

E AND R AMENDMENTS TO LB 622

Introduced by Slama, 1, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 Section 1. Section 77-2386, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-2386 Sections 77-2386 to 77-23,106 and sections 14 and 15 of this
6 act shall be known and may be cited as the Public Funds Deposit Security
7 Act.

8 Sec. 2. Section 77-2387, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 77-2387 For purposes of the Public Funds Deposit Security Act,
11 unless the context otherwise requires:

12 (1) Affiliate means any entity that controls, is controlled by, or
13 is under common control with another entity;

14 (2) Bank means any state-chartered or federally chartered bank which
15 has a main chartered office in this state, any branch thereof in this
16 state, or any branch in this state of a state-chartered or federally
17 chartered bank which maintained a main chartered office in this state
18 prior to becoming a branch of such state-chartered or federally chartered
19 bank;

20 (3) Capital stock financial institution means a capital stock state
21 building and loan association, a capital stock federal savings and loan
22 association, a capital stock federal savings bank, and a capital stock
23 state savings bank, which has a main chartered office in this state, any
24 branch thereof in this state, or any branch in this state of a capital
25 stock financial institution which maintained a main chartered office in
26 this state prior to becoming a branch of such capital stock financial
27 institution;

1 (4) Control means to own directly or indirectly or to control in any
2 manner twenty-five percent of the voting shares of any bank, capital
3 stock financial institution, or holding company or to control in any
4 manner the election of the majority of directors of any bank, capital
5 stock financial institution, or holding company;

6 (5) Custodial official means an officer or an employee of the State
7 of Nebraska or any political subdivision who, by law, is made custodian
8 of or has control over public money or public funds subject to the act or
9 the security for the deposit of public money or public funds subject to
10 the act;

11 (6) Deposit guaranty bond means a bond underwritten by an insurance
12 company authorized to do business in this state which provides coverage
13 for deposits of a governing authority which are in excess of the amounts
14 insured or guaranteed by the Federal Deposit Insurance Corporation;

15 (7) Director means the Director of Banking and Finance;

16 (8) ~~(7)~~ Event of default means the issuance of an order by a
17 supervisory authority or a receiver which restrains a bank, capital stock
18 financial institution, or qualifying mutual financial institution from
19 paying its deposit liabilities;

20 (9) ~~(8)~~ Governing authority means the official, or the governing
21 board, council, or other body or group of officials, authorized to
22 designate a bank, capital stock financial institution, or qualifying
23 mutual financial institution as a depository of public money or public
24 funds subject to the act;

25 (10) ~~(9)~~ Governmental unit means the State of Nebraska or any
26 political subdivision thereof;

27 (11) ~~(10)~~ Political subdivision means any county, city, village,
28 township, district, authority, or other public corporation or entity,
29 whether organized and existing under direct provisions of the
30 Constitution of Nebraska or laws of the State of Nebraska or by virtue of
31 a charter, corporate articles, or other legal instruments executed under

1 authority of the constitution or laws, including any entity created
2 pursuant to the Interlocal Cooperation Act or the Joint Public Agency
3 Act;

4 (12) ~~(11)~~ Qualifying mutual financial institution shall have the
5 same meaning as in section 77-2365.01;

6 (13) ~~(12)~~ Repurchase agreement means an agreement to purchase
7 securities by the governing authority by which the counterparty bank,
8 capital stock financial institution, or qualifying mutual financial
9 institution will repurchase the securities on or before a specified date
10 and for a specified amount and the counterparty bank, capital stock
11 financial institution, or qualifying mutual financial institution will
12 deliver the underlying securities to the governing authority by book
13 entry, physical delivery, or third-party custodial agreement. The
14 transfer of underlying securities to the counterparty bank's, capital
15 stock financial institution's, or qualifying mutual financial
16 institution's customer book entry account may be used for book entry
17 delivery if the governing authority so chooses; and

18 (14) ~~(13)~~ Securities means:

