

LEGISLATIVE BILL 362

Approved by the Governor April 30, 2001

Introduced by Landis, 46

AN ACT relating to public funds; to amend sections 2-4214, 13-817, 14-556, 14-563, 14-1237, 14-1719, 15-845, 15-846, 15-847, 15-848, 15-849, 16-712, 16-713, 16-714, 16-715, 16-716, 17-607, 17-720, 18-2473, 18-2732, 46-146, 46-1,139, 46-1,140, 77-2312, 77-2313, 77-2314, 77-2317, 77-2318, 77-2318.01, 77-2319, 77-2320, 77-2323, 77-2325, 77-2326.02, 77-2326.03, 77-2326.04, 77-2326.06, 77-2326.07, 77-2326.08, 77-2326.09, 77-2329, 77-2340, 77-2342, 77-2343, 77-2344, 77-2345, 77-2346, 77-2350, 77-2350.01, 77-2351, 77-2352, 77-2353, 77-2353.01, 77-2354, 77-2355, 77-2357, 77-2358, 77-2361, 77-2362, 77-2363, 77-2369, 77-2370, 77-2371, 77-2374, 77-2375, 77-2376, 77-2377, 77-2378, 77-2381, 77-2383, 77-2385, 77-2388, 77-2389, 77-2392, 77-2393, 77-2394, and 77-2396, Reissue Revised Statutes of Nebraska, and sections 2-3227, 3-506, 3-616, 3-709, 13-1305, 13-2538, 18-2102.01, 30-3209, 46-1,141, 77-2387, 77-2390, 77-2391, 77-2395, 77-2398, 77-2399, 77-23,100, 77-23,101, 77-23,102, 77-23,103, 77-23,104, 77-23,105, and 77-23,106, Revised Statutes Supplement, 2000; to provide for the deposit of funds in qualifying mutual financial institutions as prescribed; to define and authorize the use of repurchase agreements as prescribed; to harmonize provisions; and to repeal the original sections.

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

Section 1. (1)(a) Notwithstanding any other provision of law, any local ordinance, regulation, or resolution, or any rule or regulation to the contrary, the funds of any political subdivision of this state may be deposited, by the appropriate custodians of such funds, with qualifying mutual financial institutions to the same extent and subject to the same terms, conditions, and limitations, including collateralization required, if any, as may be otherwise provided for the deposit of such funds in banks and capital stock financial institutions. In making such a deposit of public funds, it shall not be necessary for any political subdivision to become an owner of any interest in the qualifying mutual financial institution or to acquire voting rights therein, and a qualifying mutual financial institution is authorized and empowered to receive public funds under these conditions. Qualifying mutual financial institution means a state or federal mutual building and loan association which has a main chartered office in this state, a state or federal mutual savings and loan association which has a main chartered office in this state, a state or federal mutual savings bank which has a main chartered office in this state, or a state or federal mutual organized bank which has a main chartered office in this state which, by its charter and bylaws, restricts the rights of a political subdivision as an account holder as follows:

(i) Interest in the qualifying mutual financial institution is limited to the withdrawal value of the political subdivision's account;

(ii) The political subdivision has no voting rights in the qualifying mutual financial institution; and

(iii) The political subdivision has no entitlement to any distribution of assets upon voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the qualifying mutual financial institution.

(b) To the extent any deposit in any bank is:

(i) Required to be subject to check or draft, then such deposit may be subject to order; and

(ii) Required to be made, maintained, or otherwise dealt with by reference to the capital of any bank, then it may be so made, maintained, or dealt with by reference to the capital or net worth of such qualifying mutual financial institution, and if by reference to the undivided profits, capital notes, debentures, or other capital items of any bank, then to any unimpaired reserves, capital notes, and debentures or comparable capital items of such qualifying mutual financial institution.

(2) To the extent a political subdivision is or may ever be required by law to deposit funds in a bank, the political subdivision shall, to the same extent and subject to the same terms, conditions, and limitations, including collateralization required, be required to make deposits in a qualifying mutual financial institution on the same basis.

(3) The restriction in subdivision (1)(a)(iii) of this section shall

not apply to the interest of the political subdivision in any security required by law to be furnished by the qualifying mutual financial institution.

(4) A qualifying mutual financial institution that amends its charter or bylaws in such a manner that it no longer meets the restrictions set forth in subdivisions (1)(a)(i) through (iii) of this section shall immediately give notice that it is no longer a qualifying mutual financial institution to the custodial official, as that term is defined in section 77-2387, of every political subdivision depositor, and that the political subdivision must immediately withdraw its deposits.

(5) This section shall be applied in a manner consistent with the intention of the Legislature which is to provide for the deposit of funds of any political subdivision in qualifying mutual financial institutions.

Sec. 2. Section 2-3227, Revised Statutes Supplement, 2000, is amended to read:

2-3227. Each district may invest any surplus money in the district treasury, including such money as may be in any sinking fund established for the purpose of providing for the payment of the principal or interest of any contract, bond, or other indebtedness or for any other purpose, not required for the immediate needs of the district as provided in sections 77-2341 and 77-2366 and section 1 of this act. The functions and duties authorized by this section shall be performed under such rules and regulations as shall be prescribed by the board.

