

## LEGISLATIVE BILL 33

Approved by the Governor February 7, 1989

Introduced by Labedz, 5, Chairperson, Executive Board

AN ACT relating to public depositories; to amend sections 2-3227, 2-4214, 3-506, 3-709, 13-504, 13-1305, 14-512, 14-556, 14-563, 14-1237, 14-1719, 15-845, 15-846, 15-847, 15-848, 15-849, 16-712, 16-713, 16-714, 16-715, 17-607, 18-2102.01, 18-2473, 24-601.04, 46-146, 46-1.139, 46-1.140, 46-1.141, 72-1268.04, 72-1268.05, 77-2312, 77-2313, 77-2314, 77-2317, 77-2318, 77-2319, 77-2321, 77-2322, 77-2323, 77-2325, 77-2340, 77-2342, 77-2343, 77-2344, 77-2345, 77-2346, 77-2347, 77-2348, 77-2349, 77-2353, 77-2354, 77-2355, 77-2357, 77-2358, 77-2359, 77-2360, 77-2361, 77-2362, 77-2364, and 79-1051.03, Reissue Revised Statutes of Nebraska, 1943, and sections 3-616, 77-2318.01, 77-2320, 77-2326.02, 77-2326.03, 77-2326.04, 77-2326.06, 77-2326.07, 77-2326.08, 77-2326.09, 77-2328, 77-2329, 77-2350, 77-2350.01, 77-2351, 77-2352, 77-2353.01, 77-2363, and 77-2367, Revised Statutes Supplement, 1988; to change provisions relating to the investment of public funds as prescribed; to implement a duty of the Revisor of Statutes; to harmonize provisions; to provide an operative date; and to repeal the original sections.

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

Section 1. That section 2-3227, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

2-3227. Each district may invest any surplus money in the district treasury, including such money as may be in any sinking fund established for the purpose of providing for the payment of the principal or interest of any contract, bond, or other indebtedness or for any other purpose, not required for the immediate needs of the district, (1) in certificates of deposit of banks which are members of the Federal Deposit Insurance Corporation except that whenever the amount deposited exceeds the amount of insurance available thereon, the

excess shall be secured in the same manner as for the deposit of public funds, (2) in certificates of deposit of capital stock financial institutions as provided by section 77-2366, (3) in loan associations in the State of Nebraska to the extent that deposits therein are insured by the Federal Savings and Loan Insurance Corporation, (4) in its own bonds, (5) in treasury notes or bonds of the United States, or (6) in bonds or debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration. Investments in bonds or treasury notes may be made by direct purchase of any issue of such bonds or treasury notes, or part thereof, at the original sale of the same, or by the subsequent purchase of such bonds or treasury notes. Any bonds or treasury notes thus purchased and held may, from time to time, be sold and the proceeds reinvested in bonds or treasury notes as provided in this section. Sales of any bonds or treasury notes thus purchased and held shall, from time to time, be made in season so that the proceeds may be applied to the purposes for which the money with which the bonds or treasury notes were originally purchased was placed in the treasury of the district. The functions and duties authorized by this section shall be performed under such rules and regulations as shall be prescribed by the board.

Sec. 2. That section 2-4214, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

2-4214. The corporation shall have the following duties:

(1) To invest any funds not needed for immediate disbursement, including any funds held in reserve, in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States of America; obligations issued by agencies of the United States of America; obligations of this state or of any political subdivision, except obligations of sanitary and improvement districts organized under Chapter 31, article 7; certificates of deposit of banks whose deposits are insured by the Federal Deposit Insurance Corporation or collateralized by deposit of securities with the secretary-treasurer of the corporation, as, and to the extent not covered by insurance, with securities which are eligible for securing the deposits of the state or counties, school districts, cities, or villages of the state;

certificates of deposit of capital stock financial institutions as provided by section 77-2366; repurchase agreements which are fully secured by any of such securities or obligations which may be unsecured and unrated, including investment agreements, of any corporation, national bank, capital stock financial institution, bankholding company, insurance company, or trust company which has outstanding debt obligations which are rated by a nationally recognized rating agency in one of the three highest rating categories established by such rating agency; or any obligations or securities which may from time to time be legally purchased by governmental subdivisions of this state pursuant to section 77-2341;

(2) To collect fees and charges, as the corporation determines to be reasonable, in connection with its loans, advances, insurance commitments, and servicing;

(3) To cooperate with and exchange services, personnel, and information with any federal, state, or local governmental agencies;

(4) To sell, assign, or otherwise dispose of at public or private sale, with or without public bidding, any mortgage or other obligations held by the corporation; and

(5) To do any act necessary or convenient to the exercise of the powers granted by the Conservation Corporation Act or reasonably implied from it.

Sec. 3. That section 3-506, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

3-506. All income, revenue, receipts, profits, and money of an authority from whatever source derived shall be paid either to the treasurer of the city in which such authority is established as ex officio treasurer of the authority who shall not commingle such money with any other money under his or her control or to the person appointed as treasurer of the airport authority in accordance with section 3-506.01. Such money shall be deposited in a separate bank or capital stock financial institution account or accounts. Such money and shall be withdrawn only by check, or draft, or order signed by said the treasurer on requisition of the ~~chairman~~ chairperson of the authority or of such other person or persons as the authority may authorize to make such requisitions, approved by the board. The chief auditing officer of the city and his or her legally authorized representatives are hereby authorized and empowered from

time to time to examine the accounts and books of such authority, including its receipts, disbursements, contracts, leases, sinking funds, and investments, and any other matters relating to its financial standing. Notwithstanding the provisions of this section, such authority may contract with the holders of any of its bonds as to collection, custody, securing, investment, and payment of any money of the authority, or any money held in trust or otherwise for the payment of bonds, or in any way to secure bonds. The authority may, and to carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. All banks, capital stock financial institutions, and trust companies are hereby authorized to give security for such deposits of money of authorities as shall be required by law to secure the deposit of funds of cities. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 4. That section 3-616, Revised Statutes Supplement, 1988, be amended to read as follows:

3-616. All income, revenue, receipts, profits, and money of an authority from whatever source derived shall be paid to the treasurer of the authority who shall not commingle such money with any other money under his or her control. Such money shall be deposited in a separate bank or capital stock financial institution account or accounts. Such money and shall be withdrawn only by check, or draft, or order signed by such treasurer on requisition of the chairperson of the authority or of such other person or persons as the authority may authorize to make such requisitions, approved by the board. The chief auditing officer of the county and his or her legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of such authority, including its receipts, disbursements, contracts, leases, sinking funds, and investments, and any other matters relating to its financial standing. Notwithstanding the provisions of this section, such authority may contract with the holders of any of its bonds as to collection, custody, securing, investment, and payment of any money of the authority or any money held in trust or otherwise for the payment of bonds, or in any way to secure bonds. The authority may, and to carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. All banks, capital stock financial institutions, and trust companies are hereby

authorized to give security for such deposits of money of authorities as shall be required by law to secure the deposit of funds of counties. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 5. That section 3-709, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

3-709. All income, revenue, receipts, profits, and money of a joint authority, from whatever source derived, shall be paid to the treasurer of the joint authority who shall not commingle such money with any other money under his or her control. Such money shall be deposited in a separate bank or capital stock financial institution account or accounts. Such money and shall be withdrawn only by check, or draft, or order signed by the treasurer on requisition, of the chairman chairperson of the joint authority or of such other person or persons as the joint authority may authorize to make such requisitions, approved by the board. Notwithstanding the provisions of this section, such joint authority may contract with the holders of any of its bonds as to collection, custody, securing, investment, and payment of any money of the joint authority, or any money held in trust or otherwise for the payment of bonds, or in any way to secure bonds. The joint authority may, and to carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. All banks, capital stock financial institutions, and trust companies are hereby authorized to give security for such deposits of money of joint authorities as shall be required by law to secure the deposit of public funds. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 6. That section 13-504, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

13-504. (1) Each governing body shall prepare in writing and file with its secretary or clerk, in the year of its organization and each year thereafter, not later than the first day of August of each year on forms prescribed and furnished by the auditor following consultation with representatives of such governing bodies or as otherwise authorized by state law, a proposed budget statement containing the following information, except as provided by state law:

(a) For the immediate two prior fiscal years,

the revenue from all sources, other than revenue received from taxation, allocated to each of the several funds and separately stated as to each such source, and for each fund: The unencumbered cash balance of such fund at the beginning and end of the year; the amount received by taxation allocated to each fund; and the amount of actual expenditure for each fund;

(b) For the current fiscal year, actual and estimated revenue from all sources, allocated to each of the several funds and separately stated as to each such source, and for each fund: The actual unencumbered cash balance available for such fund at the beginning of the year; the amount received from taxation allocated to each fund; and the amount of actual and estimated expenditure, whichever is applicable. Such statement shall contain the cash reserve for each such fund for each fiscal year and shall note whether or not such reserve is encumbered. Such cash reserve projections shall be based upon the actual experience of prior years. The cash reserve shall not exceed fifty percent of the total budget adopted for such fund, exclusive of capital outlay items;

(c) For the immediately ensuing fiscal year, an estimate of revenue from all sources, other than revenue to be received from taxation, separately stated as to each such source, to be allocated to each of the several funds, and for each fund the actual or estimated unencumbered cash balances, whichever is applicable, to be available at the beginning of the year, amounts proposed to be expended during the year plus the amount of cash reserve, based on actual experience of prior years, which cash reserve shall not exceed fifty percent of the total budget adopted, exclusive of capital outlay items; and

(d) A uniform summary of the proposed budget statement which shall include a separate total for each fund and a grand total of all funds maintained by the governing body.