19 (a) Bonds or obligations fully and unconditionally guaranteed both
20 as to principal and interest by the United States Government;

21 (b) United States Government notes, certificates of indebtedness, or
22 treasury bills of any issue;

23 (c) United States Government bonds;

24 (d) United States Government guaranteed bonds or notes;

25 (e) Bonds or notes of United States Government agencies;

26 (f) Bonds of any state or political subdivision which are fully
27 defeased as to principal and interest by any combination of bonds or
28 notes authorized in subdivision (c), (d), or (e) of this subdivision;

29 (g) Bonds or obligations, including mortgage-backed securities and
30 collateralized mortgage obligations, issued by or backed by collateral
31 one hundred percent guaranteed by the Federal Home Loan Mortgage

1 Corporation, the Federal Farm Credit System, a Federal Home Loan Bank, or
2 the Federal National Mortgage Association;

3 (h) Repurchase agreements the subject securities of which are any of
4 the securities described in subdivisions (a) through (g) of this
5 subdivision;

6 (i) Securities issued under the authority of the Federal Farm Loan
7 Act;

8 (j) Loan participations which carry the guarantee of the Commodity
9 Credit Corporation, an instrumentality of the United States Department of
10 Agriculture;

11 (k) Guaranty agreements of the Small Business Administration of the
12 United States Government;

13 (l) Bonds or obligations of any county, city, village, metropolitan
14 utilities district, public power and irrigation district, sewer district,
15 fire protection district, rural water district, or school district in
16 this state which have been issued as required by law;

17 (m) Bonds of the State of Nebraska or of any other state which are
18 purchased by the Board of Educational Lands and Funds of this state for
19 investment in the permanent school fund or which are purchased by the
20 state investment officer of this state for investment in the permanent
21 school fund;

22 (n) Bonds or obligations of another state, or a political
23 subdivision of another state, which are rated within the two highest
24 classifications by at least one of the standard rating services;

25 (o) Warrants of the State of Nebraska;

26 (p) Warrants of any county, city, village, local hospital district,
27 or school district in this state;

28 (q) Irrevocable, nontransferable, unconditional standby letters of
29 credit issued by a Federal Home Loan Bank; and

30 (r) Certificates of deposit fully insured or guaranteed by the
31 Federal Deposit Insurance Corporation that are issued to a bank, capital

1 stock financial institution, or qualifying mutual financial institution
2 furnishing securities pursuant to the Public Funds Deposit Security Act.

3 Sec. 3. Section 77-2388, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-2388 Any bank, capital stock financial institution, or qualifying
6 mutual financial institution subject to a requirement by law to secure
7 the deposit of public money or public funds in excess of the amount
8 insured or guaranteed by the Federal Deposit Insurance Corporation may
9 give security by furnishing securities or providing a deposit guaranty
10 bond, or any combination thereof, pursuant to the Public Funds Deposit
11 Security Act in satisfaction of the requirement.

12 Sec. 4. Section 77-2392, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 77-2392 A bank, capital stock financial institution, or qualifying
15 mutual financial institution which has furnished securities pursuant to
16 the Public Funds Deposit Security Act shall have the right at any time
17 and without prior approval to substitute, exchange, or release other
18 securities of equal value in lieu of securities furnished except that
19 such securities substituted, exchanged, or released shall be those
20 provided for under the act and such substitution, exchange, or release
21 shall not reduce the market value of the securities to an amount that is
22 less than one hundred two percent of the total amount of public money or
23 public funds less the portion of such public money or public funds
24 insured or guaranteed by the Federal Deposit Insurance Corporation.
25 Following any substitution, exchange, or release of securities pursuant
26 to this section by a bank, capital stock financial institution, or
27 qualifying mutual financial institution utilizing the dedicated method as
28 provided in subdivision (2)(a) of section 77-2398, the custodial official
29 shall report such substitution, exchange, or release to the governing
30 authority.

