

January 13, 1981

LB 122 - 133

RECESS

SPEAKER MARVEL PRESIDING

CLERK: Mr. President, Senators Sieck, Clark, Nichol would like to be excused until they arrive.

SPEAKER MARVEL: Clerk, record the vote.

CLERK: Quorum present, Mr. President.

SPEAKER MARVEL: Do you have some items to read in now?

CLERK: Mr. President, I do. I have a Reference Report from the Executive Board referring LBs 81 through 113. (Signed) Senator Lamb, Chairman. (See page 133, Legislative Journal.)

Mr. President, new bills: LB 122, title read; LB 123, title read; LB 124, title read; LB 125, title read; LB 126, title read; LB 127, title read; LB 128, title read; LB 129, title read; LB 130, title read; LB 131, title read; LB 132, title read; LB 133, title read. (See pages 134 to 136, Legislative Journal.)

SPEAKER MARVEL: I would like to alert you to the schedule for tomorrow. At eight thirty will the chairmen please make a note that we would like to meet in Room 1520 to discuss two or three items, one of them is the calendar; another has to do with the ending date as far as the introduction of bills is concerned. At nine o'clock the Legislature will convene, and at ten o'clock the Governor will come over and give us his State of the State message. So at eight thirty the chairmen at a caucus in Room 1520, nine o'clock we will convene and the Governor will be in at ten o'clock. Are we ready, Mr. Clerk? Senator Wesely. Senator Wesely, are you prepared to bring the Legislature up-to-date as to where we are at the moment and where we need to go in the immediate future?

SENATOR WESELY: Yes, Mr. Speaker, members of the Legislature, we have now taken care of three issues dealing with the Rules that were of some controversy and we are now left with the rest of the Rules of the blue book. We have dealt with Rule 7, Section 1; Rule 3, Section 11; and Rule 5, Section 5. We are now to the rest of the rules in the blue book and that is what is now open for discussion. We have a number of rule changes that have been proposed that are on the desk of the Clerk which we will go through in the order in which they have been

LB 9, 34, 51, 78, 91, 124,  
125, 133, 150, 178, 195,  
205, 223, 272, 273, 273A  
277, 317, 320, 321, 345  
363, 376, 409, 439, 459

March 6, 1981

PRESIDENT LUEDTKE PRESIDING

REVEREND GERALD LUNDBY: (Prayer offered.)

PRESIDENT: Senator Higgins, do you want to put your light on and then we will make sure we have got enough. Thank you. Record the presence, Mr. Clerk.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: A quorum being present, is there any corrections to the Journal?

CLERK: I have no corrections to the Journal, Mr. President.

PRESIDENT: All right, the Journal will stand correct as published. Any messages, reports or announcements?

CLERK: Yes, sir, I do. Mr. President, first of all, your committee on Education whose Chairman is Senator Koch to whom was referred LB 78 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File with amendments; LB 317 General File with amendments; 320 General File with amendments; 321 General File with amendments; 91 Indefinitely postponed; 223 Indefinitely postponed; 363 Indefinitely postponed; 439 Indefinitely postponed. (Signed) Senator Koch, Chair.

Mr. President, your committee on Banking, Commerce and Insurance whose Chairman is Senator DeCamp to whom was referred LB 376 reports LB 376 to General File with amendments; LB 133 Indefinitely postponed; and 277 Indefinitely postponed. (Signed) Senator DeCamp, Chair.

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined LB 51 and find the same correctly engrossed; LB 125 correctly engrossed; 150 correctly engrossed; 195 correctly engrossed; 205 correctly engrossed; 272 correctly engrossed; 273 correctly engrossed; 273A correctly engrossed; 409 correctly engrossed; and 459 correctly engrossed. (Signed) Senator Kilgarin, Chair.

Mr. President, LB 9, 34, 124, 178 and 345 are ready for your signature.

PRESIDENT: While the Legislature is in session and capable of doing business, I propose to sign and I do sign LB 9, LB 34, LB 124, LB 178, and LB 345.

March 11, 1981

LR 12  
LB 17, 22A, 168A, 258A,  
132, 133, 245, 349

CLERK: Senator Remmers would like to add his name as co-introducer to LB 132.

