

E AND R AMENDMENTS TO LB 92

Introduced by Ballard, 21, Chairman Enrollment and Review

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

3 Section 1. Section 8-101.03, Reissue Revised Statutes of Nebraska,
4 is amended to read:

5 8-101.03 For purposes of the Nebraska Banking Act, unless the
6 context otherwise requires:

7 (1) Access device means a code, a transaction card, or any other
8 means of access to a customer's account, or any combination thereof, that
9 may be used by a customer for the purpose of initiating an electronic
10 funds transfer at an automatic teller machine or a point-of-sale
11 terminal;

12 (2) Acquiring financial institution means any financial institution
13 establishing a point-of-sale terminal;

14 (3) Automatic teller machine means a machine established and located
15 in the State of Nebraska, whether attended or unattended, which utilizes
16 electronic, sound, or mechanical signals or impulses, or any combination
17 thereof, and from which electronic funds transfers may be initiated and
18 at which banking transactions as defined in section 8-157.01 may be
19 conducted. An unattended automatic teller machine shall not be deemed to
20 be a branch operated by a financial institution;

21 (4) Automatic teller machine surcharge means a fee that an operator
22 of an automatic teller machine imposes upon a consumer for an electronic
23 funds transfer, if such operator is not the financial institution that
24 holds an account of such consumer from which the electronic funds
25 transfer is to be made;

26 (5) Bank or banking corporation means any incorporated banking
27 institution which was incorporated under the laws of this state as they

1 existed prior to May 9, 1933, and any corporation duly organized under
2 the laws of this state for the purpose of conducting a bank within this
3 state under the act. Bank means any such banking institution which is, in
4 addition to the exercise of other powers, following the practice of
5 repaying deposits upon check, draft, or order and of making loans. Bank
6 or banking corporation includes a digital asset depository institution as
7 defined in section 8-3003. Notwithstanding the provisions of this
8 subdivision, a digital asset depository institution is subject to the
9 provisions of subdivision (2)(b) of section 8-3005;

10 (6)(a) Bank subsidiary means a corporation or limited liability
11 company that:

12 (i) Has a bank as a shareholder, member, or investor; and

13 (ii) Is organized for purposes of engaging in activities which are
14 part of the business of banking or incidental to such business except for
15 the receipt of deposits.

16 (b) A bank subsidiary may include a corporation organized under the
17 Nebraska Financial Innovation Act.

18 (c) A bank subsidiary is not to be considered a branch of its bank
19 shareholder;

20 (7) Capital or capital stock means capital stock;

21 (8) Data processing center means a facility, wherever located, at
22 which electronic impulses or other indicia of a transaction originating
23 at an automatic teller machine are received and either authorized or
24 routed to a switch or other data processing center in order to enable the
25 automatic teller machine to perform any function for which it is
26 designed;

27 (9) Department means the Department of Banking and Finance;

28 (10) Digital asset depository means a financial institution that
29 securely holds liquid assets when such assets are in the form of
30 controllable electronic records, either as a corporation organized,
31 chartered, and operated pursuant to the Nebraska Financial Innovation Act

1 as a digital asset depository institution, or a financial institution
2 operating a digital asset depository business as a digital asset
3 depository department under a charter granted ~~grant of authority~~ by the
4 director;

5 (11) Director means the Director of Banking and Finance;

6 (12) Financial institution means a bank, savings bank, building and
7 loan association, savings and loan association, or credit union, whether
8 chartered by the United States, the department, or a foreign state
9 agency; any other similar organization which is covered by federal
10 deposit insurance; a trust company; or a digital asset depository that is
11 not a digital asset depository institution;

12 (13) Financial institution employees includes parent holding company
13 and affiliate employees;

14 (14) Foreign state agency means any duly constituted regulatory or
15 supervisory agency which has authority over financial institutions and
16 which is created under the laws of any other state, any territory of the
17 United States, Puerto Rico, Guam, American Samoa, the Trust Territory of
18 the Pacific Islands, or the Virgin Islands or which is operating under
19 the code of law for the District of Columbia;

20 (15) Impulse means an electronic, sound, or mechanical impulse, or
21 any combination thereof;

22 (16) Insolvent means a condition in which (a) the actual cash market
23 value of the assets of a bank is insufficient to pay its liabilities to
24 its depositors, (b) a bank is unable to meet the demands of its creditors
25 in the usual and customary manner, (c) a bank, after demand in writing by
26 the director, fails to make good any deficiency in its reserves as
27 required by law, or (d) the stockholders of a bank, after written demand
28 by the director, fail to make good an impairment of its capital or
29 surplus;

30 (17) Making loans includes advances or credits that are initiated by
31 means of credit card or other transaction card. Transaction card and

1 other transactions, including transactions made pursuant to prior
2 agreements, may be brought about and transmitted by means of an
3 electronic impulse. Such loan transactions including transactions made
4 pursuant to prior agreements shall be subject to sections 8-815 to 8-829
5 and shall be deemed loans made at the place of business of the financial
6 institution;

7 (18) Order includes orders transmitted by electronic transmission;

8 (19) Point-of-sale terminal means an information processing terminal
9 which utilizes electronic, sound, or mechanical signals or impulses, or
10 any combination thereof, which are transmitted to a financial institution
11 or which are recorded for later transmission to effectuate electronic
12 funds transfer transactions for the purchase or payment of goods and
13 services and which are initiated by an access device. A point-of-sale
14 terminal is not a branch operated by a financial institution. Any
15 terminal owned or operated by a seller of goods and services shall be
16 connected directly or indirectly to an acquiring financial institution;
17 and

18 (20) Switch means any facility where electronic impulses or other
19 indicia of a transaction originating at an automatic teller machine are
20 received and are routed and transmitted to a financial institution or
21 data processing center, wherever located. A switch may also be a data
22 processing center.

23 Sec. 2. Section 8-102, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 8-102 (1) The department shall, under the laws of this state
26 specifically made applicable to each, have general supervision and
27 control over banks, trust companies, credit unions, building and loan
28 associations, savings and loan associations, and digital asset
29 depositories, all of which are hereby declared to be quasi-public in
30 nature and subject to regulation and control by the state.

31 (2) The director may prescribe conditions on banks, trust companies,

1 credit unions, building and loan associations, savings and loan
2 associations, and digital asset depositories, and their holding
3 companies, if any, as part of any written order, decision, or
4 determination required to be made pursuant to the Credit Union Act, the
5 Nebraska Banking Act, the Nebraska Financial Innovation Act, and Chapter
6 8, article 3.

7 Sec. 3. Section 8-115, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 8-115 No corporation shall conduct a bank or digital asset
10 depository in this state without having first obtained a charter ~~or under~~
11 ~~a grant of authority in the case of a digital asset depository in the~~
12 manner provided in the Nebraska Banking Act or the Nebraska Financial
13 Innovation Act, respectively.

14 Sec. 4. Section 8-135, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 8-135 (1) All persons, regardless of age, may become depositors in
17 any bank and shall be subject to the same duties and liabilities
18 respecting their deposits. Whenever a deposit is accepted by any bank in
19 the name of any person, regardless of age, the deposit may be withdrawn
20 by the depositor by any of the following methods:

21 (a) Check or other instrument in writing. The check or other
22 instrument in writing constitutes a receipt or acquittance if the check
23 or other instrument in writing is signed by the depositor and constitutes
24 a valid release and discharge to the bank for all payments so made; or

25 (b) Electronic means through:

26 (i) Preauthorized direct withdrawal;

27 (ii) An automatic teller machine;

28 (iii) A debit card;

29 (iv) A transfer by telephone;

30 (v) A network, including the Internet; or

31 (vi) Any electronic terminal, computer, magnetic tape, or other

1 electronic means.

2 (2) All persons, individually or with others and regardless of age,
3 may enter into an agreement with a bank for the lease of a safe deposit
4 box and shall be bound by the terms of the agreement.

5 (3) This section shall not be construed to affect the rights,
6 liabilities, or responsibilities of participants in an electronic fund
7 transfer under the federal Electronic Fund Transfer Act, 15 U.S.C. 1693
8 et seq., as such act existed on January 1, 2023 ~~2022~~, and shall not
9 affect the legal relationships between a minor and any person other than
10 the bank.

11 Sec. 5. Section 8-141, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 8-141 (1) No bank shall directly or indirectly loan to any single
14 corporation, limited liability company, firm, or individual, including in
15 such loans all loans made to the several members or shareholders of such
16 corporation, limited liability company, or firm, for the use and benefit
17 of such corporation, limited liability company, firm, or individual, more
18 than twenty-five percent of the paid-up capital, surplus, and capital
19 notes and debentures or fifteen percent of the unimpaired capital and
20 unimpaired surplus of such bank, whichever is greater. Such limitations
21 shall be subject to the following exceptions:

22 (a) Obligations of any person, partnership, limited liability
23 company, association, or corporation in the form of notes or drafts
24 secured by shipping documents or instruments transferring or securing
25 title covering livestock or giving a lien on livestock, when the market
26 value of the livestock securing the obligation is not at any time less
27 than one hundred fifteen percent of the face amount of the notes covered
28 by such documents, shall be subject under this section to a limitation of
29 ten percent of such capital, surplus, and capital notes and debentures or
30 ten percent of such unimpaired capital and unimpaired surplus, whichever
31 is greater, in addition to such twenty-five percent of such capital and

1 surplus or such fifteen percent of such unimpaired capital and unimpaired
2 surplus;

3 (b) Obligations of any person, partnership, limited liability
4 company, association, or corporation secured by not less than a like
5 amount of bonds or notes of the United States issued since April 24,
6 1917, or certificates of indebtedness of the United States, treasury
7 bills of the United States, or obligations fully guaranteed both as to
8 principal and interest by the United States shall be subject under this
9 section to a limitation of ten percent of such capital, surplus, and
10 capital notes and debentures or ten percent of such unimpaired capital
11 and unimpaired surplus, whichever is greater, in addition to such twenty-
12 five percent of such capital and surplus or such fifteen percent of such
13 unimpaired capital and unimpaired surplus;

14 (c) Obligations of any person, partnership, limited liability
15 company, association, or corporation which are secured by negotiable
16 warehouse receipts in an amount not less than one hundred fifteen percent
17 of the face amount of the note or notes secured by such documents shall
18 be subject under this section to a limitation of ten percent of such
19 capital, surplus, and capital notes and debentures or ten percent of such
20 unimpaired capital and unimpaired surplus, whichever is greater, in
21 addition to such twenty-five percent of such capital and surplus or such
22 fifteen percent of such unimpaired capital and unimpaired surplus; or

23 (d) Obligations of any person, partnership, limited liability
24 company, association, or corporation which are secured by readily
25 marketable collateral having a market value, as determined by reliable
26 and continuously available price quotations, in an amount at least equal
27 to the face amount of the note or notes secured by such collateral, shall
28 be subject under this section to a limitation of ten percent of such
29 capital, surplus, and capital notes and debentures or ten percent of such
30 unimpaired capital and unimpaired surplus, whichever is greater, in
31 addition to such twenty-five percent of such capital and surplus or such

1 fifteen percent of such unimpaired capital and unimpaired surplus.

2 (2)(a) For purposes of this section, the discounting of bills of
3 exchange, drawn in good faith against actually existing values, and the
4 discounting of commercial paper actually owned by the persons negotiating
5 the bills of exchange or commercial paper shall not be considered as the
6 lending of money.

7 (b) Loans or obligations shall not be subject to any limitation
8 under this section, based upon such capital and surplus or such
9 unimpaired capital and unimpaired surplus, to the extent that such
10 capital and surplus or such unimpaired capital and unimpaired surplus are
11 secured or covered by guaranties, or by commitments or agreements to take
12 over or to purchase such capital and surplus or such unimpaired capital
13 and unimpaired surplus, made by any federal reserve bank or by the United
14 States Government or any authorized agency thereof, including any
15 corporation wholly owned directly or indirectly by the United States, or
16 general obligations of any state of the United States or any political
17 subdivision of the state. The phrase general obligation of any state or
18 any political subdivision of the state means an obligation supported by
19 the full faith and credit of an obligor possessing general powers of
20 taxation, including property taxation, but does not include municipal
21 revenue bonds and sanitary and improvement district warrants which are
22 subject to the limitations set forth in this section.

23 (c) Any bank may subscribe to, invest in, purchase, and own single-
24 family mortgages secured by the Federal Housing Administration or the
25 United States Department of Veterans Affairs and mortgage-backed
26 certificates of the Government National Mortgage Association which are
27 guaranteed as to payment of principal and interest by the Government
28 National Mortgage Association. Such mortgages and certificates shall not
29 be subject under this section to any limitation based upon such capital
30 and surplus or such unimpaired capital and unimpaired surplus.

31 (d) Obligations representing loans to any national banking

1 association or to any banking institution organized under the laws of any
2 state, when such loans are approved by the director by rule and
3 regulation or otherwise, shall not be subject under this section to any
4 limitation based upon such capital and surplus or such unimpaired capital
5 and unimpaired surplus.

6 (e) Loans or extensions of credit secured by a segregated deposit
7 account in the lending bank shall not be subject under this section to
8 any limitation based on such capital and surplus or such unimpaired
9 capital and unimpaired surplus. The director may adopt and promulgate
10 rules and regulations governing the terms and conditions of such security
11 interest and segregated deposit account.

12 (f) For the purpose of determining lending limits, partnerships
13 shall not be treated as separate entities. Each individual shall be
14 charged with his or her personal debt plus the debt of every partnership
15 in which he or she is a partner, except that for purposes of this section
16 (a) an individual shall only be charged with the debt of any limited
17 partnership in which he or she is a partner to the extent that the terms
18 of the limited partnership agreement provide that such individual is to
19 be held liable for the debts or actions of such limited partnership and
20 (b) no individual shall be charged with the debt of any general
21 partnership in which he or she is a partner beyond the extent to which
22 (i) his or her liability for such partnership debt is limited by the
23 terms of a contract or other written agreement between the bank and such
24 individual and (ii) any personal debt of such individual is incurred for
25 the use and benefit of such general partnership.

26 (3) A loan made within lending limits at the initial time the loan
27 was made may be renewed, extended, or serviced without regard to changes
28 in the lending limit of a bank following the initial extension of the
29 loan if (a) the renewal, extension, or servicing of the loan does not
30 result in the extension of funds beyond the initial amount of the loan or
31 (b) the accrued interest on the loan is not added to the original amount

1 of the loan in the process of renewal, extension, or servicing.

2 (4) Any bank may purchase or take an interest in life insurance
3 contracts for any purpose incidental to the business of banking. A bank's
4 purchase of any life insurance contract, as measured by its cash
5 surrender value, from any one life insurance company shall not at any
6 time exceed twenty-five percent of the paid-up capital, surplus, and
7 capital notes and debentures of such bank or fifteen percent of the
8 unimpaired capital and unimpaired surplus of such bank, whichever is
9 greater. A bank's purchase of life insurance contracts, as measured by
10 their cash surrender values, in the aggregate from all life insurance
11 companies shall not at any time exceed thirty-five percent of the paid-up
12 capital, surplus, undivided profits, and capital notes and debentures of
13 such bank. The limitations under this subsection on a bank's purchase of
14 life insurance contracts, in the aggregate from all life insurance
15 companies, shall not apply to any contract purchased prior to April 5,
16 1994.

17 (5) On and after January 21, 2013, the director has the authority to
18 determine the manner and extent to which credit exposure resulting from
19 derivative transactions, repurchase agreements, reverse repurchase
20 agreements, securities lending transactions, and securities borrowing
21 transactions shall be taken into account for purposes of determining
22 compliance with this section. In making such determinations, the director
23 may, but is not required to, act by rule and regulation or order.

24 (6) For purposes of this section:

25 (a) Derivative transaction means any transaction that is a contract,
26 agreement, swap, warrant, note, or option that is based, in whole or in
27 part, on the value of, any interest in, or any quantitative measure or
28 the occurrence of any event relating to, one or more commodities,
29 securities, currencies, interest or other rates, indices, or other
30 assets;

31 (b) Loan includes:

1 (i) All direct and indirect advances of funds to a person made on
2 the basis of any obligation of that person to repay the funds or
3 repayable from specific property pledged by or on behalf of that person;

4 (ii) To the extent specified by rule and regulation or order of the
5 director, any liability of a state bank to advance funds to or on behalf
6 of a person pursuant to a contractual commitment; and

7 (iii) Any credit exposure to a person arising from a derivative
8 transaction, repurchase agreement, reverse repurchase agreement,
9 securities lending transaction, or securities borrowing transaction
10 between the bank and the person; and

11 (c) Unimpaired capital and unimpaired surplus means:

12 (i) For qualifying banks that have elected to use the community bank
13 leverage ratio framework, as set forth under the Capital Adequacy
14 Standards of the appropriate federal banking agency:

15 (A) The bank's tier 1 capital as reported according to the capital
16 guidelines of the appropriate federal banking agency; and

17 (B) The bank's allowance for loan and lease losses or allowance for
18 credit losses, as applicable, as reported in the most recent consolidated
19 report of condition filed under 12 U.S.C. 1817(a)(3), as such section
20 existed on January 1, 2023 ~~2022~~; and

21 (ii) For all other banks:

22 (A) The bank's tier 1 and tier 2 capital included in the bank's
23 risk-based capital under the capital guidelines of the appropriate
24 federal banking agency, based on the bank's most recent consolidated
25 report of condition filed under 12 U.S.C. 1817(a)(3), as such section
26 existed on January 1, 2023 ~~2022~~; and

27 (B) The balance of the bank's allowance for loan and lease losses
28 not included in the bank's tier 2 capital for purposes of the calculation
29 of risk-based capital by the appropriate federal banking agency, based on
30 the bank's most recent consolidated report of condition filed under 12
31 U.S.C. 1817(a)(3), as such section existed on January 1, 2023 ~~2022~~.

1 (7) Notwithstanding the provisions of section 8-1,140, the director
2 may, by order, deny or limit the inclusion of goodwill in the calculation
3 of a bank's unimpaired capital and unimpaired surplus or in the
4 calculation of a bank's paid-up capital and surplus.

5 Sec. 6. Section 8-143.01, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 8-143.01 (1) No bank shall extend credit to any of its executive
8 officers, directors, or principal shareholders or to any related interest
9 of such persons in an amount that, when aggregated with the amount of all
10 other extensions of credit by the bank to that person and to all related
11 interests of that person, exceeds the higher of twenty-five thousand
12 dollars or five percent of the bank's unimpaired capital and unimpaired
13 surplus unless (a) the extension of credit has been approved in advance
14 by a majority vote of the entire board of directors of the bank, a record
15 of which shall be made and kept as a part of the records of such bank,
16 and (b) the interested party has abstained from participating directly or
17 indirectly in such vote.

18 (2) No bank shall extend credit to any of its executive officers,
19 directors, or principal shareholders or to any related interest of such
20 persons in an amount that, when aggregated with the amount of all other
21 extensions of credit by the bank to that person and to all related
22 interests of that person, exceeds five hundred thousand dollars except by
23 complying with the requirements of subdivisions (1)(a) and (b) of this
24 section.

25 (3) No bank shall extend credit to any of its executive officers,
26 and no such executive officer shall borrow from or otherwise become
27 indebted to his or her bank, except in the amounts and for the purposes
28 set forth in subsection (4) of this section.

29 (4) A bank shall be authorized to extend credit to any of its
30 executive officers:

31 (a) In any amount to finance the education of such executive

1 officer's children;

2 (b)(i) In any amount to finance or refinance the purchase,
3 construction, maintenance, or improvement of a residence of such
4 executive officer if the extension of credit is secured by a first lien
5 on the residence and the residence is owned or is expected to be owned
6 after the extension of credit by the executive officer and (ii) in the
7 case of a refinancing, only the amount of the refinancing used to repay
8 the original extension of credit, together with the closing costs of the
9 refinancing, and any additional amount thereof used for any of the
10 purposes enumerated in this subdivision are included within this category
11 of credit;

12 (c) In any amount if the extension of credit is (i) secured by a
13 perfected security interest in bonds, notes, certificates of
14 indebtedness, or treasury bills of the United States or in other such
15 obligations fully guaranteed as to principal and interest by the United
16 States, (ii) secured by unconditional takeout commitments or guarantees
17 of any department, agency, bureau, board, commission, or establishment of
18 the United States or any corporation wholly owned directly or indirectly
19 by the United States, or (iii) secured by a perfected security interest
20 in a segregated deposit account in the lending bank; or

21 (d) For any other purpose not specified in subdivisions (a), (b),
22 and (c) of this subsection if the aggregate amount of such other
23 extensions of credit to such executive officer does not exceed, at any
24 one time, the greater of two and one-half percent of the bank's
25 unimpaired capital and unimpaired surplus or twenty-five thousand
26 dollars, but in no event greater than one hundred thousand dollars or the
27 amount of the bank's lending limit as prescribed in section 8-141,
28 whichever is less.

29 (5)(a) Except as provided in subdivision (b) or (c) of this
30 subsection, any executive officer shall make, on an annual basis, a
31 written report to the board of directors of the bank of which he or she

1 is an executive officer stating the date and amount of all loans or
2 indebtedness on which he or she is a borrower, cosigner, or guarantor,
3 the security therefor, and the purpose for which the proceeds have been
4 or are to be used.

5 (b) Except as provided in subdivision (c) of this subsection, in
6 lieu of the reports required by subdivision (a) of this subsection, the
7 board of directors of a bank may obtain a credit report from a recognized
8 credit agency, on an annual basis, for any or all of its executive
9 officers.

10 (c) Subdivisions (a) and (b) of this subsection do not apply to any
11 executive officer if such officer is excluded by a resolution of the
12 board of directors or by the bylaws of the bank from participating in the
13 major policymaking functions of the bank and does not actually
14 participate in the major policymaking functions of the bank.

15 (6) No bank shall extend credit to any of its executive officers,
16 directors, or principal shareholders or to any related interest of such
17 persons in an amount that, when aggregated with the amount of all other
18 extensions of credit by the bank to that person and to all related
19 interests of that person, exceeds the lending limit of the bank as
20 prescribed in section 8-141.

21 (7)(a) Except as provided in subdivision (b) of this subsection, no
22 bank shall extend credit to any of its executive officers, directors, or
23 principal shareholders or to any related interest of such persons unless
24 the extension of credit (i) is made on substantially the same terms,
25 including interest rates and collateral, as, and following credit-
26 underwriting procedures that are not less stringent than, those
27 prevailing at the time for comparable transactions by the bank with other
28 persons that are not covered by this section and who are not employed by
29 the bank and (ii) does not involve more than the normal risk of repayment
30 or present other unfavorable features.

31 (b) Nothing in subdivision (a) of this subsection shall prohibit any

1 extension of credit made by a bank pursuant to a benefit or compensation
2 program under the provisions of 12 C.F.R. 215.4(a)(2), as such regulation
3 existed on January 1, 2023 ~~2022~~.

4 (8) For purposes of this section:

5 (a) Executive officer means a person who participates or has
6 authority to participate, other than in the capacity of director, in the
7 major policymaking functions of the bank, whether or not the officer has
8 an official title, the title designates such officer as an assistant, or
9 such officer is serving without salary or other compensation. Executive
10 officer includes the chairperson of the board of directors, the
11 president, all vice presidents, the cashier, the corporate secretary, and
12 the treasurer, unless the executive officer is excluded by a resolution
13 of the board of directors or by the bylaws of the bank from
14 participating, other than in the capacity of director, in the major
15 policymaking functions of the bank, and the executive officer does not
16 actually participate in such functions. A manager or assistant manager of
17 a branch of a bank shall not be considered to be an executive officer
18 unless such individual participates or is authorized to participate in
19 the major policymaking functions of the bank; and

20 (b) Unimpaired capital and unimpaired surplus means the sum of:

21 (i) The total equity capital of the bank reported on its most recent
22 consolidated report of condition filed under section 8-166;

23 (ii) Any subordinated notes and debentures approved as an addition
24 to the bank's capital structure by the appropriate federal banking
25 agency; and

26 (iii) Any valuation reserves created by charges to the bank's income
27 reported on its most recent consolidated report of condition filed under
28 section 8-166.

29 (9) Any executive officer, director, or principal shareholder of a
30 bank or any other person who intentionally violates this section or who
31 aids, abets, or assists in a violation of this section is guilty of a

1 Class IV felony.

2 (10) The Director of Banking and Finance may adopt and promulgate
3 rules and regulations to carry out this section, including rules and
4 regulations defining or further defining terms used in this section,
5 consistent with the provisions of 12 U.S.C. 84 and implementing
6 Regulation O as such section and regulation existed on January 1, 2023
7 2022.

8 Sec. 7. Section 8-157.01, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 8-157.01 (1) Any establishing financial institution may establish
11 and maintain any number of automatic teller machines at which all banking
12 transactions, defined as receiving deposits of every kind and nature and
13 crediting such to customer accounts, cashing checks and cash withdrawals,
14 transferring funds from checking accounts to savings accounts,
15 transferring funds from savings accounts to checking accounts,
16 transferring funds from either checking accounts and savings accounts to
17 accounts of other customers, transferring payments from customer accounts
18 into accounts maintained by other customers of the financial institution
19 or the financial institution, including preauthorized draft authority,
20 preauthorized loans, and credit transactions, receiving payments payable
21 at the financial institution or otherwise, account balance inquiry, and
22 any other transaction incidental to the business of the financial
23 institution or which will provide a benefit to the financial
24 institution's customers or the general public, may be conducted. Any
25 automatic teller machine owned by a nonfinancial institution third party
26 shall be sponsored by an establishing financial institution. Neither such
27 automatic teller machines nor the transactions conducted thereat shall be
28 construed as the establishment of a branch or as branch banking.

29 (2) Any financial institution may become a user financial
30 institution by agreeing to pay the establishing financial institution the
31 automatic teller machine usage fee. Such agreement shall be implied by

1 the use of such automatic teller machines.

2 (3)(a)(i) All automatic teller machines shall be made available on a
3 nondiscriminating basis for use by Nebraska customers of a user financial
4 institution and (ii) all Nebraska automatic teller machine transactions
5 initiated by Nebraska customers of a user financial institution shall be
6 made on a nondiscriminating basis.