Sec. 3. Section 2-4214, Reissue Revised Statutes of Nebraska, is amended to read:

2-4214. The corporation shall have the following duties:

(1) To invest any funds not needed for immediate disbursement, including any funds held in reserve, in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States of America; obligations issued by agencies of the United States of America; obligations of this state or of any political subdivision except obligations of sanitary and improvement districts organized under Chapter 31, article 7; certificates of deposit of banks whose deposits are insured by the Federal Deposit Insurance Corporation or collateralized by deposit of securities with the secretary-treasurer of the corporation, as, and to the extent not covered by insurance, with securities which are eligible for securing the deposits of the state or counties, school districts, cities, or villages of the state; certificates of deposit of capital stock financial institutions as provided by section 77-2366; certificates of deposit of qualifying mutual financial institutions as provided by section 1 of this act; repurchase agreements which are fully secured by any of such securities or obligations which may be unsecured and unrated, including investment agreements, of any corporation, national bank, capital stock financial institution, qualifying mutual financial institution, bankholding company, insurance company, or trust company which has outstanding debt obligations which are rated by a nationally recognized rating agency in one of the three highest rating categories established by such rating agency; or any obligations or securities which may from time to time be legally purchased by governmental subdivisions of this state pursuant to subsection (1) of section 77-2341;

(2) To collect fees and charges the corporation determines to be reasonable in connection with its loans, advances, insurance commitments, and servicing;

(3) To cooperate with and exchange services, personnel, and information with any federal, state, or local governmental agencies;

(4) To sell, assign, or otherwise dispose of at public or private sale, with or without public bidding, any mortgage or other obligations held by the corporation; and

(5) To do any act necessary or convenient to the exercise of the powers granted by the Conservation Corporation Act or reasonably implied from it.

Sec. 4. Section 3-506, Revised Statutes Supplement, 2000, is amended to read:

3-506. All income, revenue, receipts, profits, and money of an authority from whatever source derived shall be paid either to the treasurer of the city in which such authority is established as ex officio treasurer of the authority who shall not commingle such money with any other money under his or her control or to the person appointed as treasurer of the airport authority in accordance with section 3-506.01. Such money shall be deposited in a separate bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution account or accounts. Such money shall be withdrawn only by check, draft, or order signed by the treasurer on requisition of the chairperson of the authority or of such other person or

persons as the authority may authorize to make such requisitions, approved by the board. The chief auditing officer of the city and his or her legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of such authority, including its receipts, disbursements, contracts, leases, sinking funds, and investments and any other matters relating to its financial standing. Notwithstanding the provisions of this section, such authority may contract with the holders of any of its bonds as to collection, custody, securing, investment, and payment of any money of the authority or any money held in trust or otherwise for the payment of bonds or in any way to secure bonds. The authority may carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. All banks, capital stock financial institutions, qualifying mutual financial institutions, and trust companies are hereby authorized to give security for such deposits of money of authorities pursuant to the Public Funds Deposit Security Act. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 5. Section 3-616, Revised Statutes Supplement, 2000, is amended to read:

3-616. All income, revenue, receipts, profits, and money of an authority from whatever source derived shall be paid to the treasurer of the authority who shall not commingle such money with any other money under his or her control. Such money shall be deposited in a separate bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution account or accounts. Such money shall be withdrawn only by check, draft, or order signed by such treasurer on requisition of the chairperson of the authority or of such other person or persons as the authority may authorize to make such requisitions, approved by the board. The chief auditing officer of the county and his or her legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of such authority, including its receipts, disbursements, contracts, leases, sinking funds, and investments and any other matters relating to its financial standing. Notwithstanding the provisions of this section, such authority may contract with the holders of any of its bonds as to collection, custody, securing, investment, and payment of any money of the authority or any money held in trust or otherwise for the payment of bonds or in any way to secure bonds. The authority may carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. All banks, capital stock financial institutions, qualifying mutual financial institutions, and trust companies are hereby authorized to give security for such deposits of money of authorities pursuant to the Public Funds Deposit Security Act. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 6. Section 3-709, Revised Statutes Supplement, 2000, is amended to read:

3-709. All income, revenue, receipts, profits, and money of a joint authority, from whatever source derived, shall be paid to the treasurer of the joint authority who shall not commingle such money with any other money under his or her control. Such money shall be deposited in a separate bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution account or accounts. Such money shall be withdrawn only by check, draft, or order signed by the treasurer on requisition of the chairperson of the joint authority or of such other person or persons as the joint authority may authorize to make such requisitions, approved by the board. Notwithstanding the provisions of this section, such joint authority may contract with the holders of any of its bonds as to collection, custody, securing, investment, and payment of any money of the joint authority or any money held in trust or otherwise for the payment of bonds or in any way to secure bonds. The joint authority may carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. All banks, capital stock financial institutions, qualifying mutual financial institutions, and trust companies are hereby authorized to give security for such deposits of money of joint authorities pursuant to the Public Funds Deposit Security Act. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 7. Section 13-817, Reissue Revised Statutes of Nebraska, is amended to read:

13-817. To the extent not required for the immediate payment and

retirement of the obligations being refunded or for the payment of expenses incurred in connection with such refunding and subject to any agreement with the holders of any outstanding bonds, principal proceeds from the sale of any refunding bonds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded, payment of interest and any redemption premiums, and payment of any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, but not limited to, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of or obligations the principal of and interest on which are guaranteed by the United States Government, in obligations of any agency or instrumentality of the United States Government, or in certificates of deposit issued by a bank, capital stock financial institution, qualifying mutual financial institution, or trust company if such certificates are secured by a pledge of any of such obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing in this section shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which have not matured and which are not presently redeemable or, if presently redeemable, have not been called for redemption. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 8. Section 13-1305, Revised Statutes Supplement, 2000, is amended to read:

13-1305. All taxes or other receipts, income, revenue, profits, and money of a commission from whatever source derived shall be paid to the treasurer of the county in which such commission is established as ex officio treasurer of the commission, who shall not commingle such money with any other money under his or her control. Such money shall be deposited in a separate bank, ~~or capital stock financial institution, or qualifying mutual financial institution~~ account or accounts and shall be withdrawn only by check, draft, or order signed by the treasurer on requisition of the chairperson of the board of the commission or of such other person or persons as the commission may authorize to make such requisition, approved by the board. The chief auditing officer of the county and his or her legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of such commission, including its receipts, disbursements, contracts, leases, sinking funds, and investments and any other matters relating to its financial standing. Notwithstanding the provisions of this section, the board may contract with the holders of any of its bonds as to the collection, custody, securing, investment, and payment of any money of the commission or money held in trust or otherwise for the payment of bonds or in any way to secure bonds. The board may carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. All banks, capital stock financial institutions, qualifying mutual financial institutions, and trust companies are hereby authorized to give security for such deposits of money of the commission pursuant to the Public Funds Deposit Security Act. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 9. Section 13-2538, Revised Statutes Supplement, 2000, is amended to read:

13-2538. To the extent not required for the immediate payment and retirement of the obligations being refunded or for the payment of expenses incurred in connection with such refunding and subject to any agreement with the holders of any outstanding bonds, principal proceeds from the sale of any refunding bonds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded, payment of interest and any redemption premiums, and payment of any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, but not limited to, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of or obligations the principal of and interest on which are guaranteed by the United States Government, in obligations of any agency or instrumentality of the United States Government, or in certificates of deposit issued by a bank, capital stock financial institution, qualifying mutual financial institution, or trust company if such certificates are secured by a pledge of any of such obligations having an aggregate market value, exclusive

of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing in this section shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which have not matured and which are not presently redeemable or, if presently redeemable, have not been called for redemption. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 10. Section 14-556, Reissue Revised Statutes of Nebraska, is amended to read:

14-556. (1) The city treasurer shall place all funds of the city, as the same accrue, on deposit in such banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions within the city as shall agree to pay the highest rate of interest for the use of such funds so deposited. The city council is hereby directed to advertise for bids for rates for the deposit of such funds as is hereby contemplated.

(2) The banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions referred to in subsection (1) of this section, so selected, shall:

(a) Give bond to the city for the safekeeping of such funds, and such city shall not have on deposit in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution giving a guaranty bond more than the amount insured by the Federal Deposit Insurance Corporation plus the maximum amount of the bond given by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution or in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution giving a personal bond more than the amount insured by the Federal Deposit Insurance Corporation plus one-half of the amount of the bond of the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution. All bonds of such banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions shall be deposited with and held by the city treasurer; or

(b) Give security as provided in the Public Funds Deposit Security Act.

(3) The fact that a stockholder, director, or other officer of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution is also serving as mayor, as a member of the city council, as a member of a board of public works, or as any other officer of such municipality shall not disqualify such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution from acting as a depository for such municipal funds.

(4) ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions.

(5) Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 11. Section 14-563, Reissue Revised Statutes of Nebraska, is amended to read:

14-563. Notwithstanding any provision of a home rule charter, funds of the city available for such purpose may be invested in securities of the United States, the State of Nebraska, a city of the metropolitan class, a county in which such city of the metropolitan class is located, or a school district of such city, in the securities of municipally owned and operated public utility property and plants of such city, or in the same manner as funds of the State of Nebraska are invested, except that the city treasurer may purchase certificates of deposit from and make time deposits in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions selected as depositories of city funds. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 12. Section 14-1237, Reissue Revised Statutes of Nebraska, is amended to read:

14-1237. Funds under control of the commission may be invested in certificates of deposit in national banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions or in bonds or other evidences of indebtedness which are general obligations of the United States, the State of Nebraska or other states, or the city or the cities cooperating as provided in section 14-1202, but only in such a manner as to be immediately available for recapture when needed for the purposes authorized in sections 14-1201 to 14-1252. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 13. Section 14-1719, Reissue Revised Statutes of Nebraska, is amended to read:

14-1719. All money received by the authority from whatever source, including sale of its bonds, shall be deemed to be public trust funds to be held and applied in the manner provided in the Parking Authority Law and under such restrictions, if any, as the authority may provide in any resolution authorizing the issuance of bonds or bond agreement executed by it. The money shall be deposited in such banks, capital stock financial institutions, qualifying mutual financial institutions, or trust companies as may be selected by the authority from time to time. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 14. Section 15-845, Reissue Revised Statutes of Nebraska, is amended to read:

15-845. The city treasurer of a city of the primary class shall deposit and at all times keep on deposit for safekeeping in the banks, in the capital stock financial institutions, in the qualifying mutual financial institutions, or in some of them doing business in such city of approved and responsible standing all money collected, received, or held by him or her as such city treasurer. Any such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution located in the city may apply for the privilege of keeping such money or any part thereof upon the following conditions: (1) All such deposits shall be subject to payment when demanded by the city treasurer; and (2) such deposits shall be subject to all regulations imposed by law or adopted by the city for the receiving and holding thereof. The fact that a stockholder, director, or other officer of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall also be serving as mayor, as a member of the city council, or as any other officer of such municipality shall not disqualify such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution from acting as a depository for such municipal funds. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 15. Section 15-846, Reissue Revised Statutes of Nebraska, is amended to read:

15-846. For the security of the funds deposited as provided in section 15-845 the city treasurer shall require each depository to give bond for the safekeeping and payment of such deposits and the accretions to the deposit, which bond shall run to the city and be approved by the city attorney for form and legality. Such bond shall be conditioned that such a depository shall, at the end of every quarter, render to the treasurer a statement in duplicate showing the several daily balances, the amount of money of the city held by it during the quarter, the amount of the accretion to the deposit, and how credited. The bond shall also be conditioned that the depository shall pay such deposit and the accretion when demanded by the city treasurer at any time, perform as required by sections 15-845 to 15-847, and faithfully discharge the trust reposed in such depository. Such bond shall be as nearly as practicable in the form provided in section 77-2304. No person in any way connected with any depository as officer or stockholder shall be accepted as a surety on any bond given by the depository of which he or she is an officer or stockholder. Such bond shall be deposited with the city clerk. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 16. Section 15-847, Reissue Revised Statutes of Nebraska, is amended to read:

15-847. In lieu of the bond required by section 15-846, any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution making application to become a depository may give security as provided in the Public Funds Deposit Security Act to the city treasurer. The penal sum of such bond or the sum of such security may be reduced in the amount of such deposit insured by the Federal Deposit Insurance Corporation. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 17. Section 15-848, Reissue Revised Statutes of Nebraska, is amended to read:

