daily Hub, Kearney, who is a friend both of Senator Cope and Senator Kahle. Would you stand so we can say hello to you? Senator Duis, do you wish to explain the Committee amendments first and then we have two amendments to the Committee amendments.

SENATOR DUIS: The Committee amendments to the bill are actually the bill because I first introduced this measure on a variable interest rate, and then we found out that it might not be able to do this because of the situation that we're not allowed to tack anything in the State of Nebraska to the federal rate, and of course the federal rate then had to do with the long term interest rate, so the amendment was put on the bill to increase the maximum interest rate from eleven percent to twelve and a half.

SPEAKER MARVEL: The Clerk will read the amendments. What's the first amendment?

CLERK: Mr. President, Senator Burrows moves to amend the Committee amendments, in the Committee amendments on Page 1, line 8 after the word "balance" insert "through August 31, 1980 and after such date not exceeding eleven percent per annum on the unpaid balance".

SPEAKER MARVEL: The Chair recognizes Senator Burrows.

SENATOR BURROWS: Mr. Chairman and members of the body, this would put a sunset provision on the usury rate and allow it for approximately one year until August 31 of 1980. I think the arguments are very good with the current interest rates for some increase in the general usury rate on the risk that it may reduce the credit within the state. However, at the end of a year coming up the next session, depending upon national interest rates and the arguments that would prevail there, it would go for a year and then August 31st of 1980 drop back to eleven percent unless in the next session of the Legislature this body would