7 (b) It shall not be deemed discrimination if (i) an automatic teller
8 machine does not offer the same transaction services as other automatic
9 teller machines, (ii) there are no automatic teller machine usage fees
10 charged between affiliate financial institutions for the use of automatic
11 teller machines, (iii) the automatic teller machine usage fees of an
12 establishing financial institution that authorizes and directly or
13 indirectly routes Nebraska automatic teller machine transactions to
14 multiple switches, all of which comply with the requirements of
15 subdivision (3)(d) of this section, differ solely based upon the fees
16 established by the switches, (iv) automatic teller machine usage fees
17 differ based upon whether the transaction initiated at an automatic
18 teller machine is subject to a surcharge or provided on a surcharge-free
19 basis, or (v) the automatic teller machines established or sponsored by
20 an establishing financial institution are made available for use by
21 Nebraska customers of any user financial institution which agrees to pay
22 the automatic teller machine usage fee and which conforms to the
23 operating rules and technical standards established by the switch to
24 which a Nebraska automatic teller machine transaction is directly or
25 indirectly routed.

26 (c) The director, upon notice and after a hearing, may terminate or
27 suspend the use of any automatic teller machine if he or she determines
28 that the automatic teller machine is not made available on a
29 nondiscriminating basis or that Nebraska automatic teller machine
30 transactions initiated at such automatic teller machine are not made on a
31 nondiscriminating basis.

1 (d) A switch (i) shall provide to all financial institutions that
2 have a main office or approved branch located in the State of Nebraska
3 and that conform to the operating rules and technical standards
4 established by the switch an equal opportunity to participate in the
5 switch for the use of and access thereto; (ii) shall be capable of
6 operating to accept and route Nebraska automatic teller machine
7 transactions, whether receiving data from an automatic teller machine, an
8 establishing financial institution, or a data processing center; and
9 (iii) shall be capable of being directly or indirectly connected to every
10 data processing center for any automatic teller machine.

11 (e) The director, upon notice and after a hearing, may terminate or
12 suspend the operation of any switch with respect to all Nebraska
13 automatic teller machine transactions if he or she determines that the
14 switch is not being operated in the manner required under subdivision (3)
15 (d) of this section.

16 (f) Subject to the requirement for a financial institution to comply
17 with this subsection, no user financial institution or establishing
18 financial institution shall be required to become a member of any
19 particular switch.

20 (4) Any consumer initiating an electronic funds transfer at an
21 automatic teller machine for which an automatic teller machine surcharge
22 will be imposed shall receive notice in accordance with the provisions of
23 15 U.S.C. 1693b(d)(3)(A) and (B), as such section existed on January 1,
24 2023 ~~2022~~. Such notice shall appear on the screen of the automatic teller
25 machine or appear on a paper notice issued from such machine after the
26 transaction is initiated and before the consumer is irrevocably committed
27 to completing the transaction.

28 (5) A point-of-sale terminal may be established at any point within
29 this state by a financial institution, a group of two or more financial
30 institutions, or a combination of a financial institution or financial
31 institutions and a third party or parties. Such parties may contract with

1 a seller of goods and services or any other third party for the operation
2 of point-of-sale terminals.

3 (6) A seller of goods and services or any other third party on whose
4 premises one or more point-of-sale terminals are established shall not
5 be, solely by virtue of such establishment, a financial institution and
6 shall not be subject to the laws governing, or other requirements imposed
7 on, financial institutions, except for the requirement that it faithfully
8 perform its obligations in connection with any transaction originated at
9 any point-of-sale terminal on its premises.

10 (7) Nothing in this section shall be construed to prohibit nonbank
11 employees from assisting in transactions originated at automatic teller
12 machines or point-of-sale terminals, and such assistance shall not be
13 deemed to be engaging in the business of banking.

14 (8)(a) Annually by September 1, any entity operating as a switch in
15 Nebraska shall file a notice with the department setting forth its name,
16 address, and contact information for an officer authorized to answer
17 inquiries related to its operations in Nebraska.

18 (b) Any entity intending to operate in Nebraska as a switch shall
19 file a notice with the department setting forth its name, address, and
20 contact information for an officer authorized to answer inquiries related
21 to its operations in Nebraska. Such notice shall be filed at least thirty
22 days prior to the date on which the switch commences operations, and
23 thereafter annually by September 1.

24 (9) Nothing in this section prohibits ordinary clearinghouse
25 transactions between financial institutions.

26 (10) Nothing in this section shall prevent any financial institution
27 which has a main chartered office or an approved branch located in the
28 State of Nebraska from participating in a national automatic teller
29 machine program to allow its customers to use automatic teller machines
30 located outside of the State of Nebraska which are established by out-of-
31 state financial institutions or foreign financial institutions or to

1 allow customers of out-of-state financial institutions or foreign
2 financial institutions to use its automatic teller machines. Such
3 participation and any automatic teller machine usage fees charged or
4 received pursuant to the national automatic teller machine program or
5 usage fees charged for the use of its automatic teller machines by
6 customers of out-of-state financial institutions or foreign financial
7 institutions shall not be considered for purposes of determining (a) if
8 an automatic teller machine has been made available or Nebraska automatic
9 teller machine transactions have been made on a nondiscriminating basis
10 for use by Nebraska customers of a user financial institution or (b) if a
11 switch complies with subdivision (3)(d) of this section.

12 (11) An agreement to operate or share an automatic teller machine
13 may not prohibit, limit, or restrict the right of the operator or owner
14 of the automatic teller machine to charge a customer conducting a
15 transaction using an account from a foreign financial institution an
16 access fee or surcharge not otherwise prohibited under state or federal
17 law.

18 (12) Switch fees shall not be subject to this section or be
19 regulated by the department.

20 (13) Nothing in this section shall prevent a group of two or more
21 credit unions, each of which has a main chartered office or an approved
22 branch located in the State of Nebraska, from participating in a credit
23 union service organization organized on or before January 1, 2015, for
24 the purpose of owning automatic teller machines, provided that all
25 participating credit unions have an ownership interest in the credit
26 union service organization and that the credit union service organization
27 has an ownership interest in each of the participating credit unions'
28 automatic teller machines. Such participation and any automatic teller
29 machine usage fees associated with Nebraska automatic teller machine
30 transactions initiated by customers of participating credit unions at
31 such automatic teller machines shall not be considered for purposes of

1 determining if such automatic teller machines have been made available on
2 a nondiscriminating basis or if Nebraska automatic teller machine
3 transactions initiated at such automatic teller machines have been made
4 on a nondiscriminating basis, provided that all Nebraska automatic teller
5 machine transactions initiated by customers of participating credit
6 unions result in the same automatic teller machine usage fees for
7 essentially the same service routed over the same switch.

8 (14) Nebraska automatic teller machine usage fees and any agreements
9 relating to Nebraska automatic teller machine usage fees shall comply
10 with subsection (3) of this section.

11 (15) For purposes of this section:

12 (a) Access means the ability to utilize an automatic teller machine
13 or a point-of-sale terminal to conduct permitted banking transactions or
14 purchase goods and services electronically;

15 (b) Account means a checking account, a savings account, a share
16 account, or any other customer asset account held by a financial
17 institution. Such an account may also include a line of credit which a
18 financial institution has agreed to extend to its customer;

19 (c) Affiliate financial institution means any financial institution
20 which is a subsidiary of the same bank holding company;

21 (d) Automatic teller machine usage fee means any per transaction fee
22 established by a switch or otherwise established on behalf of an
23 establishing financial institution and collected from the user financial
24 institution and paid to the establishing financial institution for the
25 use of the automatic teller machine. An automatic teller machine usage
26 fee shall not include switch fees;

27 (e) Electronic funds transfer means any transfer of funds, other
28 than a transaction originated by check, draft, or similar paper
29 instrument, that is initiated through a point-of-sale terminal, an
30 automatic teller machine, or a personal terminal for the purpose of
31 ordering, instructing, or authorizing a financial institution to debit or

1 credit an account;

2 (f) Essentially the same service means the same Nebraska automatic
3 teller machine transaction offered by an establishing financial
4 institution irrespective of the user financial institution, the Nebraska
5 customer of which initiates the Nebraska automatic teller machine
6 transaction. A Nebraska automatic teller machine transaction that is
7 subject to a surcharge is not essentially the same service as the same
8 banking transaction for which a surcharge is not imposed;

9 (g) Establishing financial institution means any financial
10 institution which has a main chartered office or approved branch located
11 in the State of Nebraska that establishes or sponsors an automatic teller
12 machine or any out-of-state financial institution that establishes or
13 sponsors an automatic teller machine;

14 (h) Financial institution means a bank, savings bank, building and
15 loan association, savings and loan association, or credit union, whether
16 chartered by the department, the United States, or a foreign state
17 agency; any other similar organization which is covered by federal
18 deposit insurance; or a subsidiary of any such entity;

19 (i) Foreign financial institution means a financial institution
20 located outside the United States;

21 (j) Nebraska automatic teller machine transaction means a banking
22 transaction as defined in subsection (1) of this section which is (i)
23 initiated at an automatic teller machine established in whole or in part
24 or sponsored by an establishing financial institution, (ii) for an
25 account of a Nebraska customer of a user financial institution, and (iii)
26 processed through a switch regardless of whether it is routed directly or
27 indirectly from an automatic teller machine;

28 (k) Personal terminal means a personal computer and telephone,
29 wherever located, operated by a customer of a financial institution for
30 the purpose of initiating a transaction affecting an account of the
31 customer;

1 (1) Sponsoring an automatic teller machine means the acceptance of
2 responsibility by an establishing financial institution for compliance
3 with all provisions of law governing automatic teller machines and
4 Nebraska automatic teller machine transactions in connection with an
5 automatic teller machine owned by a nonfinancial institution third party;

6 (m) Switch fee means a fee established by a switch and assessed to a
7 user financial institution or to an establishing financial institution
8 other than an automatic teller machine usage fee; and

9 (n) User financial institution means any financial institution which
10 has a main chartered office or approved branch located in the State of
11 Nebraska which avails itself of and provides its customers with automatic
12 teller machine services.

13 Sec. 8. Section 8-183.04, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 8-183.04 (1) Notwithstanding any other provision of the Nebraska
16 Banking Act or any other Nebraska law, a state or federal savings
17 association which was formed and in operation as a mutual savings
18 association as of July 15, 1998, may elect to retain its mutual form of
19 corporate organization upon conversion to a state bank.

20 (2) All references to shareholders or stockholders for state banks
21 shall be deemed to be references to members for such a converted savings
22 association.

23 (3) The amount and type of capital required for such a converted
24 savings association shall be as required for federal mutual savings
25 associations in 12 C.F.R. 5.21, as such regulation existed on January 1,
26 2023 ~~2022~~, except that if at any time the department determines that the
27 capital of such a converted savings association is impaired, the director
28 may require the members to make up the capital impairment.

29 (4) The director may adopt and promulgate rules and regulations
30 governing such converted mutual savings associations. In adopting and
31 promulgating such rules and regulations, the director may consider the

1 provisions of sections 8-301 to 8-384 governing savings associations in
2 mutual form of corporate organization.

3 Sec. 9. Section 8-1,140, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 8-1,140 Notwithstanding any of the other provisions of the Nebraska
6 Banking Act or any other Nebraska statute, any bank incorporated under
7 the laws of this state and organized under the provisions of the act, or
8 under the laws of this state as they existed prior to May 9, 1933, shall
9 directly, or indirectly through a department, a subsidiary, or
10 subsidiaries, have all the rights, powers, privileges, benefits, and
11 immunities which may be exercised as of January 1, 2023 ~~2022~~, by a
12 federally chartered bank doing business in Nebraska, including the
13 exercise of all powers and activities that are permitted for a financial
14 subsidiary of a federally chartered bank. Such rights, powers,
15 privileges, benefits, and immunities shall not relieve such bank from
16 payment of state taxes assessed under any applicable laws of this state.

17 Sec. 10. Section 8-318, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 8-318 (1)(a) Shares of stock in any association, or in any federal
20 savings and loan association incorporated under the provisions of the
21 federal Home Owners' Loan Act, with its principal office and place of
22 business in this state, may be subscribed for, held, transferred,
23 surrendered, withdrawn, and forfeited and payments thereon received and
24 receipted for by any person, regardless of age, in the same manner and
25 with the same binding effect as though such person were of the age of
26 majority, except that a minor or his or her estate shall not be bound on
27 his or her subscription to stock except to the extent of payments
28 actually made thereon.

29 (b) Whenever a share account is accepted by any building and loan
30 association in the name of any person, regardless of age, the deposit may
31 be withdrawn by the shareholder by any of the following methods:

1 (i) Check or other instrument in writing. The check or other
2 instrument in writing constitutes a receipt or acquittance if the check
3 or other instrument in writing is signed by the shareholder and
4 constitutes a valid release in discharge to the building and loan
5 association for all payments so made; or

6 (ii) Electronic means through:

7 (A) Preauthorized direct withdrawal;

8 (B) An automatic teller machine;

9 (C) A debit card;

10 (D) A transfer by telephone;

11 (E) A network, including the Internet; or

12 (F) Any electronic terminal, computer, magnetic tape, or other
13 electronic means.

14 (c) This section shall not be construed to affect the rights,
15 liabilities, or responsibilities of participants in an electronic fund
16 transfer under the federal Electronic Fund Transfer Act, 15 U.S.C. 1693
17 et seq., as it existed on January 1, ~~2023~~ 2022, and shall not affect the
18 legal relationships between a minor and any person other than the
19 building and loan association.

20 (2) All trustees, guardians, personal representatives,
21 administrators, and conservators appointed by the courts of this state
22 may invest and reinvest in, acquire, make withdrawals in whole or in
23 part, hold, transfer, or make new or additional investments in or
24 transfers of shares of stock in any (a) building and loan association
25 organized under the laws of the State of Nebraska or (b) federal savings
26 and loan association incorporated under the provisions of the federal
27 Home Owners' Loan Act, having its principal office and place of business
28 in this state, without an order of approval from any court.

29 (3) Trustees created solely by the terms of a trust instrument may
30 invest in, acquire, hold, and transfer such shares, and make withdrawals,
31 in whole or in part, therefrom, without any order of court, unless

1 expressly limited, restricted, or prohibited therefrom by the terms of
2 such trust instrument.

3 (4) All building and loan associations referred to in this section
4 are qualified to act as trustee or custodian within the provisions of the
5 federal Self-Employed Individuals Tax Retirement Act of 1962, as amended,
6 or under the terms and provisions of section 408(a) of the Internal
7 Revenue Code, if the provisions of such retirement plan require the funds
8 of such trust or custodianship to be invested exclusively in shares or
9 accounts in the association or in other associations. If any such
10 retirement plan, within the judgment of the association, constitutes a
11 qualified plan under the federal Self-Employed Individuals Tax Retirement
12 Act of 1962, or under the terms and provisions of section 408(a) of the
13 Internal Revenue Code, and the regulations promulgated thereunder at the
14 time the trust was established and accepted by the association, is
15 subsequently determined not to be such a qualified plan or subsequently
16 ceases to be such a qualified plan, in whole or in part, the association
17 may continue to act as trustee of any deposits theretofore made under
18 such plan and to dispose of the same in accordance with the directions of
19 the member and beneficiaries thereof. No association, in respect to
20 savings made under this section, shall be required to segregate such
21 savings from other assets of the association. The association shall keep
22 appropriate records showing in proper detail all transactions engaged in
23 under the authority of this section.

24 Sec. 11. Section 8-355, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 8-355 Notwithstanding any of the provisions of Chapter 8, article 3,
27 or any other Nebraska statute, except as provided in section 8-345.02,
28 any association incorporated under the laws of the State of Nebraska and
29 organized under the provisions of such article shall have all the rights,
30 powers, privileges, benefits, and immunities which may be exercised as of
31 January 1, 2023 ~~2022~~, by a federal savings and loan association doing

1 business in Nebraska. Such rights, powers, privileges, benefits, and
2 immunities shall not relieve such association from payment of state taxes
3 assessed under any applicable laws of this state.

4 Sec. 12. Section 8-602, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 8-602 The Director of Banking and Finance shall charge and collect
7 fees for certain services rendered by the Department of Banking and
8 Finance according to the following schedule:

9 (1) For filing and examining articles of incorporation, articles of
10 association, and bylaws, except credit unions, one hundred dollars, and
11 for credit unions, fifty dollars;

12 (2) For filing and examining an amendment to articles of
13 incorporation, articles of association, and bylaws, except credit unions,
14 fifty dollars, and for credit unions, fifteen dollars;

15 (3) For issuing to banks, credit card banks, trust companies, and
16 building and loan associations a charter, authority, or license to do
17 business in this state, a sum which shall be determined on the basis of
18 one dollar and fifty cents for each one thousand dollars of authorized
19 capital, except that the minimum fee in each case shall be two hundred
20 twenty-five dollars;

21 (4) For issuing to digital asset depositories under the Nebraska
22 Financial Innovation Act a charter, ~~an authority, or a license~~ to do
23 business in this state, the sum of fifty thousand dollars;

24 (5) For issuing an executive officer's or loan officer's license,
25 fifty dollars at the time of the initial license, except credit unions
26 for which the fee shall be twenty-five dollars at the time of the initial
27 license;

28 (6) For affixing certificate and seal, five dollars;

29 (7) For making substitution of securities held by it and issuing a
30 receipt, fifteen dollars;

31 (8) For issuing a certificate of approval to a credit union, ten

1 dollars;

2 (9) For investigating the applications required by sections 8-117,
3 8-120, 8-331, and 8-2402 and the documents required by section 8-201, the
4 cost of such examination, investigation, and inspection, including all
5 legal expenses and the cost of any hearing transcript, with a minimum fee
6 under (a) sections 8-117, 8-120, and 8-2402 of two thousand five hundred
7 dollars, (b) section 8-331 of two thousand dollars, and (c) section 8-201
8 of one thousand dollars. The department may require the applicant to
9 procure and give a surety bond in such principal amount as the department
10 may determine and conditioned for the payment of the fees provided in
11 this subdivision;

12 (10) For the handling of pledged securities as provided in sections
13 8-210, ~~and 8-2727,~~ and 8-3022 at the time of the initial deposit of such
14 securities, one dollar and fifty cents for each thousand dollars of
15 securities deposited and a like amount on or before January 15 each year
16 thereafter. The fees shall be paid by the entity pledging the securities;

17 (11) For investigating an application to move its location within
18 the city or village limits of its original license or charter for banks,
19 trust companies, and building and loan associations, two hundred fifty
20 dollars;

21 (12) For investigating an application under subdivision (6) of
22 section 8-115.01, five hundred dollars;

23 (13) For investigating an application for approval to establish or
24 acquire a branch pursuant to section 8-157 or 8-2103 or to establish a
25 mobile branch pursuant to section 8-157, two hundred fifty dollars;

26 (14) For investigating a notice of acquisition of control under
27 subsection (1) of section 8-1502, five hundred dollars;

28 (15) For investigating an application for a cross-industry merger
29 under section 8-1510, five hundred dollars;

30 (16) For investigating an application for a merger of two state
31 banks, a merger of a state bank and a national bank in which the state

1 bank is the surviving entity, or an interstate merger application in
2 which the Nebraska state chartered bank is the resulting bank, five
3 hundred dollars;

4 (17) For investigating an application or a notice to establish a
5 branch trust office, five hundred dollars;

6 (18) For investigating an application or a notice to establish a
7 representative trust office, five hundred dollars;

8 (19) For investigating an application to establish a credit union
9 branch under section 21-1725.01, two hundred fifty dollars;

10 (20) For investigating an applicant under section 8-1513, five
11 thousand dollars;

12 (21) For investigating a request to extend a conditional bank
13 charter under section 8-117, one thousand dollars; and

14 (22) For investigating an application to establish a branch office,
15 for a merger or an acquisition of control, or for a request to extend a
16 conditional charter for a digital asset depository, five hundred dollars.

17 Sec. 13. Section 8-1101, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 8-1101 For purposes of the Securities Act of Nebraska, unless the
20 context otherwise requires:

21 (1) Agent means any individual other than a broker-dealer who
22 represents a broker-dealer or issuer in effecting or attempting to effect
23 sales of securities, but agent does not include an individual who
24 represents (a) an issuer in (i) effecting a transaction in a security
25 exempted by subdivision (6), (7), or (8) of section 8-1110, (ii)
26 effecting certain transactions exempted by section 8-1111, (iii)
27 effecting transactions in a federal covered security as described in
28 section 18(b)(3) of the Securities Act of 1933, or (iv) effecting
29 transactions with existing employees, limited liability company members,
30 partners, or directors of the issuer or any of its subsidiaries if no
31 commission or other remuneration is paid or given directly or indirectly

1 for soliciting any person in this state or (b) a broker-dealer in
2 effecting transactions described in section 15(h)(2) of the Securities
3 Exchange Act of 1934. A partner, limited liability company member,
4 officer, or director of a broker-dealer is an agent only if he or she
5 otherwise comes within this definition;

6 (2) Broker-dealer means any person engaged in the business of
7 effecting transactions in securities for the account of others or for his
8 or her own account. Broker-dealer does not include (a) an issuer-dealer,
9 agent, bank, savings institution, or trust company, (b) an issuer
10 effecting a transaction in its own security exempted by subdivision (5)
11 (a), (b), (c), (d), (e), or (f) of section 8-1110 or which qualifies as a
12 federal covered security pursuant to section 18(b)(1) of the Securities
13 Act of 1933, (c) a person who has no place of business in this state if
14 he or she effects transactions in this state exclusively with or through
15 the issuers of the securities involved in the transactions, other broker-
16 dealers, or banks, savings institutions, credit unions, trust companies,
17 insurance companies, investment companies as defined in the Investment
18 Company Act of 1940, pension or profit-sharing trusts, or other financial
19 institutions or institutional buyers, whether acting for themselves or as
20 trustees, (d) a person who has no place of business in this state if
21 during any period of twelve consecutive months he or she does not direct
22 more than five offers to sell or to buy into this state in any manner to
23 persons other than those specified in subdivision (2)(c) of this section,
24 or (e) a person who is a resident of Canada and who has no office or
25 other physical presence in Nebraska if the following conditions are
26 satisfied: (i) The person must be registered with, or be a member of, a
27 securities self-regulatory organization in Canada or a stock exchange in
28 Canada; (ii) the person must maintain, in good standing, its provisional
29 or territorial registration or membership in a securities self-regulatory
30 organization in Canada, or stock exchange in Canada; (iii) the person
31 effects, or attempts to effect, (A) a transaction with or for a Canadian

1 client who is temporarily present in this state and with whom the
2 Canadian broker-dealer had a bona fide customer relationship before the
3 client entered this state or (B) a transaction with or for a Canadian
4 client in a self-directed tax advantaged retirement plan in Canada of
5 which that client is the holder or contributor; and (iv) the person
6 complies with all provisions of the Securities Act of Nebraska relating
7 to the disclosure of material information in connection with the
8 transaction;

9 (3) Department means the Department of Banking and Finance. Director
10 means the Director of Banking and Finance of the State of Nebraska except
11 as further provided in section 8-1120;

12 (4) Federal covered adviser means a person who is registered under
13 section 203 of the Investment Advisers Act of 1940;

14 (5) Federal covered security means any security described as a
15 covered security under section 18(b) of the Securities Act of 1933 or
16 rules and regulations under the act;

17 (6) Guaranteed means guaranteed as to payment of principal,
18 interest, or dividends;

19 (7) Investment adviser means any person who for compensation engages
20 in the business of advising others, either directly or through
21 publications or writings, as to the value of securities or as to the
22 advisability of investing in, purchasing, or selling securities or who
23 for compensation and as a part of a regular business issues or
24 promulgates analyses or reports concerning securities. Investment adviser
25 also includes financial planners and other persons who, as an integral
26 component of other financially related services, provide the foregoing
27 investment advisory services to others for compensation and as part of a
28 business or who hold themselves out as providing the foregoing investment
29 advisory services to others for compensation. Investment adviser does not
30 include (a) an investment adviser representative, (b) a bank, savings
31 institution, or trust company, (c) a lawyer, accountant, engineer, or

1 teacher whose performance of these services is solely incidental to the
2 practice of his or her profession, (d) a broker-dealer or its agent whose
3 performance of these services is solely incidental to its business as a
4 broker-dealer and who receives no special compensation for them, (e) an
5 issuer-dealer, (f) a publisher of any bona fide newspaper, news column,
6 newsletter, news magazine, or business or financial publication or
7 service, whether communicated in hard copy form, by electronic means, or
8 otherwise which does not consist of the rendering of advice on the basis
9 of the specific investment situation of each client, (g) a person who has
10 no place of business in this state if (i) his or her only clients in this
11 state are other investment advisers, federal covered advisers, broker-
12 dealers, banks, savings institutions, credit unions, trust companies,
13 insurance companies, investment companies as defined in the Investment
14 Company Act of 1940, pension or profit-sharing trusts, or other financial
15 institutions or institutional buyers, whether acting for themselves or as
16 trustees, or (ii) during the preceding twelve-month period, he or she has
17 had five or fewer clients who are residents of this state other than
18 those persons specified in subdivision (g)(i) of this subdivision, (h)
19 any person that is a federal covered adviser or is excluded from the
20 definition of investment adviser under section 202 of the Investment
21 Adviser Act of 1940, or (i) such other persons not within the intent of
22 this subdivision as the director may by rule and regulation or order
23 designate;

24 (8) Investment adviser representative means any partner, limited
25 liability company member, officer, or director or any person occupying a
26 similar status or performing similar functions of a partner, limited
27 liability company member, officer, or director or other individual,
28 except clerical or ministerial personnel, who is employed by or
29 associated with an investment adviser that is registered or required to
30 be registered under the Securities Act of Nebraska or who has a place of
31 business located in this state and is employed by or associated with a

1 federal covered adviser, and who (a) makes any recommendations or
2 otherwise renders advice regarding securities, (b) manages accounts or
3 portfolios of clients, (c) determines which recommendation or advice
4 regarding securities should be given, (d) solicits, offers, or negotiates
5 for the sale of or sells investment advisory services, or (e) supervises
6 employees who perform any of the foregoing;

7 (9) Issuer means any person who issues or proposes to issue any
8 security, except that (a) with respect to certificates of deposit,
9 voting-trust certificates, or collateral-trust certificates or with
10 respect to certificates of interest or shares in an unincorporated
11 investment trust not having a board of directors, or persons performing
12 similar functions, or of the fixed, restricted management, or unit type,
13 the term issuer means the person or persons performing the acts and
14 assuming the duties of depositor or manager pursuant to the provisions of
15 the trust or other agreement or instrument under which the security is
16 issued and (b) with respect to a fractional or pooled interest in a
17 viatical settlement contract, issuer means the person who creates, for
18 the purpose of sale, the fractional or pooled interest. In the case of a
19 viatical settlement contract that is not fractionalized or pooled, issuer
20 means the person effecting a transaction with a purchaser of such
21 contract;

