

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB396

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: January 31, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Under current law, if a *county treasurer* deposits an amount in excess of FDIC insurance limits in a bank or other financial institution, collateral must be pledged by the institution to cover the excess deposits. The current law requires that the bond be deposited with the *county clerk*. Due to changes in banking practices, paper bonds are no longer issued to indicate coverage. Instead, *county treasurers* receive a non-negotiable receipt to retain in their office.

Current practice dictates that *county treasurers* receive and hold the non-negotiable receipt issued under new banking practices. LB 396 revises section 77-2318 to clarify this change in practice by removing a reference to the *county clerk* and by replacing it with a reference to the *county treasurer*.

The change in this bill will harmonize the statute to match current banking practices.

This bill was requested by the Nebraska Association of County Officials.

Principal Introducer: _____

Senator Rich Pahls