15-848. The city treasurer shall not have on deposit in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution at any time more than the maximum amount of the bond given by such

bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution if the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution gives a surety bond, nor in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution giving a personal bond, more than one-half of the amount of the bond of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution. The amount on deposit plus accretions at any time with any such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall not in either case exceed the paid-up capital stock and surplus of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution. The city treasurer shall not be liable for any loss sustained by reason of the failure of any such bonded depository whose bond shall have been duly approved by the city attorney as provided by section 15-846 or which has, in lieu of a surety bond, given security as provided by section 15-847. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 18. Section 15-849, Reissue Revised Statutes of Nebraska, is amended to read:

15-849. The city treasurer may purchase certificates of deposit from and make time deposits in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions selected as depositories of city funds pursuant to sections 15-846 to 15-848. The certificates of deposit purchased and time deposits made shall bear interest and shall be secured as prescribed in such sections. The penal sum of such bond or the sum of such security shall be reduced in the amount of the time deposit or certificate of deposit insured by the Federal Deposit Insurance Corporation. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 19. Section 16-712, Reissue Revised Statutes of Nebraska, is amended to read:

16-712. The city treasurer shall deposit, and at all times keep on deposit, for safekeeping, in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions of approved and responsible standing, all money collected, received, or held by him or her as city treasurer. Such deposits shall be subject to all regulations imposed by law or adopted by the city council for the receiving and holding thereof. The fact that a stockholder, director, or other officer of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall also be serving as mayor, as a member of the city council, as a member of a board of public works, or as any other officer of such municipality shall not disqualify such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution from acting as a depository for such municipal funds. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 20. Section 16-713, Reissue Revised Statutes of Nebraska, is amended to read:

16-713. The city treasurer may, upon resolution of the mayor and council authorizing the same, purchase certificates of deposit from and make time deposits in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions selected as depositories of city funds under the provisions of sections 16-712, 16-714, and 16-715. The certificates of deposit purchased and time deposits made shall bear interest and shall be secured as set forth in sections 16-714 and 16-715, except that the penal sum of such bond or the sum of such security shall be reduced in the amount of the time deposit or certificate of deposit insured by the Federal Deposit Insurance Corporation. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 21. Section 16-714, Reissue Revised Statutes of Nebraska, is amended to read:

16-714. For the security of the fund so deposited, the city treasurer shall require each depository to give bond for the safekeeping and payment of such deposits and the accretions thereof, which bond shall run to the city and be approved by the mayor. Such bond shall be conditioned that such a depository shall, at the end of every quarter, render to the treasurer a statement in duplicate, showing the several daily balances, the amount of money of the city held by it during the quarter, the amount of the accretion thereto, and how credited. The bond shall also be conditioned that the depository shall generally do and perform whatever may be required by the

provisions of sections 16-712 to 16-715 and faithfully discharge the trust reposed in such depository. Such bond shall be as nearly as practicable in the form provided in section 77-2304. No person in any way connected with any depository as an officer or stockholder shall be accepted as a surety on any bond given by the depository of which he or she is an officer or stockholder. Such bond shall be deposited with the city clerk. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 22. Section 16-715, Reissue Revised Statutes of Nebraska, is amended to read:

16-715. In lieu of the bond required by section 16-714, any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution making application to become a depository may give security as provided in the Public Funds Deposit Security Act to the city clerk. The penal sum of such bond shall be equal to or greater than the amount of the deposit in excess of that portion of such deposit insured by the Federal Deposit Insurance Corporation. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 23. Section 16-716, Reissue Revised Statutes of Nebraska, is amended to read:

16-716. The treasurer shall not have on deposit in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution at any time more than the amount insured by the Federal Deposit Insurance Corporation plus the maximum amount of the bond given by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution if the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution gives a surety bond, nor in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution giving a personal bond, more than the amount insured by the Federal Deposit Insurance Corporation plus one-half of the amount of the bond of such bank or capital stock financial institution, and the amount so on deposit any time with any such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall not in either case exceed the amount insured by the Federal Deposit Insurance Corporation plus the paid-up capital stock and surplus of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution.

The city treasurer shall not be liable for any loss sustained by reason of the failure of any such bonded depository whose bond has been duly approved by the mayor as provided in section 16-714 or which has, in lieu of a surety bond, given security as provided in section 16-715.

Sec. 24. Section 17-607, Reissue Revised Statutes of Nebraska, is amended to read:

17-607. (1) The city council or board of trustees, as the case may be, at its first meeting in each fiscal year, shall designate some one or more banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions of approved and responsible standing in which the city treasurer or village treasurer shall keep at all times, subject to payment on his or her demand, all money held by him or her as such city treasurer or village treasurer. If there is one or more banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions located in the city or village which apply for the privilege of keeping such money and give bond or give security for the repayment of deposits as provided in this section, such banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions shall be selected as such depositories. The city treasurer or village treasurer shall not give a preference to any one or more of them in the money he or she may so deposit.

(2) The council or board of trustees shall require from all banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions (a) a bond, referred to in subsection (1) of this section, in such penal sum as may be the maximum amount on deposit at any time less the amount insured by the Federal Deposit Insurance Corporation or, in lieu thereof, (b) security given as provided in the Public Funds Deposit Security Act, referred to in subsection (1) of this section, to secure the payment of all such deposits and accretions. The council or board shall approve such bond or giving of security. The city treasurer or village treasurer shall not be liable for any loss of any money sustained by reason of the failure of any such depository so designated and approved. The fact that a stockholder, director, or other officer of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution is also serving as mayor, as a member of the city council or board of trustees, as a member of a

board of public works, or as any other officer of such municipality shall not disqualify such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution from acting as a depository for such municipal funds.

Sec. 25. Section 17-720, Reissue Revised Statutes of Nebraska, is amended to read:

17-720. The city or village treasurer of cities of the second class and villages may, upon resolution of the mayor and council or board of trustees authorizing the same, purchase certificates of deposit from and make time deposits in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in the State of Nebraska to the extent that such certificates of deposit or time deposits are insured by the Federal Deposit Insurance Corporation. Deposits may be made in excess of the amounts so secured by the corporation, and the amount of the excess deposit shall be secured by a bond or by security given in the same manner as is provided for cities of the first class in sections 16-714 to 16-716 as of the time the deposit is made. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 26. Section 18-2102.01, Revised Statutes Supplement, 2000, is amended to read:

18-2102.01. Cities of all classes and villages of this state are hereby granted power and authority to create community redevelopment authorities and limited community redevelopment authorities.

