

LEGISLATIVE BILL 753

Approved by the Governor April 2, 1997

Introduced by Matzke, 47

AN ACT relating to banks and banking; to amend section 8-1,131, Revised Statutes Supplement, 1996; to authorize banks to act as trustee or custodian of a medical savings account; to repeal the original section; and to declare an emergency.

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

Section 1. Section 8-1,131, Revised Statutes Supplement, 1996, is amended to read:

8-1,131. (1) All banks chartered under the laws of Nebraska are qualified to act as trustee or custodian within the provisions of the Federal Self-Employed Individuals Tax Retirement Act of 1962, as amended, or under the terms and provisions of section 408(a) of the Internal Revenue Code, if the provisions of such retirement plan require the funds of such trust or custodianship to be invested exclusively in shares or accounts in the bank or in other banks. If any such retirement plan, within the judgment of the bank, constitutes a qualified plan under the Federal Self-Employed Individuals Tax Retirement Act of 1962, or under the terms and provisions of section 408(a) of the Internal Revenue Code and the regulations promulgated thereunder at the time the trust was established and accepted by the bank, and is subsequently determined not to be such a qualified plan or subsequently ceases to be such a qualified plan, in whole or in part, the bank may continue to act as trustee of any deposits theretofore made under such plan and to dispose of the same in accordance with the directions of the member and beneficiaries thereof. No bank, in respect to savings made under this section, shall be required to segregate such savings from other assets of the bank. The bank shall keep appropriate records showing in proper detail all transactions engaged in under the authority of this ~~section~~ subsection.

(2) All banks chartered under the laws of Nebraska are qualified to act as trustee or custodian of a medical savings account created within the provisions of section 220 of the Internal Revenue Code. If any such medical savings account, within the judgment of the bank, constitutes a medical savings account under section 220 of the Internal Revenue Code and the regulations promulgated thereunder at the time the trust was established and accepted by the bank and is subsequently determined not to be such a medical savings account, in whole or in part, the bank may continue to act as trustee of any deposits theretofore made under such plan and to dispose of the same in accordance with the directions of the account holder. No bank, in respect to savings made under this section, shall be required to segregate such savings from other assets of the bank. The bank shall keep appropriate records showing in proper detail all transactions engaged in under the authority of this subsection.

Sec. 2. Original section 8-1,131, Revised Statutes Supplement, 1996, is repealed.

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