

CORRECTED COPY

## LEGISLATIVE BILL 157

Approved by the Governor February 16, 1993

Introduced by Hillman, 48

AN ACT relating to cities and villages; to amend sections 14-556, 16-716, and 17-720, Reissue Revised Statutes of Nebraska, 1943; to change provisions relating to deposits in certain financial institutions; and to repeal the original sections.

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

Section 1. 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 city council is hereby directed to advertise for bids for rates for the deposit of such funds as is hereby contemplated.

(2) The banks or capital stock financial institutions referred to in subsection (1) of this section, so selected, shall:

(a) Give ~~give~~ bond to the city for the safekeeping of 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 and such city shall not have on deposit in any bank giving a guaranty bond more than the amount insured by the Federal Deposit Insurance Corporation plus the maximum amount of the bond given by the bank or in any bank giving a personal bond more than the amount insured by the Federal Deposit Insurance Corporation plus one-half of the amount of the bond of the bank. All bonds of such banks shall be deposited with and held by the city treasurer; or~~

(b) Pledge collateral of the same type which may be used to secure deposits of funds of the state as provided in sections 77-2306 and 77-2307 as of the time the collateral is pledged.

(3) The fact that a stockholder, director, or other officer of such financial institution ~~shall also be~~ is also 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 financial institution from acting as a depository for such municipal funds.

(4) The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 2. That section 16-716, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-716. The treasurer shall not have on deposit in any

bank at any time more than: either

(1) the The amount insured by the Federal Deposit Insurance Corporation plus the maximum amount of the bond given by said the bank if the bank gives a surety bond, nor in any bank giving a personal bond, more than the amount insured by the Federal Deposit Insurance Corporation plus one-half of the amount of the bond of such bank, and the amount so on deposit any time with any such bank shall not in either case exceed the amount insured by the Federal Deposit Insurance Corporation plus the paid-up capital stock and surplus of such bank; or

(2) ninety The amount insured by the Federal Deposit Insurance Corporation plus ninety percent of the par value of the securities furnished by said the bank in cases where when the bank deposits securities pursuant to section 16-715 and approved by the city treasurer in lieu of a bond; or

(3) The amount insured by the Federal Deposit Insurance Corporation plus one hundred percent of the fair market value of the securities furnished by the bank in cases when the bank deposits securities pursuant to section 16-715 and approved by the city treasurer 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 has been duly approved by the mayor as herein provided; in section 16-714 or which has, in lieu of a surety bond, deposited approved securities as herein provided in section 16-715.

Sec. 3. That section 17-720, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

17-720. The city or village treasurer of cities of the second class and villages may, upon resolution of the mayor and council or board of trustees authorizing the same, purchase certificates of deposit from and make time deposits in any state or national bank or capital stock financial institution in the State of Nebraska to the extent that such certificates of deposit or time deposits are insured by the Federal Deposit Insurance Corporation. Deposits may be made in excess of the amounts so secured by the corporation, and the amount of the excess deposit shall be secured by a bond or a pledge of assets in the same manner as is provided for cities of the first class in sections 16-714 to 16-716 and 77-2328 as of the time the deposit is made. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 4. That original sections 14-556, 16-716, and 17-720, Reissue Revised Statutes of Nebraska, 1943, are repealed.