SPEAKER MARVEL: Any objection? So ordered.

CLERK: Mr. President, Senator Clark and Warner offer amendments to LB 133; Senator Vickers and others would like to print amendments to LB 245.

Business and Labor Committee will hold an exec session Thursday, March 12 at one o'clock in Room 1019.

Banking Committee reports LB 349 to General File.

New A bills, 22A by Senator Landis. (Title read.)  
168, a new A bill offered by Senator Carsten. (Title read.)  
258A by Senator Hefner. (Title read.)

Banking Committee reports LR 12 back to the Legislature for their consideration.

Senator Warner moves to place LB 133 on General File notwithstanding the action of the Banking, Commerce and Insurance Committee.

Priority bill designation by Senators Goodrich, Labedz, and the Constitutional Revision and Recreation Committee.

Senator Koch would like to print amendments to LB 17 in the Journal, Mr. President.

SPEAKER MARVEL: As we adjourn this morning, I would remind you of the deadline on the 13th of this month as far as priority bills are concerned, and if we can be of assistance to you, why please let us know. Senator Maresh, will you adjourn us until nine o'clock tomorrow morning?

SENATOR MARESH: Mr. Speaker, I move that we adjourn until tomorrow, March 12th, 9:00 a.m.

SPEAKER MARVEL: All those in favor of that motion say aye, opposed no. The motion is carried and we are adjourned until 9:00 a.m. tomorrow, March 12th.

Edited by:

  
Mary A. Turner

SPEAKER MARVEL: We now move to motions under item #5.

CLERK: Mr. President, Senator Warner moves to place LB 133, Senator Warner and Clark, excuse me, move to place LB 133 on General File notwithstanding the action of the Banking, Commerce and Insurance Committee. The motion is found on page 870 of the Legislative Journal.

SPEAKER MARVEL: The Chair recognizes Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, LB 133, as I am sure most of you know, was the bill introduced at the request of the Nebraska Bankers Association as a result of a study, task force type of review that they had last year. This bill came out, not as a unanimous conclusion of that group but as a recommendation for consideration by the Legislature. As the bill was introduced it has provisions that would allow up to five detached facilities within the city limits of a community and that full facilities would be available at each of those detached facilities. There is an amendment filed by Senator Clark and myself that would reduce that five to three which as I recall is the current number of detached facilities but would permit full services at each of those locations. At the time that I introduced the bill and I stated at the hearing that I felt as a matter of customer convenience, certainly in larger communities, that it was appropriate that those facilities were in a position, were able to offer full service at each location but I wasn't particularly set on what number of those facilities ought to be provided. It seems to me that three which is what we currently have is okay and I would support the amendment that is offered and printed in the Journal by Senator Clark and myself in this regard. The issue is very simple and that is whether or not this issue should be considered separately or in combination with some other change in bank structure. It seems to me that there are two separate issues. Multibank holding company is one issue. Full services at detached facilities is a separate issue. They should not, need not be included in a single bill and I feel it would be appropriate to have LB 133 then before the Legislature so that that single issue can be addressed rather than in some combination of another bill. So with that remarks, Mr. President, I move that the bill be advanced to General File, placed on General File notwithstanding the action of the committee.

SPEAKER MARVEL: Senator Dworak.

SENATOR DWORAK: Mr. President and colleagues, I support Senator Warner's motion to raise the bill. I personally

an not totally convinced that this is the way to go. I think maybe Senator DeCamp and the committee may have some very valid ideas but I really do believe that the efforts by the bankers this past summer are worthy of discussion and worthy of debate and I really believe that enough work was put into this, work that was mandated by this body and that this body should address this issue and I think it is very important that this body listen to the pros and cons of the issue. This is not a frivolous bill. This is not a frivolous concept. This was thought out in depth and deserves the light of day, deserves the time, our effort to look at the merits of it one way or the other so I support raising this bill as Senator Warner proposed.

SPEAKER MARVEL: Senator Clark.