22 (10) Issuer-dealer means (a) any issuer located in the State of
23 Nebraska or (b) any issuer which registered its securities by
24 qualification who proposes to sell to the public of the State of Nebraska
25 the securities that it issues without the benefit of another registered
26 broker-dealer. Such securities shall have been approved for sale in the
27 State of Nebraska pursuant to section 8-1104;

28 (11) Nonissuer means not directly or indirectly for the benefit of
29 the issuer;

30 (12) Person means an individual, a corporation, a partnership, a
31 limited liability company, an association, a joint-stock company, a trust

1 in which the interests of the beneficiaries are evidenced by a security,
2 an unincorporated organization, a government, or a political subdivision
3 of a government;

4 (13) Sale or sell includes every contract of sale of, contract to
5 sell, or disposition of a security or interest in a security for value.
6 Offer or offer to sell includes every attempt or offer to dispose of, or
7 solicitation of an offer to buy, a security or interest in a security for
8 value. Any security given or delivered with or as a bonus on account of
9 any purchase of securities or any other thing is considered to constitute
10 part of the subject of the purchase and to have been offered and sold for
11 value. A purported gift of assessable stock shall be considered to
12 involve an offer and sale. Every sale or offer of a warrant or right to
13 purchase or subscribe to another security of the same or another issuer,
14 as well as every sale or offer of a security which gives the holder a
15 present or future right or privilege to convert into another security of
16 the same or another issuer, shall be considered to include an offer of
17 the other security;

18 (14) Securities Act of 1933, Securities Exchange Act of 1934,
19 Investment Advisers Act of 1940, Investment Company Act of 1940,
20 Commodity Exchange Act, and the federal Interstate Land Sales Full
21 Disclosure Act means the acts as they existed on January 1, 2023 ~~2022~~;

22 (15) Security means any note, stock, treasury stock, bond,
23 debenture, units of beneficial interest in a real estate trust, evidence
24 of indebtedness, certificate of interest or participation in any profit-
25 sharing agreement, collateral-trust certificate, preorganization
26 certificate or subscription, transferable share, investment contract,
27 viatical settlement contract or any fractional or pooled interest in such
28 contract, membership interest in any limited liability company organized
29 under Nebraska law or any other jurisdiction unless otherwise excluded
30 from this definition, voting-trust certificate, certificate of deposit
31 for a security, certificate of interest or participation in an oil, gas,

1 or mining title or lease or in payments out of production under such a
2 title or lease, in general any interest or instrument commonly known as a
3 security, or any certificate of interest or participation in, temporary
4 or interim certificate for, guarantee of, or warrant or right to
5 subscribe to or purchase any of the foregoing. Security does not include
6 any insurance or endowment policy or annuity contract issued by an
7 insurance company. Security also does not include a membership interest
8 in a limited liability company when all of the following exist: (a) The
9 member enters into a written commitment to be engaged actively and
10 directly in the management of the limited liability company; and (b) all
11 members of the limited liability company are actively engaged in the
12 management of the limited liability company. For the limited purposes of
13 determining professional malpractice insurance premiums, a security
14 issued through a transaction that is exempted pursuant to subdivision
15 (23) of section 8-1111 shall not be considered a security;

16 (16) State means any state, territory, or possession of the United
17 States as well as the District of Columbia and Puerto Rico; and

18 (17) Viatical settlement contract means an agreement for the
19 purchase, sale, assignment, transfer, devise, or bequest of all or any
20 portion of the death benefit or ownership of a life insurance policy or
21 contract for consideration which is less than the expected death benefit
22 of the life insurance policy or contract. Viatical settlement contract
23 does not include (a) the assignment, transfer, sale, devise, or bequest
24 of a death benefit of a life insurance policy or contract made by the
25 viator to an insurance company or to a viatical settlement provider or
26 broker licensed pursuant to the Viatical Settlements Act, (b) the
27 assignment of a life insurance policy or contract to a bank, savings
28 bank, savings and loan association, credit union, or other licensed
29 lending institution as collateral for a loan, or (c) the exercise of
30 accelerated benefits pursuant to the terms of a life insurance policy or
31 contract and consistent with applicable law.

1 Sec. 14. Section 8-1101.01, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 8-1101.01 For purposes of the Securities Act of Nebraska:

4 (1) Federal rules and regulations adopted under the Investment
5 Advisors Act of 1940 or the Securities Act of 1933 means such rules and
6 regulations as they existed on January 1, 2023 ~~2022~~; and

7 (2) Fair practice or ethical rules or standards promulgated by the
8 Securities and Exchange Commission, the Financial Industry Regulatory
9 Authority, or a self-regulatory organization approved by the Securities
10 and Exchange Commission means such practice, rules, or standards as they
11 existed on January 1, 2023 ~~2022~~.

12 Sec. 15. Section 8-1704, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 8-1704 CFTC rule shall mean any rule, regulation, or order of the
15 Commodity Futures Trading Commission in effect on January 1, 2023 ~~2022~~.

16 Sec. 16. Section 8-1707, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 8-1707 Commodity Exchange Act shall mean the act of Congress known
19 as the Commodity Exchange Act, 7 U.S.C. 1, as amended on January 1, 2023
20 ~~2022~~.

21 Sec. 17. Section 8-2724, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 8-2724 (1) The requirement for a license under the Nebraska Money
24 Transmitters Act does not apply to:

25 (a) The United States or any department, agency, or instrumentality
26 thereof;

27 (b) Any post office of the United States Postal Service;

28 (c) A state or any political subdivision thereof;

29 (d)(i) Banks, credit unions, digital asset depository institutions
30 as defined in section 8-3003, building and loan associations, savings and
31 loan associations, savings banks, or mutual banks organized under the

1 laws of any state or the United States;

2 (ii) Subsidiaries of the institutions listed in subdivision (d)(i)
3 of this subsection;

4 (iii) Bank holding companies which have a banking subsidiary located
5 in Nebraska and whose debt securities have an investment grade rating by
6 a national rating agency; or

7 (iv) Authorized delegates of the institutions and entities listed in
8 subdivision (d)(i), (ii), or (iii) of this subsection, except that
9 authorized delegates that are not banks, credit unions, building and loan
10 associations, savings and loan associations, savings banks, mutual banks,
11 subsidiaries of any of the foregoing, or bank holding companies shall
12 comply with all requirements imposed upon authorized delegates under the
13 act;

14 (e) The provision of electronic transfer of government benefits for
15 any federal, state, or county governmental agency, as defined in Consumer
16 Financial Protection Bureau Regulation E, 12 C.F.R. part 1005, as such
17 regulation existed on January 1, 2023 ~~2022~~, by a contractor for and on
18 behalf of the United States or any department, agency, or instrumentality
19 thereof or any state or any political subdivision thereof;

20 (f) An operator of a payment system only to the extent that the
21 payment system provides processing, clearing, or settlement services
22 between or among persons who are all exempt under this section in
23 connection with wire transfers, credit card transactions, debit card
24 transactions, automated clearinghouse transfers, or similar fund
25 transfers; or

26 (g) A person, firm, corporation, or association licensed in this
27 state and acting within this state within the scope of a license:

28 (i) As a collection agency pursuant to the Collection Agency Act;

29 (ii) As a credit services organization pursuant to the Credit
30 Services Organization Act; or

31 (iii) To engage in the debt management business pursuant to sections

1 69-1201 to 69-1217.

2 (2) An authorized delegate of a licensee or of an exempt entity,
3 acting within the scope of its authority conferred by a written contract
4 as described in section 8-2739, is not required to obtain a license under
5 the Nebraska Money Transmitters Act, except that such an authorized
6 delegate shall comply with the other provisions of the act which apply to
7 money transmission transactions.

8 Sec. 18. Section 8-2903, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 8-2903 (1) When a financial institution, or an employee of a
11 financial institution, reasonably believes, or has received information
12 from the department or a law enforcement agency demonstrating that it is
13 reasonable to believe, that financial exploitation of a vulnerable adult
14 or senior adult may have occurred, may have been attempted, is occurring,
15 or is being attempted, the financial institution may, but is not required
16 to:

17 (a) Delay or refuse a transaction with or involving the vulnerable
18 adult or senior adult;

19 (b) Delay or refuse to permit the withdrawal or disbursement of
20 funds contained in the vulnerable adult's or senior adult's account;

21 (c) Prevent a change in ownership of the vulnerable adult's or
22 senior adult's account;

23 (d) Prevent a transfer of funds from the vulnerable adult's or
24 senior adult's account to an account owned wholly or partially by another
25 person;

26 (e) Refuse to comply with instructions given to the financial
27 institution by an agent or a person acting for or with an agent under a
28 power of attorney signed or purported to have been signed by the
29 vulnerable adult or senior adult; or

30 (f) Prevent the designation or change the designation of
31 beneficiaries to receive any property, benefit, or contract rights for a

1 vulnerable adult or senior adult at death.

2 (2) A financial institution is not required to act under subsection
3 (1) of this section when provided with information alleging that
4 financial exploitation may have occurred, may have been attempted, is
5 occurring, or is being attempted, but may use the financial institution's
6 discretion to determine whether or not to act under subsection (1) of
7 this section based on the information available to the financial
8 institution at the time.

9 (3)(a)(i) A financial institution may notify any third party
10 reasonably associated with a vulnerable adult or senior adult if the
11 financial institution reasonably believes that the financial exploitation
12 of a vulnerable adult or senior adult may have occurred, may have been
13 attempted, is occurring, or is being attempted.

14 (ii) A third party reasonably associated with a vulnerable adult or
15 senior adult includes, but is not limited to, the following: (A) A
16 parent, spouse, adult child, sibling, or other known family member or
17 close associate of a vulnerable adult or senior adult; (B) an authorized
18 contact provided by a vulnerable adult or senior adult to the financial
19 institution; (C) a co-owner, additional authorized signatory, or
20 beneficiary on a vulnerable adult's or a senior adult's account; (D) an
21 attorney in fact, trustee, conservator, guardian, or other fiduciary who
22 has been selected by a vulnerable adult or senior adult, a court, or a
23 third party to manage some or all of the financial affairs of the
24 vulnerable adult or senior adult; and (E) an attorney known to represent
25 or have represented the vulnerable adult or senior adult.

26 (b) A financial institution may choose not to notify any third party
27 reasonably associated with a vulnerable adult or senior adult of
28 suspected financial exploitation of the vulnerable adult or senior adult
29 if the financial institution reasonably believes the third party is, may
30 be, or may have been engaged in the financial exploitation of the
31 vulnerable adult or senior adult or if requested to refrain from making a

1 notification by a law enforcement agency, if such notification could
2 interfere with a law enforcement investigation.

3 (c) Nothing in this subsection shall prevent a financial institution
4 from notifying the department or a law enforcement agency, if the
5 financial institution reasonably believes that the financial exploitation
6 of a vulnerable adult or senior adult may have occurred, may have been
7 attempted, is occurring, or is being attempted.

8 (4) The authority granted the financial institution under subsection
9 (1) of this section expires upon the sooner of: (a) Thirty business days
10 after the date on which the financial institution first acted under
11 subsection (1) of this section; (b) when the financial institution is
12 satisfied that the transaction or act will not result in financial
13 exploitation of the vulnerable adult or senior adult; or (c) upon
14 termination by an order of a court of competent jurisdiction.

15 (5) Unless otherwise directed by order of a court of competent
16 jurisdiction, a financial institution may extend the duration under
17 subsection (4) of this section based on a reasonable belief that the
18 financial exploitation of a vulnerable adult or senior adult may continue
19 to occur or continue to be attempted.

20 (6) A financial institution and its bank holding company, if any,
21 and any employees, agents, officers, and directors of the financial
22 institution and its bank holding company, if any, shall be immune from
23 any civil, criminal, or administrative liability that may otherwise exist
24 (a) for delaying or refusing to execute a transaction, withdrawal, or
25 disbursement, or for not delaying or refusing to execute such
26 transaction, withdrawal, or disbursement under this section and (b) for
27 actions taken in furtherance of determinations made under subsections (1)
28 through (5) of this section.

29 (7)(a) Notwithstanding any other law to the contrary, the refusal by
30 a financial institution to engage in a transaction as authorized under
31 subsection (1) of this section shall not constitute the wrongful dishonor

1 of an item under section 4-402, Uniform Commercial Code.

2 (b) Notwithstanding any other law to the contrary, a reasonable
3 belief that payment of a check will facilitate the financial exploitation
4 of a vulnerable adult or senior adult shall constitute reasonable grounds
5 to doubt the collectability of the item for purposes of the federal Check
6 Clearing for the 21st Century Act, 12 U.S.C. 5001 et seq., the federal
7 Expedited Funds Availability Act, 12 U.S.C. 4001 et seq., and 12 C.F.R.
8 part 229, as such acts and part existed on January 1, 2023 ~~2022~~.

9 Sec. 19. Section 8-3002, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 8-3002 The Legislature finds and declares that:

12 (1) Economic development initiatives demand buy-in and input from
13 community stakeholders across multiple industries. The Legislature should
14 send a strong message that Nebraska wants to bring high-tech jobs and
15 digital asset operations to our state. Nebraska has an incredible
16 opportunity to be a leader in this emerging technology;

17 (2) Nebraska desires to create an entrepreneurial ecosystem where
18 young talent can be paired with private investors in order to create
19 jobs, enhance our quality of life, and prevent the brain drain that is
20 particularly acute in rural Nebraska. If Nebraska does not make
21 intentional and meaningful changes to how it recruits and retains young
22 people, Nebraska will be left behind;

23 (3) The rapid innovation of blockchain and digital ledger
24 technology, including the growing use of virtual currency, digital
25 assets, and other controllable electronic records has complicated the
26 development of blockchain services and products in the marketplace;

27 (4) Blockchain innovators are able and willing to address banking
28 compliance challenges such as federal customer identification, anti-money
29 laundering, and beneficial ownership requirements to comply with
30 regulators' concerns;

31 (5) Compliance with federal and state laws, including, but not

1 limited to, know-your-customer and anti-money-laundering rules and the
2 federal Bank Secrecy Act, is critical to ensuring the future growth and
3 reputation of the blockchain and technology industries as a whole; and

4 (6) Authorizing digital asset depositories in Nebraska will provide
5 a necessary and valuable service to blockchain innovators and customers,
6 emphasize Nebraska's partnership with the technology and financial
7 industries industry, safely grow this state's ever-evolving financial
8 sector, and afford more opportunities for Nebraska residents.

9 Sec. 20. Section 8-3003, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 8-3003 For purposes of the Nebraska Financial Innovation Act:

12 (1) Blockchain means a distributed digital record of controllable
13 electronic record transactions;

14 (2) Centralized finance means centralized digital asset exchanges,
15 businesses, or organizations with a valid physical address;

16 (3) Control has the following meaning:

17 (a) A person has control of a controllable electronic record if:

18 (i) The following conditions are met:

19 (A) The controllable electronic record or the system in which it is
20 recorded, if any, gives the person:

21 (I) The power to derive substantially all the benefit from the
22 controllable electronic record;

23 (II) Subject to subdivision (b) of this subdivision, the exclusive
24 power to prevent others from deriving substantially all the benefit from
25 the controllable electronic record; and

26 (III) Subject to subdivision (b) of this subdivision, the exclusive
27 power to transfer control of the controllable electronic record to
28 another person or cause another person to obtain control of a
29 controllable electronic record that derives from the controllable
30 electronic record; and

31 (B) The controllable electronic record, a record attached to or

1 logically associated with the controllable electronic record, or the
2 system in which the controllable electronic record is recorded, if any,
3 enables the person to readily identify itself as having the powers
4 specified in subdivision (a)(i) of this subdivision; or

5 (ii) Another person obtains control of the controllable electronic
6 record on behalf of the person, or having previously obtained control of
7 the controllable electronic record, acknowledges that it has control on
8 behalf of the person.

9 (b) A power specified in subdivisions (3)(a)(i)(A)(II) or (III) of
10 this section can be exclusive, even if:

11 (i) The controllable electronic record or the system in which it is
12 recorded, if any, limits the use to which the controllable electronic
13 record may be put or has protocols that are programmed to result in a
14 transfer of control; and

15 (ii) The person has agreed to share the power with another person.

16 (c) For the purposes of subdivision (3)(a)(i)(B) of this section, a
17 person may be identified in any way, including by name, identifying
18 number, cryptographic key, office, or account number;

19 (4) Controllable electronic borrowing means the act of receiving
20 digital assets or the use of digital assets from a lender in exchange for
21 the payment to the lender of digital assets, interest, fees, or rewards;

22 (5) Controllable electronic record means an electronic record that
23 can be subjected to control. The term has the same meaning as digital
24 asset and does not include electronic chattel paper, electronic
25 documents, investment property, and transferable records under the
26 Uniform Electronic Transactions Act;

27 (6) Controllable electronic record exchange means a business that
28 allows customers to purchase, sell, convert, send, receive, or trade
29 digital assets for other digital assets;

30 (7) Controllable electronic record lending means the act of
31 providing digital assets to a borrower in exchange for digital assets,

1 interest, fees, or rewards;

2 (8) Controllable electronic records staking means the act of
3 pledging a digital asset or token with an expectation of gaining digital
4 assets, interest, fees, or other rewards on such act;

5 (9) Customer means a digital asset depositor or digital asset
6 account holder;

7 (10) Decentralized finance means digital asset exchanges,
8 businesses, or organizations operating independently on blockchains;

9 (11) Department means the Department of Banking and Finance;

10 (12) Digital asset depository means a financial institution that
11 securely holds liquid assets when such assets are in the form of
12 controllable electronic records, either as a corporation organized,
13 chartered, and operated pursuant to the Nebraska Financial Innovation Act
14 as a digital asset depository institution or a financial institution
15 operating a digital asset depository business as a digital asset
16 depository department under a charter granted ~~grant of authority~~ by the
17 director;

18 (13) Digital asset depository department means a financial
19 institution operating a digital asset depository business as a digital
20 asset depository department under a charter granted ~~grant of authority~~ by
21 the director;

22 (14) Digital asset depository institution means a corporation
23 operating a digital asset depository business organized and chartered
24 pursuant to the Nebraska Financial Innovation Act;

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

26 (16) Financial institution means a bank, savings bank, building and
27 loan association, or savings and loan association, ~~whether~~ chartered by
28 the United States, the department, or a foreign state agency; or a trust
29 company;

30 (17) Fork means a change to the protocol of a blockchain network;

31 (18) Independent node verification network means a shared electronic

1 database where copies of the same information are stored on multiple
2 computers; and

3 (19) Stablecoin means a controllable electronic record
4 cryptocurrency designed to have a stable value that is backed by a
5 reserve asset.

6 Sec. 21. Section 8-3004, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 8-3004 The director shall have the power to issue to corporations
9 desiring to transact business as a digital asset depository institution
10 charters ~~of authority~~ to transact digital asset depository business as
11 defined in the Nebraska Financial Innovation Act. The director shall have
12 general supervision and control over such digital asset depositories.

13 Sec. 22. Section 8-3005, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 8-3005 (1)(a) A digital asset depository may:

16 (i) Make contracts as a corporation under Nebraska law;

17 (ii) Sue and be sued;

18 (iii) Receive notes as permitted by federal law;

19 (iv) Carry on a nonlending digital asset banking business for
20 customers, consistent with subdivision (2)(b) of this section;

21 (v) Provide payment services upon the request of a customer; and

22 (vi) Make an application to become a member bank of the federal
23 reserve system.

24 (b) A digital asset depository shall maintain its main office and
25 the primary office of its chief executive officer in Nebraska.

26 (c) As otherwise authorized by this section, a digital asset
27 depository may conduct business with customers outside this state.

28 (2)(a) A digital asset depository institution, consistent with the
29 Nebraska Financial Innovation Act, shall be organized as a corporation
30 under the Nebraska Model Business Corporation Act to exercise the powers
31 set forth in subsection (1) of this section.

1 (b) A digital asset depository institution shall not accept demand
2 deposits of United States currency or United States currency that may be
3 accessed or withdrawn by check or similar means for payment to third
4 parties and except as otherwise provided in this subsection, a digital
5 asset depository institution shall not make any ~~consumer~~ loans to
6 consumers for personal, property or household purposes, mortgage loans,
7 or commercial loans of any fiat currency including, but not limited to,
8 United States currency, including the provision of temporary credit
9 relating to overdrafts. Notwithstanding this prohibition against fiat
10 currency lending by a digital asset depository institution, a digital
11 asset depository institution may facilitate the provision of digital
12 asset business services resulting from the interaction of customers with
13 centralized finance or decentralized finance platforms including, but not
14 limited to, controllable electronic record exchange, staking,
15 controllable electronic record lending, and controllable electronic
16 record borrowing. A digital asset depository institution may purchase
17 debt obligations specified by subdivision (2)(c) of section 8-3009.

18 (c) ~~A Subject to the laws of the host state,~~ a digital asset
19 depository institution may open a branch in this state or in another
20 state in the manner set forth in section 8-157 or 8-2303. A branch in
21 another state is subject to the laws of the host state. A digital asset
22 depository institution, including any branch of the digital asset
23 depository institution, may only accept digital asset deposits or provide
24 other digital asset business services under the Nebraska Financial
25 Innovation Act to individual customers or a customer that is a legal
26 entity other than a natural person engaged in a bona fide business which
27 is lawful under the laws of Nebraska, the laws of the host state if the
28 entity is headquartered in another state, and federal law.

29 (3) The deposit limitations of subdivision (2)(a)(ii) of section
30 8-157 shall not apply to a digital asset depository.

31 (4) Any United States currency coming into an account established by

1 a customer of a digital asset depository institution shall be held in a
2 financial institution, the deposits of which are insured by the Federal
3 Deposit Insurance Corporation, which maintained a main-chartered office
4 in this state, any branch thereof in this state, or any branch of the
5 financial institution which maintained the main-chartered office in this
6 state prior to becoming a branch of such financial institution.

7 (5) A digital asset depository institution shall establish and
8 maintain programs for compliance with the federal Bank Secrecy Act, in
9 accordance with 12 C.F.R. 208.63, as the act and rule existed on January
10 1, 2023 ~~2022~~.

11 (6) A digital asset depository shall help meet the digital financial
12 needs of the communities in which it operates, consistent with safe and
13 sound operations, and shall maintain and update a public file available
14 to any person on request and on any Internet website or mobile
15 application it maintains containing specific information about its
16 efforts to meet community needs, including:

17 (a) The collection and reporting of data;

18 (b) Its policies and procedures for accepting and responding to
19 consumer complaints; and

20 (c) Its efforts to assist with financial literacy or personal
21 finance programs to increase knowledge and skills of Nebraska students in
22 areas such as digital assets, budgeting, credit, checking and savings
23 accounts, loans, stocks, and insurance.

24 Sec. 23. Section 8-3007, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 8-3007 (1) No customer shall open or maintain an account with a
27 digital asset depository or otherwise receive any services from the
28 digital asset depository unless the customer meets the criteria of this
29 subsection. A customer shall:

30 (a) Make sufficient evidence available to the digital asset
31 depository to enable compliance with anti-money laundering, customer

1 identification, and beneficial ownership requirements, as determined by
2 the federal Bank Secrecy Act guidance and the policies and practices of
3 the institution; and

4 (b) If the customer is a legal entity other than a natural person:

5 (i) Be in good standing with the jurisdiction in the United States
6 in which it is incorporated or organized; and

7 (ii) Be engaged in a business that is lawful and bona fide in
8 Nebraska, in the host state, if applicable, and under federal law
9 consistent with subsection (3) of this section.

10 (2) A customer which meets the criteria of subsection (1) of this
11 section may be issued a digital asset depository account and otherwise
12 receive services from the digital asset depository, contingent on the
13 digital asset depository maintaining availability of sufficient insurance
14 under subsection (5) of section 8-3023.

15 (3) Consistent with subdivisions (1)(a)(iv) and (v) of section
16 8-3005, and in addition to any requirements specified by federal law, a
17 digital asset depository shall require that any potential customer that
18 is a legal entity other than a natural person provide reasonable evidence
19 that the entity is engaged in a business that is lawful and bona fide in
20 Nebraska, in the host state, if applicable, and under federal law or is
21 likely to open a lawful, bona fide business within a federal Bank Secrecy
22 Act compliant timeframe, as the act existed on January 1, 2023 2022. For
23 purposes of this subsection, reasonable evidence includes business entity
24 filings, articles of incorporation or organization, bylaws, operating
25 agreements, business plans, promotional materials, financing agreements,
26 or other evidence.

27 Sec. 24. Section 8-3008, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 8-3008 The terms and conditions of a customer's digital asset
30 depository account at a digital asset depository shall be disclosed at
31 the time the customer contracts for a digital asset business service.

1 Such disclosure shall be full and complete, contain no material
2 misrepresentations, be in readily understandable language, and shall
3 include, as appropriate and to the extent applicable:

4 (1) A schedule of fees and charges the digital asset depository may
5 assess, the manner by which fees and charges will be calculated if they
6 are not set in advance and disclosed, and the timing of the fees and
7 charges;

8 (2) A statement that the customer's digital asset depository account
9 is not protected by the Federal Deposit Insurance Corporation;

10 (3) A statement whether there is support for forked networks of each
11 digital asset;

12 (4) A statement that investment in digital assets is volatile and
13 subject to market loss;

14 (5) A statement that investment in digital assets may result in
15 total loss of value;

16 (6) A statement that legal, legislative, and regulatory changes may
17 ~~impact~~ ~~impair~~ the value of digital assets;

18 (7) A statement that customers should perform research before
19 investing in digital assets;

20 (8) A statement that transfers of digital assets are irrevocable, if
21 applicable;

22 (9) A statement as to how liability for an unauthorized, mistaken,
23 or accidental transfer shall be apportioned;

24 (10) A statement that digital assets are not legal tender in any
25 jurisdiction;

26 (11) A statement that digital assets may be subject to cyber theft
27 or theft and become unrecoverable;

28 (12) A statement about who maintains control, ownership, and access
29 to any private key related to a digital assets customer's digital asset
30 account; and

31 (13) A statement that losing private key information may result in

1 permanent total loss of access to digital assets.