(2) The actual or estimated unencumbered cash balance of each fund required to be included in the budget statement by this section shall include bank deposits and investments of the political subdivision as well as any funds held by the county treasurer for the political subdivision and shall be accurately stated on the proposed budget statement.

(3) The political subdivision shall correct any material errors in the budget statement detected by the Auditor of Public Accounts or by other sources.

Sec. 7. That section 13-1305, Reissue Revised

Statutes of Nebraska, 1943, be amended to read as follows:

13-1305. All taxes or other receipts, income, revenue, profits, and money of a commission from whatever source derived shall be paid to the treasurer of the county in which such commission is established as ex officio treasurer of the commission, who shall not commingle such money with any other money under his or her control. Such money shall be deposited in a separate bank or capital stock financial institution account or accounts and shall be withdrawn only by check, ~~or~~ draft, ~~or~~ order signed by the treasurer on requisition of the ~~chairman~~ chairperson of the board of the commission or of such other person or persons as the commission may authorize to make such requisition, approved by the board. The chief auditing officer of the county and his or her legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of such commission, including its receipts, disbursements, contracts, leases, sinking funds, and investments and any other matters relating to its financial standing. Notwithstanding the provisions of this section, the board may contract with the holders of any of its bonds as to the collection, custody, securing, investment, and payment of any money of the commission or money held in trust or otherwise for the payment of bonds or in any way to secure bonds. The board may and to carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. All banks, capital stock financial institutions, and trust companies are hereby authorized to give security for such deposits of money of the commission as shall be required by law to secure the deposit of funds of counties. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 8. That section 14-512, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

14-512. The council shall provide and maintain a sinking fund for the payment of the general bonds of the city and the interest thereon. Such sinking fund shall be maintained from the following sources of revenue: (1) Amounts raised by taxation for that purpose; (2) interest received from deposit of funds, ~~in the banks~~; (3) balances transferred at the end of each fiscal year from the several funds provided for in sections 14-501 and 14-502; ~~7~~ and (4) such other

amounts and sums as may be transferred thereto by the council. Money and credits in the sinking fund shall be held inviolate, shall not be transferred to any other fund, and shall be used for the purpose of paying ~~(1)~~ (a) the interest on the general bonds of the city, ~~(2)~~ (b) maturing bonds of the city, and ~~(3)~~ (c) bonds of the city which may be paid before maturity. The money and credits thereof when not used or needed for the purposes ~~above~~ specified in this section may temporarily be invested in registered general warrants of the city or of the school district situated within the city; ~~but~~ under such conditions as will enable the same to be obtained and available at any time desired for the purposes ~~above~~ specified in this section.

Sec. 9. That section 14-556, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

14-556. (1) The city treasurer shall place all funds of the city, as the same accrue, on deposit in such banks or capital stock financial institutions within the city as shall agree to pay the highest rate of interest for the use of such funds so deposited. The ~~7~~ and the city council is hereby directed to advertise for bids for rates for the deposit of such funds as is hereby contemplated.

(2) The ~~bank or banks, or capital stock~~ financial institutions referred to in subsection (1) of this section, so selected, shall give bond to the city for the safekeeping of ~~said~~ such funds, in a sum double the amount of money in their possession at any one time, which bond shall be approved by the city council. The fact that a stockholder, director, or other officer of such ~~banking~~ financial institution shall also be serving as mayor, ~~as a~~ member of the city council, ~~as a~~ member of a board of public works, or as any other officer of such municipality, shall not disqualify such ~~bank~~ financial institution from acting as a depository for such municipal funds. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 10. That section 14-563, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

14-563. Notwithstanding any provision of a home rule charter, funds of the city available for such purpose may be invested in securities of the United States, the State of Nebraska, a ~~metropolitan~~ city of the metropolitan class, a county in which such metropolitan city of the metropolitan class is located,



or a school district of such city, in the securities of municipally owned and operated public utility property and plants of such city, or in the same manner as funds of the State of Nebraska are invested, except that the city treasurer may purchase certificates of deposit from and make time deposits in banks or capital stock financial institutions selected as depositories of city funds. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 11. That section 14-1237, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

14-1237. Funds under control of the commission may be invested in certificates of deposit in national banks or capital stock financial institutions or in bonds or other evidences of indebtedness which are general obligations of the United States, the State of Nebraska or other states, or the city or the cities cooperating as provided in section 14-1202, but only in such a manner as to be immediately available for recapture when needed for the purposes authorized in sections 14-1201 to 14-1252. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 12. That section 14-1719, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

14-1719. All money received by the authority from whatever source, including sale of its bonds, shall be deemed to be public trust funds to be held and applied in the manner provided in ~~sections 14-1701 to 14-1725~~ the Parking Authority Law and under such restrictions, if any, as the authority may provide in any resolution authorizing the issuance of bonds or bond agreement executed by it. The money shall be deposited in such banks, capital stock financial institutions, or trust companies as may be selected by the authority from time to time. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 13. That section 15-845, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

15-845. The city treasurer of a city of the primary class shall deposit and at all times keep on deposit for safekeeping in the state or national banks, in the capital stock financial institutions, or in some of them doing business in such city of approved and responsible standing all money collected, received, or

held by him or her as such city treasurer. Any such bank or capital stock financial institution located in the city may apply for the privilege of keeping such money or any part thereof upon the following conditions: (1) All such deposits shall be subject to payment when demanded by the city treasurer; and (2) such deposits shall be subject to all regulations imposed by law or adopted by the city for the receiving and holding thereof. The fact that a stockholder, director, or other officer of such bank financial institution shall also be serving as mayor, as a member of the city council, or as any other officer of such municipality shall not disqualify such bank financial institution from acting as a depository for such municipal funds. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 14. That section 15-846, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

15-846. For the security of the funds ~~so~~ funds deposited, as provided in section 15-845, the city treasurer shall require each depository bank to give bond for the safekeeping and payment of such deposits and the accretions thereof, which bond shall run to the city and be approved by the mayor. Such bond shall be conditioned that such a depository shall, at the end of every quarter, render to the treasurer a statement in duplicate showing the several daily balances, the amount of money of the city held by it during the quarter, the amount of the accretion thereto, and how credited. The bond shall also be conditioned that the depository shall pay such deposit and the accretion when demanded by the city treasurer at any time, generally do and perform whatever may be required by sections 15-845 to 15-847, and faithfully discharge the trust reposed in such depository. Such bond shall be as nearly as practicable in the form provided in section 77-2304. No person in any way connected with any depository bank, as officer or stockholder, shall be accepted as a surety on any bond given by the depository bank of which he or she is an officer or stockholder. Such bond shall be deposited with the city clerk. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 15. That section 15-847, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

15-847. In lieu of the bond required by section 15-846, any bank or capital stock financial

institution making application to become a depository may deposit or pledge as security with the city treasurer United States Government bonds, bonds of the State of Nebraska, or bonds of any state whose bonds are purchased by the Board of Educational Lands and Funds of this state for investment of the permanent school fund, warrants of the State of Nebraska, county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, or warrants of the county or any city, village, or school district in the county. The penal sum of such bond or the sum of such pledge of assets may be reduced in the amount of such deposit insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. The depository ~~bank~~ depositing or pledging securities ~~above~~ described in this section shall have the right to substitute other approved securities as provided in this section in lieu of securities already pledged if it so desires at any time. The depository ~~bank~~ may at its option deposit or make the pledge of securities authorized in this section in the manner provided in section 77-2328. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 16. That section 15-848, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

