

# **One Hundred Eighth Legislature - First Session - 2023**

## **Introducer's Statement of Intent**

### **LB674**

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**Chairperson: Senator Julie Slama**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: January 30, 2023**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB674 is a bill introduced at the request of the Nebraska Department of Banking and Finance (“Department”) to amend provisions of the Nebraska Financial Innovation Act (“Act”). The Act provides for the chartering, operation, and regulation of digital asset depository institutions and digital asset departments within banks.

LB674 proposes revisions to the Act to improve consistency within the Act and with other financial institution statutes and to make technical corrections. These revisions will provide:

- Authorization for digital asset depositories to establish in-state branches as out-of-state branches are currently permitted.
- Updates to the application process relating to the filing of business plans and bylaws, the injection of additional capital, and charter issuance.
- A process for the substitution of securities pledged to the Department by digital asset depositories in lieu of a bond; authority for the pledgor to collect interest or dividends on the securities; and assessment of a pledging fee.
- That endangering the safety and soundness of the depository is an additional cause for removal of digital asset depository insiders by the Department.
- Clarification of voluntary dissolution and liquidation procedures between digital asset depository institutions and digital asset depository departments.
- Updates to the definition of “stablecoin;” substitution of numerous references to the term “grant of authority” with the word “charter;” and textual and grammatical corrections.

LB674 carries the emergency clause for all provisions.

**Principal Introducer:** \_\_\_\_\_

**Senator Mike Jacobson**