

SENATOR HEFNER: Okay, thank you.

SPEAKER NICHOL: Senator Beyer, then Senator Lundy.

SENATOR BEYER: Mr. Speaker, I had a question of Vard Johnson if he would answer.

SPEAKER NICHOL: Senator Vard.

SENATOR V. JOHNSON: Yes.

SENATOR BEYER: Senator Johnson, Senator DeCamp did answer the question that his amendment would cover Citicorp and the other institutions. What about your bill? Is that spelled out in there?

SENATOR V. JOHNSON: The bill covers all financial institutions that are within the definition. Mutual funds are certainly not within the definition. Citicorp I don't think is within the definition. I'd have to look at it more carefully. I really do not think that it is, but I can give you an answer in just a moment, just as soon as I look up the definition.

SENATOR BEYER: I think we should find out a little bit if it does or doesn't. I think Senator Higgins raised a good point. If we are going to cover all institutions, let's cover them all, savings and loan and anybody that takes in deposits.

SENATOR V. JOHNSON: All right. The definition, financial institution shall mean any bank, building and loan, cooperative credit association, industrial loan and investment company, savings and loan association or trust company. Okay? Now a mutual fund is not a bank, building loan, cooperative credit association, industrial loan and investment company, savings and loan association or trust company. Mutual funds are regulated substantially differently from any of the financial institutions covered here. In addition, the way Nebraska taxes mutual funds is it taxes them through the Security Registration with the Department of Banking and Finance. Last year mutual funds paid \$1.5 million in registration fees to the state, which is more than the banks paid in bank taxes.