

June 2, 1993

LB 218, 541, 543, 657, 670, 840, 840A, 841
841A, 842, 843

generally speaking they don't do it around the country. When this measure came to us the Department of Banking did include the franchise as a seller assisted marketing plan. What these amendments do, and they're done with the approval of the Director of Banking, Jim Hansen, in concert with the Governor's office and with the franchise association, is to say that franchises will continue to be exempt from the seller assisted manufact...seller assisted marketing plan, however, franchises will, to comply, have to have filled out or documented their status in an FTC disclosure document which the state is available to obtain at any time, in the event we have a complaint about the company, that existing franchise sellers regis...make sure that their...that the department is given notice that they're doing business in this state, that the franchiser or seller provides the names, addresses and telephone people in this state who are doing business and give a brief description of the plans offered by the sellers. So, in other words, we have information about the sale of franchises, that they give us access to the standard document which is used in this area, which is the FTC disclosure document, that we can get that information and that, for the purposes of our fraud laws, that the...that the franchise seller has to meet those same fraud rules that otherwise would apply. Upon further reflection, LB 218 looks to be a place in which Nebraska established rules well beyond what other states generally did. It would inconvenience and make more difficult the selling of franchises in this state, given the norm around the country. Director Hansen tells me that with these amendments he feels he has the tools to get to those areas which are a problem and yet not to create an overage of regulation for an area which historically has not been a problem. I would urge the advance...or the adoption of the amendment as found in the Journal. Thank you.

SPEAKER BAACK: Thank you, Senator Landis. While the Legislature is in session and capable of transacting business, I propose to sign and do sign LB 670, LB 841, LB 841A, LB 842, LB 541, LB 543, LB 657, LB 840, LB 840A and LB 843. Discussion on the motion to return. Seeing none, do you wish to close, Senator Landis?

SENATOR LANDIS: I would urge the adoption of the amendments. Let me tell you that they were handcrafted by the Department of Banking and apparently they cut back a form of regulation that we were about to embark on which was uncommon in other states