31 Sec. 5. Section 77-2394, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-2394 A bank, capital stock financial institution, or qualifying
3 mutual financial institution provides a deposit guaranty bond pursuant to
4 the Public Funds Deposit Security Act if it issues a deposit guaranty
5 bond which runs to the director or custodial official, as applicable, and
6 which is conditioned that the bank, capital stock financial institution,
7 or qualifying mutual financial institution shall, at the end of each and
8 every month, render to the custodial official a statement, in duplicate,
9 showing the daily balances and the amounts of public money or public
10 funds of the governing authority held by it during the month and how
11 credited. The public money or public funds shall be paid promptly on the
12 order of the custodial official depositing the public money or public
13 funds.

14 Sec. 6. Section 77-2395, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-2395 (1) If a bank, capital stock financial institution, or
17 qualifying mutual financial institution designated as a depository
18 provides a deposit guaranty bond or furnishes securities or any
19 combination thereof, pursuant to section 77-2389, the custodial official
20 shall not have on deposit in such depository any public money or public
21 funds in excess of the amount insured or guaranteed by the Federal
22 Deposit Insurance Corporation, unless and until the depository has
23 provided a deposit guaranty bond or furnished securities, or any
24 combination thereof, to the custodial official ~~securities,~~ and the total
25 ~~market~~ value of such deposit guaranty bond and the market value of such
26 securities ~~which~~ are in an amount not less than one hundred two percent
27 of the amount on deposit which is in excess of the amount so insured or
28 guaranteed.

29 (2) If a bank, capital stock financial institution, or qualifying
30 mutual financial institution designated as a depository provides a
31 deposit guaranty bond or furnishes securities or any combination thereof,

1 pursuant to subsection (1) of section 77-2398, the custodial official
2 shall not have on deposit in such depository any public money or public
3 funds in excess of the amount insured or guaranteed by the Federal
4 Deposit Insurance Corporation, unless and until the depository has
5 provided a deposit guaranty bond or furnished securities, or any
6 combination thereof, pursuant to the Public Funds Deposit Security Act to
7 ~~the custodial official securities, and the total~~ market value of such
8 deposit guaranty bond and the market value of such securities which are
9 in an amount not less than one hundred two ~~five~~ percent of the amount on
10 deposit which is in excess of the amount so insured or guaranteed.

11 ~~(3) If a bank, capital stock financial institution, or qualifying~~
12 ~~mutual financial institution designated as a depository provides a~~
13 ~~deposit guaranty bond pursuant to the Public Funds Deposit Security Act,~~
14 ~~the custodial official shall not have on deposit in such depository any~~
15 ~~public money or public funds in excess of the amount insured or~~
16 ~~guaranteed by the Federal Deposit Insurance Corporation, unless and until~~
17 ~~the depository has provided to the custodial official a deposit guaranty~~
18 ~~bond in an amount not less than the amount on deposit which is in excess~~
19 ~~of the amount so insured or guaranteed.~~

20 Sec. 7. Section 77-2396, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-2396 No custodial official shall be liable on his or her official
23 bond as such custodial official for public money or public funds on
24 deposit in a bank, capital stock financial institution, or qualifying
25 mutual financial institution designated as a depository if the depository
26 has furnished securities or provided a deposit guaranty bond, or any
27 combination thereof, pursuant to the Public Funds Deposit Security Act.

28 Sec. 8. Section 77-2397, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 77-2397 All depositories of public money or public funds belonging
31 to the State of Nebraska or the political subdivisions in this state

1 shall have full authority to deposit, pledge, or grant a security
2 interest in their assets or to provide a deposit guaranty bond, or any
3 combination thereof, for the security and payment for all such deposits
4 and accretions. The State of Nebraska and any political subdivision in
5 this state are given the right and authority to accept such deposit,
6 pledge, or grant of a security interest in assets or the provision of a
7 deposit guaranty bond, or any combination thereof.