15-848. The city treasurer shall not have on deposit in any bank or capital stock financial institution at any time more than the maximum amount of the bond given by such bank financial institution if the bank financial institution gives a surety bond, nor in any bank financial institution giving a personal bond, more than one-half of the amount of the bond of such bank financial institution. The amount on deposit at any time with any such bank financial institution shall not in either case exceed the paid-up capital stock and surplus of such bank financial institution or more than ninety percent of the par value of the securities pledged or furnished by such bank financial institution when the bank financial institution pledges or deposits approved securities in lieu of a bond. The city treasurer shall not be liable for any loss sustained by

reason of the failure of any such bonded depository whose bond shall have been duly approved by the mayor as provided by section 15-846 or which has, in lieu of a surety bond, pledged or deposited approved securities as provided by section 15-847. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 17. That section 15-849, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

15-849. The city treasurer may purchase certificates of deposit from and make time deposits in banks or capital stock financial institutions selected as depositories of city funds pursuant to sections 15-846 to 15-848. The certificates of deposit purchased and time deposits made shall bear interest and shall be secured as prescribed in such sections, 15-846 to 15-848- The penal sum of such bond or the sum of such pledge of assets shall be reduced in the amount of the time deposit or certificate of deposit insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 18. That section 16-712, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-712. The city treasurer shall deposit, and at all times keep on deposit, for safekeeping, in state or national banks, or capital stock financial institutions of approved and responsible standing, all money collected, received, or held by him or her as ~~such~~ city treasurer. Such deposits shall be subject to all regulations imposed by law or adopted by the city council for the receiving and holding thereof. The fact that a stockholder, director, or other officer of such ~~banking~~ financial institution shall also be serving as mayor, as a member of the city council, as a member of a board of public works, or as any other officer of such municipality, shall not disqualify such ~~bank~~ financial institution from acting as a depository for such municipal funds. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 19. That section 16-713, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-713. The city treasurer may, upon resolution of the mayor and council authorizing the

same, purchase certificates of deposit from and make time deposits in banks or capital stock financial institutions selected as depositories of city funds under the provisions of sections 16-712, 16-714, and 16-715. The certificates of deposit purchased and time deposits made shall bear interest, and shall be secured as set forth in sections 16-714 and 16-715, except ; ~~PROVIDED~~; that the penal sum of such bond or the sum of such pledge of assets shall be reduced in the amount of the time deposit or certificate of deposit insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 20. That section 16-714, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-714. For the security of the fund so deposited, the city treasurer shall require each depository ~~bank~~ to give bond for the safekeeping and payment of such deposits and the accretions thereof, which bond shall run to the city and be approved by the mayor. Such bond shall be conditioned that such a depository shall, at the end of every quarter, render to the treasurer a statement in duplicate, showing the several daily balances, the amount of money of the city held by it during the quarter, the amount of the accretion thereto, and how credited. The bond shall also be conditioned that the depository shall generally do and perform whatever may be required by the provisions of sections 16-712 to 16-715, and faithfully discharge the trust reposed in such depository. Such bond shall be as nearly as practicable in the form provided in section 77-2304. ~~No ; PROVIDED; no~~ person in any way connected with any depository ~~bank~~, as an officer or stockholder, shall be accepted as a surety on any bond given by the ~~bank depository~~ of which he or she is an officer or stockholder. Such bond shall be deposited with the city clerk. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 21. That section 16-715, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-715. In lieu of the bond required by section 16-714, any bank or capital stock financial institution making application to become a depository may deposit or pledge as security with the city clerk (1) United States Government bonds, (2) United States

Government guaranteed bonds or notes, (3) bonds of any state or municipal subdivision which are fully defeased as to principal and interest by any combination of bonds or notes authorized in subdivision (1), (2), or (7) of this section, (4) bonds of the State of Nebraska or of any state whose bonds are purchased by the state investment officer of this state for investment of the permanent school fund, (5) warrants of the State of Nebraska, (6) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (7) bonds or notes of United States governmental agencies, including bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, or (8) warrants of the county or any city, village, or school district in the county. The penal sum of such bond or the sum of such pledge of assets shall be of the value equal to or greater than the amount of the deposit in excess of that portion of such deposit insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. The depository bank depositing or pledging securities above described in this section shall have the right to substitute other approved securities provided for in this section in lieu of securities already pledged if it so desires at any time. The depository bank may at its option deposit or make the pledge of securities authorized in this section in the manner as provided in section 77-2328. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 22. That section 17-607, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

17-607. (1) The city council or board of trustees, as the case may be, at its first meeting in each fiscal year, shall designate some one or more state or national banks or capital stock financial institutions of approved and responsible standing in which the city treasurer or village treasurer shall keep at all times, subject to payment on his or her demand, all money held by him or her as such city treasurer or village treasurer. If there be is one or more banks or capital stock financial institutions located in the city or village, which apply for the privilege of keeping such money, and furnish the security for the repayment

of deposits as herein provided in subsections (1) and (2) of this section, such ~~bank or~~ banks or capital stock financial institutions shall be selected as such depositories. ~~The~~ ~~;~~ ~~and~~ the treasurer of the city or village shall not give a preference to any one or more of them in the money he or she may so deposit.

(2) The council or board of trustees shall require from all banks or capital stock financial institutions a bond, referred to in subsection (1) of this section, in such penal sum as may be the maximum amount on deposit at any time less the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or, in lieu thereof, may accept a pledge of sufficient assets of such depository, referred to in subsection (1) of this section, to secure the payment of all such deposits and accretions. ~~The~~ ~~;~~ ~~and~~ the council or board shall approve ~~said~~ such bond or pledge. The treasurer of such city or village shall not be liable for any loss of any money sustained by reason of the failure of any such depository so designated and approved. The fact that a stockholder, director, or other officer of such banking financial institution ~~shall~~ is also be serving as mayor, as a member of the city council or board of trustees, as a member of a board of public works, or as any other officer of such municipality, shall not disqualify such bank financial institution from acting as a depository for such municipal funds.

Sec. 23. That section 18-2102.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2102.01. Cities of all classes and villages of this state are hereby granted power and authority to create community redevelopment authorities and limited community redevelopment authorities.

(1) Whenever an authority or limited authority is created it shall bear the name of the city creating it and shall be legally known as the Community Redevelopment Authority of the City (or Village) of ..... (name of city or village) or the Limited Community Redevelopment Authority of the City (or Village) of ..... (name of city or village).

(2) When it is determined by the governing body of any such city, by ordinance in the exercise of its discretion, that it is expedient to create a community redevelopment authority, or limited community redevelopment authority, the mayor of such city or if the mayor shall fail to act within ninety days after the passage of the ordinance, then the president or other

presiding officer, other than the mayor, of the governing body, with the approval of the governing body of such city, shall appoint five persons, who shall constitute the authority or the limited authority. ~~In 7 PROVIDED, that in cities having the city manager form of government, the city manager shall appoint such persons.~~ The terms of office of the members of the authority initially appointed shall be for one year, two years, three years, four years, and five years, as designated by the mayor, president, other presiding officer, or city manager in making the respective appointments. As the terms of the members of the authority expire, the mayor, with the approval of the governing body of the city, shall appoint or reappoint a member of the authority for a term of five years to succeed the member whose term expires. The terms of office of the members of a limited community redevelopment authority shall be for the duration of only one single specific limited pilot project authorized in the ordinance creating such limited community redevelopment authority, and the terms of the members of a limited community redevelopment authority shall expire upon the completion of the single specific limited pilot project authorized in the ordinance creating such limited community redevelopment authority. A governing body may at its option submit such ordinance to the electors of such city for approval by a majority vote of the electors voting thereon. ~~On and on~~ submitting such ordinance for approval, the governing body is authorized to call, by such ordinance, a special or general election and to submit thereat, after thirty days' notice of the time and place of holding such election and according to the manner and method otherwise provided by law for the calling, conducting, canvassing, and certifying of the result of city elections on the submission of propositions to the electors thereof, the proposition to be stated on the ballot as follows:

Shall the City (or Village) of .....  
 (name of city or village) create a Community  
 Redevelopment Authority of the City (or Village) of  
 ..... (name of city or village)?  
 ... Yes  
 ... No.

When the ordinance submitted to the electors for approval by a majority vote of the electors voting thereon is to create a limited community redevelopment authority the proposition shall be stated on the ballot as follows:

Shall the City (or Village) of .....



(name of city or village) create a Limited Community Redevelopment Authority of the City (or Village) of  
 ..... (name of city or village)?

... Yes

... No.

Vacancies shall be filled for any unexpired term in the same manner as the original appointment. Members of the authority so appointed shall hold office until their successors have been appointed and qualified. Members of a limited authority shall hold office as provided in this section. All members of such authority shall serve without compensation, but shall be entitled to be reimbursed for all necessary expenses incurred.

