

LEGISLATIVE BILL 488

Approved by the Governor February 8, 1988

Introduced by L. Johnson, 15; Hannibal, 4; Goodrich, 20;
Labeledz, 5

AN ACT relating to financial institutions; to provide for the deposit of funds of the state and political subdivisions in certain financial institutions; to provide duties for the Revisor of Statutes; to provide an operative date; and to provide severability.

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

Section 1. (1) Notwithstanding any other provision of law, any local ordinance or regulation, or any rule or regulation to the contrary, the funds of this state or any political subdivision of the state may be deposited, by the appropriate custodians of such funds, with capital stock financial institutions to the same extent and subject to the same terms, conditions, and limitations, including collateralization required, if any, as may be otherwise provided for the deposit of such funds in banks. Capital stock financial institutions shall include state and national banks, capital stock state building and loan associations, capital stock federal savings and loan associations, capital stock federal savings banks, capital stock industrial loan and investment companies, and capital stock state savings banks. To the extent any deposit in any bank is:

(a) Required to be insured by the Federal Deposit Insurance Corporation, then such insurance may instead be provided by the Federal Savings and Loan Insurance Corporation;

(b) Required to be subject to check or draft, then such deposit may be subject to order; and

(c) Required to be made, maintained, or otherwise dealt with by reference to the capital of any bank, then it may be so made, maintained, or dealt with by reference to the capital or net worth of such financial institution, and if by reference to the undivided profits, capital notes, debentures, or other capital items of any bank, then to any unimpaired reserves, capital notes, and debentures or comparable capital items of such other financial institution.

(2) To the extent the state or any political

subdivision is or may ever be required by any law to deposit funds in any bank, the state or any such political subdivision shall, to the same extent and subject to the same terms, conditions, and limitations, including collateralization required, be required to make deposits in any capital stock financial institution on the same basis.

(3) This section shall be applied in a manner consistent with the intention of the Legislature which is to provide for the deposit of funds of the state and any political subdivision in capital stock financial institutions.

Sec. 2. In any section of the law dealing with the deposit of funds of any political subdivision, the Revisor of Statutes shall substitute the term capital stock financial institution, as defined in section 1 of this act, for the term bank so long as the result is not inconsistent with the intention of this act.

Sec. 3. This act shall become operative on January 1, 1990.

Sec. 4. If any section in this act or any part of any section shall be declared invalid or unconstitutional, such declaration shall not affect the validity or constitutionality of the remaining portions thereof.