(1) Whenever an authority or limited authority is created it shall bear the name of the city creating it and shall be legally known as the Community Redevelopment Authority of the City (or Village) of (name of city or village) or the Limited Community Redevelopment Authority of the City (or Village) of (name of city or village).

(2) When it is determined by the governing body of any city by ordinance in the exercise of its discretion that it is expedient to create a community redevelopment authority or limited community redevelopment authority, the mayor of the city or, if the mayor shall fail to act within ninety days after the passage of the ordinance, the president or other presiding officer other than the mayor of the governing body, with the approval of the governing body of the city, shall appoint five persons who shall constitute the authority or the limited authority. The terms of office of the members of the authority initially appointed shall be for one year, two years, three years, four years, and five years, as designated by the mayor, president, other presiding officer, or city manager in making the respective appointments. As the terms of the members of the authority expire in cities not having the city manager form of government, the mayor, with the approval of the governing body of the city, shall appoint or reappoint a member of the authority for a term of five years to succeed the member whose term expires. In cities having the city manager form of government, the city manager shall appoint or reappoint the members with the approval of the governing body. The terms of office of the members of a limited community redevelopment authority shall be for the duration of only one single specific limited pilot project authorized in the ordinance creating the limited community redevelopment authority, and the terms of the members of a limited community redevelopment authority shall expire upon the completion of the single specific limited pilot project authorized in the ordinance creating the limited community redevelopment authority. A governing body may at its option submit an ordinance which creates a community redevelopment authority or a limited community redevelopment authority to the electors of the city for approval by a majority vote of the electors voting on the ordinance. On submitting the ordinance for approval, the governing body is authorized to call, by the ordinance, a special or general election and to submit, after thirty days' notice of the time and place of holding the election and according to the manner and method otherwise provided by law for the calling, conducting, canvassing, and certifying of the result of city elections on the submission of propositions to the electors, the proposition to be stated on the ballot as follows:

Shall the City (or Village) of (name of city or village) create a Community Redevelopment Authority of the City (or Village) of (name of city or village)?

- ... Yes
- ... No.

When the ordinance submitted to the electors for approval by a majority vote of the electors voting on the ordinance is to create a limited community redevelopment authority the proposition shall be stated on the ballot as follows:

Shall the City (or Village) of (name of city or village) create a Limited Community Redevelopment Authority of the City (or Village) of (name of city or village)?

... Yes

... No.

Vacancies shall be filled for any unexpired term in the same manner as the original appointment. Members of the authority so appointed shall hold office until their successors have been appointed and qualified. Members of a limited authority shall hold office as provided in this section. All members of the authority shall serve without compensation, but shall be entitled to be reimbursed for all necessary expenses incurred.

(3) Any authority established under this section shall organize by electing one of its members chairperson and another vice-chairperson, shall have power to employ counsel, a director who shall be ex officio secretary of the authority, and such other officers and employees as may be desired, and shall fix the term of office, qualifications, and compensation of each. The holder of the office of community redevelopment administrator or coordinator of the city may, but need not, be appointed the director but at no additional compensation by the authority. Community redevelopment authorities of cities of the first and second class and villages may secure the services of a director, community redevelopment administrator, or coordinator, and other officers and employees as may be desired through contract with the Department of Economic Development upon terms which are mutually agreeable. Any authority established under this section may validly and effectively act on all matters requiring a resolution or other official action by a majority vote of its membership present at a meeting of the authority if a quorum of four is present. Orders, requisitions, warrants, and other documents may be executed by the chairperson or vice-chairperson or by or with others designated in its bylaws.

(4) No member or employee of any authority established under this section shall have any interest directly or indirectly in any contract for property, materials, or services to be required by such authority.

(5) The authority shall keep an accurate account of all its activities and of all receipts and disbursements and make an annual report of such activities, receipts, and disbursements to the governing body of the city.

(6) The governing body of a city creating a community redevelopment authority or a limited community redevelopment authority is hereby authorized to appropriate and loan to the authority a sum not exceeding ten thousand dollars for the purposes of paying expenses of organizing and supervising the work of the authority at the beginning of its activities. The loan shall be authorized by resolution of the governing body which shall set forth the terms and time of the repayment of the loan. The loan may be appropriated out of the general funds or any sinking fund.

(7) All income, revenue, profits, and other funds received by any authority established under this section from whatever source derived, or appropriated by the city, or realized from tax receipts or comprised in the special revenue fund of the city designated for the authority or from the proceeds of bonds, or otherwise, shall be deposited with the city treasurer as ex officio treasurer of the authority without commingling the money with any other money under his or her control and disbursed by him or her by check, draft, or order only upon warrants, orders, or requisitions by the chairperson of the authority or other person authorized by the authority which shall state distinctly the purpose for which the same are drawn. A permanent record shall be kept by the authority of all warrants, orders, or requisitions so drawn, showing the date, amount, consideration, and to whom payable. When paid, the same shall be canceled and kept on file by the city treasurer. The books of any authority established under this section shall from time to time be audited upon the order of the governing body of the municipality in such manner as it may direct, and all books and records of the authority shall at all times be open to public inspection. The authority may contract with the holders of any of its bonds or notes as to collection, custody, securing investment, and payment of any money of the authority or any money held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes. The authority may carry out the contract notwithstanding that such contract may be inconsistent with the previous provisions of this subdivision. All banks, capital stock financial institutions, qualifying mutual financial institutions, and trust companies are hereby authorized to give security for the deposits of money of any authority established under the provisions of this section pursuant to the Public Funds Deposit Security Act. Section 77-2366 applies to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial

institutions.