SENATOR CLARK: Mr. President and members, I certainly support Senator Warner raising this bill. He and I signed the bill. I was with the Task Force out there on three different occasions. I think they spent an enormous amount of time. They were told to get their stuff together. They did. I know that every one of them out there have their input into this. This is a recommendation they came up with. This is not just the Omaha National, the U.S. National. This is the Bankers of Nebraska wanting this and I think it certainly deserves the light of day and certainly discussion on the floor as to whether we should have this. Now I do have an amendment up there as Senator Warner said to change the five branching in the cities to three. I think that is reasonable. They have agreed to it and I think it is the way we should go and I certainly would like to see it considered by the entire Legislature. Thank you.

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I am glad to see that Senator Warner and Senator DeCamp after eight long years have come along and decided that maybe a branched banking bill is an effective bill or a good way to handle the bank structure industry. You know I carried these bills for a number of years. I don't recall ever having had a vote from either of those fine gentleman but in any case, why, this time, apparently they have seen the wisdom of those bills many years ago and have decided to introduce a bill on branched banking. I would hope that you would listen very carefully because the Banking Committee advanced to the floor a bill which contains the same principles which Senator Warner and Senator Clark have asked to be considered by LB 133.

The additional factor is that the bill as advanced by the Banking Committee contains multibank provisions. To narrow it down, there are two banks in the City of Lincoln, one in Lincoln and one in Omaha who presently want this bill. This bill is a bill which is going to have direct impact only upon Lincoln and Omaha and very frankly, the suburban banks, the small banks in Lincoln and Omaha very vigorously oppose this bill for fear of the fact that they will be dominated by the large banks. Now when we are told that the Nebraska Bankers support this bill, I want to tell you very frankly that if this bill became effective, if we would amend the bill to make it a countywide branching bill or a statewide branching bill, if this would allow the First of Lincoln to go down to Unadilla, Nebraska, and place a branch next to Mr. Brandt's bank, he would come charging out of the southeast like a mad bear and he would have all kinds of reasons why it is not good but he thinks it is fine to allow the large bank to place a bank adjacent to a small suburban bank because it doesn't bother him. Now I recall well 1973 when I introduced the bill to provide for an additional teller facility. I was warned by Senator Warner and Senator Murphy that this was the first step toward citywide branching, countywide branching and statewide branching. I was given some very dire reasons as to why this would not be good. I want to point out very emphatically that I have good reasons why I think branching might be all right. In some instances branching is important. In some instances multibank holding company authority might be important. Those people who fear the multibank concept say that the theory will allow the large banks to buy out the small bank. There isn't anything in the multibank theory that will force a small bank to sell. I will say this, however, in the branching theory it only requires the approval of the director to allow a facility to be placed anywhere in the City of Lincoln or Omaha, a full service facility. I think that could have a far more drastic impact upon the small suburban bank than does a multibank authority. Another thing I can't understand is why, and I guess I never understand why most of us do things, why the introducers would want to go the route of bringing 133 to the floor when all it takes is a majority of those voting to amend the committee amendments on 376 and they can do the same thing. That can be done with as little as eighteen, nineteen, twenty votes, certainly no more than twenty-five. In this instance it will take thirty votes because the Banking Committee killed LB 133 in Committee. The reason we did that was because we amended 376 to include both provisions. The bill will be discussed on the floor, both issues will be discussed on the floor and the entire legislative body will have every opportunity to discuss the issue in totality on the floor. I know that there are people and many of you who really feel it does not impact upon you and as a rural senator I know that the

passage of 133 will absolutely no impact upon the banks in Butler County and Saunders County and Platte County but I would suggest that if that bill did impact upon...

PRESIDENT LUEDTKE PRESIDING

PRESIDENT LUEDTKE: Half a minute, Senator.

SENATOR SCHMIT: ...that there would be far greater difference of opinion as to the worth of the bill among the rural bankers. I ask you to oppose...I oppose the bringing of the bill to the floor and ask you not to support the motion.

PRESIDENT LUEDTKE: The Chair recognizes Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Chairman, members of the body, I would rise to support the placing of this bill on the floor. I think it is only right that we have the opportunity to debate both bills on this floor. I did have a call from Jim Oliver who chaired the Task Force in discussion of this whole matter and he told me the vote in the committee was nine to seven to favor the matter that is in LB 133 so it seems to me that it is only fair that we have the opportunity to discuss the bill on the floor.

