

SPEAKER NICHOL: Senator Vard Johnson. Senator Lowell Johnson.

SENATOR L. JOHNSON: Mr. President and members of the Legislature, here we are again on LB 645. If you will remember, LB 645 is a very simple bill which would authorize real estate brokers to deposit their escrow accounts in federally insured savings and loan associations. It makes good business sense to do so. First of all I would like to point out that I see no logical reason why brokers cannot have noninterest bearing checking accounts in S&Ls, as well as banks. Both depositories must be federally insured so the security feature of the account is the same. For that matter the risks may be spread among more depositories than at the present time. Secondly, the right to do so is strictly optional and would be based on a business decision which should be made by the broker rather than being restricted by our state law. I cannot understand why the state law would discriminate in favor of one depository, the banks, when all other factors are equal. Thirdly, the State of Nebraska would incur no costs at all in this particular bill since the costs incurred by the State Real Estate Commission are paid through licensing fees charged annually to each broker. Fourth, in these days of convenience and efficiency, for those brokers who do a vast amount of business with the savings and loan industry, the right to have such deposits in the depository where a good number of their closings take place allows for a very convenient closing procedure. Fourth (sic), and most important of all, it would promote equitable treatment of financial institutions in the State of Nebraska just as it has done in many other states. It is very interesting, and I wish to point this out very clearly to each and every one of you, that in the current Revenue Committee bill for taxing of financial institutions in the State of Nebraska there is equality of treatment in the tax schemes involved. Savings and loans and banks will be treated equally under the provisions of that revenue raising bill. They are perfectly willing, the banks are perfectly willing to accept equality in that respect. I can see no reason why they should not be accorded the same equality in the realm of escrow accounts. Thank you very much, Mr. President.

SPEAKER NICHOL: Thank you. Senator Goodrich, please.