2 Sec. 25. Section 8-3011, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 8-3011 (1) With respect to all digital asset business activities, a
5 digital asset depository shall display and include in all advertising, in
6 all marketing materials, on any Internet website or mobile application it
7 maintains, and at each window or place where it accepts digital asset
8 deposits, (a) a notice conspicuously stating that digital asset deposits
9 and digital asset accounts are not insured by the Federal Deposit
10 Insurance Corporation, if applicable, and (b) the following conspicuous
11 statement: Holdings of digital assets are speculative and involve a
12 substantial degree of risk, including the risk of complete loss. There is
13 no assurance that any digital asset will be viable, liquid, or solvent.
14 Nothing in this communication is intended to imply that any digital asset
15 held in custody by a digital asset depository is low-risk or risk-free.
16 Digital assets held in custody are not guaranteed by a digital asset
17 depository and are not FDIC insured by the Federal Deposit Insurance
18 Corporation.

19 (2) Upon opening a digital asset depository account, ~~and—if~~
20 ~~applicable~~, a digital asset depository shall require each customer to
21 execute a statement acknowledging that all digital asset deposits at the
22 digital asset depository are not insured by the Federal Deposit Insurance
23 Corporation. The digital asset depository shall permanently retain this
24 acknowledgment, whether in electronic form or as a signature card.

25 Sec. 26. Section 8-3012, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 8-3012 (1) Except as otherwise provided by subsection (5) of this
28 section, five or more adult persons, including at least one Nebraska
29 resident, may form a digital asset depository institution. The
30 incorporators shall subscribe the articles of incorporation and transmit
31 them and the bylaws of the digital asset depository to the director as

1 part of an application for a charter under section 8-3015.

2 (2) The articles of incorporation shall include the following
3 information:

4 (a) The corporate name;

5 (b) The object for which the corporation is organized;

6 (c) The term of its existence, which may be perpetual;

7 (d) The place in Nebraska where its main office shall be physically
8 located and its operations conducted;

9 (e) The amount of capital stock and the number of shares;

10 (f) The name and residence of each shareholder subscribing to more
11 than ten percent of the stock and the number of shares owned by that
12 shareholder;

13 (g) The number of directors and the names of those who shall manage
14 the affairs of the corporation for the first year; and

15 (h) A statement that the articles of incorporation are made to
16 enable the incorporators to avail themselves of the advantages of the
17 laws of the state.

18 (3) Copies of all amended articles of incorporation and bylaws shall
19 be filed in the same manner as the original articles of incorporation and
20 bylaws.

21 (4) The incorporators shall solicit capital prior to filing an
22 application for a charter with the director, consistent with section
23 8-3013. In the event an application for a charter is not filed or is
24 denied by the director, all capital shall be promptly returned without
25 loss.

26 (5) Subject to federal and state law, a bank holding company may
27 apply to hold a digital asset depository institution.

28 Sec. 27. Section 8-3013, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 8-3013 (1) The capital stock of each digital asset depository
31 institution chartered under the Nebraska Financial Innovation Act shall

1 be subscribed for as paid-up stock. No digital asset depository
2 institution shall be chartered with capital stock of less than ten
3 million dollars.

4 (2) No digital asset depository institution shall commence business
5 until the full amount of its authorized capital is subscribed and all
6 capital stock is fully paid in. No digital asset depository institution
7 may be chartered without a paid-up surplus fund of at least three years
8 of estimated operating expenses in the amount disclosed pursuant to
9 subsection (2) of section 8-3015 or in another amount required by the
10 director.

11 (3) A digital asset depository institution may acquire additional
12 capital prior to the granting of a charter and shall report this capital
13 as an amendment to its ~~in~~ its charter application.

14 Sec. 28. Section 8-3014, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 8-3014 (1) Any financial institution, having adopted or amended its
17 articles of incorporation to authorize the conduct of a digital asset
18 depository business may be further chartered by the director to transact
19 a digital asset depository business in a digital asset depository
20 department in connection with such financial institution.

21 (2) The director has the authority to issue to financial
22 institutions amendments to their charters ~~of authority to transact a~~
23 digital asset depository business, ~~and~~ has general supervision and
24 control over such digital asset depository departments of financial
25 institutions, and may require the injection of additional capital.

26 (3) The director, before granting to any financial institution the
27 right to operate a digital asset depository department, shall require
28 such financial institution to make an application for amendment of its
29 charter, setting forth such information as the director may require.

30 (4) A digital asset depository department of a financial institution
31 when chartered under subsection (1) of this section shall be separate and

1 apart from every other department of the financial institution and shall
2 have all of the powers, duties, and obligations of a digital asset
3 depository institution as set forth in the Nebraska Financial Innovation
4 Act.

5 (5) Any financial institution authorized to transact a digital asset
6 depository business in a digital asset depository department pursuant to
7 subsection (1) of this section may conduct such digital asset depository
8 business at the office of any financial institution which is a subsidiary
9 of the same bank holding company as the authorized financial institution.

10 (6) A financial institution may deposit or have on deposit funds of
11 an account controlled by the financial institution's digital asset
12 depository department unless prohibited by applicable law.

13 Sec. 29. Section 8-3015, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 8-3015 (1) No corporation shall act as a digital asset depository
16 without first obtaining ~~authority~~ or a charter to operate from the
17 director under the Nebraska Financial Innovation Act.

18 (2) The incorporators under section 8-3012 shall apply to the
19 director for a charter. The application shall contain the digital asset
20 depository institution's articles of incorporation, bylaws, a detailed
21 business plan, a comprehensive estimate of operating expenses for the
22 first three years of operation, a complete proposal for compliance with
23 the provisions of the Nebraska Financial Innovation Act, evidence of the
24 capital and surplus required under section 8-3013, and any investors or
25 owners holding ten percent or more equity in the digital asset depository
26 institution. The director may prescribe the form of application.

27 (3) A financial institution may apply to the director for a charter
28 ~~authority~~ to operate a digital asset depository business as a department.
29 The application shall contain a detailed business plan, a comprehensive
30 estimate of operating expenses for the first three years of operation,
31 and a complete proposal for compliance with the provisions of the

1 Nebraska Financial Innovation Act. The director may prescribe the form of
2 application.

3 (4) Each application for a charter ~~or authority~~ shall be accompanied
4 by an application fee of fifty thousand dollars.

5 Sec. 30. Section 8-3016, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 8-3016 (1) After a substantially complete application for a digital
8 asset depository institution charter authority or a digital asset
9 depository department institution charter has been submitted, the
10 director shall notify the applicants in writing within thirty calendar
11 days of any deficiency in the required information or that the
12 application has been accepted for filing. When the director is satisfied
13 that all required information has been furnished, the director shall
14 establish a time and place for a public hearing which shall be conducted
15 not less than sixty days, nor more than one hundred twenty days, after
16 notice from the director to the applicants that the application is in
17 order.

18 (2) Within thirty days after receipt of notice of the time and place
19 of the public hearing, the department shall cause notice of filing of the
20 application and the hearing to be published at the applicant's
21 ~~applicants'~~ expense in a newspaper of general circulation within the
22 county where the proposed digital asset depository is to be located.
23 Publication shall be made at least once a week for three consecutive
24 weeks before the hearing, stating the proposed location of the digital
25 asset depository, the names of the applicants for a charter, the nature
26 of the activities to be conducted by the proposed digital asset
27 depository, and other information required by rule and regulation. The
28 director shall electronically send notice of the hearing to state and
29 national banks, federal savings and loan associations, state and federal
30 credit unions, and other financial institutions in the state, federal
31 agencies, and financial industry trade groups.

1 Sec. 31. Section 8-3017, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 8-3017 The hearing required by section 8-3016 ~~for a charter~~
4 ~~application or for authority to operate a digital asset depository~~ shall
5 be conducted under the Administrative Procedure Act and shall comply with
6 the requirements of the act.

7 Sec. 32. Section 8-3018, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 8-3018 Upon receiving an ~~the~~ application for a charter to become a
10 digital asset depository institution, ~~or for a charter authority to~~
11 operate a digital asset depository department, the applicable fee, and
12 other information required by the director, the director shall make a
13 careful investigation and examination of the following:

14 (1) The character, reputation, criminal record, financial standing,
15 and ability of the shareholders owning ten percent or more equity in the
16 applicant;

17 (2) The character, financial responsibility, criminal background,
18 banking or other financial experience, and business qualifications of
19 those proposed as officers and directors;

20 (3) Whether the applicant or any of its officers, directors, or
21 shareholders owning ten percent or more equity in the applicant have ever
22 been convicted of any (i) misdemeanor involving any aspect of a digital
23 asset depository business or any business of a similar nature or (ii)
24 felony;

25 (4) Whether the applicant or any of its officers, directors, or
26 shareholders owning ten percent or more equity in the applicant have ever
27 been permanently or temporarily enjoined by a court of competent
28 jurisdiction from engaging in or continuing any conduct or practice
29 involving any aspect of a digital asset depository business or any
30 business of a similar nature;

31 (5) A criminal history record information check of the applicant,

1 its officers, directors, and shareholders owning ten percent or more
2 equity in the applicant. The direct cost of the criminal history record
3 information check shall be paid by the applicant; and

4 (6) The application for a charter, ~~or for authority to operate a~~
5 ~~digital asset depository,~~ including the adequacy and plausibility of the
6 business plan of the digital asset depository, the benefits to the
7 customers, and whether the applicant has offered a complete proposal for
8 compliance with the Nebraska Financial Innovation Act.

9 Sec. 33. Section 8-3019, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 8-3019 (1) Within ninety days after receipt of the transcript of the
12 public hearing, the director shall render a decision on the application
13 based on the following criteria and requirements:

14 (a) Whether the character, reputation, criminal record, financial
15 standing, and ability of the shareholders owning ten percent or more
16 equity in the applicant are sufficient to afford reasonable promise of a
17 successful operation;

18 (b) That the digital asset depository will be operated by officers
19 of integrity and responsibility;

20 (c) Whether the character, financial responsibility, criminal
21 background, and banking or other financial experience and business
22 qualifications of those proposed as officers and directors are sufficient
23 to afford reasonable promise of a successful operation;

24 (d) The adequacy and plausibility of the business plan of the
25 digital asset depository ~~institution,~~ including the ongoing customer
26 expectations of the digital asset depository ~~institution~~ as determined by
27 the director;

28 (e) Compliance by the digital asset depository institution with the
29 capital and surplus requirements of section 8-3013;

30 (f) Whether the digital asset depository institution is being formed
31 for no other purpose than legitimate objectives authorized by law;

1 (g) That the name of the proposed digital asset depository
2 institution includes the words "digital asset bank" so that it does not
3 resemble the name of any other financial institution transacting business
4 in the state so as to cause confusion;

5 (h) That the digital asset depository will be operated in a safe and
6 sound manner ~~to benefit its customers;~~

7 (i) That the digital asset depository shall help meet the digital
8 financial needs of the communities in which it operates, consistent with
9 safe and sound operations, and shall maintain and update a public file
10 and on any Internet website or mobile application it maintains containing
11 specific information about its efforts to meet community needs,
12 including:

13 (i) The collection and reporting of data;

14 (ii) Its policies and procedures for accepting and responding to
15 consumer complaints; and

16 (iii) Its efforts to assist with financial literacy or personal
17 finance programs to increase knowledge and skills of Nebraska students in
18 areas such as digital assets, budgeting, credit, checking and savings
19 accounts, loans, stocks, and insurance;

20 (j) Whether the applicants have complied with all provisions of
21 state law and are eligible to apply for membership in the federal reserve
22 system; and

23 (k) Any other considerations in addition to statutory requirements
24 submitted by the applicant pursuant to operational order, rules and
25 regulations, or request of the department.

26 (2) The director shall approve an application upon making favorable
27 findings on the criteria set forth in subsection (1) of this section. The
28 ~~If necessary,~~ the director may either conditionally approve an
29 application by specifying conditions relating to the criteria or may deny
30 ~~disapprove~~ the application. The director shall state findings of fact and
31 conclusions of law as part of such decision and ~~.(3) If the director~~

1 ~~approves the application, the director shall issue an order approving,~~
2 ~~conditionally approving, or denying the application.~~

3 Sec. 34. Section 8-3020, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 8-3020 (1) If an application is approved, ~~and a charter shall not be~~
6 ~~issued and or authority is granted by the director under section 8-3019,~~
7 the digital asset depository shall not commence business before
8 satisfaction of all conditions precedent contained in the director's
9 order or conditional order.

10 (2) If an approved digital asset depository fails to commence
11 business in good faith within twelve months after the issuance of a
12 ~~charter or an order of authority to operate by the director,~~ the charter
13 ~~or authority~~ shall expire. The director, for good cause and upon an
14 application filed prior to the expiration of the ~~twelve-month~~ six-month
15 period, may extend the time within which the digital asset depository may
16 open for business.

17 Sec. 35. Section 8-3021, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 8-3021 Any decision of the department or director in approving,
20 conditionally approving, or denying ~~disapproving~~ a charter ~~or authority~~
21 for a digital asset depository is appealable in accordance with the
22 Administrative Procedure Act.

23 Sec. 36. Section 8-3022, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 8-3022 (1) Except as otherwise provided by subsection (2) of this
26 section, a digital asset depository shall, before transacting any
27 business, pledge or furnish a surety bond to the director to cover costs
28 likely to be incurred by the director in a liquidation or conservatorship
29 of the digital asset depository. The amount of the surety bond or pledge
30 of assets under subsection (2) of this section shall be determined by the
31 director in an amount sufficient to defray the costs of a liquidation or

1 conservatorship.

2 (2) In lieu of a bond, a digital asset depository may irrevocably
3 pledge specified assets equivalent to a bond under subsection (1) of this
4 section. Any assets pledged to the director under this subsection shall
5 be held in a state or nationally chartered bank, trust company, federal
6 reserve bank, or savings and loan association having a principal or
7 branch office in this state, excluding affiliated institutions. All costs
8 associated with pledging and holding such assets are the responsibility
9 of the digital asset depository.

10 (3) Assets pledged to the director shall not include money and shall
11 be of the same nature and quality as those required under section 8-210.

12 (4) The digital asset depository shall have the right, with the
13 approval of the director, to substitute other securities for those
14 deposited and shall be required to do so on written order of the director
15 made for good cause shown. The digital asset depository shall pay the
16 fees prescribed in section 8-602 for pledging and substitution of
17 securities. So long as the digital asset depository so depositing shall
18 continue to be solvent and is not in violation of the Nebraska Financial
19 Innovation Act, such digital asset depository shall be permitted to
20 receive the interest or dividends on such deposit.

21 (5) ~~(4)~~ Surety bonds shall run to the State of Nebraska⁷ and shall
22 be approved under the terms and conditions required under section 8-110.

23 (6) ~~(5)~~ The director may by order or rules and regulations establish
24 additional investment guidelines or investment options for purposes of
25 the pledge or surety bond required by this section.

26 (7) ~~(6)~~ In the event of a liquidation or conservatorship of a
27 digital asset depository pursuant to section 8-3027, the director may,
28 without regard to priorities, preferences, or adverse claims, reduce the
29 surety bond or assets pledged under this section to cash as soon as
30 practicable and utilize the cash to defray the costs associated with the
31 liquidation or conservatorship.

1 (8) ~~(7)~~ Income from assets pledged under subsection (2) of this
2 section shall be paid to the digital asset depository no less than
3 annually, unless a liquidation or conservatorship takes place.

4 (9) ~~(8)~~ Upon evidence that the amount of the current surety bond ~~is~~
5 or pledged assets is ~~are~~ insufficient, the director may require a digital
6 asset depository to increase its surety bond or pledged assets by
7 providing not less than thirty days' written notice to the digital asset
8 depository.

9 Sec. 37. Section 8-3023, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 8-3023 (1) The director may call for reports verified under oath
12 from a digital asset depository at any time as necessary to inform the
13 director of the condition of the digital asset depository. Such reports
14 shall be available to the public.

15 (2) All reports required of a digital asset depository by the
16 director and all materials relating to examinations of a digital asset
17 depository shall be subject to the provisions of sections 8-103 and
18 8-108.

19 (3) Every digital asset depository is subject to examination by the
20 department to determine the condition and resources of a digital asset
21 depository, the mode of managing digital asset depository affairs and
22 conducting business, the actions of officers and directors in the
23 investment and disposition of funds, the safety and prudence of digital
24 asset depository management, compliance with the requirements of the
25 Nebraska Financial Innovation Act, and such other matters as the director
26 may require.

27 (4) A digital asset depository shall pay an assessment in a sum to
28 be determined by the director in accordance with section 8-601 and
29 approved by the Governor and the costs of any examination or
30 investigation as provided in sections 8-108 and 8-606.

31 (5) A digital asset depository shall maintain appropriate insurance

1 or a bond covering the operational risks of the digital asset depository,
2 which shall include coverage for directors' and officers' liability,
3 errors and omissions liability, ~~and~~ information technology infrastructure
4 and activities liability, and business operations, as determined by the
5 director.

6 Sec. 38. Section 8-3025, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 8-3025 The director may suspend or revoke the charter ~~or authority~~
9 of a digital asset depository if, after notice and opportunity for a
10 hearing, the director determines that:

11 (1) The digital asset depository has failed or refused to comply
12 with an order issued under section 8-1,136, 8-2504, or 8-2743;

13 (2) The application for a charter ~~or authority~~ contained a
14 materially false statement, misrepresentation, or omission; or

15 (3) An officer, a director, or an agent of the digital asset
16 depository, in connection with an application for a charter ~~or authority~~,
17 an examination, a report, or other document filed with the director,
18 knowingly made a materially false statement, misrepresentation, or
19 omission to the department, the director, or the duly authorized agent of
20 the department or director.

21 Sec. 39. Section 8-3026, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 8-3026 If the charter ~~or authority~~ of a digital asset depository is
24 surrendered, suspended, or revoked, the digital asset depository shall
25 continue to be subject to the provisions of the Nebraska Financial
26 Innovation Act during any liquidation or conservatorship.

27 Sec. 40. Section 8-3028, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 8-3028 (1) A digital asset depository institution may voluntarily
30 dissolve in accordance with this section. Voluntary dissolution shall be
31 accomplished by either liquidating the digital asset depository

1 institution or reorganizing the digital asset depository institution into
2 an appropriate business entity that does not engage in any activity
3 authorized only for a digital asset depository institution. Upon complete
4 liquidation or completion of the reorganization, the director shall
5 revoke the charter ~~or authority~~ of the digital asset depository
6 institution. Thereafter, the corporation or business entity shall not use
7 the words digital asset depository or digital asset bank in its business
8 name or in connection with its ongoing business.

9 (2) A digital asset depository institution may dissolve its charter
10 either by liquidation or reorganization. The board of directors shall
11 file an application for dissolution with the director, accompanied by a
12 filing fee established by an order or the rules and regulations of the
13 director. The application shall include a comprehensive plan for
14 dissolution setting forth the proposed disposition of all assets and
15 liabilities in reasonable detail to effect a liquidation or
16 reorganization, and any other plans required by the director. The plan of
17 dissolution shall provide for the discharge or assumption of all of the
18 known and unknown claims and liabilities of the digital asset depository
19 institution. Additionally, the application for dissolution shall include
20 other evidence, certifications, affidavits, documents, or information as
21 the director may require, including demonstration of how assets and
22 liabilities will be disposed, the timetable for effecting disposition of
23 the assets and liabilities, and a proposal of the digital asset
24 depository institution for addressing any claims that are asserted after
25 dissolution has been completed. The director shall examine the
26 application for compliance with this section, the business entity laws
27 applicable to the required type of dissolution, and applicable orders and
28 rules and regulations. The director may conduct a special examination of
29 the digital asset depository institution, consistent with subsection (3)
30 of section 8-3023, for purposes of evaluating the application.

31 (3) If the director finds that the application is incomplete, the

1 director shall return it for completion not later than sixty days after
2 it is filed. If the application is found to be complete by the director,
3 the director shall approve or ~~deny~~ ~~disapprove~~ the application not later
4 than thirty days after it is filed. If the director approves the
5 application, the digital asset depository institution may proceed with
6 the dissolution pursuant to the plan outlined in the application, subject
7 to any further conditions the director may prescribe. If the digital
8 asset depository institution subsequently determines that the plan of
9 dissolution needs to be amended to complete the dissolution, it shall
10 file an amended plan with the director and obtain approval to proceed
11 under the amended plan. If the director does not approve the application
12 or amended plan, the digital asset depository institution may appeal the
13 decision to the director pursuant to the Administrative Procedure Act.

14 (4) Upon completion of all actions required under the plan of
15 dissolution and satisfaction of all conditions prescribed by the
16 director, the digital asset depository institution shall submit a written
17 report of its actions to the director. The report shall contain a
18 certification made under oath that the report is true and correct.
19 Following receipt of the report, the director, no later than sixty days
20 after the filing of the report, shall examine the digital asset
21 depository institution to determine whether the director is satisfied
22 that all required actions have been taken in accordance with the plan of
23 dissolution and any conditions prescribed by the director. If all
24 requirements and conditions have been met, the director shall, within
25 thirty days of the examination, notify the digital asset depository
26 institution in writing that the dissolution has been completed and issue
27 an order of dissolution.

28 (5) Upon receiving an order of dissolution, the digital asset
29 depository institution shall surrender its charter to the director. The
30 digital asset depository institution shall then file articles of
31 dissolution and other documents required by sections 21-2,184 to 21-2,201

1 for a corporation with the Secretary of State. In the case of
2 reorganization, the digital asset depository institution shall file the
3 documents required by the Secretary of State to finalize the
4 reorganization.

5 (6) If the director determines that all required actions under the
6 plan for dissolution, or as otherwise required by the director, have not
7 been completed, the director shall notify the digital asset depository
8 institution, not later than thirty days after this determination, in
9 writing, of what additional actions shall be taken in order for the
10 institution to be eligible for a certificate of dissolution. The director
11 shall establish a reasonable deadline of up to thirty days for the
12 submission of evidence that additional actions have been taken and the
13 director may extend any deadline upon good cause. If the digital asset
14 depository institution fails to file a supplemental report showing that
15 the additional actions have been taken before the deadline, or submits a
16 report that is found not to be satisfactory by the director, the director
17 shall notify the digital asset depository institution in writing that its
18 voluntary dissolution is not approved, and the institution may appeal the
19 decision to the director pursuant to the Administrative Procedure Act.

20 (7) A financial institution operating a digital asset depository
21 department may, upon adoption of a resolution by its board of directors,
22 and upon compliance with the provisions of this section, insofar as
23 determined by the director by order or rule and regulation, surrender its
24 charter for a digital asset depository department for cancellation to the
25 department.

26 Sec. 41. Section 8-3030, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 8-3030 Each officer, director, employee, or agent of a digital asset
29 depository, following written notice from the director, is subject to
30 removal upon order of the director if such officer, director, employee,
31 or agent knowingly, willfully, or negligently:

1 (1) Fails to perform any duty required by the Nebraska Financial
2 Innovation Act or other applicable law;

3 (2) Fails to conform to any order or rules and regulations of the
4 director; or

5 (3) Endangers the interest of a customer or the safety and soundness
6 of the digital asset depository.

7 Sec. 42. Section 10-110, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 10-110 The county clerk shall ascertain from the assessment roll of
10 the county the amount of taxable property in such county and the
11 percentage required to be levied thereon to pay the interest and to
12 create a sinking fund. The county board ~~clerk~~ shall levy such percentage
13 upon the taxable property of the county, and the county clerk shall place
14 the same upon the tax roll of the county in a separate column or columns,
15 designating the purposes for which the taxes are levied. The taxes shall
16 be collected by the county treasurer in the same manner that other taxes
17 are collected.

18 Sec. 43. Section 10-402, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 10-402 The proposition of the question must be accompanied by a
21 provision to levy a tax annually for the payment of the interest on the
22 ~~said bonds. An as it becomes due; Provided, an~~ additional amount shall be
23 levied and collected to pay the principal of such ~~said bonds when it~~
24 ~~shall become due.~~

25 Sec. 44. Section 10-403, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 10-403 The proposition shall state the rate of interest such bond
28 shall draw, ~~and when the principal and interest shall be made payable.~~

29 Sec. 45. Section 10-405, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 10-405 It shall be the duty of the proper officers of such county or

1 city to cause to be annually levied, collected, and paid to the holders
2 of such bonds a special tax on all taxable property within the said
3 county or city sufficient to pay the annual interest and as the same
4 ~~becomes due. When the principal of the said bonds. Not becomes due such~~
5 ~~officers shall in like manner levy and collect an additional amount~~
6 ~~sufficient to pay the same as it becomes due; Provided, not more than~~
7 twenty percent of the principal of such said bonds shall be collected in
8 any one year.

9 Sec. 46. Section 10-507, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 10-507 The county board of any county issuing bonds under the
12 ~~provisions of sections 10-501 to 10-509 shall levy a tax annually for the~~
13 payment of the interest on the said bonds. ~~An as it becomes due;~~
14 ~~Provided, an additional amount shall be levied and collected sufficient~~
15 to pay the principal of such bonds at maturity. ~~Not ; and provided, not~~
16 more than twenty percent of the principal of such said bonds shall be
17 levied and collected in any one year.

18 Sec. 47. Section 10-711, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 10-711 It shall be the duty of the county board in each county to
21 levy annually upon all the taxable property in each school district in
22 such county a tax sufficient to pay the interest that will accrue or is
23 accruing upon any bonds that have been or will be issued by such school
24 district and to provide a sinking fund for the final redemption of the
25 same. Such levy shall be made with the annual levy of the county and the
26 taxes collected with other taxes and when collected shall be paid over to
27 the county treasurer of the county in which the administrative office of
28 such school district is located and shall remain in the hands of such
29 county treasurer as a specific fund for the payment of the interest upon
30 such bonds and for the final payment of the same at maturity. At the
31 request of the school board of any district, the county board shall omit

1 making a levy to pay the principal of the bonds when no bonds will be due
2 within fifteen years thereafter.

3 Sec. 48. Section 10-804, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 10-804 The proposition, when submitted, shall state the amount
6 necessary to be raised each year for the payment of the interest on the
7 ~~said~~ bonds, and for the payment of the principal thereof at maturity.
8 When such bonds shall have been issued or authorized to be issued, the
9 proper officers of such county shall cause to be annually levied and
10 collected a special tax upon all taxable property of such county to raise
11 the annual amount designated in the ~~said~~ proposition, and to pay the
12 interest and principal of such ~~said~~ bonds ~~as the same become due and~~
13 ~~payable~~.