PRESIDENT: The Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, I just wanted to make one brief comment in support of the motion. You know we have been trying to do some things in this Legislature to get a full and fair debate on all different issues and we are trying the priority bill system and another thing we have been trying to do is separate issues, that is when issues are not particularly germane to one another, to separate them out and deal with them one at a time fairly and although multibank holding company and the extension of branched banking have some relationship in my mind they are really two distinct issues and what this is all about is whether we are going to consider them separately or whether we are going to try to whipsaw people into doing one thing or another based on a combination of things in a bill. So I, for myself, think it would be better practice for us to deal with them separately and if that takes raising 133 out of committee which it does, I would vote in favor of it and hope you would do so. Thank you.

PRESIDENT: Before we go to the next speaker, the Chair takes this opportunity to introduce some friends of Senator

Elroy Hefner. They are under the North balcony, Mr. and Mrs. Gerald Gunderson from Wausa. Would they stand and be recognized. The Gundersons. Welcome, Mr. and Mrs. Gunderson. The Chair recognizes Senator Fitzgerald.

SENATOR FITZGERALD: Mr. President and members, I oppose bringing this bill out of committee. It was six to one in committee which I serve on and this Task Force is mostly consist of outstate bankers and we have eleven banks in Omaha on the outskirts and nine of these banks do not want 133 and if the bill does come out on the floor I have an amendment here. I am going to go from city to counties because I think these little banks around our counties should have the same competition our other banks have. Would John DeCamp yield for some questions?

PRESIDENT: Senator DeCamp, will you respond?

SENATOR FITZGERALD: John, when I was in the committee hearing, how many banks consist of this and how many are outstate?

SENATOR DeCAMP: Senator Fitzgerald, I don't have the exact numbers but it seemed to me like we were talking about four hundred outstate in rough numbers and what, forty or fifty that really are in Omaha and Lincoln and the suburban area.

SENATOR FITZGERALD: What was the percentage of the Omaha and Lincoln banks that opposed 133?

SENATOR DeCAMP: Okay, Senator Fitzgerald, as you may recall about two-thirds of the way through the hearing when one witness after another had indicated including the supporters of the bill that this was really an Omaha-Lincoln issue, that is who it affected. As I recall the exact words of Bill Smith, the head of First National, I said, "This is really an Omaha-Lincoln issue and that is who it affects, isn't it?" And he said, "I agree," and explained why. So that is why about two-thirds of the way through the hearing we polled, we sent out a formal poll, announced that we were going to do it at the committee as you recall and I have passed that out to you and as you will see in Lincoln it has the banks identified, four support, nine oppose; Omaha, six support, fourteen oppose; Omaha area, four opposed, so overwhelmingly the people affected oppose the legislation.

SENATOR FITZGERALD: Another question, Senator, what effect would this have on the value of a suburban bank?

SENATOR DeCAMP: A little later on I am going to give a brief talk, I hope it will be fairly brief and try to outline the whole issue because I don't think we have really, in all the



years I have been here, really outlined it in simplicity and honesty before and I will try to do that because it would have a dramatic effect I am convinced on them and on outstate also.

SENATOR FITZGERALD: Would you be agreeable if I put an amendment on this bill to the effect instead of going city, let's go county then because we would have more area to cover with five facilities?

SENATOR DeCAMP: I guess branching is branching as has been testified to and you might as well face up to that and city, county, state, you know, that is what we are dealing with.

SENATOR FITZGERALD: Thank you.

PRESIDENT: The Chair now recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President, members of the Legislature, I really only ask you to carefully listen about three or four five times a year and this is one of those times. I am chairman of the Banking Committee and I would like to explain what I perceive the issue to be and I would like the Speaker to gavel the group there quiet.

PRESIDENT: (gavel) Let's have a little bit of decorum here so that someone can hear.

