

LEGISLATIVE BILL 1184

Approved by the Governor April 1, 1996

Introduced by Landis, 46

AN ACT relating to banks and banking; to amend section 8-148.04, Revised Statutes Supplement, 1994; to define a term; to change provisions relating to a bank's investment of funds; and to repeal the original section.

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

Section 1. Section 8-148.04, Revised Statutes Supplement, 1994, is amended to read:

8-148.04. (1) Any bank may make community development investments either directly or through purchasing an equity interest in or an evidence of indebtedness of an entity primarily engaged in making community development investments, if the following conditions are satisfied:

(a) The investments under this subsection do not expose the bank to unlimited liability; subscribe to, invest, buy, and own stock in any community development corporation wherein the bank will receive an equity interest in or evidence of indebtedness of the community development corporation and carry the investment as an asset if-

(a) The community development corporation shall be of a predominantly civic, community, or public nature and not merely private and entrepreneurial;

(b) The bank's investment in any one entity community development corporation under this subsection does not exceed five percent of its capital and surplus and its aggregate investments under this subsection do investment in all such community development corporations does not exceed ten percent of its capital and surplus; and

(c) Such All investments made under this subsection are accounted for on the bank's books under "Other Assets".

(2) Nothing in this section shall prevent a bank from charging off as a contribution an investment in a community development corporation made pursuant to subsection (1) of this section.

(3) Such subscription, investment, possession, or ownership shall not be subject to the provisions of sections 8-148, 8-149, and 8-150.

(4) For purposes of this section community development investments means investments of a predominantly civic, community, or public nature and not merely private and entrepreneurial.

Sec. 2. Original section 8-148.04, Revised Statutes Supplement, 1994, is repealed.