14 Sec. 49. Section 13-509, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 13-509 (1) On or before August 20 of each year, the county assessor
17 shall certify to each governing body or board empowered to levy or
18 certify a tax levy the current taxable value of the taxable real and
19 personal property subject to the applicable levy. The certification shall
20 be provided to the governing body or board (a) by mail if requested by
21 the governing body or board, (b) electronically, or (c) by listing such
22 certification on the county assessor's website.

23 (2) Current taxable value for real property shall mean the value
24 established by the county assessor and equalized by the county board of
25 equalization and the Tax Equalization and Review Commission. Current
26 taxable value for tangible personal property shall mean the net book
27 value reported by the taxpayer and certified by the county assessor.

28 (3) If a political subdivision annexes property since the last time
29 taxable values were certified under subsection (1) of this section, the
30 governing body of such political subdivision shall file and record a
31 certified copy of the annexation ordinance, petition, or resolution in

1 the office of the register of deeds or, if none, the county clerk and the
2 county assessor of the county in which the annexed property is located.
3 The annexation ordinance, petition, or resolution shall include a full
4 legal description of the annexed property. If the register of deeds or
5 county clerk receives and records such ordinance, petition, or resolution
6 prior to July 1 or, for annexations by a city of the metropolitan class,
7 prior to August 1, the valuation of the real and personal property
8 annexed shall be considered in the taxable valuation of the annexing
9 political subdivision for the current year. If the register of deeds or
10 county clerk receives and records such ordinance, petition, or resolution
11 on or after July 1 or, for annexations by a city of the metropolitan
12 class, on or after August 1, the valuation of the real and personal
13 property annexed shall be considered in the taxable valuation of the
14 annexing political subdivision for the following year.

15 (4) If the legal voters of a political subdivision have approved a
16 bond since the last time taxable values were certified under subsection
17 (1) of this section, the governing body of such political subdivision
18 shall file a copy of the bond language approved by the legal voters of
19 the political subdivision and a full legal description of the property
20 subject to the bond with the county assessor of the county or counties in
21 which such political subdivision is located. If the county assessor
22 receives such copy and full legal description prior to July 1 or, for
23 bonds of a city of the metropolitan class, prior to August 1, the
24 valuation of the real and personal property subject to the bond shall be
25 included in the value certified by the county assessor pursuant to
26 subsection (1) of this section for the current year. If the county
27 assessor receives such copy and full legal description on or after July 1
28 or, for bonds of a city of the metropolitan class, on or after August 1,
29 the valuation of the real and personal property subject to the bond shall
30 be included in the value certified by the county assessor pursuant to
31 subsection (1) of this section for the following year.

1 Sec. 50. Section 21-17,115, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 21-17,115 Notwithstanding any of the other provisions of the Credit
4 Union Act or any other Nebraska statute, any credit union incorporated
5 under the laws of the State of Nebraska and organized under the
6 provisions of the act shall have all the rights, powers, privileges,
7 benefits, and immunities which may be exercised as of January 1, 2023
8 ~~2022~~, by a federal credit union doing business in Nebraska on the
9 condition that such rights, powers, privileges, benefits, and immunities
10 shall not relieve such credit union from payment of state taxes assessed
11 under any applicable laws of this state.

12 Sec. 51. Section 44-319.02, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 44-319.02 Every domestic insurer hereafter organized to transact the
15 business of insurance in this state shall deposit and continually
16 maintain with the Department of Insurance eligible securities for the
17 benefit of all of its policyholders or policyholders and creditors in the
18 United States in the amount of one hundred thousand dollars.

19 Sec. 52. Section 44-319.03, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 44-319.03 Every domestic assessment association hereafter organized
22 to transact the business of insurance in this state, except (1) health
23 and accident assessment associations and (2) assessment associations
24 organized primarily to write insurance coverage on farm properties
25 against the perils of fire, lightning, windstorm, and hail, shall deposit
26 with the Department of Insurance eligible securities for the benefit of
27 all of its policyholders or policyholders and creditors in the United
28 States equal to one-fifth of the minimum surplus funds required of
29 domestic mutual insurance companies licensed to write the same kind or
30 kinds of insurance.

31 Sec. 53. Section 44-319.06, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 44-319.06 No foreign insurer or assessment association now or
3 hereafter authorized to do business in this state shall henceforth
4 transact such business unless it shall deposit and continually maintain
5 with the Department of Insurance or with the proper official of some one
6 state of the United States designated by law to accept such deposit,
7 eligible securities in the amount of not less than one hundred thousand
8 dollars for the benefit of all of its policyholders or policyholders and
9 creditors in the United States.

10 Sec. 54. Section 44-785, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 44-785 (1) Notwithstanding section 44-3,131, (a) any individual or
13 group sickness and accident insurance policy or subscriber contract
14 delivered, issued for delivery, or renewed in this state and any
15 hospital, medical, or surgical expense-incurred policy, except for
16 policies that provide coverage for a specified disease or other limited-
17 benefit coverage, and (b) any self-funded employee benefit plan to the
18 extent not preempted by federal law shall include coverage for screening
19 mammography, digital breast tomosynthesis, bilateral whole breast
20 ultrasound, and diagnostic magnetic resonance imaging as follows:

21 (i) For a woman ~~women~~ who is ~~are~~ thirty-five years of age or ~~and~~
22 older but younger than forty years of age, one base-line mammogram
23 between thirty-five and forty years of age;

24 (ii) For a woman ~~women~~ who is younger than ~~are~~ forty years of age
25 and who, based on the National Comprehensive Cancer Network Guidelines
26 for Breast Cancer Screening and Diagnosis version 1.2022 and the
27 recommendation of the woman's health care provider, has an increased risk
28 of breast cancer due to (A) a family or personal history of breast cancer
29 or prior atypical breast biopsy, (B) positive genetic testing, or (C)
30 heterogeneous or dense breast tissue based on a breast imaging, at least
31 one mammogram each year and additional mammograms if necessary; older but

1 ~~younger than fifty years of age, one mammogram every two years or more~~
2 ~~frequently based on the patient's physician's recommendation; and~~

3 (iii) For a woman ~~women~~ who is forty ~~are fifty~~ years of age or
4 older, one mammogram every year; -

5 (iv) For a woman who, based on the National Comprehensive Cancer
6 Network Guidelines for Breast Cancer Screening and Diagnosis version
7 1.2022 and the recommendation of the woman's health care provider, has an
8 increased risk for breast cancer due to (A) a family or personal history
9 of breast cancer or prior atypical breast biopsy, (B) positive genetic
10 testing, or (C) heterogeneous or dense breast tissue based on a breast
11 imaging, one digital breast tomosynthesis each year;

12 (v) For a woman who, based on the National Comprehensive Cancer
13 Network Guidelines for Breast Cancer Screening and Diagnosis version
14 1.2022 and the recommendation of the woman's health care provider, has an
15 increased risk for breast cancer due to (A) a family or personal history
16 of breast cancer or prior atypical breast biopsy, (B) positive genetic
17 testing, or (C) heterogeneous or dense breast tissue based on a breast
18 imaging, one bilateral whole breast ultrasound each year;

19 (vi) For a woman who, based on the National Comprehensive Cancer
20 Network Guidelines for Breast Cancer Screening and Diagnosis version
21 1.2022 and the recommendation of the woman's health care provider, has an
22 increased risk for breast cancer due to (A) a family or personal history
23 of breast cancer or prior atypical breast biopsy, (B) positive genetic
24 testing, or (C) a history of chest radiation, one diagnostic magnetic
25 resonance imaging each year; and

26 (vii) For a woman who, based on national standard risk models or the
27 National Comprehensive Cancer Network Guidelines for Breast Cancer
28 Screening and Diagnosis, has an increased risk of breast cancer and
29 heterogeneous or dense breast tissue, one diagnostic magnetic resonance
30 imaging each year.

31 (2)(a) Except as provided in subdivision (b) of this subsection,

1 this section prohibits the application of deductible, coinsurance,
2 copayment, or other cost-sharing requirements contained in the policy or
3 health benefit plan for such services.

4 (b) ~~(2)~~ This section does not prevent application of deductible or
5 copayment provisions contained in the policy or health benefit plan for
6 diagnostic magnetic resonance imaging for a woman based on heterogeneous
7 or dense breast tissue.

8 (c) This section does not ~~or~~ require that coverage under an
9 individual or group policy or health benefit plan be extended to any
10 other procedures. The coverage provided by this section shall not be less
11 favorable than for other radiological examinations. ~~This section does not~~
12 ~~apply if the covered individuals are provided an ongoing screening~~
13 ~~mammography program which at a minimum meets the requirements of this~~
14 ~~section as a separate benefit.~~

15 (3) For purposes of this section, screening mammography shall mean
16 radiological examination of the breast of asymptomatic women for the
17 early detection of breast cancer, which examination shall include (a) a
18 cranio-caudal and a medial lateral oblique view of each breast and (b) a
19 licensed radiologist's interpretation of the results of the procedure.
20 Screening mammography shall not include diagnostic mammography,
21 additional projections required for lesion definition, breast ultrasound,
22 or any breast interventional procedure. Screening mammography shall be
23 performed by a mammogram supplier who meets the standards of the federal
24 Mammography Quality Standards Act of 1992.

25 Sec. 55. Section 44-7,102, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 44-7,102 (1) Notwithstanding section 44-3,131, (a) any individual or
28 group sickness and accident insurance policy, certificate, or subscriber
29 contract delivered, issued for delivery, or renewed in this state and any
30 hospital, medical, or surgical expense-incurred policy, except for short-
31 term major medical policies of six months or less duration and policies

1 that provide coverage for a specified disease or other limited-benefit
2 coverage, and (b) any self-funded employee benefit plan to the extent not
3 preempted by federal law shall include screening coverage for a
4 colorectal cancer examination and laboratory tests for cancer for any
5 nonsymptomatic person forty-five years of age or older covered under such
6 policy, certificate, contract, or plan. Such screening coverage shall
7 include a maximum of one stool-based preventive screening test as
8 approved by the United States Preventive Services Task Force ~~screening~~
9 ~~fecal occult blood test~~ annually and a flexible sigmoidoscopy every five
10 years, a colonoscopy every ten years, or a barium enema every five to ten
11 years, or any combination, or the most reliable, medically recognized
12 screening test available. The screenings selected shall be as deemed
13 appropriate by a health care provider and the patient.

14 (2) On or after December 31, 2023, no policy, certificate, or
15 contract, delivered, issued for delivery, or renewed in this state, or
16 any self-funded employee benefit plan, to the extent not preempted by
17 federal law, shall impose a deductible, coinsurance, or any other cost-
18 sharing requirements for screening colonoscopies as recommended by the
19 United States Preventive Services Task Force, including those performed
20 as a result of a positive noncolonoscopy stool-based preventive screening
21 test ~~This section does not prevent application of deductible or copayment~~
22 ~~provisions contained in the policy, certificate, contract, or employee~~
23 ~~benefit plan or require that such coverage be extended to any other~~
24 ~~procedures.~~

25 Sec. 56. Section 44-1993, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 44-1993 (1) A title insurer shall not accept title insurance
28 business from a title insurance agent unless there is in force a written
29 contract between the parties which sets forth the responsibilities of
30 each party and, when both parties share responsibility for a particular
31 function, specifies the division of responsibilities.

1 (2) For each title insurance agent under contract with a title
2 insurer, the title insurer shall have on file a statement of financial
3 condition of each title insurance agent as of the end of the previous
4 calendar year setting forth an income statement of title insurance
5 business done during the preceding year and a balance sheet showing the
6 condition of its affairs as of the prior December 31 certified by the
7 title insurance agent as being a true and accurate representation of the
8 title insurance agent's financial condition. Attorneys actively engaged
9 in the practice of law, other than that related to title insurance
10 business, are exempt from the requirements of this subsection.

11 (3) A title insurer shall, at least annually, conduct a ~~an~~ onsite
12 review of the underwriting, claims, and escrow practices of the title
13 insurance agent which shall include a review of the title insurance
14 agent's title insurance policy form inventory and processing operations.
15 If the title insurance agent does not maintain separate financial
16 institution or trust accounts for each title insurer it represents, the
17 title insurer shall verify that the funds held on its behalf are
18 reasonably ascertainable from the books of account and records of the
19 title insurance agent.

20 (4) Within thirty days after executing or terminating a contract
21 with a title insurance agent, a title insurer shall provide written
22 notification of the appointment or termination and the reason for
23 termination to the director. Notices of appointment of a title insurance
24 agent shall be made on a form prescribed or approved by the director.

25 (5) A title insurer shall maintain an inventory of all title
26 insurance policy forms or title insurance policy numbers allocated to
27 each title insurance agent.

28 (6) A title insurer shall have on file proof that each title
29 insurance agent is licensed by this state.

30 (7) A title insurer shall establish the underwriting guidelines and,
31 when applicable, limitations on title claims settlement authority to be

1 incorporated into contracts with its title insurance agents.

2 (8)(a) A title insurer is liable for the defalcation, conversion, or
3 misappropriation by a title insurance agent appointed by or under written
4 contract with such title insurer of escrow, settlement, closing, or
5 security deposit funds handled by such title insurance agent in
6 contemplation of or in conjunction with the issuance of a title insurance
7 commitment or title insurance policy by such title insurer. However, if
8 no such title insurance commitment or title insurance policy was issued,
9 each title insurer which appointed or maintained a written contract with
10 such title insurance agent at the time of the discovery of the
11 defalcation, conversion, or misappropriation shares in the liability for
12 the defalcation, conversion, or misappropriation in the same proportion
13 that the premium remitted to the title insurer by such title insurance
14 agent during the twelve-month period immediately preceding the date of
15 the discovery of the defalcation, conversion, or misappropriation bears
16 to the total premium remitted to all title insurers by such title
17 insurance agent during the twelve-month period immediately preceding the
18 date of the discovery of the defalcation, conversion, or
19 misappropriation.

20 (b) For purposes of this subsection, title insurance agent includes
21 (i) a person with whom a title insurer maintains a title insurance agency
22 agreement and (ii) an employer or employee of a title insurance agent or
23 of a person with whom a title insurer maintains a title insurance agency
24 agreement.

25 Sec. 57. Section 44-2824, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 44-2824 (1) To be qualified under the Nebraska Hospital-Medical
28 Liability Act, a health care provider or such health care provider's
29 employer, employee, partner, or limited liability company member shall:

30 (a) File with the director proof of financial responsibility,
31 pursuant to section 44-2827 or 44-2827.01, in the amount of eight five

1 hundred thousand dollars for each occurrence. ~~An In the case of~~
2 ~~physicians or certified registered nurse anesthetists and their~~
3 ~~employers, employees, partners, or limited liability company members an~~
4 aggregate liability amount of three ~~one~~ million dollars for all
5 occurrences or claims made in any policy year or risk-loss trust year for
6 each named insured shall be provided. ~~In the case of hospitals and their~~
7 ~~employees, an aggregate liability amount of three million dollars for all~~
8 ~~occurrences or claims made in any policy year or risk-loss trust year~~
9 ~~shall be provided.~~ Such policy may be written on either an occurrence or
10 a claims-made basis. Any risk-loss trust shall be established and
11 maintained only on an occurrence basis. Such qualification shall remain
12 effective only as long as insurance coverage or risk-loss trust coverage
13 as required remains effective; and

14 (b) Pay the surcharge and any special surcharge levied on all health
15 care providers pursuant to sections 44-2829 to 44-2831.

16 (2) Subject to the requirements in subsections (1) and (4) of this
17 section, the qualification of a health care provider shall be either on
18 an occurrence or claims-made basis and shall be the same as the insurance
19 coverage provided by the insured's policy.

20 (3) The director shall have authority to permit qualification of
21 health care providers who have retired or ceased doing business if such
22 health care providers have primary insurance coverage under subsection
23 (1) of this section.

24 (4) A health care provider who is not qualified under the act at the
25 time of the alleged occurrence giving rise to a claim shall not, for
26 purposes of that claim, qualify under the act notwithstanding subsequent
27 filing of proof of financial responsibility and payment of a required
28 surcharge.

29 (5) Qualification of a health care provider under the Nebraska
30 Hospital-Medical Liability Act shall continue only as long as the health
31 care provider meets the requirements for qualification. A health care

1 provider who has once qualified under the act and who fails to renew or
2 continue his or her qualification in the manner provided by law and by
3 the rules and regulations of the Department of Insurance shall cease to
4 be qualified under the act.

5 Sec. 58. Section 44-2825, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 44-2825 (1) The total amount recoverable under the Nebraska
8 Hospital-Medical Liability Act from any and all health care providers and
9 the Excess Liability Fund for any occurrence resulting in any injury or
10 death of a patient may not exceed (a) five hundred thousand dollars for
11 any occurrence on or before December 31, 1984, (b) one million dollars
12 for any occurrence after December 31, 1984, and on or before December 31,
13 1992, (c) one million two hundred fifty thousand dollars for any
14 occurrence after December 31, 1992, and on or before December 31, 2003,
15 (d) one million seven hundred fifty thousand dollars for any occurrence
16 after December 31, 2003, and on or before December 31, 2014, and (e) two
17 million two hundred fifty thousand dollars for any occurrence after
18 December 31, 2014.

19 (2) A health care provider qualified under the act shall not be
20 liable to any patient or his or her representative who is covered by the
21 act for an amount in excess of eight ~~five~~ hundred thousand dollars for
22 all claims or causes of action arising from any occurrence during the
23 period that the act is effective with reference to such patient.

24 (3) Subject to the overall limits from all sources as provided in
25 subsection (1) of this section, any amount due from a judgment or
26 settlement which is in excess of the total liability of all liable health
27 care providers shall be paid from the Excess Liability Fund pursuant to
28 sections 44-2831 to 44-2833.

29 (4) Nothing in the Nebraska Hospital-Medical Liability Act shall be
30 construed to require the Excess Liability Fund to provide coverage for
31 the first eight hundred thousand dollars per occurrence or to provide a

1 defense for or on behalf of a qualified health care provider after the
2 provider's annual aggregate limit of liability amount set forth in
3 sections 44-2824 and 44-2827 has been exhausted. A qualified health care
4 provider's purchase of coverage with an aggregate limit of liability
5 higher than required by sections 44-2824 and 44-2827 shall not affect a
6 payment obligation under the Excess Liability Fund required pursuant to
7 this section.

8 Sec. 59. Section 44-2827, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 44-2827 Financial responsibility of a health care provider may be
11 established only by filing with the director proof that the health care
12 provider is insured pursuant to sections 44-2837 to 44-2839 or by a
13 policy of professional liability insurance in a company authorized to do
14 business in Nebraska. Such insurance shall be in the amount of eight five
15 hundred thousand dollars per occurrence, ~~and, in cases involving~~
16 ~~physicians or certified registered nurse anesthetists, but not with~~
17 ~~respect to hospitals, an aggregate liability of at least one million~~
18 ~~dollars for all occurrences or claims made in any policy year shall be~~
19 ~~provided. In the case of hospitals and their employees, an aggregate~~
20 liability amount of three million dollars for all occurrences or claims
21 made in any policy year shall be provided. The filing shall state the
22 premium charged for the policy of insurance.

23 Sec. 60. Section 44-2831.01, Reissue Revised Statutes of Nebraska,
24 is amended to read:

25 44-2831.01 (1) Any health care provider who has furnished proof of
26 financial responsibility prior to January 1, 2025 ~~2005~~, under sections
27 44-2824 and 44-2827 shall be qualified under section 44-2824 for the
28 remainder of the policy year or risk-loss trust year.

29 (2) The increases in coverage requirements made by Laws 2004, LB
30 998, in sections 44-2824 and 44-2827 shall apply to policies issued or
31 renewed and risk-loss trust years that ~~which~~ commence after January 1,

1 2005, and before January 1, 2025.

2 (3) The changes made to sections 44-2825, 44-2832, and 44-2833 by
3 Laws 2004, LB 998, apply commencing with policies issued or renewed and
4 risk-loss trust years that which commence after January 1, 2005, and
5 before January 1, 2025.

6 (4) The increases in coverage requirements made by this legislative
7 bill in sections 44-2824 and 44-2827 shall apply to policies issued or
8 renewed and risk-loss trust years that commence on or after January 1,
9 2025.

10 (5) The changes made to sections 44-2825, 44-2832, and 44-2833 by
11 this legislative bill apply commencing with policies issued or renewed
12 and risk-loss trust years that commence on or after January 1, 2025.

13 Sec. 61. Section 44-2832, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 44-2832 (1) The Director of Administrative Services shall issue a
16 warrant drawn on the fund in the amount of each claim submitted by the
17 director. All claims against the fund shall be made on a voucher or other
18 appropriate request by the director after he or she has received:

19 (a) A certified copy of a final judgment in excess of eight ~~five~~
20 hundred thousand dollars against a health care provider and in excess of
21 the amount recoverable from all health care providers;

22 (b) A certified copy of a court-approved settlement in excess of
23 eight ~~five~~ hundred thousand dollars against a health care provider and in
24 excess of the amount recoverable from all health care providers; or

25 (c) In case of claims based on primary insurance issued by the risk
26 manager under sections 44-2837 to 44-2839, a certified copy of a final
27 judgment or court-approved settlement requiring payment from the fund.

28 (2) The amount paid from the fund for excess liability when added to
29 the payments by all health care providers may not exceed the maximum
30 amount recoverable pursuant to subsection (1) of section 44-2825. The
31 amount paid from the fund on account of a primary insurance policy issued

1 by the risk manager to a health care provider under sections 44-2837 to
2 44-2839 may not exceed eight ~~five~~ hundred thousand dollars for any one
3 occurrence covered by such policy under any circumstances.

4 Sec. 62. Section 44-2833, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 44-2833 (1) If the insurer of a health care provider shall agree to
7 settle its liability on a claim against its insured by payment of its
8 policy limits of eight ~~five~~ hundred thousand dollars and the claimant
9 shall demand an amount in excess thereof for a complete and final release
10 and if no other health care provider is involved, the procedures
11 prescribed in this section shall be followed.

12 (2) A motion shall be filed by the claimant with the court in which
13 the action is pending against the health care provider or, if no action
14 is pending, the claimant shall file a complaint in one of the district
15 courts of the State of Nebraska, seeking approval of an agreed
16 settlement, if any, or demanding payment of damages from the Excess
17 Liability Fund.

18 (3) A copy of such motion or complaint shall be served on the
19 director, the health care provider, and the health care provider's
20 insurer and shall contain sufficient information to inform the parties
21 concerning the nature of the claim and the additional amount demanded.
22 The health care provider and his or her insurer shall have a right to
23 intervene and participate in the proceedings.

24 (4) The director, with the consent of the health care provider, may
25 agree to a settlement with the claimant from the Excess Liability Fund.
26 Either the director or the health care provider may file written
27 objections to the payment of the amount demanded. The agreement or
28 objections to the payment demanded shall be filed within twenty days
29 after the motion or complaint is filed.

30 (5) After the motion or complaint, agreement, and objections, if
31 any, have been filed, the judge shall set the matter for trial as soon as

1 practicable. The court shall give notice of the trial to the claimant,
2 the health care provider, and the director.

3 (6) At the trial, the director, the claimant, and the health care
4 provider may introduce relevant evidence to enable the court to determine
5 whether or not the settlement should be approved if it has been submitted
6 on agreement without objections. If the director, the health care
7 provider, and the claimant shall be unable to agree on the amount, if
8 any, to be paid out of the Excess Liability Fund, the amount of
9 claimant's damages, if any, in excess of the eight ~~five~~ hundred thousand
10 dollars already paid by the insurer of the health care provider shall be
11 determined at trial.

12 (7) The court shall determine the amount for which the fund is
13 liable and render a finding and judgment accordingly. In approving a
14 settlement or determining the amount, if any, to be paid from the Excess
15 Liability Fund in such a case, the court shall consider the liability of
16 the health care provider as admitted and established by evidence.

17 (8) Any settlement approved by the court may not be appealed. Any
18 judgment of the court fixing damages recoverable in any such contested
19 proceeding shall be appealable pursuant to the rules governing appeals in
20 any other civil case.

21 Sec. 63. Section 44-3308, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 44-3308 (1) An insurer whose purposes according to its articles of
24 incorporation are restricted to transacting legal expense insurance and
25 business reasonably related thereto shall deposit with the director
26 securities eligible for deposit by an insurance company, which shall have
27 at all times a market value of not less than one hundred fifty thousand
28 dollars, or as provided by subsection (7) of this section. A deposit
29 under this section shall be held to assure the faithful performance of
30 the insurer's obligations to its policyholders or policyholders and
31 creditors.

1 (2) In lieu of any deposit of securities required under subsection
2 (1) of this section, the insurer may file with the director a surety bond
3 in the amount of one hundred fifty thousand dollars, or as provided by
4 subsection (7) of this section. The bond shall be one issued by an
5 insurance company authorized to do business in the State of Nebraska. The
6 bond shall be for the same purposes as the deposit in lieu of which it is
7 filed, and it shall be subject to the director's approval. No such bond
8 shall be canceled or subject to cancellation unless at least thirty days'
9 advance notice thereof, in writing, is filed with the director.

10 (3) Securities or bond posted by the insurer pursuant to subsection
11 (1) or (2) of this section shall be for the benefit of and subject to
12 action thereon in the event of insolvency of the insurer by any person or
13 persons sustaining an actionable injury due to the failure of the insurer
14 to faithfully perform its obligations to its policyholders or
15 policyholders and creditors.

16 (4) The State of Nebraska shall be responsible for the safekeeping
17 of all securities deposited with the director under this section. The
18 securities shall not, on account of being in this state, be subject to
19 taxation.

20 (5) The depositing insurer shall, during its solvency, have the
21 right to exchange or substitute other securities of a like quality and
22 value for securities on deposit, to receive the interest and other income
23 accruing on such securities, and to inspect the deposit at all reasonable
24 times.

25 (6) The deposit or bond shall be maintained unimpaired as long as
26 the insurer continues in business in this state. Whenever the insurer
27 ceases to do business and furnishes to the director proof satisfactory to
28 the director that the insurer adequately provided for all of its
29 obligations to its policyholders, creditors, or contract holders in this
30 state, the director shall release the deposited securities to the parties
31 entitled thereto, on presentation of the director's receipts for such

1 securities, or shall release any bond filed with it in lieu of such
2 deposit.