SENATOR DeCAMP: Mr. President, members of the Legislature, this will be one of the votes that directs the rest of the session I can guarantee you. Senator Landis not too long ago on this floor stood and said, "I am tired of having banking issues dominate all the session for the last two years." And he was right. Banking issues have dominated it completely. You know how banking was involved in every election campaign of every member here, of the Governor in the previous election. Banking issues have dominated this state and this particular issue, branching, multibank, so on, for at least five years, totally dominated. It is my absolute conviction and I will try to document why that if the bill is brought out and it is five branches citywide and that is branched banking by anybody's description, it will destroy the balance of this session. This session has the potential with the legislation already passed, the legislation in process, the legislation being dealt with to be the most significant in certainly the modern history of this state. Water, everything is being dealt with and getting processed and finding an agreement on. You bring this bill out and I guarantee it, the banking industry, both sides, three sides, will wipe out the rest of the

session. What is the issue? It is multibank versus branching. Let me explain in simple terms so I can understand it what multibank is. I am First National sitting over here. I want to get out there where Bernice is in far out Lincoln or I want to get outstate where Senator VonMinden is. Multibank says, if I want to come out there I can't just come and put a bank there. I've got to buy Bernice's bank and she doesn't have to sell it to me and she can set whatever price she wants. If I want to get out where VonMinden is I've got to do the same. Branching--it means I just pass a bill and then I go set up a bank next to her or right down the street. It is my belief that if you pass branching without dealing with multibank, all you create is a whole bunch more banks with no buyers and you destroy banking. There has never been a state go from branching to multibank and limited branching has always been the first step in statewide branching. So I am convinced that if the bill comes out it will destroy the balance of the session in the fight over which side wins and bankers are powerful enough to do it as you know. Why did the committee go ahead and kill the bill then? After hearing the testimony it was clear that all this supposed support whereby people who were not affected or who believed they were not affected, all the outstate bankers said, fine, fine, fine. Give branching five branches, fifty branches in Omaha and Lincoln. Just don't have anything to do with us. That is why they supported this bill, not because they love branching. They hate branching like the devil hates holy water but they believe somehow by sacrificing the suburban banks who understand what is happening, that they buy a little time. I was not the vote that killed that bill quite frankly and I was surprised. Senator David Landis, Senator Wiley Remmers were the key votes that killed it. I just put a vote on after it was already dead. Now they are not even suggesting that that proposal when they bring this bill out, be the one they want to deal with. They want to gut the bill and do you know what they want to put in? They want to put in a provision we already have in the other bill. That is what they want to do. The purpose is to kill the multibank bill or avoid discussion of the issue. Now I want to say three final things and I hope they are some of the three most important things and promises, and threats, that I have ever made here. Number one, I am telling you the outstate bankers, all the ones that are calling up and saying, oh, just get that bill out on the floor, the ones that call Senator Nichol, the ones that call Wiley, the ones that call Bobby Clark. You are like the Jews marching into the ovens, dancing to the music because you think you are going somewhere else and you think you are buying time. You are being played for fools. You are buying a

branched, statewide branching package and if you pass branching you are not going to have any multibank buyers. Remember that. Multibank means they have got to buy your bank. Branching means they just park next to you and run you out of business. You are killing yourselves and God be with you if that is what you want to do but at least understand what the two systems are because when I go outstate and talk to you and ask you what multibank is you have no knowledge of it and branching, well that is just a little teller facility in Omaha and Lincoln. That is not what it is all about and two years from now with Omaha and Lincoln have more urban senators and all the Lincoln and Omaha banks agree to have statewide branching, Dave, you're dead because they will have their thirty votes to do whatever they want and they will all be in agreement. They won't be fighting and they will walk out and they will have statewide branching. So you kill yourselves but that is what you are doing. The second thing is kind of a threat, promise, whatever and it is from me and it is going to make John Woods and Don Murphy unhappy and Phil Giltner and Bill Smith and Jimmy Ryan and Bill Brandt. If this bill is not brought out today, if it is contained, I am not going to take up or allow, to the degree that I am able, the other bill to be brought up until the last week or the last days of the session. Let the bankers get together and learn about the issue. Let them learn that legislators, not bankers, run this session and they are going to run it for the rest of it and that we are going to process our business without having them tug at our shoulders, pull at our heads, threaten over the phones. That is what I promise to do if this bill is contained, not to bring it up until the last week of the session and whoever has the 25 votes at that time, whoever has it, that is it because otherwise if they both get out here and we start in now, she is going to wipe out the session and you will see that is not far from the truth.

PRESIDENT: The Chair recognizes Senator Hoagland.