8 Sec. 9. Section 77-2398, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 77-2398 (1) As an alternative to the requirements to secure the
11 deposit of public money or public funds in excess of the amount insured
12 or guaranteed by the Federal Deposit Insurance Corporation pursuant to
13 sections 77-2389 and 77-2394, a bank, capital stock financial
14 institution, or qualifying mutual financial institution designated as a
15 public depository may secure the deposits of one or more governmental
16 units by providing a deposit guaranty bond or by depositing, pledging, or
17 granting a security interest in a single pool of securities or by a
18 combination thereof to secure the repayment of all public money or public
19 funds deposited in the bank, capital stock financial institution, or
20 qualifying mutual financial institution by such governmental units and
21 not otherwise secured pursuant to law, if at all times the total value of
22 the deposit guaranty bond and is at least equal to the amount on deposit
23 ~~which is in excess of the amount so insured or guaranteed or the~~
24 aggregate market value of the pool of securities so deposited, pledged,
25 or in which a security interest is granted is at least equal to one
26 hundred two ~~five~~ percent of the amount on deposit which is in excess of
27 the amount so insured or guaranteed. Each such bank, capital stock
28 financial institution, or qualifying mutual financial institution shall
29 carry on its accounting records at all times a general ledger or other
30 appropriate account of the total amount of all public money or public
31 funds to be secured by a deposit guaranty bond or by the pool of

1 securities, or any combination thereof, as determined at the opening of
2 business each day, and the total value of the deposit guaranty bond or
3 the aggregate market value of the pool of securities deposited, pledged,
4 or in which a security interest is granted to secure such public money or
5 public funds. For purposes of this section, a pool of securities shall
6 include shares of investment companies registered under the federal
7 Investment Company Act of 1940 when the investment companies' assets are
8 limited to obligations that are eligible for investment by the bank,
9 capital stock financial institution, or qualifying mutual financial
10 institution and limited by their prospectuses to owning securities
11 enumerated in section 77-2387.

12 (2) A bank, capital stock financial institution, or qualifying
13 mutual financial institution may secure the deposit of public money or
14 public funds using the dedicated method, the single bank pooled method,
15 or both methods as set forth in subsection (1) of this section.

16 (a) Under the dedicated method, a bank, capital stock financial
17 institution, or qualifying mutual financial institution may secure the
18 deposit of public money or public funds by each governmental unit
19 separately by furnishing securities or providing a deposit guaranty bond,
20 or any combination thereof, pursuant to the Public Funds Deposit Security
21 Act.

22 (b)(i) Under the single bank pooled method, a bank, capital stock
23 financial institution, or qualifying mutual financial institution may
24 secure the deposit of public money or public funds of one or more
25 governmental units by providing a deposit guaranty bond or through a pool
26 of eligible securities established by such bank, capital stock financial
27 institution, or qualifying mutual financial institution with a qualified
28 trustee, or any combination thereof, to be held subject to the order of
29 the director or the administrator for the benefit of the governmental
30 units having public money or public funds with such bank, capital stock
31 financial institution, or qualifying mutual financial institution as set

1 forth in subsection (1) of this section.

2 (ii) The director shall designate a bank, savings association, trust
3 company, or other qualified firm, corporation, or association which is
4 authorized to transact business in this state to serve as the
5 administrator with respect to a single bank pooled method. Fees and
6 expenses of such administrator shall be paid by the banks, capital stock
7 financial institutions, or qualifying mutual financial institutions
8 utilizing the single bank pooled method.

9 (iii) If a bank, capital stock financial institution, or qualifying
10 mutual financial institution elects to secure the deposit of public money
11 or public funds through the use of the single bank pooled method, such
12 bank, capital stock financial institution, or qualifying mutual financial
13 institution shall notify the administrator in writing that it has elected
14 to utilize the single bank pooled method and the proposed effective date
15 thereof.

16 (iv) The single bank pooled method shall not be utilized by any
17 bank, capital stock financial institution, or qualifying mutual financial
18 institution unless an administrator has been designated by the director
19 pursuant to subdivision (2)(b)(ii) of this section and is acting as the
20 administrator.