3 (7) The director may reduce the minimum market value of securities
4 required under subsection (1) of this section or the amount of the surety
5 bond required under subsection (2) of this section if he or she finds
6 that the reduction is justified by:

7 (a) The terms and number of existing contracts with subscribers;

8 (b) Support by financially sound public or private organizations or
9 agencies;

10 (c) Agreements with lawyers or paralegal personnel for the providing
11 of legal services;

12 (d) Agreements with other persons for insuring the payment of the
13 cost of legal services or the provision for alternative coverage in the
14 event the insurer is unable to perform its obligations; or

15 (e) Other reliable financial guarantees.

16 (8) No part of the securities or bond to be filed under this section
17 shall be supplied directly or indirectly by dues payments made for the
18 purpose of meeting requirements to practice a profession.

19 Sec. 64. Section 44-4054, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 44-4054 (1) Unless denied licensure pursuant to section 44-4059, a
22 person who has met the requirements of sections 44-4052 and 44-4053 shall
23 be issued an insurance producer license. An insurance producer may
24 receive qualification for a license in one or more of the following lines
25 of authority:

26 (a) Life insurance coverage on human lives, including benefits of
27 endowment and annuities, and may include benefits in the event of death
28 or dismemberment by accident and benefits for disability income;

29 (b) Accident and health or sickness, insurance coverage for
30 sickness, bodily injury, or accidental death and may include benefits for
31 disability income;

1 (c) Property insurance coverage for the direct or consequential loss
2 or damage to property of every kind;

3 (d) Casualty insurance coverage against legal liability, including
4 that for death, injury, or disability or damage to real or personal
5 property;

6 (e) Variable life and variable annuity products, insurance coverage
7 provided under variable life insurance contracts, and variable annuities;

8 (f) Limited line credit insurance;

9 (g) Limited line pre-need funeral insurance;

10 (h) Personal lines property and casualty insurance coverage sold to
11 individuals and families for primarily noncommercial purposes; and

12 (i) Any other line of insurance permitted under Nebraska laws,
13 rules, or regulations.

14 (2) An insurance producer license shall remain in effect unless
15 revoked or suspended if the fee set forth in section 44-4064 is paid and
16 education requirements for resident individual producers are met by the
17 due date.

18 (3) All business entity licenses issued under the Insurance
19 Producers Licensing Act shall expire on April 30 of each even-numbered
20 year, and all producers licenses shall expire on the last day of the
21 month of the producer's birthday in the first year after issuance in
22 which his or her age is divisible by two. Such producer licenses may be
23 renewed within the ninety-day period before their expiration dates.
24 Business entity and producer licenses also may be renewed within the
25 thirty-day period after their expiration dates upon payment of a late
26 renewal fee as established by the director pursuant to section 44-4064 in
27 addition to the applicable fee otherwise required for renewal of business
28 entity and producer licenses as established by the director pursuant to
29 such section. All business entity and producer licenses renewed within
30 the thirty-day period after their expiration dates pursuant to this
31 subsection shall be deemed to have been renewed before their expiration

1 dates.

2 (4) The director may establish procedures for renewal of licenses by
3 rule and regulation adopted and promulgated pursuant to the
4 Administrative Procedure Act.

5 (5) An individual insurance producer who allows his or her license
6 to lapse may, within twelve months from the due date of the renewal fee,
7 reinstate the same license without the necessity of passing a written
8 examination. Producer licenses reinstated pursuant to this subsection
9 shall be issued only after payment of a reinstatement fee as established
10 by the director pursuant to section 44-4064 in addition to the applicable
11 fee otherwise required for renewal of producer licenses as established by
12 the director pursuant to such section.

13 (6) The director may grant a licensed insurance producer who is
14 unable to comply with license renewal procedures due to military service
15 or some other extenuating circumstance, including, but not limited to, a
16 long-term medical disability, a waiver of those procedures. The director
17 may grant a producer a waiver of any examination requirement or any other
18 fine, fee, or sanction imposed for failure to comply with renewal
19 procedures.

20 (7) The license shall contain the licensee's name, address, and
21 personal identification number, the date of issuance, the lines of
22 authority, the expiration date, and any other information the director
23 deems necessary.

24 (8) Licensees shall inform the director by any means acceptable to
25 the director of a change of legal name or address within thirty days
26 after the change. Any person failing to provide such notification shall
27 be subject to a fine by the director of not more than five hundred
28 dollars per violation, suspension of the person's license until the
29 change of address is reported to the director, or both.

30 (9) The director may contract with nongovernmental entities,
31 including the National Association of Insurance Commissioners or any

1 affiliates or subsidiaries that the National Association of Insurance
2 Commissioners oversees, to perform any ministerial functions, including
3 the collection of fees, related to producer licensing that the director
4 may deem appropriate.

5 Sec. 65. Section 44-5140, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 44-5140 (1) An insurer may invest in the preferred stock of any
8 corporation which:

9 ~~(a) Has retained earnings of not less than one million dollars;~~

10 (a) ~~(b)~~ Has earned and paid regular dividends at the regular
11 prescribed rate each year upon its preferred stock, if any is or has been
12 outstanding, for not less than five years immediately preceding the
13 purchase of such preferred stock or during such part of such five-year
14 period as it has had preferred stock outstanding; and

15 (b) ~~(c)~~ Has had no material defaults in principal payments of or
16 interest on any obligations of such corporation and its subsidiaries
17 having a priority equal to or higher than those purchased during the
18 period of five years immediately preceding the date of acquisition or, if
19 outstanding for less than five years, at any time since such obligations
20 were issued.

21 The earnings of and the regular dividends paid by all predecessor,
22 merged, consolidated, or purchased corporations may be included through
23 the use of consolidated or pro forma statements.

24 (2) Except as authorized under the Insurance Holding Company System
25 Act, an insurer shall not own more than five percent of the total issued
26 shares of stock of any corporation other than an insurer.

27 (3) A life insurer's investments authorized under this section shall
28 not exceed the greater of twenty-five percent of its admitted assets or
29 one hundred percent of its policyholders surplus, nor shall a life
30 insurer's investments authorized under this section that are not rated
31 P-1 or P-2 by the Securities Valuation Office exceed ten percent of its

1 admitted assets.

2 Sec. 66. Section 44-5141, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 44-5141 (1) An insurer may invest in the common stock or rights to
5 purchase or sell common stock of any corporation ~~which has retained~~
6 ~~earnings of not less than one million dollars, except that an investment~~
7 ~~may be made in any corporation having a majority of its operations in~~
8 ~~this state which has retained earnings of not less than two hundred fifty~~
9 ~~thousand dollars. The earnings of all predecessor, merged, consolidated,~~
10 ~~or purchased corporations shall be included through the use of~~
11 ~~consolidated or pro forma statements.~~

12 (2)(a) An insurer may invest in equity interests or rights to
13 purchase or sell equity interests in business entities other than general
14 partnerships unless the general partnership is wholly owned by the
15 insurer.

16 (b) A life insurer shall not invest under this subsection in any
17 investment which the life insurer may invest in under section 44-5140 or
18 44-5144 or subsection (1) of this section.

19 (3) A life insurer's investments authorized under this section shall
20 not exceed the greater of one hundred percent of its policyholders
21 surplus or twenty percent of its admitted assets.

22 Sec. 67. Section 45-191.01, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 45-191.01 (1) Prior to a borrower signing a loan brokerage
25 agreement, the loan broker shall give the borrower a written disclosure
26 statement. The cover sheet of the disclosure statement shall have
27 printed, in at least ten-point boldface capital letters, the title
28 DISCLOSURES REQUIRED BY NEBRASKA LAW. The following statement, printed in
29 at least ten-point type, shall appear under the title:

30 THE STATE OF NEBRASKA HAS NOT REVIEWED AND DOES NOT APPROVE,
31 RECOMMEND, ENDORSE, OR SPONSOR ANY LOAN BROKERAGE AGREEMENT. THE

1 INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT HAS NOT BEEN VERIFIED
2 BY THE STATE. IF YOU HAVE QUESTIONS, SEEK LEGAL ADVICE BEFORE YOU SIGN A
3 LOAN BROKERAGE AGREEMENT.

4 Only the title and the statement shall appear on the cover sheet.

5 (2) The body of the disclosure statement shall contain the following
6 information:

7 (a) The name, street address, and telephone number of the loan
8 broker, the names under which the loan broker does, has done, or intends
9 to do business, the name and street address of any parent or affiliated
10 company, and the electronic mail and Internet address of the loan broker,
11 ~~if any;~~

12 (b) A statement as to whether the loan broker does business as an
13 individual, a partnership, a corporation, or another organizational form,
14 including identification of the state of incorporation or formation;

15 (c) How long the loan broker has done business;

16 (d) The number of loan brokerage agreements the loan broker has
17 entered into in the previous twelve months;

18 (e) The number of loans the loan broker has obtained for borrowers
19 in the previous twelve months;

20 (f) A description of the services the loan broker agrees to perform
21 for the borrower;

22 (g) The conditions under which the borrower is obligated to pay the
23 loan broker. This disclosure shall be in boldface type;

24 (h) The names, titles, and principal occupations for the past five
25 years of all officers, directors, or persons occupying similar positions
26 responsible for the loan broker's business activities;

27 (i) A statement whether the loan broker or any person identified in
28 subdivision (h) of this subsection:

29 (i) Has been convicted of a felony or misdemeanor or pleaded nolo
30 contendere to a felony or misdemeanor charge if such felony or
31 misdemeanor involved fraud, embezzlement, fraudulent conversion, or

1 misappropriation of property;

2 (ii) Has been held liable in a civil action by final judgment or
3 consented to the entry of a stipulated judgment if the civil action
4 alleged fraud, embezzlement, fraudulent conversion, or misappropriation
5 of property or the use of untrue or misleading representations in an
6 attempt to sell or dispose of real or personal property or the use of
7 unfair, unlawful, or deceptive business practices; or

8 (iii) Is subject to any currently effective injunction or
9 restrictive order relating to business activity as the result of an
10 action brought by a public agency or department including, but not
11 limited to, action affecting any vocational license; and

12 (j) Any other information the director requires.

13 Sec. 68. Section 45-191.04, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 45-191.04 (1) A loan brokerage agreement shall be in writing and
16 shall be signed by the loan broker and the borrower. The loan broker
17 shall furnish the borrower a copy of such signed loan brokerage agreement
18 at the time the borrower signs it.

19 (2) The borrower has the right to cancel a loan brokerage agreement
20 for any reason at any time within five business days after the date the
21 parties sign the agreement. The loan brokerage agreement shall set forth
22 the borrower's right to cancel and the procedures to be followed when an
23 agreement is canceled.

24 (3) A loan brokerage agreement shall set forth in at least ten-point
25 type, or handwriting of at least equivalent size, the following:

26 (a) The terms and conditions of payment;

27 (b) A full and detailed description of the acts or services the loan
28 broker will undertake to perform for the borrower;

29 (c) The loan broker's principal business address, telephone number,
30 and electronic mail and Internet address, ~~if any,~~ and the name, address,
31 telephone number, and electronic mail and Internet address, if any, of

1 its agent in the State of Nebraska authorized to receive service of
2 process;

3 (d) The business form of the loan broker, whether a corporation,
4 partnership, limited liability company, or otherwise; and

5 (e) The following notice of the borrower's right to cancel the loan
6 brokerage agreement pursuant to this section:

7 "You have five business days in which you may cancel this agreement
8 for any reason by mailing or delivering written notice to the loan
9 broker. The five business days shall expire on (last
10 date to mail or deliver notice), and notice of cancellation should be
11 mailed to (loan broker's name
12 and business street address). If you choose to mail your notice, it must
13 be placed in the United States mail properly addressed, first-class
14 postage prepaid, and postmarked before midnight of the above date. If you
15 choose to deliver your notice to the loan broker directly, it must be
16 delivered to the loan broker by the end of the normal business day on the
17 above date. Within five business days after receipt of the notice of
18 cancellation, the loan broker shall return to you all sums paid by you to
19 the loan broker pursuant to this agreement."

20 The notice shall be set forth immediately above the place at which
21 the borrower signs the loan brokerage agreement.

22 Sec. 69. Section 45-735, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 45-735 (1) A mortgage loan originator shall be an employee or
25 independent agent of a single licensed mortgage banker, registrant, or
26 installment loan company that shall directly supervise, control, and
27 maintain responsibility for the acts and omissions of the mortgage loan
28 originator.

29 (2)(a) ~~(2)~~ A mortgage loan originator shall not engage in mortgage
30 loan origination activities at any location that is not a main office
31 location of a licensed mortgage banker, registrant, or installment loan

1 company or a branch office of a licensed mortgage banker or registrant.
2 The licensed mortgage banker, registrant, or installment loan company
3 shall designate the location or locations at which each mortgage loan
4 originator is originating residential mortgage loans.

5 (b) The department may adopt and promulgate rules, regulations, and
6 orders to authorize and regulate the use of remote work arrangements
7 conducted outside of a main office location or branch office by employees
8 or agents, including mortgage loan originators, of licensed mortgage
9 bankers, registrants, or installment loan companies.

10 (3) Any licensed mortgage banker, registrant, or installment loan
11 company who engages an independent agent as a mortgage loan originator
12 shall maintain a written agency contract with such mortgage loan
13 originator. Such written agency contract shall provide that the mortgage
14 loan originator is originating loans exclusively for the licensed
15 mortgage banker, registrant, or installment loan company.

16 (4) A licensed mortgage banker, registrant, or installment loan
17 company that has hired a licensed mortgage loan originator as an employee
18 or entered into an independent agent agreement with such licensed
19 mortgage loan originator shall provide notification to the department as
20 soon as reasonably possible after entering into such relationship, along
21 with a fee of fifty dollars. The employing entity shall not allow the
22 mortgage loan originator to conduct such activity in this state prior to
23 such notification to the department and confirmation that the department
24 has received notice of the termination of the mortgage loan originator's
25 prior employment.

26 (5) A licensed mortgage banker, registrant, or installment loan
27 company shall notify the department no later than ten days after the
28 termination, whether voluntary or involuntary, of a mortgage loan
29 originator unless the mortgage loan originator has previously notified
30 the department of the termination.

31 Sec. 70. Section 45-1002, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 45-1002 (1) For purposes of the Nebraska Installment Loan Act:

3 (a) Applicant means a person applying for a license under the act;

4 (b) Breach of security of the system means unauthorized acquisition
5 of data that compromises the security, confidentiality, or integrity of
6 the information maintained by the Nationwide Mortgage Licensing System
7 and Registry, its affiliates, or its subsidiaries;

8 (c) Consumer means an individual who is a resident of Nebraska and
9 who seeks to obtain, obtains, or has obtained a loan that is to be used
10 primarily for personal, family, or household purposes;

11 (d) ~~(e)~~ Department means the Department of Banking and Finance;

12 (e) ~~(d)~~ Debt cancellation contract means a loan term or contractual
13 arrangement modifying loan terms under which a financial institution or
14 licensee agrees to cancel all or part of a borrower's obligation to repay
15 an extension of credit from the financial institution or licensee upon
16 the occurrence of a specified event. The debt cancellation contract may
17 be separate from or a part of other loan documents. The term debt
18 cancellation contract does not include loan payment deferral arrangements
19 in which the triggering event is the borrower's unilateral election to
20 defer repayment or the financial institution's or licensee's unilateral
21 decision to allow a deferral of repayment;

22 (f) ~~(e)~~ Debt suspension contract means a loan term or contractual
23 arrangement modifying loan terms under which a financial institution or
24 licensee agrees to suspend all or part of a borrower's obligation to
25 repay an extension of credit from the financial institution or licensee
26 upon the occurrence of a specified event. The debt suspension contract
27 may be separate from or a part of other loan documents. The term debt
28 suspension contract does not include loan payment deferral arrangements
29 in which the triggering event is the borrower's unilateral election to
30 defer repayment or the financial institution's or licensee's unilateral
31 decision to allow a deferral of repayment;

1 ~~(g)~~ ~~(f)~~ Director means the Director of Banking and Finance;

2 ~~(h)~~ ~~(g)~~ Financial institution has the same meaning as in section
3 8-101.03;

4 ~~(i)~~ ~~(h)~~ Guaranteed asset protection waiver means a waiver that is
5 offered, sold, or provided in accordance with the Guaranteed Asset
6 Protection Waiver Act;

7 ~~(j)~~ ~~(i)~~ Licensee means any person who obtains a license under the
8 Nebraska Installment Loan Act;

9 ~~(k)~~ Loan means a loan or any extension of credit to a consumer
10 originated or made with an interest rate greater than the maximum
11 interest rate allowed under section 45-101.03 and a principal balance of
12 less than twenty-five thousand dollars;

13 ~~(l)~~~~(i)~~ ~~(j)~~~~(i)~~ Mortgage loan originator means an individual who for
14 compensation or gain (A) takes a residential mortgage loan application or
15 (B) offers or negotiates terms of a residential mortgage loan.

16 (ii) Mortgage loan originator does not include (A) any individual
17 who is not otherwise described in subdivision (i)(A) of this subdivision
18 and who performs purely administrative or clerical tasks on behalf of a
19 person who is described in subdivision (i) of this subdivision, (B) a
20 person or entity that only performs real estate brokerage activities and
21 is licensed or registered in accordance with applicable state law, unless
22 the person or entity is compensated by a lender, a mortgage broker, or
23 other mortgage loan originator or by any agent of such lender, mortgage
24 broker, or other mortgage loan originator, or (C) a person or entity
25 solely involved in extensions of credit relating to time-share programs
26 as defined in section 76-1702;

27 ~~(m)~~ ~~(k)~~ Nationwide Mortgage Licensing System and Registry means a
28 licensing system developed and maintained by the Conference of State Bank
29 Supervisors and the American Association of Residential Mortgage
30 Regulators for the licensing and registration of mortgage loan
31 originators, mortgage bankers, installment loan companies, and other

1 state-regulated financial services entities and industries;

2 (n) ~~(1)~~ Person means individual, partnership, limited liability
3 company, association, financial institution, trust, corporation, and any
4 other legal entity; and

5 (o) ~~(m)~~ Real property means an owner-occupied single-family, two-
6 family, three-family, or four-family dwelling which is located in this
7 state, which is occupied, used, or intended to be occupied or used for
8 residential purposes, and which is, or is intended to be, permanently
9 affixed to the land.

10 (2) Except as provided in subsection (3) of section 45-1017 and
11 subsection (4) of section 45-1019, no revenue arising under the Nebraska
12 Installment Loan Act shall inure to any school fund of the State of
13 Nebraska or any of its governmental subdivisions.

14 ~~(3) Loan, when used in the Nebraska Installment Loan Act, does not~~
15 ~~include any loan made by a person who is not a licensee on which the~~
16 ~~interest does not exceed the maximum rate permitted by section 45-101.03.~~

17 (3) ~~(4)~~ Nothing in the Nebraska Installment Loan Act applies to any
18 loan made by a person who is not a licensee if the interest on the loan
19 does not exceed the maximum rate permitted by section 45-101.03.

20 Sec. 71. Section 45-1003, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 45-1003 No financial institution is eligible for a license or to
23 make loans under the Nebraska Installment Loan Act.

24 A license shall be required for any person that is not a financial
25 institution who, at or after the time a loan is made by a financial
26 institution, markets, owns in whole or in part, holds, acquires,
27 services, or otherwise participates in such loan.

28 Sec. 72. Section 45-1006, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 45-1006 (1) When an application for an original installment loan
31 license has been accepted by the director as substantially complete,

1 notice of the filing of the application shall be published by the
2 department three successive weeks in a legal newspaper published in or of
3 general circulation in the county where the applicant proposes to operate
4 the business of lending money. A public hearing shall be held on each
5 application except as provided in subsection (2) of this section. The
6 date for hearing shall not be less than thirty days after the last
7 publication. Written protest against the issuance of the license may be
8 filed with the department by any person not less than five days before
9 the date set for hearing. The director, in his or her discretion, may
10 grant a continuance. The costs of the hearing shall be paid by the
11 applicant. The director may deny any application for license after
12 hearing. The director shall, in his or her discretion, make examination
13 and inspection concerning the propriety of the issuance of a license to
14 any applicant. The cost of such examination and inspection shall be paid
15 by the applicant.

16 (2) The director may waive the hearing requirements of subsection
17 (1) of this section if (a) the applicant (i) does not originate loans
18 under the Nebraska Installment Loan Act or (ii) has held, and operated
19 under, a license to engage in the business of lending money in Nebraska
20 pursuant to the Nebraska Installment Loan Act for at least one calendar
21 year immediately prior to the filing of the application, (b) no written
22 protest against the issuance of the license has been filed with the
23 department within fifteen days after publication of a notice of the
24 filing of the application one time in a newspaper of general circulation
25 in the county where the applicant proposes to operate the business of
26 lending money, and (c) in the judgment of the director, the experience,
27 character, and general fitness of the applicant warrant the belief that
28 the applicant will comply with the Nebraska Installment Loan Act.

29 (3) The expense of any publication made pursuant to this section
30 shall be paid by the applicant.

31 Sec. 73. Section 58-201, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 58-201 Sections 58-201 to 58-272 and section 74 of this act shall be
3 known and may be cited as the Nebraska Investment Finance Authority Act.

4 Sec. 74. (1) For purposes of this section, Olmstead Plan means the
5 comprehensive strategic plan for providing services to individuals with
6 disabilities that was developed in accordance with section 81-6,122.

7 (2) In order to help fulfill one of the goals of the Olmstead Plan,
8 the authority shall use its best efforts to obtain state and federal
9 grants for the purpose of building safe, affordable, and accessible
10 housing for individuals with disabilities.

11 (3) The authority shall collaborate with the Department of Economic
12 Development and the Department of Health and Human Services in obtaining
13 such grants.

14 Sec. 75. (1) For purposes of this section, Olmstead Plan means the
15 comprehensive strategic plan for providing services to individuals with
16 disabilities that was developed in accordance with section 81-6,122.

17 (2) In order to help fulfill one of the goals of the Olmstead Plan,
18 the Department of Economic Development shall use its best efforts to
19 obtain state and federal grants for the purpose of building safe,
20 affordable, and accessible housing for individuals with disabilities.

21 (3) The Department of Economic Development shall collaborate with
22 the Nebraska Investment Finance Authority and the Department of Health
23 and Human Services in obtaining such grants. The Department of Economic
24 Development shall use its best efforts to coordinate and contract with
25 the Nebraska Investment Finance Authority to develop and administer grant
26 programs under this section.

27 Sec. 76. Section 59-1722, Revised Statutes Cumulative Supplement,
28 2022, is amended to read:

29 59-1722 (1) Any transaction involving the sale of a franchise as
30 defined in 16 C.F.R. 436.1(h), as such regulation existed on January 1,
31 2023 2022, shall be exempt from the Seller-Assisted Marketing Plan Act,

1 except that such transactions shall be subject to subdivision (1)(d) of
2 section 59-1757, those provisions regulating or prescribing the use of
3 the phrase buy-back or secured investment or similar phrases as set forth
4 in sections 59-1726 to 59-1728 and 59-1751, and all sections which
5 provide for their enforcement. The exemption shall only apply if:

6 (a) The franchise is offered and sold in compliance with the
7 requirements of 16 C.F.R. part 436, Disclosure Requirements and
8 Prohibitions Concerning Franchising, as such part existed on January 1,
9 2023 ~~2022~~;

10 (b) Before placing any advertisement in a Nebraska-based
11 publication, offering for sale to any prospective purchaser in Nebraska,
12 or making any representations in connection with such offer or sale to
13 any prospective purchaser in Nebraska, the seller files a notice with the
14 Department of Banking and Finance which contains (i) the name, address,
15 and telephone number of the seller and the name under which the seller
16 intends to do business and (ii) a brief description of the plan offered
17 by the seller; and

18 (c) The seller pays a filing fee of one hundred dollars.

19 (2) The department may request a copy of the disclosure document
20 upon receipt of a written complaint or inquiry regarding the seller or
21 upon a reasonable belief that a violation of the Seller-Assisted
22 Marketing Plan Act has occurred or may occur. The seller shall provide
23 such copy within ten business days of receipt of the request.

24 (3) All funds collected by the department under this section shall
25 be remitted to the State Treasurer for credit to the Securities Act Cash
26 Fund.

27 (4) The Director of Banking and Finance may by order deny or revoke
28 an exemption specified in this section with respect to a particular
29 offering of one or more business opportunities if the director finds that
30 such an order is in the public interest or is necessary for the
31 protection of purchasers. An order shall not be entered without

1 appropriate prior notice to all interested parties, an opportunity for
2 hearing, and written findings of fact and conclusions of law. If the
3 public interest or the protection of purchasers so requires, the director
4 may by order summarily deny or revoke an exemption specified in this
5 section pending final determination of any proceedings under this
6 section. An order under this section shall not operate retroactively.

