

LEGISLATIVE BILL 836

Approved by the Governor March 7, 2012

Introduced by Pahls, 31.

FOR AN ACT relating to deposit and investment of public funds; to amend section 77-2365.02, Reissue Revised Statutes of Nebraska; to change provisions relating to investment in certificates of deposit and time deposits; to repeal the original section; and to declare an emergency.

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

Section 1. Section 77-2365.02, Reissue Revised Statutes of Nebraska, is amended to read:

77-2365.02 Notwithstanding any other provision of law, to the extent that the funds of this state or any political subdivision of this state may be invested or deposited, by the appropriate custodian of such funds, in ~~certificates of deposit or time~~ interest-bearing deposits with banks, capital stock financial institutions, or qualifying mutual financial institutions, such authorization ~~shall~~ may include the investment or deposit of funds in ~~certificates of deposit and time~~ interest-bearing deposits in accordance with the following conditions as an alternative to the furnishing of securities or the providing of a deposit guaranty bond pursuant to the Public Funds Deposit Security Act:

(1) The bank, capital stock financial institution, or qualifying mutual financial institution in this state through which the investment or deposit of funds is initially made arranges for the deposit of a portion or all of such funds in ~~one or more certificates of deposit or time~~ interest-bearing deposits with other banks, capital stock financial institutions, or qualifying mutual financial institutions located in the United States;

(2) Each such ~~certificate of deposit or time~~ interest-bearing deposit is fully insured or guaranteed by the Federal Deposit Insurance Corporation;

(3) The bank, capital stock financial institution, or qualifying mutual financial institution through which the investment or deposit of funds was initially made acts as a custodian for the state or political subdivision with respect to any such ~~certificate of deposit or time~~ interest-bearing deposit issued for the account of the state or political subdivision; and

(4) At the same time that the funds are deposited into ~~and such~~ certificates of deposit or time deposits are issued by other banks, capital stock financial institutions, or qualifying mutual financial institutions, the bank, capital stock financial institution, or qualifying mutual financial institution through which the investment or deposit of funds in ~~certificates of deposit or time~~ interest-bearing deposits was initially made receives an amount of deposits from customers of other banks, capital stock financial institutions, or qualifying mutual financial institutions located in the United States which is equal to or greater than the amount of the investment or deposit of funds in ~~certificates of deposit or time~~ interest-bearing deposits initially made by the state or political subdivision.

Sec. 2. Original section 77-2365.02, Reissue Revised Statutes of Nebraska, is repealed.

Sec. 3. Since an emergency exists, this act takes effect when passed and approved according to law.