SENATOR HOAGLAND: I would just like to make a few brief comments in opposition to Senator Warner's motion to reconstruct and most of what I have to say is, to resurrect, I'm sorry, not reconstruct, and most of what I have to say has been said so I will be very brief. I concur a 100% with Senator DeCamp and Senator Landis that we permit our sessions down here to be far too dominated by these banking issues. These issues have been hanging around year after year. The bankers have been having to come down here year after year and I would like to see us deal with one bill at one time trying to resolve these issues for once and forever and get the whole problem out of the Legislature and out of our hair

so we can deal with other equally and in many cases, more important issues for the State of Nebraska. Thank you.

PRESIDENT: The Chair recognizes Senator Fenger.

SENATOR FENGER: Mr. President, in some of the previous conversation I had to check and make sure we were actually discussing the motion. I thought perhaps we were already discussing the merits of the bill. I have to oppose this motion. I suppose it is a little unique because I supported a motion similar to this just last week but there was a difference. That proposal last week dealt with a problem that affected every political subdivision of the state. It also addressed a problem that was five years old but like it or not, the committee system is our system. We better have faith in it because it is a vital part of our process. Every member here has got a pet bill that has been killed in committee and this type of request will only delay/prolong our business as usual routine and I think it is important to remember that this is not a general purpose bill benefitting or taking away from every citizen in the state their rights. This is a special interest bill and the committee decision is one that I intend to abide by. Thank you.

PRESIDENT: The Chair recognizes Senator Labedz.

SENATOR LABEDZ: I'm sorry, Mr. President, members of the Legislature, as a member of the Banking Committee it was very difficult for me to vote to indefinitely postpone LB 133 but I did because before we advanced LB 376 we did amend the bill and did put the three branch banking facilities into LB 376 and I totally agree with Senator Schmit that when LB 376 does come up on General File those who support LB 133 will have ample time to either support LB 376 as amended and advanced by the Banking Committee or they can do anything they want with it, delete, strike out and so forth. I see no reason for advancing now or bringing to the floor of the Legislature LB 133 and I oppose Senator Warner's motion to bring LB 133 to the floor. Thank you.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I serve on the Banking, Commerce and Insurance Committee. I voted against the advancement of LB 133 after attempting to amend it on two different occasions, first by changing it to three facilities and then changing it to four facilities with a year delay. Both of those amendments were un-

satisfactory to the committee and at that point then we were talking about five facilities. I voted against the bill. I voted against the advancement of LB 376 as well, the multibank holding company bill but also found myself in the minority. I oppose the motion to raise LB 133 not because I don't think there should be more facilities in Lincoln and Omaha. There should. There should be at least three, possibly four, but because LB 133 much of the same issues are inherent in LB 376. We will be able to discuss those when that bill comes up. Secondly, LB 133 represents the policy of competition for some and not others and that is a dangerous idea that I don't think this body should get into the business of making and we agreed to the idea that we are going to allow for more competition but only in a limited area, only where it doesn't hurt us, only where its effects can be minimized and pinpointed and be used to wound certain allies of potentially of the multibank holding company issue. In fact, LB 133 is a whipping boy. LB 133 is a weapon. LB 133 is a knife aimed at the heart of certain members of the Banking Committee to get leverage for LB 376 either pro or con and that is what LB 133 is in the shape that it is now. It is a kind of the casting of lots that is done to choose the weak sister and we found the weak sister. The weak sister is the suburban banks. They can be attacked, pushed into the corner and by doing so you have a strange alliance between rural banks, thereby freed from the potential burden of multibank holding legislation and large banks who are then free to compete and to move into suburban areas and mandate deposits who also then can turn 133 into gaining support for 376 against rural banks, a strange double-edged knife that LB 133 becomes. In fact, 133 is not very sound banking policy. If you wanted to look at it as the policy of the state it really isn't a very satisfactory policy. If you do want to make major banking changes then you ought to look to LB 376. Now, I personally don't necessarily support large scale changes in policy. Bank holding company means that potentially we have a drying up of some rural lending procedures. Federal reserve studies indicated there is a drying up of rural lending practices with multibank legislation. That is one of the reasons I am concerned and voted against LB 376 but this is not either/or. This is not one or the other. One can oppose both bills but for different reasons as I do. I oppose LB 133 because although it does contain a growth factor which is helpful, it is, in fact, aimed at only certain areas and is designed not to be a statewide policy for bank structure but it is aimed only at Lincoln and Omaha to affectuate certain political and economic ends and because that is so, I think it is unsound policy and is unsound for this body who has not studied it,

who has not been at the hearings, who has not had that kind of information brought to you to bring this bill to the floor against the wishes of a committee that has studied it very hard. I oppose the motion to resurrect the bill and to bring it to the floor.