7 Sec. 77. Section 69-2103, Revised Statutes Cumulative Supplement,
8 2022, is amended to read:

9 69-2103 For purposes of the Consumer Rental Purchase Agreement Act:

10 (1) Advertisement means a commercial message in any medium that
11 aids, promotes, or assists directly or indirectly a consumer rental
12 purchase agreement but does not include in-store merchandising aids such
13 as window signs and ceiling banners;

14 (2) Cash price means the price at which the lessor would have sold
15 the property to the consumer for cash on the date of the consumer rental
16 purchase agreement for the property;

17 (3) Consumer means a natural person who rents property under a
18 consumer rental purchase agreement;

19 (4) Consumer rental purchase agreement means an agreement which is
20 for the use of property by a consumer primarily for personal, family, or
21 household purposes, which is for an initial period of four months or
22 less, whether or not there is any obligation beyond the initial period,
23 which is automatically renewable with each payment, and which permits the
24 consumer to become the owner of the property. A consumer rental purchase
25 agreement in compliance with the act shall not be construed to be a lease
26 or agreement which constitutes a credit sale as defined in 12 C.F.R.
27 1026.2(a)(16), as such regulation existed on January 1, 2023 ~~2022~~, and 15
28 U.S.C. 1602(h), as such section existed on January 1, 2023 ~~2022~~, or a
29 lease which constitutes a consumer lease as defined in 12 C.F.R. 1013.2,
30 as such regulation existed on January 1, 2023 ~~2022~~. Consumer rental
31 purchase agreement does not include:

- 1 (a) Any lease for agricultural, business, or commercial purposes;
2 (b) Any lease made to an organization;
3 (c) A lease or agreement which constitutes an installment sale or
4 installment contract as defined in section 45-335;
5 (d) A security interest as defined in subdivision (35) of section
6 1-201, Uniform Commercial Code; and
7 (e) A home solicitation sale as defined in section 69-1601;
8 (5) Consummation means the occurrence of an event which causes a
9 consumer to become contractually obligated on a consumer rental purchase
10 agreement;
11 (6) Department means the Department of Banking and Finance;
12 (7) Lease payment means a payment to be made by the consumer for the
13 right of possession and use of the property for a specific lease period
14 but does not include taxes imposed on such payment;
15 (8) Lease period means a week, month, or other specific period of
16 time, during which the consumer has the right to possess and use the
17 property after paying the lease payment and applicable taxes for such
18 period;
19 (9) Lessor means a person who in the ordinary course of business
20 operates a commercial outlet which regularly leases, offers to lease, or
21 arranges for the leasing of property under a consumer rental purchase
22 agreement;
23 (10) Property means any property that is not real property under the
24 laws of this state when made available for a consumer rental purchase
25 agreement; and
26 (11) Total of payments to acquire ownership means the total of all
27 charges imposed by the lessor and payable by the consumer as a condition
28 of acquiring ownership of the property. Total of payments to acquire
29 ownership includes lease payments and any initial nonrefundable
30 administrative fee or required delivery charge but does not include
31 taxes, late charges, reinstatement fees, or charges for optional products

1 or services.

2 Sec. 78. Section 69-2104, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 69-2104 (1) Before entering into any consumer rental purchase
5 agreement, the lessor shall disclose to the consumer the following items
6 as applicable:

7 (a) A brief description of the leased property sufficient to
8 identify the property to the consumer and lessor;

9 (b) The number, amount, and timing of all payments included in the
10 total of payments to acquire ownership;

11 (c) The total of payments to acquire ownership;

12 (d) A statement that the consumer will not own the property until
13 the consumer has paid the total of payments to acquire ownership plus
14 applicable taxes;

15 (e) A statement that the total of payments to acquire ownership does
16 not include other charges such as taxes, late charges, reinstatement
17 fees, or charges for optional products or services the consumer may have
18 elected to purchase and that the consumer should see the rental purchase
19 agreement for an explanation of these charges;

20 (f) A statement that the consumer is responsible for the fair market
21 value, remaining rent, early purchase option amount, or cost of repair of
22 the property, whichever is less, if it is lost, stolen, damaged, or
23 destroyed;

24 (g) A statement indicating whether the property is new or used. A
25 statement that indicates that new property is used shall not be a
26 violation of the Consumer Rental Purchase Agreement Act;

27 (h) A statement of the cash price of the property. When the
28 agreement involves a lease for two or more items, a statement of the
29 aggregate cash price of all items shall satisfy the requirement of this
30 subdivision;

31 (i) The total amount of the initial payments required to be paid

1 before consummation of the agreement or delivery of the property,
2 whichever occurs later, and an itemization of the components of the
3 initial payment, including any initial nonrefundable administrative fee
4 or delivery charge, lease payment, taxes, or fee or charge for optional
5 products or services;

6 (j) A statement clearly summarizing the terms of the consumer's
7 options to purchase, including a statement that at any time after the
8 first periodic payment is made the consumer may acquire ownership of the
9 property by tendering an amount which may not exceed fifty-five percent
10 of the difference between the total of payments to acquire ownership and
11 the total of lease payments the consumer has paid on the property at that
12 time;

13 (k) A statement identifying the party responsible for maintaining or
14 servicing the property while it is being leased, together with a
15 description of that responsibility and a statement that if any part of a
16 manufacturer's warranty covers the leased property at the time the
17 consumer acquires ownership of the property, such warranty shall be
18 transferred to the consumer if allowed by the terms of the warranty; and

19 (1) The date of the transaction and the names of the lessor and the
20 consumer.

21 (2) With respect to matters specifically governed by the federal
22 Consumer Credit Protection Act, 15 U.S.C. 1601 et seq., as such act
23 existed on January 1, 2023 ~~2022~~, compliance with such act shall satisfy
24 the requirements of this section.

25 (3) Subsection (1) of this section shall not apply to a lessor who
26 complies with the disclosure requirements of the federal Consumer Credit
27 Protection Act, 15 U.S.C. 1667a, as such section existed on January 1,
28 2023 ~~2022~~, with respect to a consumer rental purchase agreement entered
29 into with a consumer.

30 Sec. 79. Section 69-2112, Revised Statutes Cumulative Supplement,
31 2022, is amended to read:

1 69-2112 (1) Any advertisement for a consumer rental purchase
2 agreement which refers to or states the amount of any payment or the
3 right to acquire ownership for any specific item shall also state clearly
4 and conspicuously the following if applicable:

5 (a) That the transaction advertised is a consumer rental purchase
6 agreement;

7 (b) The total of payments to acquire ownership; and

8 (c) That the consumer acquires no ownership rights until the total
9 of payments to acquire ownership is paid.

10 (2) Any owner or employee of any medium in which an advertisement
11 appears or through which it is disseminated shall not be liable under
12 this section.

13 (3) Subsection (1) of this section shall not apply to an
14 advertisement which does not refer to a specific item of property, which
15 does not refer to or state the amount of any payment, or which is
16 published in the yellow pages of a telephone directory or any similar
17 directory of business.

18 (4) With respect to matters specifically governed by the federal
19 Consumer Credit Protection Act, 15 U.S.C. 1601 et seq., as such act
20 existed on January 1, 2023 ~~2022~~, compliance with such act shall satisfy
21 the requirements of this section.

22 Sec. 80. Section 76-1007, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 76-1007 (1) The trustee or the attorney for the trustee shall give
25 written notice of the time and place of sale particularly describing the
26 property to be sold by publication of such notice, at least five times,
27 once a week for five consecutive weeks, the last publication to be at
28 least ten days but not more than thirty days prior to the sale, in some
29 newspaper having a general circulation in each county in which the
30 property to be sold, or some part thereof, is situated.

31 (2) The sale shall be held at the time and place designated in the

1 notice of sale which shall be between the hours of nine a.m. and five
2 p.m. and at (a) the premises, (b) ~~or~~ at the courthouse of the county in
3 which the property to be sold, or some part thereof, is situated, or (c)
4 a public building wherein one or more county offices are located within
5 the county in which the property to be sold, or some part thereof, is
6 situated.

7 (3) The notice of sale shall be sufficient if made in substantially
8 the following form:

9 Notice of Trustee's Sale

10 The following described property will be sold at public auction to
11 the highest bidder at the door of the county courthouse
12 in, County of, Nebraska, on,
13 20.... .

14 (Name of Trustee)

15 Sec. 81. Section 77-6832, Revised Statutes Cumulative Supplement,
16 2022, is amended to read:

17 77-6832 (1)(a) The credits prescribed in section 77-6831 for a year
18 shall be established by filing the forms required by the Tax Commissioner
19 with the income tax return for the taxable year which includes the end of
20 the year the credits were earned. The credits may be used and shall be
21 applied in the order in which they were first allowable under the Imagine
22 Nebraska Act. To the extent the taxpayer has credits under the Nebraska
23 Advantage Act or the Employment and Investment Growth Act still available
24 for use in a year or years which overlap the performance period or
25 carryover period of the Imagine Nebraska Act, the credits may be used and
26 shall be applied in the order in which they were first allowable, and
27 when there are credits of the same age, the older tax incentive program's
28 credits shall be applied first. The credits may be used after any other
29 nonrefundable credits to reduce the taxpayer's income tax liability
30 imposed by sections 77-2714 to 77-27,135. Credits may be used beginning
31 with the taxable year which includes December 31 of the year the required

1 minimum levels were reached. The last year for which credits may be used
2 is the taxable year which includes December 31 of the last year of the
3 carryover period. Any decision on how part of the credit is applied shall
4 not limit how the remaining credit could be applied under this section.

5 (b) The taxpayer may use the credit provided in subsection (4) of
6 section 77-6831 (i) to reduce the taxpayer's income tax withholding
7 employer or payor tax liability under section 77-2756 or 77-2757, to the
8 extent such liability is attributable to the number of new employees
9 employed at the qualified location or locations, excluding any wages in
10 excess of one million dollars paid to any one employee during the year or
11 (ii) to reduce a qualified employee leasing company's income tax
12 withholding employer or payor tax liability under section 77-2756 or
13 77-2757, when the taxpayer is the client-lessee of such company, to the
14 extent such liability is attributable to the number of new employees
15 performing services for such client-lessee at the qualified location or
16 locations, excluding any wages in excess of one million dollars paid to
17 any one employee during the year. To the extent of the credit used, such
18 withholding shall not constitute public funds or state tax revenue and
19 shall not constitute a trust fund or be owned by the state. The use by
20 the taxpayer or the qualified employee leasing company of the credit
21 shall not change the amount that otherwise would be reported by the
22 taxpayer, or such qualified employee leasing company, to the employee
23 under section 77-2754 as income tax withheld and shall not reduce the
24 amount that otherwise would be allowed by the state as a refundable
25 credit on an employee's income tax return as income tax withheld under
26 section 77-2755. The amount of credits used against income tax
27 withholding shall not exceed the withholding attributable to the number
28 of new employees employed at the qualified location or locations or, for
29 a qualified employee leasing company, the number of new employees
30 performing services for the applicable client-lessee at the qualified
31 location or locations, excluding any wages in excess of one million

1 dollars paid to any one employee during the year. If the amount of credit
2 used by the taxpayer or the qualified employee leasing company against
3 income tax withholding exceeds such amount, the excess withholding shall
4 be returned to the Department of Revenue in the manner provided in
5 section 77-2756, such excess amount returned shall be considered unused,
6 and the amount of unused credits may be used as otherwise permitted in
7 this section or shall carry over to the extent authorized in subdivision
8 (1)(g) of this section.

9 (c) Credits may be used to obtain a refund of sales and use taxes
10 under the Local Option Revenue Act, the Nebraska Revenue Act of 1967, the
11 Qualified Judgment Payment Act, and sections 13-319, 13-324, and 13-2813
12 that are not subject to direct refund under section 77-6831 and that are
13 paid on purchases, including rentals, for use at a qualified location.

14 (d) The credits provided in subsections (4) and (5) of section
15 77-6831 may be used to repay a loan for job training or infrastructure
16 development as provided in section 77-6841.

17 (e) Credits may be used to obtain a payment from the state equal to
18 the amount which the taxpayer demonstrates to the director was paid by
19 the taxpayer after the date of the complete application for job training
20 and talent recruitment of employees who qualify in the number of new
21 employees, to the extent that proceeds from a loan described in section
22 77-6841 were not used to make such payments. For purposes of this
23 subdivision:

24 (i) Job training means training for a prospective or new employee
25 that is provided after the date of the complete application by a Nebraska
26 nonprofit college or university, a Nebraska public or private secondary
27 school, a Nebraska educational service unit, or a company that is not a
28 member of the taxpayer's unitary group or a related person to the
29 taxpayer; and

30 (ii) Talent recruitment means talent recruitment activities that
31 result in a newly recruited employee who is hired by the taxpayer after

1 the date of the complete application and who is paid compensation during
2 the year of hire at a rate equal to at least one hundred percent of the
3 Nebraska statewide average hourly wage for the year of application,
4 including marketing, relocation expenses, and search-firm fees. Talent
5 recruitment payments that may be reimbursed include, without limitation,
6 payment by the taxpayer, without repayment by the employee, of an
7 employee's student loans, an employee's tuition, and an employee's
8 downpayment on a primary residence in Nebraska. Talent recruitment
9 payments that may be reimbursed shall not include payments for the
10 recruitment of a person who constitutes a related person to the taxpayer
11 when the taxpayer is an individual or recruitment of a person who
12 constitutes a related person to an owner of the taxpayer when the
13 taxpayer is a partnership, a limited liability company, or a subchapter S
14 corporation.

15 (f) The credits provided in subsections (4) and (5) of section
16 77-6831 may be used to obtain a payment from the state equal to the
17 amount which the taxpayer demonstrates to the director was paid for
18 taxpayer-sponsored child care at the qualified location or locations
19 during the performance period and the carryover period.

20 (g) Credits may be carried over until fully utilized through the end
21 of the carryover period.

22 (h) A taxpayer that is also a Nebraska-based covered entity as
23 defined in 15 U.S.C. 4651 that qualifies under the Creating Helpful
24 Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law
25 116-283, may use credits to obtain a payment from the state equal to the
26 amount which the taxpayer demonstrates to the director was paid by the
27 taxpayer after the date of the complete application to repay the
28 principal or interest on revenue bonds issued by an inland port authority
29 pursuant to section 13-3308.

30 (2)(a) No refund claims shall be filed until after the required
31 levels of employment and investment have been met.

1 (b) Refund claims shall be filed no more than once each quarter for
2 refunds under the Imagine Nebraska Act, except that any claim for a
3 refund in excess of twenty-five thousand dollars may be filed at any
4 time.

5 (c) Refund claims for materials purchased by a purchasing agent
6 shall include:

7 (i) A copy of the purchasing agent appointment;

8 (ii) The contract price; and

9 (iii)(A) For refunds under subdivision (2)(a)(iii) or (2)(a)(v) of
10 section 77-6831, a certification by the contractor or repairperson of the
11 percentage of the materials incorporated into or annexed to the qualified
12 location on which sales and use taxes were paid to Nebraska after
13 appointment as purchasing agent; or

14 (B) For refunds under subdivision (2)(a)(iv) of section 77-6831, a
15 certification by the contractor or repairperson of the percentage of the
16 contract price that represents the cost of materials annexed to the
17 qualified location and the percentage of the materials annexed to the
18 qualified location on which sales and use taxes were paid to Nebraska
19 after appointment as purchasing agent.

20 (d) All refund claims shall be filed, processed, and allowed as any
21 other claim under section 77-2708, except that the amounts allowed to be
22 refunded under the Imagine Nebraska Act shall be deemed to be
23 overpayments and shall be refunded notwithstanding any limitation in
24 subdivision (2)(a) of section 77-2708. The refund may be allowed if the
25 claim is filed within three years from the end of the year the required
26 levels of employment and investment are met or within the period set
27 forth in section 77-2708. Refunds shall be paid by the Tax Commissioner
28 within one hundred eighty days after receipt of the refund claim. Such
29 payments shall be subject to later recovery by the Tax Commissioner upon
30 audit.

31 (e) If a claim for a refund of sales and use taxes under the Local

1 Option Revenue Act, the Qualified Judgment Payment Act, or sections
2 13-319, 13-324, and 13-2813 of more than twenty-five thousand dollars is
3 filed by June 15 of a given year, the refund shall be made on or after
4 November 15 of the same year. If such a claim is filed on or after June
5 16 of a given year, the refund shall not be made until on or after
6 November 15 of the following year. The Tax Commissioner shall notify the
7 affected city, village, county, or municipal county of the amount of
8 refund claims of sales and use taxes under the Local Option Revenue Act,
9 the Qualified Judgment Payment Act, or sections 13-319, 13-324, and
10 13-2813 that are in excess of twenty-five thousand dollars on or before
11 July 1 of the year before the claims will be paid under this section.

12 (f) For refunds of sales and use taxes under the Local Option
13 Revenue Act, the deductions made by the Tax Commissioner for such refunds
14 shall be delayed in accordance with section 77-27,144.

15 (g) Interest shall not be allowed on any taxes refunded under the
16 Imagine Nebraska Act.

17 (3) The appointment of purchasing agents shall be recognized for the
18 purpose of changing the status of a contractor or repairperson as the
19 ultimate consumer of tangible personal property purchased after the date
20 of the appointment which is physically incorporated into or annexed at a
21 qualified location and becomes the property of the owner of the
22 improvement to real estate or the taxpayer. The purchasing agent shall be
23 jointly liable for the payment of the sales and use tax on the purchases
24 with the owner of the property.

25 (4) The determination of whether the application is complete,
26 whether a location is a qualified location, and whether to approve the
27 application and sign the agreement shall be made by the director. All
28 other interpretations of the Imagine Nebraska Act shall be made by the
29 Tax Commissioner. The Commissioner of Labor shall provide the director
30 with such information as the Department of Labor regularly receives with
31 respect to the taxpayer which the director requests from the Commissioner

1 of Labor in order to fulfill the director's duties under the act. The
2 director shall use such information to achieve efficiency in the
3 administration of the act.

4 (5) Once the director and the taxpayer have signed the agreement
5 under section 77-6828, the taxpayer, and its owners or members where
6 applicable, may report and claim and shall receive all incentives allowed
7 by the Imagine Nebraska Act, subject to the base authority limitations
8 provided in section 77-6839, without waiting for a determination by the
9 director or the Tax Commissioner or other taxing authority that the
10 taxpayer has met the required employment and investment levels or
11 otherwise qualifies, has qualified, or continues to qualify for such
12 incentives, provided that the tax return or claim has been signed by an
13 owner, member, manager, or officer of the taxpayer who declares under
14 penalties of perjury that he or she has examined the tax return or claim,
15 including accompanying schedules and statements, and to the best of his
16 or her knowledge and belief (a) the tax return or claim is correct and
17 complete in all material respects, (b) payment of the claim has not been
18 previously made by the state to the taxpayer, and (c) with respect to
19 sales or use tax refund claims, the taxpayer has not claimed or received
20 a refund of such tax from a retailer. The payment or allowance of such a
21 claim shall not prevent the director or the Tax Commissioner or other
22 taxing authority from recovering such payment, exemption, or allowance,
23 within the normal period provided by law, subject to normal appeal rights
24 of a taxpayer, if the director or Tax Commissioner or other taxing
25 authority determines upon review or audit that the taxpayer did not
26 qualify for such incentive or exemption.

27 (6) An audit of employment and investment thresholds and incentive
28 amounts shall be made by the Tax Commissioner to the extent and in the
29 manner determined by the Tax Commissioner. Upon request by the director
30 or the Tax Commissioner, the Commissioner of Labor shall report to the
31 director and the Tax Commissioner the employment data regularly reported

1 to the Department of Labor relating to number of employees and wages paid
2 for each taxpayer. The director and Tax Commissioner, to the extent they
3 determine appropriate, shall use such information to achieve efficiency
4 in the administration of the Imagine Nebraska Act. The Tax Commissioner
5 may recover any refund or part thereof which is erroneously made and any
6 credit or part thereof which is erroneously allowed by issuing a
7 deficiency determination within three years from the date of refund or
8 credit or within the period otherwise allowed for issuing a deficiency
9 determination, whichever expires later. The director shall not enter into
10 an agreement with any taxpayer unless the taxpayer agrees to
11 electronically verify the work eligibility status of all newly hired
12 employees employed in Nebraska within ninety days after the date of hire.
13 For purposes of calculating any tax incentive under the act, the hours
14 worked and compensation paid to an employee who has not been
15 electronically verified or who is not eligible to work in Nebraska shall
16 be excluded.

17 (7) A determination by the director that a location is not a
18 qualified location or a determination by the Tax Commissioner that a
19 taxpayer has failed to meet or maintain the required levels of employment
20 or investment for incentives, exemptions, or recapture, or does not
21 otherwise qualify for incentives or exemptions, may be protested by the
22 taxpayer to the Tax Commissioner within sixty days after the mailing to
23 the taxpayer of the written notice of the proposed determination by the
24 director or the Tax Commissioner, as applicable. If the notice of
25 proposed determination is not protested in writing by the taxpayer within
26 the sixty-day period, the proposed determination is a final
27 determination. If the notice is protested, the Tax Commissioner, after a
28 formal hearing by the Tax Commissioner or by an independent hearing
29 officer appointed by the Tax Commissioner, if requested by the taxpayer
30 in such protest, shall issue a written order resolving such protest. The
31 written order of the Tax Commissioner resolving a protest may be appealed

1 to the district court of Lancaster County in accordance with the
2 Administrative Procedure Act within thirty days after the issuance of the
3 order.

4 Sec. 82. Section 77-6841, Revised Statutes Cumulative Supplement,
5 2022, is amended to read:

6 77-6841 (1) The Legislature finds that providing job training is
7 critical to the public purpose of attracting and retaining businesses and
8 that the growth of high-paying jobs in Nebraska is limited by an unmet
9 need for workforce training and infrastructure development. The
10 Legislature further finds that many communities in Nebraska lack the
11 infrastructure, including broadband access, necessary to provide high-
12 paying jobs for residents. The Legislature further finds that workforce
13 training and infrastructure development help businesses and improve the
14 quality of life for workers and communities in Nebraska. Because there is
15 a statewide benefit from workforce training and infrastructure
16 development, the Legislature intends to provide a revolving loan program
17 as a rational means to address these needs.

18 (2) The Department of Economic Development shall establish and
19 administer a revolving loan program for workforce training and
20 infrastructure development expenses to be incurred by applicants for
21 incentives under the ImagiNE Nebraska Act.

22 (3) The ImagiNE Nebraska Revolving Loan Fund is hereby created. The
23 fund shall receive money from transfers authorized by appropriations ~~from~~
24 the Legislature, grants, private contributions, repayment of loans, and
25 all other sources. Any money in the fund available for investment shall
26 be invested by the state investment officer pursuant to the Nebraska
27 Capital Expansion Act and the Nebraska State Funds Investment Act. It is
28 the intent of the Legislature to transfer five million dollars from the
29 General Fund to the ImagiNE Nebraska Revolving Loan Fund for fiscal years
30 2022-23 and 2023-24 for purposes of carrying out the workforce training
31 and infrastructure development revolving loan program pursuant to the

1 Imagine Nebraska Act. It is the intent of the Legislature to appropriate
2 five million dollars for fiscal years 2022-23 and 2023-24 for purposes of
3 carrying out the workforce training and infrastructure development
4 revolving loan program pursuant to the Imagine Nebraska Act.

5 (4)(a) ~~(4)~~ The Department of Economic Development, as part of its
6 comprehensive business development strategy, shall administer the Imagine
7 Nebraska Revolving Loan Fund and may loan funds to applicants under the
8 Imagine Nebraska Act to secure new, high-paying jobs in Nebraska based on
9 the criteria established in sections 77-6842 and 77-6843. Loans made to
10 applicants under the Imagine Nebraska Act and interest on such loans may
11 be repaid using credits earned under the Imagine Nebraska Act. If that
12 occurs, the Department of Revenue shall certify the credit usage to the
13 State Treasurer, who shall, within thirty days, transfer the amount of
14 the credit used from the General Fund to the Imagine Nebraska Revolving
15 Loan Fund.

16 (b) ~~(5)~~ If a taxpayer with an agreement under the Imagine Nebraska
17 Act obtains a loan under this subsection ~~section~~ and fails to attain the
18 required minimum number of new employees, minimum compensation, and
19 minimum required cumulative investment necessary for that taxpayer to
20 earn a credit, the principal and interest of the loan shall be considered
21 an underpayment of tax and may be recovered by the Department of Revenue.

22 (c) ~~(6)~~ Whether repaid using credits or repaid directly by the
23 recipient of the loan, loans made from the Imagine Nebraska Revolving
24 Loan Fund shall be repaid with interest at the rate established in
25 section 45-102.

26 (5)(a) The Department of Economic Development shall award funds to
27 match any federal grant, loan, loan guarantee, or other financial
28 incentive for a project for which a Nebraska-based covered entity as
29 defined in 15 U.S.C. 4651 qualifies under the Creating Helpful Incentives
30 to Produce Semiconductors (CHIPS) for America Act, Public Law 116-283.
31 The amount of the award, when combined with all other eligible state

1 funds and incentives, shall not exceed twenty-five percent of the total
2 cost of the project. The department may waive any interest payments for
3 qualifying projects.

4 (b) The Department of Economic Development shall approve any
5 Nebraska-based covered entity that meets the eligibility requirements
6 under the Creating Helpful Incentives to Produce Semiconductors (CHIPS)
7 for America Act, Public Law 116-283, if the eligible project has a total
8 project cost in excess of fifty million dollars. The department shall
9 award funds under this subsection upon receipt by an application of an
10 award of federal or other funds. Fund sources include federal, local,
11 private, and charitable contributions.

12 (c) An applicant shall apply to the Department of Economic
13 Development for an award under this subsection. The applicant shall
14 certify the investment made by the United States Government.

15 (d) Of the total funds awarded under this subsection and consistent
16 with section 9902(a)(2)(B) of the Creating Helpful Incentives to Produce
17 Semiconductors (CHIPS) for America Act, Public Law 116-283, five-tenths
18 of one percent of the amount awarded under this subsection shall be
19 awarded to an educational institution for the purpose of assisting a
20 Nebraska-based covered entity with the obligations under the federal law
21 for domestic semiconductor workforce development.

22 (e) An applicant may use award funds received under this subsection
23 for:

24 (i) Public and private sector initiatives that will improve
25 Nebraska's ability to attract microelectronic enterprises, especially
26 those incentivized under the Creating Helpful Incentives to Produce
27 Semiconductors (CHIPS) for America Act, Public Law 116-283, by making
28 necessary investments to the semiconductor industry, including, but not
29 limited to, grants for the establishment of private sector entities for
30 such purposes within eligible economically disadvantaged areas in
31 Nebraska, as set forth in section 9902(a)(2)(B) of the Creating Helpful

1 Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law
2 116-283; and

3 (ii) A community college located in a city of the metropolitan class
4 working in collaboration with private sector partners and any interested
5 university, college, other community college, and technical school
6 located in this state to support education expansion and curricula
7 development in order to meet the needs of the domestic semiconductor
8 workforce in Nebraska set forth in section 9902(a)(2)(B) of the Creating
9 Helpful Incentives to Produce Semiconductors (CHIPS) for America Act,
10 Public Law 116-283.

11 Sec. 83. Section 4A-108, Uniform Commercial Code, Revised Statutes
12 Cumulative Supplement, 2022, is amended to read:

13 4A-108 Relationship to federal Electronic Fund Transfer Act.

14 (a) Except as provided in subsection (b), this article does not
15 apply to a funds transfer any part of which is governed by the federal
16 Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq., as such act existed
17 on January 1, 2023 ~~2022~~.

