

PRESIDENT: (Gavel.)

SENATOR DECAMP: ...I will try to keep a little quieter so...

PRESIDENT: Order in the Chamber so that we may hear Senator DeCamp. (Gavel.)

SENATOR DECAMP: Obviously, they are not interested in that either. Okay. "Dear Senator DeCamp:" The end of the world is coming...no, they don't care about that. "The issue of Martin Luther King, Jr.'s birthday as a bank holiday first surfaced about a year ago just after the time for introduction of bills had passed in the Legislature when Robert Hamilton, Vice President of the Omaha branch of the Federal Reserve Bank, requested the Nebraska Bankers Association to offer a bill to the Legislature creating a holiday for the birthday of Martin Luther King, Jr. This request was made because the Federal Reserve was going to observe this date as a federal holiday and that the Congress either had or was going to make his birthday an official federal holiday. This becomes important because national banks are bound by the state law in observing state holidays in order to protect themselves from a strict liability for failure to observe the midnight deadline under the Uniform Commercial Code. With the Federal Reserve observing Martin Luther King's birthday as a federal holiday national banks and state banks, who depend upon the Federal Reserve for clearing of items, are then placed in a quandary as to whether or not to allow the Federal Reserve's actions or, in fact, open up on that day to protect themselves from unnecessary code liability. I might say at this time that the "midnight deadline" is defined as midnight of the first business day following the business day of receipt of an item as the item when a bank...as the time when a bank, to escape strict liability, must act upon that item. Now, back to the chronology of events. Congress did, in fact, make the third Monday in January as the official day to observe the birthday of Martin Luther King, Jr. The Federal Reserve announced that they were going to observe this date in 1986. The Nebraska Bankers Association has discussed the dilemma with the Department of Banking and Finance and have jointly concluded that any financial institution who observes the Martin Luther King, Jr. birthday as a holiday will incur substantial liability for nonclearance of items within their