

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 836

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 include the investment or deposit of funds in ~~certificates of deposit~~
10 ~~and time interest-bearing~~ deposits in accordance with the following
11 conditions:

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

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

22 (3) The bank, capital stock financial institution, or
23 qualifying mutual financial institution through which the investment
24 or deposit of funds was initially made acts as a custodian for the
25 state or political subdivision with respect to any such ~~certificate~~

1 ~~of deposit or time interest-bearing~~ deposit issued for the account of
2 the state or political subdivision; and

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

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17 Statutes of Nebraska, is repealed.

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