18 (b) This article applies to a funds transfer that is a remittance
19 transfer as defined in the federal Electronic Fund Transfer Act, 15
20 U.S.C. 1693o-1, as such section existed on January 1, 2023 ~~2022~~, unless
21 the remittance transfer is an electronic fund transfer as defined in the
22 federal Electronic Fund Transfer Act, 15 U.S.C. 1693a, as such section
23 existed on January 1, 2023 ~~2022~~.

24 (c) In a funds transfer to which this article applies, in the event
25 of an inconsistency between an applicable provision of this article and
26 an applicable provision of the federal Electronic Fund Transfer Act, the
27 provision of the federal Electronic Fund Transfer Act governs to the
28 extent of the inconsistency.

29 Sec. 84. (1) Except as provided in subsection (3) of this section,
30 beginning January 1, 2024, and notwithstanding section 44-3,131, (a) any
31 individual or group sickness and accident insurance policy or subscriber

1 contract delivered, issued for delivery, or renewed in this state and any
2 hospital, medical, or surgical expense-incurred policy, except for
3 policies that provide coverage for a specified disease or other limited-
4 benefit coverage, and (b) any self-funded employee benefit plan to the
5 extent not preempted by federal law, which provides reimbursement for
6 prescription insulin drugs shall limit the total amount that a covered
7 individual is required to pay for each covered prescription insulin drug
8 on the policy's, contract's, or plan's lowest brand or generic tier to a
9 maximum of thirty-five dollars per thirty-day supply of insulin,
10 regardless of the amount needed.

11 (2) Nothing in this section prevents a policy, contract, or plan
12 from reducing the total amount that a covered individual is required to
13 pay for each covered prescription insulin drug to an amount less than the
14 maximum specified in subsection (1) of this section.

15 (3) If, due to a national shortage of an insulin drug, a covered
16 individual cannot access a covered prescription insulin drug on the
17 lowest brand or generic tier of the policy, contract, or plan, the
18 policy, contract, or plan shall ensure access to an insulin drug at a
19 maximum of thirty-five dollars per thirty-day supply, until such time
20 that the national shortage ends to prevent disruptions in patient access
21 to insulin.

22 (4) For purposes of this section, prescription insulin drug means a
23 prescription drug that contains insulin and is used to treat diabetes.

24 Sec. 85. (1) For purposes of this section:

25 (a) Health benefit plan means a policy, a contract, a certificate,
26 or an agreement entered into, offered by, or issued by an insurer to
27 provide, deliver, arrange for, pay for, or reimburse any of the costs of
28 health care services, including a vision or dental benefit plan. Health
29 benefit plan shall not include any coverage pursuant to a liability
30 insurance policy, including medical payments insurance issued as a
31 supplement to a liability insurance policy, or a workers' compensation

1 insurance policy; and

2 (b) Plan sponsor means:

3 (i) In the case of a health benefit plan established or maintained
4 by a single employer, the employer;

5 (ii) In the case of a health benefit plan established or maintained
6 by an employee organization, the employee organization; or

7 (iii) In the case of a health benefit plan established or maintained
8 by two or more employers or jointly by one or more employers and one or
9 more employee organizations, the association, committee, joint board of
10 trustees, or other similar group of representatives of the parties who
11 establish or maintain the benefit plan.

12 (2) The plan sponsor of a health benefit plan may, on behalf of
13 covered persons in the plan, provide the consent to the delivery of all
14 communications related to the plan by electronic means and to the
15 electronic delivery of any health insurance identification card if,
16 before consenting on behalf of a covered person, a plan sponsor:

17 (a) Confirms that the covered person routinely uses electronic
18 communications during the normal course of employment;

19 (b) Provides the covered person an opportunity to opt out of
20 delivery by electronic means; and

21 (c) Follows all federal and state laws relating to the electronic
22 delivery of such information or documents.

23 Sec. 86. Sections 86 to 95 of this act shall be known and may be
24 cited as the Insurance Regulatory Sandbox Act.

25 Sec. 87. The purpose of the Insurance Regulatory Sandbox Act is to
26 create a regulatory sandbox program under the Department of Insurance
27 which allows a participant to temporarily test innovative insurance
28 products or services on a limited basis without otherwise being licensed
29 or authorized to act under the laws of the state.

30 Sec. 88. For purposes of the Insurance Regulatory Sandbox Act:

31 (1) Applicable agency means a department or agency of the state

1 that, by law, regulates certain types of insurance-related business
2 activity in the state and persons engaged in such insurance-related
3 business activity. This includes the issuance of licenses or any other
4 types of authorization which the department determines would otherwise
5 regulate a sandbox participant;

6 (2) Applicant means an individual or entity that is applying to
7 participate in the regulatory sandbox;

8 (3) Consumer means a person that purchases or otherwise enters into
9 a transaction agreement to receive an innovative insurance product or
10 service that is being tested by a sandbox participant;

11 (4) Department means the Department of Insurance;

12 (5) Innovation means the use or incorporation of a new or emerging
13 technology or a new use of existing technology, including blockchain
14 technology, to address a problem, provide a benefit, or otherwise offer a
15 product, service, business model, or delivery mechanism that is not known
16 by the department to have a comparable widespread offering in the state;

17 (6) Innovative insurance product or service means an insurance
18 product or service that includes an innovation;

19 (7) Insurance product or service means an insurance-related product
20 or service that requires state licensure, registration, or other
21 authorization as regulated by state law, including any insurance-specific
22 business model, delivery mechanism, or element that requires a license,
23 registration, or other authorization;

24 (8) Regulatory sandbox means the program created in section 89 of
25 this act which allows a person to temporarily test an innovative
26 insurance product or service on a limited basis without otherwise being
27 licensed or authorized to act under the laws of the state;

28 (9) Sandbox participant means a person whose application to
29 participate in the regulatory sandbox is approved in accordance with the
30 Insurance Regulatory Sandbox Act; and

31 (10) Test means to provide an innovative insurance product or

1 service in accordance with the Insurance Regulatory Sandbox Act.

2 Sec. 89. (1) The department shall create and administer a
3 regulatory sandbox program that enables a person to obtain limited access
4 to the market in the state to test an innovative insurance product or
5 service without obtaining a license or without regard to other provisions
6 of Chapter 44 or rules and regulations adopted and promulgated by the
7 department which may be applicable, as determined by the department.

8 (2) In administering the regulatory sandbox, the department:

9 (a) Shall consult with each applicable agency;

10 (b) May enter into agreements with or follow the best practices of
11 the Consumer Financial Protection Bureau or other states that are
12 administering similar programs; and

13 (c) May not approve participation in the regulatory sandbox by an
14 applicant or any other participant who has been convicted of, or pled
15 guilty or nolo contendere to, a serious crime:

16 (i) Involving theft, fraud, or dishonesty; or

17 (ii) That bears a substantial relationship to the applicant's or
18 participant's ability to safely or competently participate in the
19 regulatory sandbox.

20 (3) An applicant for the regulatory sandbox shall submit an
21 application to the department in a form and manner prescribed by the
22 department. The application shall:

23 (a) Include a nonrefundable application fee of two hundred fifty
24 dollars;

25 (b) Demonstrate the applicant is subject to the jurisdiction of the
26 state;

27 (c) Demonstrate the applicant has established a physical or virtual
28 location that is adequately accessible to the department from which
29 testing will be developed and performed and where all required records,
30 documents, and data will be maintained;

31 (d) Contain relevant personal and contact information for the

1 application, including legal names, addresses, telephone numbers, email
2 addresses, website addresses, and other information required by the
3 department;

4 (e) Disclose any criminal conviction of the applicant or officers,
5 directors, or other participating personnel, if any;

6 (f) Demonstrate that the applicant has the necessary personnel,
7 financial and technical expertise, access to capital, and developed plans
8 to test, monitor, and assess the innovative insurance product or service;

9 (g) Contain a description of the innovative insurance product or
10 service to be tested, including statements regarding the following:

11 (i) How the innovative insurance product or service is subject to
12 licensing or other authorization requirements outside of the regulatory
13 sandbox, including a specific list of all state laws, regulations, and
14 licensing or other requirements that the applicant is seeking to have
15 waived during the testing period;

16 (ii) How the innovative insurance product or service would benefit
17 consumers;

18 (iii) How the innovative insurance product or service is different
19 from other insurance products or services available in the state;

20 (iv) What risks may confront consumers that use or purchase the
21 innovative insurance product or service;

22 (v) How participating in the regulatory sandbox would enable a
23 successful test of the innovative insurance product or service;

24 (vi) A description of how the applicant will perform ongoing duties
25 after the test; and

26 (vii) How the applicant will end the test and protect consumers if
27 the test fails, including providing evidence of sufficient liability
28 coverage and financial reserves to protect consumers and to protect
29 against insolvency by the applicant; and

30 (h) Provide any other required information as determined by the
31 department.

1 (4) An applicant shall file a separate application for each
2 innovative insurance product or service the applicant wants to test.

3 (5) The following items shall not be waived as part of any
4 applicant's participation in the regulatory sandbox:

5 (a) Laws and regulations not under the jurisdiction of the Director
6 of Insurance;

7 (b) Any law or regulation required for the department to maintain
8 accreditation by the National Association of Insurance Commissioners;

9 (c) Laws regarding minimum paid-in capital or surplus required to be
10 possessed or maintained by an insurer or product reserving laws;

11 (d) The Unfair Insurance Trade Practices Act and the Unfair
12 Insurance Claims Settlement Practices Act;

13 (e) Any requirement for insurance producers to be licensed; and

14 (f) The application of any taxes or fees.

15 (6) After an application is filed and before approving the
16 application, the department may seek any additional information from the
17 applicant that the department determines is necessary.

18 (7) Subject to subsection (8) of this section, not later than ninety
19 days after the day on which a complete application is received by the
20 department, the department shall inform the applicant as to whether the
21 application is approved for entry into the regulatory sandbox.

22 (8) The department and an applicant may mutually agree to extend the
23 ninety-day timeline described in subsection (7) of this section.

24 (9) In reviewing an application under this section, the department
25 shall consult with, and get approval from, each applicable agency before
26 admitting an applicant into the regulatory sandbox. The consultation with
27 an applicable agency may include seeking information about:

28 (a) Whether the applicable agency has previously issued a license or
29 other authorization to the applicant;

30 (b) Whether the applicable agency has previously investigated,
31 sanctioned, or pursued legal action against the applicant;

1 (c) Whether the applicant could obtain a license or other
2 authorization from the applicable agency after exiting the regulatory
3 sandbox; and

4 (d) Whether certain licensure or other regulations should not be
5 waived even if the applicant is accepted into the regulatory sandbox.

6 (10) In reviewing an application under this section, the department
7 shall also consider whether a competitor to the applicant is or has been
8 a sandbox participant and weigh that as a factor in determining whether
9 to allow the applicant to also become a sandbox participant.

10 (11) If the department and each applicable agency approve admitting
11 an applicant into the regulatory sandbox, an applicant may become a
12 sandbox participant. Applicants that become sandbox participants shall
13 incur a participation fee set by the department. The participation fee
14 shall be commensurate with the costs incurred by the department in
15 administering the applicant's participation in the regulatory sandbox.
16 Participation fees shall be dependent on factors such as the size of the
17 applicant and the number of customers the applicant may have, but shall
18 be set at a reasonable amount to encourage participation in the
19 regulatory sandbox.

20 (12) The department may enter into agreements with other states that
21 have enacted laws that are substantially similar to the Insurance
22 Regulatory Sandbox Act in order to advance the purposes of the act and to
23 facilitate the consideration of applications for participation in the
24 regulatory sandbox from persons that have satisfied the requirements of
25 this section and received approval for participation in similar programs
26 in other states.

27 (13) The department may deny any application submitted under this
28 section, for any reason, at the department's discretion.

29 (14) If the department denies an application submitted under this
30 section, the department shall provide to the applicant a written
31 description of the reasons for the denial.

1 (15) Documents, materials, and other information in the possession
2 or control of the Director of Insurance that are obtained by, created by,
3 or disclosed to the director or any other person under the Insurance
4 Regulatory Sandbox Act are recognized by this state as being proprietary
5 and to contain trade secrets. All such documents, materials, and other
6 information shall be confidential by law and privileged, shall not be a
7 public record subject to disclosure by the director pursuant to sections
8 84-712 to 84-712.09, shall not be subject to subpoena, and shall not be
9 subject to discovery or admissible in evidence in any private civil
10 action. The director may use the documents, materials, and other
11 information in the furtherance of any regulatory or legal action brought
12 as a part of the director's official duties. The director shall not
13 otherwise make the documents, materials, and other information public
14 without the prior written consent of the applicant. In order to assist in
15 the performance of the director's regulatory duties, the director:

16 (a) May, upon request, share documents, materials, and other
17 information that are obtained by, created by, or disclosed to the
18 director or any other person under the Insurance Regulatory Sandbox Act,
19 including the confidential and privileged documents, materials, and other
20 information subject to this subsection, with other state, federal, and
21 international financial regulatory agencies, including members of any
22 supervisory college under section 44-2137.01, with the National
23 Association of Insurance Commissioners, and with any third-party
24 consultants designated by the director, if the recipient agrees in
25 writing to maintain the confidentiality and privileged status of the
26 documents, materials, and other information and has verified in writing
27 the legal authority to maintain confidentiality; and

28 (b) May receive documents, materials, and other information,
29 including otherwise confidential and privileged documents, materials, and
30 other information, from regulatory officials of other foreign or domestic
31 jurisdictions that have enacted laws substantially similar to the

1 Insurance Regulatory Sandbox Act, including members of any supervisory
2 college under section 44-2137.01 and from the National Association of
3 Insurance Commissioners, and shall maintain as confidential or privileged
4 any documents, materials, or other information received with notice or
5 the understanding that it is confidential or privileged under the laws of
6 the jurisdiction that is the source of the document, material, or other
7 information.

8 (16) The department shall not accept any applications for the
9 regulatory sandbox after June 30, 2034.

10 Sec. 90. (1) If the department approves an application under
11 section 89 of this act, the sandbox participant has twelve months after
12 the day on which the application was approved to test the innovative
13 insurance product or service described in the sandbox participant's
14 application.

15 (2) A sandbox participant testing an innovative insurance product or
16 service within the regulatory sandbox is subject to the following:

17 (a) Consumers shall be residents of this state;

18 (b) The department may, on a case-by-case basis, specify the maximum
19 number of consumers that may enter into an agreement with the sandbox
20 participant to use the innovative insurance product or service; and

21 (c) The department may, on a case-by-case basis, specify the maximum
22 number of innovative insurance products or services that may be offered
23 by a sandbox participant during the test of such product or service.

24 (3) If a sandbox participant is accepted into the regulatory
25 sandbox, the department shall notify other businesses in the industry
26 that a regulatory waiver was granted in order to afford other businesses
27 the opportunity to apply for the same regulatory waiver if they so
28 choose.

29 (4) This section does not restrict a sandbox participant who holds a
30 license or other authorization in another jurisdiction from acting in
31 accordance with that license or other authorization.

1 (5) A sandbox participant is deemed to possess an appropriate
2 license under the laws of the state for the purposes of any provision of
3 federal law requiring state licensure or authorization.

4 (6) A sandbox participant that is testing an innovative insurance
5 product or service is not subject to state laws, regulations, licensing
6 requirements, or authorization requirements that were identified by the
7 sandbox participant's application and have been waived in writing by the
8 department.

9 (7) Notwithstanding any other provision of the Insurance Regulatory
10 Sandbox Act, a sandbox participant does not have immunity related to any
11 criminal offense committed during the sandbox participant's participation
12 in the regulatory sandbox.

13 (8) By written notice, the department may end a sandbox
14 participant's participation in the regulatory sandbox at any time and for
15 any reason, including if the department determines a sandbox participant
16 is not operating in good faith to bring an innovative insurance product
17 or service to market.

18 (9) The department and the department's employees are not liable for
19 any business losses or the recouping of application expenses related to
20 the regulatory sandbox, including for:

21 (a) Denying an applicant's application to participate in the
22 regulatory sandbox for any reason; or

23 (b) Ending a sandbox participant's participation in the regulatory
24 sandbox at any time and for any reason.

25 (10) No guaranty association in the state may be held liable for
26 business losses or liabilities incurred as a result of activities
27 undertaken by a sandbox participant while participating in the regulatory
28 sandbox.

29 Sec. 91. (1) Prior to the sale of an innovative insurance product
30 or service to a consumer, the sandbox participant shall disclose the
31 following to the consumer in a clear and conspicuous format in English

1 and Spanish:

2 (a) The name and contact information of the sandbox participant;

3 (b) That the innovative insurance product or service is authorized
4 pursuant to the Insurance Regulatory Sandbox Act for a temporary period
5 of one year with a possible extension of one additional year, but for no
6 more than two years;

7 (c) Any risk to the consumer associated with the purchase of the
8 innovative insurance product or service;

9 (d) That neither the State of Nebraska nor the Department of
10 Insurance recommends the innovative insurance product or service and that
11 neither the state nor the department is subject to any liability for
12 losses or damages caused by such product or service;

13 (e) That the consumer may contact the Department of Insurance to
14 file a complaint regarding the innovative insurance product or service.
15 Contact information for the Department of Insurance shall also be
16 provided;

17 (f) That state insurance insolvency guaranty funds are not available
18 for the innovative insurance product or service; and

19 (g) Any other statements or additional disclosures that may be
20 required by the Department of Insurance.

21 (2) The disclosures required by subsection (1) of this section shall
22 be provided to consumers through a written disclosure statement. Sandbox
23 participants shall keep a signed copy of the disclosure statement on file
24 and be able to produce the statement for the department upon request.

25 (3) Sandbox participants shall also note on any websites, social
26 media postings, advertisements, and promotional materials of any kind all
27 potential risks for consumers associated with the purchase of the
28 innovative insurance product or service.

29 Sec. 92. (1) At least thirty days before the end of the twelve-
30 month regulatory sandbox testing period, a sandbox participant shall:

31 (a) Notify the department that the sandbox participant will exit the

1 regulatory sandbox, discontinue the sandbox participant's test, and stop
2 offering any innovative insurance product or service in the regulatory
3 sandbox within sixty days after the day on which the twelve-month testing
4 period ends; or

5 (b) Seek an extension in accordance with section 93 of this act.

6 (2) Subject to subsection (3) of this section, if the department
7 does not receive notification as required by subsection (1) of this
8 section, the regulatory sandbox testing period ends at the end of the
9 twelve-month testing period and the sandbox participant shall immediately
10 stop offering each innovative insurance product or service being tested.

11 (3) If a test includes offering an innovative insurance product or
12 service that requires ongoing duties, the sandbox participant shall
13 continue to fulfill those duties or arrange for another person to fulfill
14 those duties after the date on which the sandbox participant exits the
15 regulatory sandbox.

16 Sec. 93. (1) Not later than thirty days before the end of the
17 twelve-month regulatory sandbox testing period, a sandbox participant may
18 request an extension of the regulatory sandbox testing period for the
19 purpose of obtaining a license or other authorization.

20 (2) The department shall grant or deny a request for an extension by
21 the end of the twelve-month regulatory sandbox testing period.

22 (3) The department may grant one extension in accordance with this
23 section for not more than twelve months after the end of the regulatory
24 sandbox testing period.

25 (4) A sandbox participant that obtains an extension in accordance
26 with this section shall provide the department with a written report
27 every three months that provides an update on efforts to obtain a license
28 or other authorization required by law, including any applications
29 submitted for licensure or other authorization, rejected applications, or
30 issued licenses or other authorizations.

31 Sec. 94. (1) A sandbox participant shall retain records, documents,

1 and data produced in the ordinary course of business regarding an
2 innovative insurance product or service tested in the regulatory sandbox.

3 (2) If an innovative insurance product or service fails before the
4 end of a testing period, the sandbox participant shall notify the
5 department and report on actions taken by the sandbox participant to
6 ensure consumers have not been harmed as a result of the failure.

7 (3) The department shall establish quarterly reporting requirements
8 for a sandbox participant, including information about any customer
9 complaints.

10 (4) The department may request records, documents, and data from a
11 sandbox participant and, upon the department's request, a sandbox
12 participant shall make such records, documents, and data available for
13 inspection by the department.

14 (5) If the department determines that a sandbox participant has
15 engaged in, is engaging in, or is about to engage in any practice or
16 transaction that is in violation of Chapter 44, the department may remove
17 a sandbox participant from the regulatory sandbox. If the department
18 determines that the practice or transaction is in violation of state or
19 federal criminal law, the department shall remove the sandbox participant
20 from the regulatory sandbox.

21 (6) The department shall provide a written report upon request by a
22 member of the Legislature that provides information regarding each
23 sandbox participant and that provides recommendations regarding the
24 effectiveness of the Insurance Regulatory Sandbox Act.

25 Sec. 95. The department may adopt and promulgate rules and
26 regulations to carry out the Insurance Regulatory Sandbox Act.

27 Sec. 96. The Revisor of Statutes shall assign section 75 of this
28 act to Chapter 81, article 12.

29 Sec. 97. Sections 54 and 100 of this act become operative on
30 January 1, 2024. Sections 64 and 101 of this act become operative on
31 April 30, 2024. Sections 57, 58, 59, 60, 61, 62, and 102 of this act

1 become operative on January 1, 2025. Sections 42, 43, 44, 45, 46, 47, 48,
2 49, 51, 52, 53, 55, 56, 63, 65, 66, 73, 74, 75, 84, 85, 86, 87, 88, 89,
3 90, 91, 92, 93, 94, 95, and 99 of this act become operative three
4 calendar months after the adjournment of this legislative session. The
5 other sections of this act become operative on their effective date.

6 Sec. 98. Original sections 8-101.03, 8-102, 8-115, 8-135, 8-141,
7 8-143.01, 8-157.01, 8-183.04, 8-1,140, 8-318, 8-355, 8-602, 8-1101,
8 8-1101.01, 8-1704, 8-1707, 8-2724, 8-2903, 8-3002, 8-3003, 8-3004,
9 8-3005, 8-3007, 8-3008, 8-3011, 8-3012, 8-3013, 8-3014, 8-3015, 8-3016,
10 8-3017, 8-3018, 8-3019, 8-3020, 8-3021, 8-3022, 8-3023, 8-3025, 8-3026,
11 8-3028, 8-3030, 21-17,115, 45-191.01, 45-191.04, 45-735, 45-1002,
12 45-1003, 45-1006, and 76-1007, Reissue Revised Statutes of Nebraska,
13 sections 59-1722, 69-2103, 69-2104, 69-2112, 77-6832, and 77-6841,
14 Revised Statutes Cumulative Supplement, 2022, and section 4A-108, Uniform
15 Commercial Code, Revised Statutes Cumulative Supplement, 2022, are
16 repealed.

17 Sec. 99. Original sections 10-110, 10-402, 10-403, 10-405, 10-507,
18 10-711, 10-804, 13-509, 44-319.02, 44-319.03, 44-319.06, 44-1993,
19 44-3308, 44-5140, and 58-201, Reissue Revised Statutes of Nebraska, and
20 sections 44-7,102 and 44-5141, Revised Statutes Cumulative Supplement,
21 2022, are repealed.

22 Sec. 100. Original section 44-785, Reissue Revised Statutes of
23 Nebraska, is repealed.

24 Sec. 101. Original section 44-4054, Reissue Revised Statutes of
25 Nebraska, is repealed.

26 Sec. 102. Original sections 44-2824, 44-2825, 44-2827, 44-2831.01,
27 44-2832, and 44-2833, Reissue Revised Statutes of Nebraska, are repealed.

28 Sec. 103. Since an emergency exists, this act takes effect when
29 passed and approved according to law.

30 2. On page 1, strike beginning with "insurance" in line 1 through
31 line 4 and insert "law; to amend sections 8-101.03, 8-102, 8-115, 8-135,

1 8-141, 8-143.01, 8-157.01, 8-183.04, 8-1,140, 8-318, 8-355, 8-602,
2 8-1101, 8-1101.01, 8-1704, 8-1707, 8-2724, 8-2903, 8-3002, 8-3003,
3 8-3004, 8-3005, 8-3007, 8-3008, 8-3011, 8-3012, 8-3013, 8-3014, 8-3015,
4 8-3016, 8-3017, 8-3018, 8-3019, 8-3020, 8-3021, 8-3022, 8-3023, 8-3025,
5 8-3026, 8-3028, 8-3030, 10-110, 10-402, 10-403, 10-405, 10-507, 10-711,
6 10-804, 13-509, 21-17,115, 44-319.02, 44-319.03, 44-319.06, 44-785,
7 44-1993, 44-2824, 44-2825, 44-2827, 44-2831.01, 44-2832, 44-2833,
8 44-3308, 44-4054, 44-5140, 45-191.01, 45-191.04, 45-735, 45-1002,
9 45-1003, 45-1006, 58-201, and 76-1007, Reissue Revised Statutes of
10 Nebraska, sections 44-7,102, 44-5141, 59-1722, 69-2103, 69-2104, 69-2112,
11 77-6832, and 77-6841, Revised Statutes Cumulative Supplement, 2022, and
12 section 4A-108, Uniform Commercial Code, Revised Statutes Cumulative
13 Supplement, 2022; to change provisions relating to the Commodity Code,
14 the Consumer Rental Purchase Agreement Act, the Credit Union Act, the
15 ImagiNE Nebraska Act, the Insurance Producers Licensing Act, the Insurers
16 Investment Act, the Nebraska Banking Act, the Nebraska Financial
17 Innovation Act, the Nebraska Hospital-Medical Liability Act, the Nebraska
18 Installment Loan Act, the Nebraska Investment Finance Authority Act, the
19 Nebraska Money Transmitters Act, the Nebraska Trust Deeds Act, the
20 Residential Mortgage Licensing Act, the Securities Act of Nebraska, the
21 Seller-Assisted Marketing Plan Act, the Uniform Commercial Code—Funds
22 Transfers, financial institutions, digital asset depositories, bonds
23 secured by property tax levies, securities deposited for the benefit of
24 policyholders and creditors of insurance companies, insurance coverage of
25 breast examinations, insurance coverage of colon examinations, title
26 insurance regulation, loan brokers, and the Olmstead Plan; to adopt
27 updates to federal laws and regulations relating to financial
28 institutions; to provide restrictions on insurance coverage of
29 prescription insulin drugs and electronic delivery of communications
30 related to health benefit plans; to adopt the Insurance Regulatory
31 Sandbox Act; to provide a duty for the Revisor of Statutes; to provide

1 operative dates; to repeal the original sections; and to declare an
2 emergency."