(3) Any authority established under the provisions of this section shall organize by electing one of its members ~~chairman~~, chairperson and another ~~vice-chairman~~ vice-chairperson, and shall have power to employ counsel, a director who shall be ex officio secretary of the authority, and such other officers and employees as may be desired, and shall fix the term of office, qualifications, and compensation of each. The holder of the office of community redevelopment administrator or coordinator of such city may, but need not be, appointed such director but at no additional compensation by the authority. Community redevelopment authorities of cities of the first ~~class~~, and second class, and villages may secure the services of a director, community redevelopment administrator, or coordinator, and such other officers and employees as may be desired through contract with the Department of Economic Development upon terms which are mutually agreeable. Any authority established under the provisions of this section may validly and effectively act on all matters requiring a resolution or other official action by a majority vote of its membership present at a meeting thereof, ~~PROVIDED, that~~ if a quorum of four ~~shall be~~ is present. Orders, requisitions, warrants, and other documents may be executed by the ~~chairman~~ or ~~vice-chairman~~ chairperson or vice-chairperson or by or with others designated in its bylaws.

(4) No member or employee of any authority established under the provisions of this section shall have any interest directly or indirectly in any contract for property, materials, or services to be required by such authority.

(5) The authority shall keep an accurate account of all its activities and of all receipts and disbursements and make an annual report thereof to the

governing body of the city.

(6) The governing body of a city creating a community redevelopment authority or a limited community redevelopment authority is hereby authorized to appropriate and loan to such authority a sum not exceeding ten thousand dollars for the purposes of paying expenses of organizing and supervising the work of such authority at the beginning of its activities. Such loan shall be authorized by resolution of the governing body which shall set forth the terms and time of repayment thereof. Such loan may be appropriated out of the general funds or any sinking fund.

(7) All income, revenue, profits, and other funds received by any authority established under the provisions of this section from whatever source derived, or appropriated by the city, or realized from tax receipts or comprised in the special revenue fund of the city designated for such authority or from the proceeds of bonds, or otherwise, shall be deposited with the city treasurer as ex officio treasurer of such authority without commingling such money with any other money under his or her control and disbursed by him or her by check, ~~or~~ draft, or order only upon warrants, orders, or requisitions by the ~~chairman~~ chairperson of such authority or other person authorized by such authority which shall state distinctly the purpose for which the same are drawn. A ~~7~~ and a permanent record shall be kept by such authority of all warrants, orders, or requisitions so drawn, showing the date, amount, consideration, and to whom payable. When paid, the same shall be canceled and kept on file by the city treasurer. The books of any authority established under the provisions of this section shall from time to time be audited upon the order of the governing body of the municipality in such manner as it may direct, and all such books and records of such authority shall at all times be open to public inspection. Such authority may contract with the holders of any of its bonds or notes as to collection, custody, securing investment, and payment of any money of such authority or any money held in trust or otherwise for the payment of bonds or notes, or in any way to secure bonds or notes. Such authority may ~~7~~ and ~~to~~ carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this subdivision. All banks, capital stock financial institutions, and trust companies are hereby authorized to give security for such deposits of money of any authority established under the provisions of this section as shall be required by law to secure

the funds of cities. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 24. That section 18-2473, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2473. To the extent not required for the immediate payment and retirement of the obligations being refunded or for the payment of expenses incurred in connection with such refunding and subject to any agreement with the holders of any outstanding bonds, principal proceeds from the sale of any refunding bonds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded, payment of interest and any redemption premiums, and payment of any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, ~~without limitation but not limited to~~, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States Government, or obligations of any agency or instrumentality of the United States Government, or in certificates of deposit issued by a bank, capital stock financial institution, or trust company if such certificates shall be secured by a pledge of any of such obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing in this section shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 25. That section 24-601.04, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

24-601.04. Corporate trustees authorized by Nebraska law to exercise fiduciary powers and holding retirement or pension funds for the benefit of employees or former employees of cities, villages, school districts, public power districts, or other governmental or political subdivisions may invest and reinvest such funds in such securities and investments as are

authorized for trustees, guardians, conservators, ~~executors personal representatives~~, or administrators under the laws of Nebraska. Retirement or pension funds of such cities, villages, districts, or subdivisions may be invested in annuities issued by life insurance companies authorized to do business in Nebraska. Any other retirement or pension funds of cities, including cities operating under home rule charters, villages, school districts except as provided in section 79-1051, public power districts, and all other governmental or political subdivisions may be invested and reinvested, as the governing body of such city, village, school district, public power district, or other governmental or political subdivisions may determine, in the following classes of securities and investments: (1) Bonds, notes, or other obligations of the United States or those guaranteed by or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof; (2) bonds or other evidences of indebtedness of the State of Nebraska and full faith and credit obligations of or obligations unconditionally guaranteed as to principal and interest by any other state of the United States; (3) bonds, notes, or obligations of any municipal or political subdivision of the State of Nebraska which are general obligations of the issuer thereof and revenue bonds or debentures of any city, county, or utility district of this state when the earnings available for debt service have, for a five-year period immediately preceding the date of purchase, averaged not less than one and one-half times such debt service requirements; (4) bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; (5) certificates of deposit of banks which are members of the Federal Deposit Insurance Corporation or capital stock financial institutions, and if the amount deposited exceeds the amount of insurance available thereon, then the excess shall be secured in the same manner as for the deposit of public funds; (6) accounts with building and loan associations or federal savings and loan associations in the State of Nebraska to the extent that such accounts are insured by the Federal Savings and Loan Insurance Corporation; (7) bonds or other interest-bearing obligations of any corporation organized under the laws of the United States or any state thereof if (a) at the time the purchase is made, they are given, by at least one

statistical organization whose publication is in general use, one of the three highest ratings given by such organization and (b) not more than five percent of the fund shall be invested in the obligations of any one issuer; (8) direct short-term obligations, generally classified as commercial paper, of any corporation organized under the laws of the United States or any state thereof with a net worth of ten million dollars or more; and (9) preferred or common stock of any corporation organized under the laws of the United States or of any state thereof with a net worth of ten million dollars or more if (a) not more than fifty percent of the total investments at the time such investment is made is in this class and not more than five percent is invested in each of the first five years and (b) not more than five percent thereof is invested in the securities of any one corporation. Notwithstanding the ~~aforsaid~~ percentage limits stated in this section, the cash proceeds of the sale of such preferred or common stock may be reinvested in any securities authorized under this subdivision. No city, village, school district, public power district, or other governmental subdivision or the governing body thereof shall be authorized to sell any securities short, buy on margin, or buy, sell, or engage in puts and calls. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 26. That section 46-146, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

46-146. No claim shall be paid by the district treasurer until the same shall have been allowed by the board of directors, and only upon warrants signed by the president, and countersigned by the secretary. If, and if the district treasurer ~~has not~~ does not have sufficient money on hand to pay such warrant when presented for payment, he or she shall endorse thereon not paid for want of funds, and the date when ~~so~~ presented, over his or her signature. From ~~and from~~ the time of such presentation until paid such warrants shall draw interest payable when redeemed, or annually at the discretion of the board of directors. Whenever there is no cash on hand in the district treasury for the payment of general fund warrants when presented, the board of directors may, ~~in its discretion,~~ in its issue from time to time general fund warrants in denominations not greater than ten thousand dollars to the aggregate amount required. In ~~but in~~

no case shall such warrants be in an amount greater than ninety percent of the general fund levy for the current year. Such ~~7~~ such warrants to shall be drawn on the general fund levy for the current year and be payable to the irrigation district. The board of directors may ~~7~~ and sell or discount the same to the best advantage possible, but not at a discount to exceed ten percent. The board shall ~~7~~ and deposit the proceeds of such sale in some local bank or capital stock financial institution in the name of the district, subject to the check of the chairperson of such district, countersigned by the secretary, in payment of any claim or claims ordered paid out of such fund by the board of directors. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 27. That section 46-1,139, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

46-1,139. Any irrigation district treasurer may deposit the money received or held by him or her by virtue of his or her office in some state or national bank in the State of Nebraska or capital stock financial institution. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 28. That section 46-1,140, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

46-1,140. Before such funds are deposited one or more banks or capital stock financial institutions shall be designated by the board of directors of the irrigation district whose funds are to be so deposited. All ~~7~~ and all such deposits shall be subject to payment on check or order of the treasurer of the district. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 29. That section 46-1,141, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

46-1,141. The depository bank receiving the deposit of funds of the district is hereby authorized to secure the deposit of such funds by a pledge of the its assets, of the bank, or by depository bond, corporate in character, or by sufficient personal security when demanded by the board of directors of the district, such security to be approved by the board of directors of such irrigation district. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 30. That section 72-1268.04, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-1268.04. (1) In lieu of a bond as provided in section 72-1268.01, any bank, capital stock financial institution, or building and loan association making application to become a depository under the Nebraska Capital Expansion Act may deposit with the state investment officer (a) United States Government bonds, (b) United States Government guaranteed bonds or notes, (c) bonds or notes of United States governmental agencies, including bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (d) bonds of any state or municipal subdivision which are fully guaranteed as to principal and interest by any combination of bonds or notes provided in subdivisions (a) ~~to~~ through (c) of this subsection, (e) bonds of the State of Nebraska or of any state whose bonds are purchased by the state investment officer of this state for investment of the permanent school fund, (f) warrants of the State of Nebraska, (g) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (h) securities issued under the authority of the Federal Farm Loan Act, or (i) warrants of any county, city, village, or school district in the State of Nebraska.