21 (3) ~~(2)~~ Only a deposit guaranty bond and the securities listed in
22 subdivision ~~(14)~~ ~~(13)~~ of section 77-2387 may be provided and accepted as
23 security for the deposit of public money or public funds and shall be
24 eligible as collateral. The qualified trustee shall not accept any
25 securities ~~no~~ security which are ~~is~~ not listed in subdivision ~~(14)~~ ~~(13)~~
26 of section 77-2387.

27 Sec. 10. Section 77-2399, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 77-2399 Each governmental unit depositing public money or public
30 funds in a bank, capital stock financial institution, or qualifying
31 mutual financial institution shall have an undivided beneficial interest

1 under the deposit guaranty bond provided and ~~or~~ an undivided security
2 interest in the pool of securities deposited, pledged, or in which a
3 security interest is granted by such a bank, capital stock financial
4 institution, or qualifying mutual financial institution pursuant to
5 subsection (1) of section 77-2398 in the proportion that the total amount
6 of the governmental unit's public money or public funds held deposited in
7 such bank, capital stock financial institution, or qualifying mutual
8 financial institution secured by the deposit guaranty bond or by the pool
9 of securities, or any combination thereof, bears to the total amount of
10 public money or public funds so secured. Articles 8 and 9, Uniform
11 Commercial Code, shall not apply to any security interest arising under
12 this section.

13 Sec. 11. Section 77-23,100, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 77-23,100 (1) Any bank, capital stock financial institution, or
16 qualifying mutual financial institution in which public money or public
17 funds has ~~have~~ been deposited which satisfies its requirement to secure
18 the deposit of public money or public funds in excess of the amount
19 insured or guaranteed by the Federal Deposit Insurance Corporation, in
20 whole or in part, by the deposit, pledge, or granting of a security
21 interest in a single pool of securities shall designate a qualified
22 trustee and place with the trustee for holding the securities so
23 deposited, pledged, or in which a security interest has been granted
24 pursuant to subsection (1) of section 77-2398, subject to the order of
25 the director or the administrator. The bank, capital stock financial
26 institution, or qualifying mutual financial institution shall give
27 written notice of the designation of the qualified trustee to any
28 custodial official depositing public money or public funds for which such
29 securities are deposited, pledged, or in which a security interest has
30 been granted, and if an affiliate of the bank, capital stock financial
31 institution, or qualifying mutual financial institution is to serve as

1 the qualified trustee, the notice shall disclose the affiliate
2 relationship and shall be given prior to designation of the qualified
3 trustee. The custodial official shall accept the written receipt of the
4 trustee describing the pool of securities so deposited, pledged, or in
5 which a security interest has been granted by the bank, capital stock
6 financial institution, or qualifying mutual financial institution, a copy
7 of which shall also be delivered to the bank, capital stock financial
8 institution, or qualifying mutual financial institution.

9 (2) Any bank, capital stock financial institution, or qualifying
10 mutual financial institution which satisfies its requirement to secure
11 the deposit of public money or public funds in excess of the amount
12 insured or guaranteed by the Federal Deposit Insurance Corporation under
13 the Public Funds Deposit Security Act, in whole or in part, by providing
14 a deposit guaranty bond pursuant to the provisions of subsection (1) of
15 section 77-2398 shall designate the director ~~a qualified trustee~~ and
16 cause to be issued a deposit guaranty bond which runs to the director
17 ~~qualified trustee~~ and which is conditioned that the bank, capital stock
18 financial institution, or qualifying mutual financial institution shall
19 render to the administrator ~~qualified trustee~~ the statement required
20 under subsection (3) of this section.

