

LEGISLATURE OF NEBRASKA
ONE HUNDRED SECOND LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 836

Final Reading

Introduced by Pahls, 31.

Read first time January 05, 2012

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to deposit and investment of public funds; to
2 amend section 77-2365.02, Reissue Revised Statutes of
3 Nebraska; to change provisions relating to investment in
4 certificates of deposit and time deposits; to repeal the
5 original section; and to declare an emergency.

6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2365.02, Reissue Revised Statutes
2 of Nebraska, is amended to read:

3 77-2365.02 Notwithstanding any other provision of law, to
4 the extent that the funds of this state or any political subdivision
5 of this state may be invested or deposited, by the appropriate
6 custodian of such funds, in ~~certificates of deposit or time interest-~~
7 ~~bearing deposits~~ with banks, capital stock financial institutions, or
8 qualifying mutual financial institutions, such authorization ~~shall~~
9 may include the investment or deposit of funds in certificates of
10 ~~deposit and time interest-bearing deposits~~ in accordance with the
11 following conditions as an alternative to the furnishing of
12 securities or the providing of a deposit guaranty bond pursuant to
13 the Public Funds Deposit Security Act:

14 (1) The bank, capital stock financial institution, or
15 qualifying mutual financial institution in this state through which
16 the investment or deposit of funds is initially made arranges for the
17 deposit of a portion or all of such funds in ~~one or more certificates~~
18 ~~of deposit or time interest-bearing deposits~~ with other banks,
19 capital stock financial institutions, or qualifying mutual financial
20 institutions located in the United States;

21 (2) Each such ~~certificate of deposit or time interest-~~
22 bearing deposit is fully insured or guaranteed by the Federal Deposit
23 Insurance Corporation;

24 (3) The bank, capital stock financial institution, or
25 qualifying mutual financial institution through which the investment

1 or deposit of funds was initially made acts as a custodian for the
2 state or political subdivision with respect to any such ~~certificate~~
3 ~~of deposit or time interest-bearing~~ deposit issued for the account of
4 the state or political subdivision; and

5 (4) At the same time that the funds are deposited into
6 ~~and such certificates of deposit or time deposits are issued by other~~
7 banks, capital stock financial institutions, or qualifying mutual
8 financial institutions, the bank, capital stock financial
9 institution, or qualifying mutual financial institution through which
10 the investment or deposit of funds in ~~certificates of deposit or time~~
11 interest-bearing deposits was initially made receives an amount of
12 deposits from customers of other banks, capital stock financial
13 institutions, or qualifying mutual financial institutions located in
14 the United States which is equal to or greater than the amount of the
15 investment or deposit of funds in ~~certificates of deposit or time~~
16 interest-bearing deposits initially made by the state or political
17 subdivision.

18 Sec. 2. Original section 77-2365.02, Reissue Revised
19 Statutes of Nebraska, is repealed.

20 Sec. 3. Since an emergency exists, this act takes effect
21 when passed and approved according to law.