(2) When the deposit to be secured is in an interest-bearing account, there may be deposited with the state investment officer, in lieu of the bond as provided in section 72-1268.01, guaranty agreements of the Small Business Administration of the federal government. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 31. That section 72-1268.05, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-1268.05. The aggregate amount of securities deposited under section 72-1268.04 shall at all times equal ten percent more than the amount of the public funds deposited in the bank, capital stock financial institution, or building and loan association, less the amount insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance

Corporation. The depository bank, capital stock financial institution, or building and loan association furnishing securities shall have the right to substitute other approved securities in lieu of securities already pledged if it so desires at any time. Such securities substituted shall be those provided for in section 72-1268.04, and the total value of which in the case of bonds alone shall at all times equal the maximum amount of the deposit to which the bank, capital stock financial institution, or building and loan association is entitled, less the amount insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 32. That section 77-2312, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2312. The county treasurer of each and every county in the State of Nebraska shall deposit, and at all times keep on deposit for safekeeping in the state or national banks or capital stock financial institutions doing business in the county, ~~and~~ of approved and responsible standing, the amount of money in his or her hands collected and held by him or her as ~~such~~ county treasurer. Any check, draft, order, or other negotiable instrument deposited by the county treasurer, except ~~where~~ when drawn upon the bank or capital stock financial institution in which the deposit is made, shall be received by the bank or capital stock financial institution for collection only and shall be subject to final payment thereof to the bank or capital stock financial institution. Collection of such items shall be in the usual course of business and except for its own negligence, the bank or capital stock financial institution shall not be liable thereon until and unless payment is actually received. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 33. That section 77-2313, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2313. Any bank or capital stock financial institution located in the county may apply for the privilege of keeping money upon the following conditions: All deposits shall be subject to payment when demanded by the county treasurer on his or her check or order and subject also to such regulations as are imposed by law, and the rules adopted by the county



treasurer for holding and receiving such deposits. It shall be the duty of the county board to act on the application or applications of any and all banks or capital stock financial institutions, state or national, as may ask for the privilege of becoming the depository of such money, as well as to approve the bonds of those selected incident to such relation, and the county treasurer shall not deposit such money or any part thereof in any bank ~~or banks~~ or capital stock financial institution other than such as may have been so selected by the county board for such purposes, if any such bank or ~~banks~~ have capital stock financial institution has been so selected by the county board.

Sec. 34. That section 77-2314, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2314. ~~Where~~ ~~When~~ more than one bank or capital stock financial institution may have been selected by the county board as depositories, the county treasurer shall not give a preference to any one or more of them in the money he ~~or she~~ may so deposit, but shall keep deposited with each of ~~said banks~~ such financial institutions such a part of the money as the paid-up capital of such ~~bank~~ financial institution as of December 31 of the preceding year is a part of the amount of all the paid-up capital of all the ~~banks~~ financial institutions so selected as of December 31 of the preceding year, so that such money may at all times be deposited with ~~said banks~~ such financial institutions pro rata as to their paid-up capital, except that the county treasurer may select one or more ~~banks~~ financial institutions to be used for active accounts in which he ~~or she~~ may keep deposited in excess of these requirements only such funds as may be necessary for the transaction of ordinary day-to-day requirements. For purposes of this section, capital shall mean capital stock, surplus, undivided profits, capital notes or debentures, and other unimpaired reserves. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 35. That section 77-2317, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2317. The bond in substance shall be similar to the bond required and set forth in section 77-2304. No person in any way connected with any depository bank financial institution as an officer or stockholder shall be accepted as a surety on any bond given by the bank or capital stock financial institution

of which he or she is an officer or stockholder.

Sec. 36. That section 77-2318, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2318. The county treasurer shall not have on deposit in any bank or capital stock financial institution at any time more money than the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, plus the maximum amount of the bond given by said bank such financial institution in cases where the bank when the financial institution gives a guaranty bond, except as provided in section 77-2318.01. The amount on deposit at any time with any bank financial institution shall not exceed fifty percent of the paid-up capital stock and surplus of such bank, financial institution except as provided in section 77-2318.01. When ~~PROVIDED~~, when the amount of money which the county treasurer desires to deposit in the banks and capital stock financial institutions within the county exceeds fifty percent of the paid-up capital and surplus of all of the banks and capital stock financial institutions in such county, then the county treasurer may, with the consent of the county board, deposit an amount in excess thereof, but not exceeding the capital stock and surplus in any one bank or capital stock financial institution unless the depository bank gives security as provided in section 77-2318.01. Bond shall be required of all banks and capital stock financial institutions for such excess deposit unless security is given in accordance with section 77-2318.01. The bonds shall be deposited with the county clerk and approved by the county board. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 37. That section 77-2318.01, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2318.01. The county treasurer may deposit in any bank or capital stock financial institution of the county in which he or she is treasurer in excess of the amounts authorized in section 77-2318 when (1) the depository bank secures the deposits by a pledge of or grant of a security interest in the assets of the bank or capital stock financial institution in the manner and within the limitations provided for county judges, county clerks, and clerks of the district court in sections 77-2326.04 to 77-2326.09 and (2) the same is approved by a formal resolution of the county board. The provisions of section 77-2366 shall apply to

deposits in capital stock financial institutions.

Sec. 38. That section 77-2319, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2319. Where ~~When~~ banks or capital stock financial institutions located in the county refuse or neglect to bid on ~~said~~ money of the county, ~~or where when~~ there are ~~not~~ no banks or capital stock financial institutions in the county, or ~~where when~~ the banks or capital stock financial institutions located in the county do not have ~~not~~ sufficient capital stock and surplus to receive ~~said~~ such money under sections 77-2312 to 77-2324, then any surplus over the amount ~~herein~~ specified that banks or capital stock financial institutions in the county may receive, shall be deposited in banks or capital stock financial institutions outside of the county having sufficient capital stock and surplus under the same conditions and terms as if in the county. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 39. That section 77-2320, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2320. In lieu of a bond as provided in sections 77-2316 to 77-2319, any bank or capital stock financial institution making application to become a depository under sections 77-2312 to 77-2324 may: (1) Deposit with the county clerk (a) United States Government bonds, (b) United States Government guaranteed bonds or notes, (c) bonds or notes of United States governmental agencies including bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (d) bonds of any state or municipal subdivision which are fully defeased as to principal and interest by any combination of bonds or notes provided in subdivisions (a) ~~to~~ through (c) of this subdivision, (e) bonds of the State of Nebraska or of any state whose bonds are purchased by the state investment officer of this state for investment of the permanent school fund, (f) warrants of the State of Nebraska, (g) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (h) securities issued under the authority of the Federal

Farm Loan Act, or (i) warrants of the county or any city, village, or school district in the county; or (2) pledge or grant a security interest in assets of the bank or capital stock financial institution as provided in section 77-2318.01. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 40. That section 77-2321, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2321. The depository ~~bank~~ furnishing securities as set forth in section 77-2320 shall have the right to substitute other approved securities in lieu of securities already pledged if it so desires at any time. ~~In~~ ~~PROVIDED~~, ~~in~~ counties having a population of two hundred thousand inhabitants or more the county board may by resolution authorize the county treasurer to accept the substitution of other approved securities in lieu of securities already pledged and report such action at the next meeting of the county board. If the action of the treasurer in accepting such substitution shall not be approved by the board at such first meeting, then the depository bank shall be required to deposit securities satisfactory to the board, or the treasurer shall withdraw the deposit within three days. Such securities substituted must, however, be those provided for in section 77-2320, and approved by the members of the county board, the total value of which in the case of bonds alone shall at all times equal ten percent more than the maximum amount of the deposit to which the bank or capital stock financial institution is entitled.