21 (3) Each bank, capital stock financial institution, or qualifying
22 mutual financial institution which satisfies its requirement to secure
23 the deposit of public money or public funds in excess of the amount
24 insured or guaranteed by the Federal Deposit Insurance Corporation by
25 providing a deposit guaranty bond or by depositing, pledging, or granting
26 a security interest in a single pool of securities, or any combination
27 thereof, shall, on or before the tenth day of each month, render to the
28 administrator ~~qualified trustee~~ a statement showing as of the last
29 business day of the previous month (a) the amount of public money or
30 public funds deposited in such bank, capital stock financial institution,
31 or qualifying mutual financial institution that is not insured or

1 guaranteed by the Federal Deposit Insurance Corporation (i) by each
2 custodial official separately and (ii) by all custodial officials in the
3 aggregate and (b) the total value of the deposit guaranty bond and ~~or~~ the
4 aggregate market value of the pool of securities deposited, pledged, or
5 in which a security interest has been granted pursuant to subsection (1)
6 of section 77-2398. The director ~~Any qualified trustee~~ shall be
7 authorized, acting for the benefit of custodial officials, to take any
8 and all actions necessary to take title to or to effect a first perfected
9 security interest in the securities deposited, pledged, or in which a
10 security interest is granted.

11 (4) Within twenty ~~ten~~ days after receiving the statement required
12 under subsection (3) of this section from a bank, capital stock financial
13 institution, or qualifying mutual financial institution, the
14 administrator ~~qualified trustee~~ shall provide a report to each custodial
15 official listed in such statement reflecting (a) the amount of public
16 money or public funds deposited in such bank, capital stock financial
17 institution, or qualifying mutual financial institution by each custodial
18 official as of the last business day of the previous month that is not
19 insured or guaranteed by the Federal Deposit Insurance Corporation and
20 that is secured pursuant to subsection (1) of section 77-2398 and (b) the
21 total value of the deposit guaranty bond and ~~or~~ the aggregate market
22 value of the pool of securities deposited, pledged, or in which a
23 security interest is granted pursuant to subsection (1) of section
24 77-2398 as of the last business day of the previous month. The report
25 shall clearly notify the custodial official if the value of the
26 securities deposited does not meet the statutory requirement.

27 Sec. 12. Section 77-23,101, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 77-23,101 Any Federal Reserve Bank, branch of a Federal Reserve
30 Bank, a federal home loan bank, or another responsible bank which is
31 authorized to exercise trust powers, capital stock financial institution

1 which is authorized to exercise trust powers, qualifying mutual financial
2 institution which is authorized to exercise trust powers, or trust
3 company, other than the pledgor or the bank, capital stock financial
4 institution, or qualifying mutual financial institution providing the
5 deposit guaranty bond or granting the security interest, is qualified to
6 act as a qualified trustee for the receipt of a deposit guaranty bond or
7 the holding of securities under section 77-23,100. The bank, capital
8 stock financial institution, or qualifying mutual financial institution
9 in which public money or public funds are deposited may at any time
10 substitute, exchange, or release securities deposited with a qualified
11 trustee if such substitution, exchange, or release does not reduce the
12 aggregate market value of the pool of securities to an amount that is
13 less than one hundred two ~~five~~ percent of the total amount of public
14 money or public funds less the portion of such public money or public
15 funds insured or guaranteed by the Federal Deposit Insurance Corporation.
16 The bank, capital stock financial institution, or qualifying mutual
17 financial institution in which public money or public funds are deposited
18 may at any time reduce the amount of the deposit guaranty bond if the
19 reduction does not reduce the total combined value of the deposit
20 guaranty bond and the aggregate market value of the pool of securities to
21 an amount less than one hundred two percent of the total amount of public
22 money or public funds less the portion of such public money or public
23 funds insured or guaranteed by the Federal Deposit Insurance Corporation.