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Mr. President, members of the Legislature, much has been said about how the Nebraska bankers got together on LB 133 and in view of the fact that the Nebraska bankers got together we ought to take a look at the bill. I endorse everything that Senator Landis has said. The facts are that as it stands now if we pass LB 133 we would have citywide branched banking in Lincoln and Omaha and there isn't any way in the world we are going to build three facilities in David City or any of those other cities even in Columbus which is in part of my district. It would be helpful to those communities such as Columbus which have a number of facilities to have them as full service facilities and I can support the concept but I would just like to give you a very brief lesson in history because some of you will remember and some of you were not here. I pointed out earlier in 1973 I had a bill which provided for a single additional teller facility, opposed vigorously by the Nebraska Bankers Association, passed into law, vetoed by the Governor, passed over the Governor's signature, became law, today, readily admitted by the Nebraska Bankers Association, a very valuable adjunct to the Nebraska banking laws. 1975 I introduced a bill which would have provided that the surplus state funds presently at that time having been invested outside of the State of Nebraska would be invested within the State of Nebraska in Nebraska banks at a rate that was competitive with what they could earn in other investments. The Nebraska Bankers Association refused to support that bill. It was killed in committee. 1976 I introduced the same bill. Again, same result. The Nebraska Bankers Association did not support the bill, notwithstanding the fact that we are a capital short state, notwithstanding the fact that many of their own members had asked me to introduce the bill and vigorously supported the bill. The bill died in committee. 1977 I introduced the bill again. Finally in 1978 LB 258 became law and today hundreds of millions of dollars formerly invested outside the state are invested in Nebraska banks available for loans to Nebraska citizens in the way that they should be but I want to point out it took me four years to pass that bill. Finally the last two years the Nebraska Bankers Association supported the bill. Now we find the Nebraska Bankers Association supporting what is essentially citywide branching. I want to say again

it is a dramatic reversal of earlier positions but I would suggest also as Senator DeCamp has pointed out, that it is inevitable that when the time passes, the urban legislators have more influence in this body, they are going to say, well, if this is such a good thing for Lincoln and Omaha, let's make it statewide and that branch will be plunked down next to the First National Bank in David City or the Bank of Unadilla, Bank of Brainard and that is when you are really going to have trouble out in those small rural communities because they'll not have the resources. They will not have the ability....

SPEAKER MARVEL: You have one minute.

SENATOR SCHMIT: ...to withstand those kind of competitors. I just suggest for example that at this time it is awfully easy, it is awfully easy for those of us in outstate Nebraska to support 133 because it has no impact upon our banks. It has a drastic impact upon the small suburban bank and we have no constituency there but to vote to bring 133 to the floor and impose the wishes of the small rural bankers on the small suburban bankers in the attempt and hope that it will delay for a period of time the branching concept across the state is not fair. I ask you to oppose and not to support raising 133 from committee.

SPEAKER MARVEL: Senator Kahle.

SENATOR KAHLE: Mr. Speaker and members, I learned a long time ago that I don't know a lot about everything and probably not very much about anything but I am certainly not a banker and I don't know their problems but since I have been in the Legislature I made a practice to contact the banking community in my district when every one of these bills comes up because I think they do know the banking business or they wouldn't still be in it. Some of them have been in there for a good long time and some of them are in the second, third and maybe even fourth generation and to survive that long in any industry you have to know what you are doing. This morning I have contacted or been contacted by a great majority of them in my district and to a person they advised me to vote to bring LB 133 to the floor so it could have a fair shake with whatever else might be up here. So I am going to vote that way and I urge those of you that may or may not have contacted your local banker, I am not particularly interested in what the lobby is doing out here in the rotunda but I am interested in what my people back home think. Thank you.