Sec. 41. That section 77-2322, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2322. Any bank or capital stock financial institution which has deposited securities under ~~the provisions of~~ sections 77-2312 to 77-2324, may withdraw the same by paying over to the county treasurer all funds for which such securities are deposited as surety, and the certificate of the county treasurer shall be sufficient evidence of such fact. When such certificate is filed with the county clerk he or she is empowered to assign such securities to the owner thereof. All interest coupons attached to securities named in such sections ~~77-2312 to 77-2324~~ shall be detached by the holder or trustee thirty days before maturity and returned to the depository ~~bank~~ pledging the security. The provisions of section 77-2366 shall apply to

deposits in capital stock financial institutions.

Sec. 42. That section 77-2323, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2323. Any treasurer, or any officer of a bank, or capital stock financial institution who shall directly or indirectly violate or knowingly permit to be violated the provisions of sections 77-2316 to 77-2323 so far as ~~it relates~~ such sections relate to the deposit of public money in a bank or capital stock financial institution shall be guilty of a Class IV felony. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 43. That section 77-2325, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2325. The making of profit, directly or indirectly, by the county treasurer, out of any money in the county treasury belonging to the county, the custody of which the treasurer is charged with, by loaning or depositing or otherwise using or depositing the same in any manner, or the removal by the county treasurer or by his or her consent of such money or a part thereof out of the vault of the treasurer's department or any legal depository of the same, except for the payment of warrants legally drawn or for the purpose of depositing the same in the banks or capital stock financial institutions selected as depositories under the provisions of sections 77-2312 to 77-2324, shall be deemed a Class IV felony, and the county treasurer shall also be liable under and upon his or her official bond for all profits realized from such unlawful using of such funds.

Sec. 44. That section 77-2326.02, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2326.02. All public funds paid to or coming into the hands of any clerk of the district court shall be deposited in such bank or ~~banks~~ capital stock financial institution as shall have been designated as official depositories for such funds. Such deposits shall be subject to the provisions and conditions provided in sections 77-2326.03 to 77-2326.09. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 45. That section 77-2326.03, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2326.03. ~~Depository banks~~ Depositories

shall be such banks and capital stock financial institutions as shall be from time to time designated by the county board by formal resolution duly recorded in the minutes of the proceedings of such board. Such designation may be withdrawn at any time by such board in like manner, whereupon all deposits in such bank or capital stock financial institution under the control of the clerk of the district court shall be immediately withdrawn. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 46. That section 77-2326.04, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2326.04. (1) No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation shall be made to accumulate in any bank or capital stock financial institution designated as a depository bank unless and until the county judge, clerk of the county court, or clerk of the district court, as the case may be, has required of and received from such bank depository as security for the prompt repayment by the bank depository of his or her respective deposits in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation either a surety bond in form and with corporate sureties approved by formal resolution of the county board or in lieu thereof a pledge of or grant of a security interest in:

(a) Bonds, notes, certificates of indebtedness, or treasury bills of the United States Government of any issue;

(b) Obligations fully and unconditionally guaranteed both as to principal and interest by the United States or bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration;

(c) Bonds of any county, city, village, or school district of this state which have been issued and registered as required by law; or

(d) Registered warrants of any county, city, or school district of this state.

(2) The delivery by the bank or capital stock financial institution designated as a depository bank to the county judge, clerk of the county court, or clerk of the district court, as the case may be, of a written

receipt or acknowledgment from a Federal Reserve Bank or branch thereof or some other bank, capital stock financial institution, or trust company in this state, other than the bank or capital stock financial institution granting the security interest, that includes the name and title of such public officer, describes securities identified on the books or records of the depository, bank, and provides that the securities or the proceeds of securities will be delivered only upon surrender of the receipt or the acknowledgment duly executed by the public officer designated thereon and by the authorized representative of the depository bank shall, together with such public officer's actual and continued possession of such receipt or acknowledgment, constitute a valid and perfected security interest in favor of such public officer in and to the securities so identified. Article 9, Uniform Commercial Code, shall not apply to any security interest arising under this section. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 47. That section 77-2326.06, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2326.06. Every depository bank may secure deposits by a pledge of or grant of a security interest in the assets of the bank or capital stock financial institution or by furnishing a surety bond as provided in section 77-2326.04 and otherwise enter into and become a party to any contract or arrangement not inconsistent with this section, as may be reasonably necessary or proper to render fully effective section 77-2326.04. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 48. That section 77-2326.07, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2326.07. The clerk of the district court shall at all times keep and certify to the county board a complete and correct list and description of the securities pledged or in which a security interest has been granted by any depository bank to secure the deposits. Bonds and securities pledged or in which a security interest has been granted shall be delivered to and held by some Federal Reserve Bank or branch thereof or some other responsible bank, capital stock financial institution, or trust company within this state, other than the pledgor or the bank or capital stock financial

institution granting the security interest, as designated by the county board, with appropriate joint custody and the pledge agreement or security interest as described in subsection (2) of section 77-2326.04 in a form approved by the county board. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 49. That section 77-2326.08, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2326.08. The depository ~~bank~~ pledging or granting a security interest in bonds or securities under sections 77-2326.01 to 77-2326.09 shall have the right to substitute therefor from time to time other and different bonds and securities of equal value within the foregoing requirements and to withdraw all or any part of such bonds or securities so pledged or in which a security interest has been granted upon repayment to the clerk of the district court of the value of the bonds or securities thus withdrawn. Each depository ~~bank~~ shall furnish directly to the county board a sworn monthly statement of the funds of the clerk of the district court on deposit in such depository. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 50. That section 77-2326.09, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2326.09. Neither the clerks of the district court nor their deputies or other employees nor their sureties shall be liable for any loss resulting from the failure of any bank or capital stock financial institution as to any such deposits made and maintained as provided in sections 77-2326.01 to 77-2326.09.

Sec. 51. That section 77-2328, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2328. Any bank or capital stock financial institution pledging securities to secure deposits of public money may, with the approval of the official governing body of the political subdivision or political unit, deposit such securities in the Federal Reserve Bank or some bank, capital stock financial institution, or trust company approved by such governing body and take for the same a trust receipt in the form of and executed in the manner approved by the treasurer of the political subdivision or political unit, and when so approved, such bank or capital stock financial institution may deposit such trust receipt in lieu of



the securities evidenced thereby. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 52. That section 77-2329, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2329. No treasurer shall be liable on his or her bond for money on deposit in a bank or capital stock financial institution under and by direction of the proper legal authority if the bank or capital stock financial institution has given bond in accordance with section 15-846, 16-714, 17-720, or 77-2318 or pledged securities as provided in section 15-847, 16-715, 17-720, 77-2318.01, or 77-2328.

Sec. 53. That section 77-2340, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2340. The county treasurers of the various counties of the state may, upon resolution of their respective county boards authorizing the same, make time deposits in banks, or capital stock financial institutions selected as depositories of county funds under the provisions of sections 77-2312 to 77-2315. The time deposits ~~made as aforesaid~~ shall bear interest, and shall be secured as set forth in section 77-2304 or 77-2320, except ~~PROVIDED~~; that the amount insured ~~under~~ by the Federal Deposit Insurance Act Corporation or the Federal Savings and Loan Insurance Corporation shall be exempt from the requirement of being secured as provided by section 77-2320 or by bonds similar to the bond required and set forth in section 77-2304. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 54. That section 77-2342, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2342. The treasurer or ex officio treasurer of any metropolitan water or any metropolitan utilities district shall deposit the funds received or held by him or her by virtue of his or her office in such bank ~~or banks~~ or capital stock financial institution, situated within the boundaries of such district, as shall have been and shall be from time to time approved by the governing body of such district as official depositories for the funds belonging to such district. Such deposit shall be made subject to the conditions in sections 77-2342 to 77-2349. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 55. That section 77-2343, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2343. Depository banks Depositories shall be such banks and capital stock financial institutions as shall be from time to time designated by the governing body of such district by formal resolution duly recorded. Such designation may be withdrawn at any time by such governing body by formal resolution duly entered upon its records. No deposit shall be made except in a duly designated depository, bank, and deposits shall be withdrawn by the treasurer immediately upon the withdrawal of the designation of any bank or capital stock financial institution as a depository, bank. All deposits shall be subject to payment on demand upon the check or order of the treasurer or ex officio treasurer. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 56. That section 77-2344, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2344. No deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation shall be made in any bank or capital stock financial institution designated as a depository unless and until the treasurer or ex officio treasurer shall have received from said bank such depository as security for the prompt repayment by the bank, depository either a corporate surety bond in form and with sureties approved by formal resolution by the governing body of such district, or the deposit and pledge of (1) the securities of the United States of America, (2) the bonds of any state of the United States of America, (3) registered bonds of Nebraska school districts, (4) registered bonds of Nebraska counties, (5) bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (6) bonds of Nebraska municipalities, or (7) bonds of the particular metropolitan water or metropolitan utilities district. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 57. That section 77-2345, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2345. No deposit shall be made in any designated bank or capital stock financial institution (1) in excess of the amount insured by the Federal Deposit Insurance Corporation, or the Federal Savings and Loan Insurance Corporation or (2) in excess of the obligation of the depository bond or the market value of the securities on deposit at the time any deposit of funds is made or during the period in which the deposit of funds remains in the depository. ~~bank-~~ The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 58. That section 77-2346, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2346. The treasurer or ex officio treasurer shall at all times keep the district supplied with a certified list of the securities on deposit by any depository. ~~bank-~~ Such securities may be held in the custody of such treasurer or may, with the formal approval by resolution of the governing body of the district, be deposited in the Federal Reserve Bank or branch thereof or a bank, capital stock financial institution, or trust company situated within the corporate boundaries of the district. The form and conditions of the receipt and acknowledgment of the pledge shall be approved by the governing body of the district. Each depository ~~bank~~ shall supply direct to the governing body of the district a sworn monthly statement of the funds of the district on deposit in such depository. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 59. That section 77-2347, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2347. The governing body of any such district may from time to time adopt and promulgate such rules and regulations governing the action of the treasurer or ex officio treasurer with respect to depositories depository banks as do not conflict with the express provisions of sections 77-2343 to 77-2349. It shall be the duty of such treasurer or ex officio treasurer with respect to depository banks as do not conflict with the specific provisions of said sections to at all times comply with same such sections.