24 Sec. 13. Section 77-23,102, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 77-23,102 (1) When the director determines that ~~If~~ a bank, capital
27 stock financial institution, or qualifying mutual financial institution
28 has experienced ~~experiences~~ an event of default the director ~~qualified~~
29 ~~trustee~~ shall proceed in the following manner: (a) The director ~~qualified~~
30 ~~trustee~~ shall ascertain the aggregate amounts of public money or public
31 funds secured pursuant to subsection (1) of section 77-2398 and deposited

1 in the bank, capital stock financial institution, or qualifying mutual
2 financial institution which has defaulted, as disclosed by the records of
3 such bank, capital stock financial institution, or qualifying mutual
4 financial institution. The director ~~qualified trustee~~ shall determine for
5 each custodial official for whom public money or public funds are
6 deposited in the defaulting bank, capital stock financial institution, or
7 qualifying mutual financial institution the accounts and amount of
8 federal deposit insurance or guarantee that is available for each
9 account. The director ~~It~~ shall then determine for each such custodial
10 official the amount of public money or public funds not insured or
11 guaranteed by the Federal Deposit Insurance Corporation and the amount of
12 the deposit guaranty bond or pool of securities pledged, deposited, or in
13 which a security interest has been granted, or any combination thereof,
14 to secure such public money or public funds. Upon completion of this
15 analysis, the director ~~qualified trustee~~ shall provide each such
16 custodial official with a statement that reports the amount of public
17 money or public funds deposited by the custodial official in the
18 defaulting bank, capital stock financial institution, or qualifying
19 mutual financial institution, the amount of public money or public funds
20 that may be insured or guaranteed by the Federal Deposit Insurance
21 Corporation, and the amount of public money or public funds secured by a
22 deposit guaranty bond or secured by a pool of securities, or any
23 combination thereof, pursuant to subsection (1) of section 77-2398. Each
24 such custodial official shall verify this information from his or her
25 records within ten business days after receiving the report and
26 information from the director ~~qualified trustee~~; and (b) upon receipt of
27 a verified report from such custodial official and if the defaulting
28 bank, capital stock financial institution, or qualifying mutual financial
29 institution is to be liquidated or if for any other reason the director
30 ~~qualified trustee~~ determines that public money or public funds are not
31 likely to be promptly paid upon demand, the director ~~qualified trustee~~

1 shall proceed to enforce the deposit guaranty bond ~~and~~ ~~or~~ liquidate the
2 pool of securities held to secure the deposit of public money or public
3 funds and shall repay each custodial official for the public money or
4 public funds not insured or guaranteed by the Federal Deposit Insurance
5 Corporation deposited in the bank, capital stock financial institution,
6 or qualifying mutual financial institution by the custodial official. In
7 the event that the amount of the deposit guaranty bond or the proceeds of
8 the securities held by the director ~~qualified trustee~~ after liquidation
9 is insufficient to cover all public money or public funds not insured or
10 guaranteed by the Federal Deposit Insurance Corporation for all custodial
11 officials for whom the director ~~qualified trustee~~ serves, the director
12 ~~qualified trustee~~ shall pay out to each custodial official available
13 amounts pro rata in accordance with the respective public money or public
14 funds not insured or guaranteed by the Federal Deposit Insurance
15 Corporation for each such custodial official.

16 (2) In the event that a federal deposit insurance agency is
17 appointed and acts as a liquidator or receiver of any bank, capital stock
18 financial institution, or qualifying mutual financial institution under
19 state or federal law, those duties under this section that are specified
20 to be performed by the director ~~qualified trustee~~ in the event of default
21 may be delegated to and performed by such federal deposit insurance
22 agency.

23 Sec. 14. The director and the administrator under the Public Funds
24 Deposit Security Act shall, except for actions or inactions that
25 constitute gross negligence or intentional wrongful acts, be immune from
26 liability for any act required of or authorized for the director and the
27 administrator under the act.

28 Sec. 15. The director may adopt and promulgate rules and
29 regulations, establish policies and procedures, prescribe forms, or issue
30 orders as may be necessary to accomplish the purposes of the Public Funds
31 Deposit Security Act.

1 Sec. 16. This act becomes operative on July 1, 2020.

2 Sec. 17. Original sections 77-2386, 77-2387, 77-2388, 77-2392,
3 77-2394, 77-2395, 77-2396, 77-2397, 77-2398, 77-2399, 77-23,100,
4 77-23,101, and 77-23,102 Reissue Revised Statutes of Nebraska, are
5 repealed.