SPEAKER MARVEL: Senator Clark.

SENATOR CLARK: I call the question.

SPEAKER MARVEL: Do I see five hands? Okay, the question before the House is, shall debate cease. All those in favor vote aye, opposed vote no. Cease debate. Those of you who are underneath the North balcony, South balcony, we are going to need some votes. Record the vote.

CLERK: 29 ayes, 0 nays to cease debate, Mr. President.

SPEAKER MARVEL: Debate has ceased. The Chair will recognize Senator Warner to close on the motion.

SENATOR WARNER: Mr. President, members of the Legislature, just two or three things I do want to respond to. Banking legislation that was introduced in '73 was brought up and I was on Banking Committee then. At that time one of the bills that was similar to what is contained in 133 dealing with detached facilities, I supported the amendment then to the bill although it never got out of committee to limit it to the city limits which is consistent with what I have done today but secondly the raising of this bill I don't think will dominate the rest of this session any more than not raising it as has been true in the past. The reason banking legislation dominated previous sessions if they did was because of the efforts of trying to put a whole bunch of things in with that one issue or stop a whole bunch of things because of that one issue and not the single issue of the full service facilities or, for that matter, the multibank holding companies alone. The only purpose of the motion is to deal with one issue, one issue alone. I don't think every issue that comes before this Legislature needs to be considered in combinations of a number of other things. I sometimes get the impression that the theory is kind of like the farm auction that I have been to many of and so have some of you others and when you've got an item you can't sell the auctioneer throws two, three more things with the item until you get enough stuff in the pile to get a bid and obviously the intention of 376 is to throw enough stuff in there so that you can get a bid on it. Well I think it ought to rise and fall on its own merits. I think through 133 as a single issue can rise and fall on its own merits as well and I would urge that the body would support putting it out. One other thing I might mention, the poll, I'm not sure at what time it was taken or at least I am not sure the banks who commented on it were aware we were talking of three or five but I assume they were opposed to the bill as it was introduced and, secondly, there is one bank there that is where I bank and that is opposed, I know they are opposed to 133 at five facilities but I also know that they are in support of expanding full



service at their facilities they already have and so all we are talking about here in 133 as far as I am concerned is one additional facility but primarily that full service for convenience of customers will be available. From the point of view that whether or not this particular bill will lead to statewide branching is the argument I have used many times myself when I have opposed bills on limited banking. It is one we always use. We all know that when there are 25 votes in this body in 1980 or 1990 or the year 2000, what has occurred before is not going to be the thing that determines what happens then and if a change in bank structure is available at that time, because that is the will of twenty-five members of this body, that is what will occur. In closing I would only ask that you do support placing this issue on the ballot before us, on General File before us and be entitled, the members of the Legislature be entitled to consider this issue singly apart from some other combinations that might be attempted to be put before us. So with that, Mr. President, I move the bill be placed on General File notwithstanding the action of the committee and I would request a Call of the House.

SPEAKER MARVEL: The motion before the House is to place on General File notwithstanding the action of the committee, LB 133. All those in favor of that motion vote aye, opposed vote no. 30 votes. Did you ask for a Call of the House? I'm sorry, I didn't hear you. Shall the House go under Call first. All those in favor of that motion vote aye, opposed vote no. Record.

CLERK: 28 ayes, 1 nay, Mr. President, to go under Call.

SPEAKER MARVEL: The House is under Call. All legislators please take your seats. Record your presence. Unauthorized personnel please leave the floor. Senator Wesely, Senator Marsh, Senator Carsten, Senator Newell, Senator Haberman. Mr. Sergeant at Arms, we need to find Senator Wesely. We are under Call and all legislators are to be in their seats and we cannot conduct business until you do. Senator Warner, do you want to...? Clear the board. A roll call has been requested so... Yes, Senator DeCamp requested a roll call vote. That is within the prerogative. Proceed with the roll call.

CLERK: (Read roll call vote as found on page 905 of the Legislative Journal.) 25 ayes, 18 nays, Mr. President, on the motion.

SPEAKER MARVEL: The motion lost.

CLERK: Mr. President, Urban Affairs Committee would like to