Sec. 60. That section 77-2348, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2348. No treasurer or ex officio treasurer

of any ~~such~~ district specified in section 77-2344 shall be liable on his or her official bond as such treasurer for money on deposit in a depository ~~banks~~ when such deposit has been made and is at all times maintained in strict accordance with the provisions of sections 77-2342 to 77-2349.

Sec. 61. That section 77-2349, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2349. The treasurer or ex officio treasurer of any metropolitan water or any metropolitan utilities district shall, if required by the governing body of such district, be the custodian of securities in which funds of such district are invested, including the securities of such district itself, and shall be liable on his or her official bond as such treasurer or ex officio treasurer for the custody, safekeeping, and delivery of such securities. Except for funds deposited in a depository ~~banks~~ in strict accordance with all the requirements of sections 77-2342 to 77-2349, the treasurer shall be liable upon his or her official bond for the accounting, safekeeping, and repayment of all funds received by him or her for and in behalf of any such district. Any such district may at any time direct such treasurer to withdraw any funds on deposit in a depository ~~banks~~; or any funds in his or her possession and custody as such official; and invest ~~same~~ such funds in such securities as may be designated by formal resolution of the governing body of such district.

Sec. 62. That section 77-2350, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2350. The treasurer or ex officio treasurer of any school district or township shall deposit the funds received or held by him or her by virtue of his or her office in such bank or ~~banks~~ capital stock financial institution, situated within the boundaries of such district or township, as shall have been and shall be from time to time designated by the governing body of such school district or township as official depositories for such funds. ~~Depository banks~~ Depositories shall be such banks or capital stock financial institutions as shall be designated by the respective governing bodies by formal resolution duly recorded. Such designation may be withdrawn at any time by such governing body by formal resolution duly entered upon its records. If there is no bank or capital stock financial institution within the boundaries of such school district or township or if the bank or capital

stock financial institution within the district refuses or neglects to make application as a depository, then the governing body may designate any bank or capital stock financial institution that is a state bank or national bank within the state.

Sec. 63. That section 77-2350.01, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2350.01. When more than one bank or capital stock financial institution has been designated by the governing body of the school district or township as depositories a depository, the treasurer or ex officio treasurer shall not give a preference but shall prorate deposits in the manner required of county treasurers as provided in section 77-2314. This section shall have no application to certificates of deposit. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 64. That section 77-2351, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2351. No treasurer or ex officio treasurer shall be liable on his or her bond for money on deposit in a bank or capital stock financial institution and by direction of the proper legal authority, if the bank or capital stock financial institution has given bond or pledges securities in accordance with section 77-2352. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 65. That section 77-2352, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2352. No deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation shall be made in any bank or capital stock financial institution designated as a depository unless and until the treasurer or ex officio treasurer has received from the bank depository as security for the prompt repayment by the bank depository either a corporate surety bond in form and with sureties approved by formal resolution by the governing body of such district or the deposit and pledge of (1) a pledge of bonds, notes, certificates of indebtedness, and treasury bills of the United States Government of any issue, (2) obligations fully and unconditionally guaranteed both as to principal and interest by the United States, (3) bonds of this county, city, village, or school district of this state which have been issued and registered as required by law, or

(4) registered warrants of the county or of any city, village, or school district in the county where such school district or township is located. Bonds and securities so pledged shall be delivered to and held by some federal reserve bank or branch thereof or some other responsible bank, capital stock financial institution, or trust company within this state other than the pledgor with an appropriate joint custody and pledge agreement, but the depository ~~bank~~ pledging such bonds or securities shall have the right to substitute, from time to time, other and different bonds or securities of equal amount, within the foregoing requirements, and to withdraw all or any part of such pledged bonds or securities upon repaying to such treasurer and reducing his or her deposit account by the amount of the bonds or securities so withdrawn. The amount of security so pledged shall be at all times at least equal to the amount of the deposit so secured, less any portion of such deposit that is insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 66. That section 77-2353, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2353. All funds of any public power district, public irrigation district, or public power and irrigation district organized and existing under the laws of this state, shall be deposited by the treasurer or other competent officer of such district in such bank or ~~banks~~ capital stock financial institution as shall have been designated as official depositories for the funds belonging to such district. Such deposits shall either be made in accordance with and subject to agreements of such district with its bondholders or noteholders, or, in the absence of any such agreement, shall be subject to the provisions and conditions provided in sections 77-2353 to 77-2361. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 67. That section 77-2353.01, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2353.01. In addition to other authorized investments, public power districts are hereby authorized to invest and reinvest in: (1) Direct obligations of or obligations guaranteed by the United States of America; (2) bonds, debentures, or notes

issued by any of the following federal agencies: Bank for Cooperatives; Federal Intermediate Banks; Federal Home Loan Bank System; Export-Import Bank of Washington; Federal Land Banks; or the Federal National Mortgage Association including participation certificates issued by such association; (3) public housing bonds purchased on the open market, issued by public housing authorities, and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America or temporary notes issued by public housing authorities or preliminary loan notes issued by local public agencies, in each case, fully secured as to the payment of both principal and interest by a requisition or a payment agreement with the United States of America; (4) direct and general obligations of any state within the territorial United States to the payment of the principal of and interest on which the full credit of such state is pledged; (5) bonds, debentures, notes, or other instruments of indebtedness issued by a bank or other financial lending institution, whether public or privately owned, established by rural electric cooperatives and public power districts to provide supplemental financing in addition to financing available from the Rural Electrification Administration; (6) bonds, debentures, notes, or other instruments of indebtedness of a nonprofit rural electric supply cooperative organization providing electric line materials and other related equipment without profit to its members, including public power districts; (7) stocks, bonds, debentures, notes, or other instruments of indebtedness issued by an insurance carrier providing insurance coverage to such public power district; and (8) time certificates of deposit issued by any bank or capital stock financial institution meeting the requirements of sections 77-2354 to 77-2357. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Public power districts when authorized by their respective boards of directors are authorized to take such action as may be necessary in order to carry out the foregoing investment authorization.

Sec. 68. That section 77-2354, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2354. Depository banks Depositories shall be such banks and capital stock financial institutions as shall be from time to time designated by the board of

directors of such district by formal resolution duly recorded in the minutes of the proceedings of such board. Such designation may be withdrawn at any time by the board of directors of such district by formal resolution duly entered upon its records, whereupon all such deposits, except those represented by time certificates of deposit, in such bank or capital stock financial institution shall be immediately withdrawn. All deposits, except those invested in time certificates of deposit, shall be subject to payment on demand upon the check or order of the duly authorized officer or officers of the district. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 69. That section 77-2355, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2355. No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation shall be made or be allowed to accumulate in any bank or capital stock financial institution designated as a depository bank unless and until the treasurer or other competent officer of the district shall have required of and received from such bank depository, as security for the prompt repayment of such deposits by the bank depository, either a surety bond in form and with corporate sureties approved by formal resolution of the board of directors of such district; or, in lieu thereof (1) a pledge of bonds, notes, certificates of indebtedness, and treasury bills of the United States Government of any issue or bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (2) obligations fully and unconditionally guaranteed both as to principal and interest by the United States, (3) bonds of any county, city, village, or school district of this state which have been issued and registered as required by law, (4) registered warrants of any county, city, or school district of this state, or (5) bonds of the district making such deposits. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 70. That section 77-2357, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2357. Every depository bank is authorized



to secure deposits by pledge of the assets of the bank or capital stock financial institution or by furnishing surety bond, as provided in sections 77-2353 to 77-2361, and otherwise to enter into and become a party to any contract or arrangement, not inconsistent with the provisions hereof, as may be reasonably necessary or proper to render fully effective the provisions of such sections. ~~77-2353 to 77-2361.~~ The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 71. That section 77-2358, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2358. The treasurer or other competent officer of the district shall at all times keep and certify to the district a complete and correct list and description of the securities pledged by any depository. ~~bank.~~ Bonds and securities pledged shall, as designated by resolution of the board of directors, be delivered to, and held by, some federal reserve bank, or branch thereof or some other responsible bank, capital stock financial institution, or trust company within this state, other than the pledgor, with appropriate joint custody and pledge agreement, in form approved by the board of directors. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 72. That section 77-2359, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2359. The depository ~~bank~~ pledging bonds or securities under sections 77-2353 to 77-2361 shall have the right to substitute therefor from time to time other and different bonds and securities of equal value, within the foregoing requirements, and to withdraw all, or any part of, such pledged bonds or securities upon repayment to the district and reduction of its deposit account in the amount of the value of the bonds or securities so withdrawn. Each depository ~~bank~~ shall furnish directly to the board of directors of the district, or to an officer of the district designated by the board, a sworn monthly statement of the funds of the district on deposit in such depository.

Sec. 73. That section 77-2360, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2360. The board of directors of any such district may from time to time adopt and promulgate such rules and regulations governing the handling of its

funds by the treasurer, or other designated officers, of the district, and otherwise governing the relationship between such district and its depository banks, as shall not conflict with the express provisions of sections 77-2353 to 77-2361, or other provisions of law. It shall be the duty of the treasurer, and all other officers thus designated or otherwise charged by law with the handling of funds of the district, to comply with such rules and regulations.

Sec. 74. That section 77-2361, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2361. Neither the treasurer, nor other officer of the district charged with the handling of its funds, nor their sureties, shall be liable for any loss resulting from the failure of any bank or capital stock financial institution as to any such deposits made and maintained as provided in sections 77-2353 to 77-2361. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 75. That section 77-2362, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2362. ~~Wherever~~ Whenever, by the laws of this state, any municipal corporation or other governmental subdivision of the state is authorized or required to obtain or accept from banks or capital stock financial institutions, surety bonds or other bonds as security for deposits of public funds belonging to such municipal corporation or other governmental subdivision, the insurance afforded to depositors in banks or capital stock financial institutions through the Federal Deposit Insurance Corporation, organized under the laws of the United States, or the Federal Savings and Loan Insurance Corporation shall be deemed and construed to be, for the purposes of such laws, a surety bond or bonds to the extent that ~~said~~ such deposits are insured by ~~said~~ such corporation; and, for deposits so insured, no other surety bond or bonds or other security shall be required. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 76. That section 77-2363, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2363. In all cases in which public money or funds belonging to the United States, an agency of the United States, the State of Nebraska, or any county, school district, educational service unit, technical community college, city, or municipality in this state

have been deposited or loaned to any person or persons, corporation, bank, capital stock financial institution, partnership, or other firm or association of persons, it shall be lawful for the officer or officers making such deposit or loan or his, her, or their successors in office to maintain an action or actions for the recovery of such money so deposited or loaned. All contracts made for the security or payment of any such money or public funds shall be held to be good and lawful contracts binding on all parties thereto.

Sec. 77. That section 77-2364, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2364. All depositories of public money or other funds belonging to the United States, the State of Nebraska, or the governmental agencies enumerated in section 77-2363 shall have full authority to give bond for the safekeeping and payment of such deposits and the accretions thereof. In and, in lieu of such bond, such depositories shall have full authority to pledge their assets for the security and payment of all such deposits and accretions. Such ~~such~~ assets so pledged may be deposited in the Federal Reserve Bank, a branch thereof, or a bank, capital stock financial institution, or trust company situated within the corporate boundaries of the governmental agency receiving such pledge. All ~~and all~~ of such governmental agencies are hereby given the right and authority to accept such bonds or, in lieu thereof, such pledge of assets. Nothing in this section ~~PROVIDED; nothing herein contained~~ shall be construed to in any manner affect the liability of any surety or signers of any official bond hereafter given or made in this state.

Sec. 78. That section 77-2367, Revised Statutes Supplement, 1988, be amended to read as follows:

77-2367. In any section of the law dealing with the deposit of funds of any political subdivision, the Revisor of Statutes shall substitute or add the term capital stock financial institution, as defined in section 77-2366, for the term bank so long as the result is not inconsistent with the intention of sections 77-2366 and 77-2367.

Sec. 79. That section 79-1051.03, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1051.03. Except as provided in section 79-1051.06, investments may be made in bonds and debt obligations issued or guaranteed by a corporation

created or existing under the laws of the United States, any state, district, or territory of the United States of America, or Canada or any province thereof if the principal and interest on such securities are payable in United States currency as follows: (1) In obligations of the United States, this state, or any federal agency or instrumentality or obligations of Canada or any province thereof, (2) in bonds, notes, and certificates of indebtedness, and other obligations of the state, of any county, township, municipal corporation, school district, any conservancy district, or sanitary district of the state, or any other legally constituted taxing or bond-issuing authority, subdivision, or municipal corporation within the state, (3) in revenue bonds issued by a taxing subdivision of the state, (4) in bonds or other interest-bearing obligations of any other state of the United States which, within twenty years prior to the making of such investment, has not defaulted for more than ninety days in the payment of principal or interest on any of its bonds or other interest-bearing obligations, (5) in savings accounts in a national bank located in this state, ~~or~~ a state bank located in and organized under the laws of this state, or a capital stock financial institution by depositing such funds therein, but no such deposit shall be made unless the deposits of the depository ~~bank~~ are insured by the Federal Deposit Insurance Corporation created under an act of Congress, entitled the Federal Deposit Insurance Act, and amendments thereto, or the Federal Savings and Loan Insurance Corporation, and the deposit of funds in any such savings accounts in any one bank or capital stock financial institution shall not exceed the sum insured under such act and the amendments thereto, (6) in obligations consisting of notes, bonds, debentures, or equipment trust certificates issued under an indenture which are the direct obligations, or in the case of equipment trust certificates, are secured by direct obligations, of a railroad, industrial, or financial corporation, or a corporation engaged directly and primarily in the production, transportation, distribution, or sale of electricity or gas, or the operation of telephone or telegraph systems or waterworks, or in some combination of them, but only if the obligor corporation is one which is incorporated under the laws of the United States, or any state thereof, of the District of Columbia, or of Canada or any province thereof, and such obligations shall be rated at the time of purchase in one of the four highest classifications established by at least two standard

rating services selected from a list of the standard rating services which shall be prescribed by the Director of Banking and Finance, or (7) in notes, bonds, or debentures, secured by mortgages as provided in section 79-1051.05. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 80. This act shall become operative on January 1, 1990.

Sec. 81. That original sections 2-3227, 2-4214, 3-506, 3-709, 13-504, 13-1305, 14-512, 14-556, 14-563, 14-1237, 14-1719, 15-845, 15-846, 15-847, 15-848, 15-849, 16-712, 16-713, 16-714, 16-715, 17-607, 18-2102.01, 18-2473, 24-601.04, 46-146, 46-1,139, 46-1,140, 46-1,141, 72-1268.04, 72-1268.05, 77-2312, 77-2313, 77-2314, 77-2317, 77-2318, 77-2319, 77-2321, 77-2322, 77-2323, 77-2325, 77-2340, 77-2342, 77-2343, 77-2344, 77-2345, 77-2346, 77-2347, 77-2348, 77-2349, 77-2353, 77-2354, 77-2355, 77-2357, 77-2358, 77-2359, 77-2360, 77-2361, 77-2362, 77-2364, and 79-1051.03, Reissue Revised Statutes of Nebraska, 1943, and sections 3-616, 77-2318.01, 77-2320, 77-2326.02, 77-2326.03, 77-2326.04, 77-2326.06, 77-2326.07, 77-2326.08, 77-2326.09, 77-2328, 77-2329, 77-2350, 77-2350.01, 77-2351, 77-2352, 77-2353.01, 77-2363, and 77-2367, Revised Statutes Supplement, 1988, are repealed.