Sec. 27. Section 18-2473, Reissue Revised Statutes of Nebraska, is amended to read:

18-2473. To the extent not required for the immediate payment and retirement of the obligations being refunded or for the payment of expenses incurred in connection with such refunding and subject to any agreement with the holders of any outstanding bonds, principal proceeds from the sale of any refunding bonds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded, payment of interest and any redemption premiums, and payment of any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, but not limited to, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of or obligations the principal of and interest on which are guaranteed by the United States Government, or obligations of any agency or instrumentality of the United States Government, or in certificates of deposit issued by a bank, capital stock financial institution, qualifying mutual financial institution, or trust company if such certificates shall be secured by a pledge of any of such obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing in this section shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 28. Section 18-2732, Reissue Revised Statutes of Nebraska, is amended to read:

18-2732. To the extent not required for the immediate payment and retirement of the obligations being refunded or for the payment of expenses incurred in connection with such refunding and subject to any agreement with the holders of any outstanding bonds, principal proceeds from the sale of any refunding bonds under section 18-2730 shall be deposited in trust to provide for the payment and retirement of the bonds being refunded, payment of interest and any redemption premiums, and payment of any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, but not limited to, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of or obligations the principal of and interest on which are guaranteed by the United States Government, in obligations of any agency or instrumentality of the United States Government, or in certificates of deposit issued by a bank, capital stock financial institution, qualifying mutual financial institution, or trust company if such certificates are secured by a pledge of any of such obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing in this section shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which have not matured and which are not presently redeemable or, if presently redeemable, have not been called for redemption. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 29. Section 30-3209, Revised Statutes Supplement, 2000, is amended to read:

30-3209. (1) Corporate trustees authorized by Nebraska law to exercise fiduciary powers and holding retirement or pension funds for the benefit of employees or former employees of cities, villages, school districts, public power districts, or other governmental or political subdivisions may invest and reinvest such funds in such securities and investments as are authorized for trustees, guardians, conservators, personal representatives, or administrators under the laws of Nebraska. Retirement or pension funds of such cities, villages, districts, or subdivisions may be invested in annuities issued by life insurance companies authorized to do business in Nebraska. Except as provided in subsection (2) of this section, any other retirement or pension funds of cities, including cities operating under home rule charters, villages, school districts except as provided in section 79-9,107, public power districts, and all other governmental or political subdivisions may be invested and reinvested, as the governing body of such city, village, school district, public power district, or other

governmental or political subdivision may determine, in the following classes of securities and investments: (a) Bonds, notes, or other obligations of the United States or those guaranteed by or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof; (b) bonds or other evidences of indebtedness of the State of Nebraska and full faith and credit obligations of or obligations unconditionally guaranteed as to principal and interest by any other state of the United States; (c) bonds, notes, or obligations of any municipal or political subdivision of the State of Nebraska which are general obligations of the issuer thereof and revenue bonds or debentures of any city, county, or utility district of this state when the earnings available for debt service have, for a five-year period immediately preceding the date of purchase, averaged not less than one and one-half times such debt service requirements; (d) bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; (e) certificates of deposit of banks which are members of the Federal Deposit Insurance Corporation or capital stock financial institutions, and if the amount deposited exceeds the amount of insurance available thereon, then the excess shall be secured in the same manner as for the deposit of public funds; (f) accounts with building and loan associations, qualifying mutual financial institutions, or federal savings and loan associations in the State of Nebraska to the extent that such accounts are insured by the Federal Deposit Insurance Corporation; (g) bonds or other interest-bearing obligations of any corporation organized under the laws of the United States or any state thereof if (i) at the time the purchase is made, they are given, by at least one statistical organization whose publication is in general use, one of the three highest ratings given by such organization and (ii) not more than five percent of the fund shall be invested in the obligations of any one issuer; (h) direct short-term obligations, generally classified as commercial paper, of any corporation organized or existing under the laws of the United States or any state thereof with a net worth of ten million dollars or more; and (i) preferred or common stock of any corporation organized under the laws of the United States or of any state thereof with a net worth of ten million dollars or more if (i) not more than fifty percent of the total investments at the time such investment is made is in this class and not more than five percent is invested in each of the first five years and (ii) not more than five percent thereof is invested in the securities of any one corporation. Notwithstanding the percentage limits stated in this subsection, the cash proceeds of the sale of such preferred or common stock may be reinvested in any securities authorized under this subdivision. No city, village, school district, public power district, or other governmental subdivision or the governing body thereof shall be authorized to sell any securities short, buy on margin, or buy, sell, or engage in puts and calls. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

(2) Notwithstanding the limitations prescribed in subsection (1) of this section, trustees holding retirement or pension funds for the benefit of employees or former employees of any city of the metropolitan class or metropolitan utilities district shall invest such funds in investments of the nature which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another. Such investments shall not be made for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. The trustees shall not buy on margin, buy call options, or buy put options. The trustees may lend any security if cash, United States Government obligations, or United States Government agency obligations with a market value equal to or exceeding the market value of the security lent are received as collateral. If shares of stock are purchased under this subsection, all proxies may be voted by the trustees. The asset allocation restrictions set forth in subsection (1) of this section shall not be applicable to the funds of pension or retirement systems administered by or on behalf of a city of the metropolitan class or metropolitan utilities district.

Sec. 30. Section 46-146, Reissue Revised Statutes of Nebraska, is amended to read:

46-146. No claim shall be paid by the district treasurer until the same shall have been allowed by the board of directors and only upon warrants signed by the president and countersigned by the secretary. If the district treasurer does not have sufficient money on hand to pay such warrant when presented for payment, he or she shall endorse thereon not paid for want of funds and the date when presented over his or her signature. From the time of

such presentation until paid such warrants shall draw interest payable when redeemed or annually at the discretion of the board of directors. Whenever there is no cash on hand in the district treasury for the payment of general fund warrants when presented, the board of directors may issue from time to time general fund warrants in denominations not greater than ten thousand dollars to the aggregate amount required. In no case shall such warrants be in an amount greater than ninety percent of the general fund levy for the current year. Such warrants shall be drawn on the general fund levy for the current year and be payable to the irrigation district. The board of directors may sell or discount the same to the best advantage possible, but not at a discount to exceed ten percent. The board shall deposit the proceeds of such sale in some local bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in the name of the district, subject to the check of the chairperson of such district, countersigned by the secretary, in payment of any claim or claims ordered paid out of such fund by the board of directors. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 31. Section 46-1,139, Reissue Revised Statutes of Nebraska, is amended to read:

46-1,139. Any irrigation district treasurer may deposit the money received or held by him or her by virtue of his or her office in some state or national bank in the State of Nebraska, ~~or~~ capital stock financial institution, or qualifying mutual financial institution. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 32. Section 46-1,140, Reissue Revised Statutes of Nebraska, is amended to read:

46-1,140. Before such funds are deposited one or more banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions shall be designated by the board of directors of the irrigation district whose funds are to be so deposited. All such deposits shall be subject to payment on check or order of the treasurer of the district. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 33. Section 46-1,141, Revised Statutes Supplement, 2000, is amended to read:

46-1,141. The depository receiving the deposit of funds of the district is hereby authorized to secure the deposit of such funds by giving security pursuant to the Public Funds Deposit Security Act, by depository bond, corporate in character, or by sufficient personal security when demanded by the board of directors of the district, such security to be approved by the board of directors of such irrigation district. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 34. Section 77-2312, Reissue Revised Statutes of Nebraska, is amended to read:

77-2312. The county treasurer of each and every county in the State of Nebraska shall deposit, and at all times keep on deposit for safekeeping in the state or national banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions doing business in the county of approved and responsible standing, the amount of money in his or her hands collected and held by him or her as county treasurer. Any check, draft, order, or other negotiable instrument deposited by the county treasurer, except when drawn upon the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in which the deposit is made, shall be received by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution for collection only and shall be subject to final payment thereof to the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution. Collection of such items shall be in the usual course of business and except for its own negligence, the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall not be liable thereon until and unless payment is actually received. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 35. Section 77-2313, Reissue Revised Statutes of Nebraska, is amended to read:

77-2313. Any bank, ~~or~~ capital stock financial institution, or

qualifying mutual financial institution located in the county may apply for the privilege of keeping money upon the following conditions: All deposits shall be subject to payment when demanded by the county treasurer on his or her check or order and subject also to such regulations as are imposed by law and the rules adopted by the county treasurer for holding and receiving such deposits. It shall be the duty of the county board to act on the application or applications of any and all banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions, state or national, as may ask for the privilege of becoming the depository of such money, as well as to approve the bonds of those selected incident to such relation, and the county treasurer shall not deposit such money or any part thereof in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution other than such as may have been so selected by the county board for such purposes, if any such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution has been so selected by the county board.

Sec. 36. Section 77-2314, Reissue Revised Statutes of Nebraska, is amended to read:

77-2314. When more than one bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution may have been selected by the county board as depositories, the county treasurer shall not give a preference to any one or more of them in the money he or she may so deposit, but shall keep deposited with each of such banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions such a part of the money as the ~~paid-up~~ capital of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as of December 31 of the preceding year is a part of the amount of all the ~~paid-up~~ capital of all the banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions so selected as of December 31 of the preceding year, so that such money may at all times be deposited with such banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions pro rata as to their ~~paid-up~~ capital, except that the county treasurer may select one or more banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions to be used for active accounts in which he or she may keep deposited in excess of these requirements only such funds as may be necessary for the transaction of ordinary day-to-day requirements. For purposes of this section, capital shall mean capital stock, if any, surplus, undivided profits, capital notes or debentures, and other unimpaired reserves. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 37. Section 77-2317, Reissue Revised Statutes of Nebraska, is amended to read:

77-2317. The bond in substance shall be similar to the bond required and set forth in section 77-2304. No person in any way connected with any depository bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as an officer or stockholder shall be accepted as a surety on any bond given by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution of which he or she is an officer or stockholder.

Sec. 38. Section 77-2318, Reissue Revised Statutes of Nebraska, is amended to read:

77-2318. The county treasurer shall not have on deposit in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution at any time more money than the amount insured by the Federal Deposit Insurance Corporation, plus the maximum amount of the bond given by such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in cases when the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution gives a guaranty bond except as provided in section 77-2318.01. The amount on deposit at any time with any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall not exceed fifty percent of the ~~paid-up~~ capital ~~stock~~ and surplus of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution except as provided in section 77-2318.01. When the amount of money which the county treasurer desires to deposit in the banks, ~~and~~ capital stock financial institutions, and qualifying mutual financial institutions within the county exceeds fifty percent of the ~~paid-up~~ capital and surplus of all of the banks, ~~and~~ capital stock financial institutions, and qualifying mutual financial institutions in such county, then the county treasurer may, with the consent of the county board, deposit an amount in excess thereof, but not exceeding the capital stock and surplus in any one bank, ~~or~~ capital stock financial institution, or qualifying mutual

financial institution unless the depository gives security as provided in section 77-2318.01. Bond shall be required of all banks, and capital stock financial institutions, and qualifying mutual financial institutions for such excess deposit unless security is given in accordance with section 77-2318.01. The bonds shall be deposited with the county clerk and approved by the county board. The provisions of section Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 39. Section 77-2318.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-2318.01. The county treasurer may deposit in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution of the county in which he or she is treasurer in excess of the amounts authorized in section 77-2318 when (1) the depository secures the deposits by giving security as provided in the Public Funds Deposit Security Act and (2) the same is approved by a formal resolution of the county board. ~~The provisions of section Section~~ 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 40. Section 77-2319, Reissue Revised Statutes of Nebraska, is amended to read:

77-2319. When banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions located in the county refuse or neglect to bid on money of the county, when there are no banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions in the county, or when the banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions located in the county do not have sufficient capital ~~stock~~ and surplus to receive such money under sections 77-2312 to 77-2324, then any surplus over the amount specified that banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions in the county may receive shall be deposited in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions outside of the county having sufficient capital ~~stock~~ and surplus under the same conditions and terms as if in the county. ~~The provisions of section Section~~ 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 41. Section 77-2320, Reissue Revised Statutes of Nebraska, is amended to read:

77-2320. In lieu of a bond as provided in sections 77-2316 to 77-2319, any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution making application to become a depository under sections 77-2312 to 77-2324 may give security as provided in the Public Funds Deposit Security Act to the county clerk. ~~The provisions of section Section~~ 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 42. Section 77-2323, Reissue Revised Statutes of Nebraska, is amended to read:

77-2323. Any treasurer or any officer of a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution who shall directly or indirectly violate or knowingly permit to be violated ~~the provisions of~~ sections 77-2316 to 77-2323 so far as such sections relate to the deposit of public money in a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall be guilty of a Class IV felony. ~~The provisions of section Section~~ 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 43. Section 77-2325, Reissue Revised Statutes of Nebraska, is amended to read:

77-2325. The making of profit, directly or indirectly, by the county treasurer out of any money in the county treasury belonging to the county, the custody of which the treasurer is charged with, by loaning or depositing or otherwise using or depositing the same in any manner, or the removal by the county treasurer or by his or her consent of such money or a part thereof out of the vault of the treasurer's department or any legal depository of the same, except for the payment of warrants legally drawn or for the purpose of depositing the same in the banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions selected as depositories under ~~the provisions of~~ sections 77-2312 to 77-2324, shall be deemed a Class IV felony, and the county treasurer shall also be liable under and upon his or her official bond for all profits realized from such unlawful

using of such funds.

Sec. 44. Section 77-2326.02, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.02. All public funds paid to or coming into the hands of any clerk of the district court shall be deposited in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as shall have been designated as official depositories for such funds. Such deposits shall be subject to the provisions and conditions provided in sections 77-2326.03 to 77-2326.09. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 45. Section 77-2326.03, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.03. Depositories shall be such banks, ~~and~~ capital stock financial institutions, and qualifying mutual financial institutions as shall be from time to time designated by the county board by formal resolution duly recorded in the minutes of the proceedings of such board. Such designation may be withdrawn at any time by such board in like manner, whereupon all deposits in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution under the control of the clerk of the district court shall be immediately withdrawn. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 46. Section 77-2326.04, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.04. No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation shall be made to accumulate in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository unless and until the county judge, clerk of the county court, or clerk of the district court, as the case may be, has received from such depository as security for the prompt repayment by the depository of his or her respective deposits in excess of the amount insured by the Federal Deposit Insurance Corporation either a surety bond in form and with corporate sureties approved by the county judge or judges or by formal resolution of the county board, as the case may be, or in lieu thereof, the giving of security as provided in the Public Funds Deposit Security Act. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 47. Section 77-2326.06, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.06. Every depository may secure deposits by giving a surety bond or giving security as provided in section 77-2326.04 and otherwise enter into and become a party to any contract or arrangement not inconsistent with this section, as may be reasonably necessary or proper to render fully effective section 77-2326.04. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 48. Section 77-2326.07, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.07. The clerk of the district court shall at all times keep and certify to the county board a complete and correct list and description of the securities furnished by any depository to secure the deposits. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 49. Section 77-2326.08, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.08. Each depository shall furnish directly to the county board a sworn monthly statement of the funds of the county judge, clerk of the county court, and clerk of the district court on deposit in such depository. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 50. Section 77-2326.09, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.09. The clerk of the county court, the clerk of the district court, their deputies or other employees, and their sureties shall not be liable for any loss resulting from the failure of any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as to any such deposits made and maintained as provided in sections 77-2326.01 to

77-2326.09.

Sec. 51. Section 77-2329, Reissue Revised Statutes of Nebraska, is amended to read:

77-2329. No treasurer or secretary-treasurer shall be liable on his or her bond for money on deposit in a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution under and by direction of the proper legal authority if the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution has given bond in accordance with section 14-556, 15-846, 16-714, 17-720, 77-2318, 77-2344, 77-2352, 77-2355, or 77-2375 or given security as provided in the Public Funds Deposit Security Act.

Sec. 52. Section 77-2340, Reissue Revised Statutes of Nebraska, is amended to read:

77-2340. The county treasurers of the various counties of the state may, upon resolution of their respective county boards authorizing the same, make time deposits in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions selected as depositories of county funds under the provisions of sections 77-2312 to 77-2315. The time deposits shall bear interest and shall be secured as set forth in section 77-2304 or 77-2320, except that the amount insured by the Federal Deposit Insurance Corporation shall be exempt from the requirement of being secured as provided by section 77-2320 or by bonds similar to the bond required and set forth in section 77-2304. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 53. Section 77-2342, Reissue Revised Statutes of Nebraska, is amended to read:

77-2342. The treasurer or ex officio treasurer of any metropolitan utilities district shall deposit the funds received or held by him or her by virtue of his or her office in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, situated within the boundaries of such district, as shall have been and shall be from time to time approved by the governing body of such district as official depositories for the funds belonging to such district. Such deposit shall be made subject to the conditions in sections 77-2342 to 77-2349. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 54. Section 77-2343, Reissue Revised Statutes of Nebraska, is amended to read:

77-2343. Depositories shall be such banks, ~~and~~ capital stock financial institutions, or qualifying mutual financial institutions as shall be from time to time designated by the governing body of such district by formal resolution duly recorded. Such designation may be withdrawn at any time by such governing body by formal resolution duly entered upon its records. No deposit shall be made except in a duly designated depository, and deposits shall be withdrawn by the treasurer immediately upon the withdrawal of the designation of any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as a depository. All deposits shall be subject to payment on demand upon the check or order of the treasurer or ex officio treasurer. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 55. Section 77-2344, Reissue Revised Statutes of Nebraska, is amended to read:

77-2344. No deposit in excess of the amount insured by the Federal Deposit Insurance Corporation shall be made in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository unless and until the treasurer or ex officio treasurer has received from such depository as security for the prompt repayment by the depository either a corporate surety bond in form and with sureties approved by formal resolution by the governing body of such district or the giving of security as provided in the Public Funds Deposit Security Act. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 56. Section 77-2345, Reissue Revised Statutes of Nebraska, is amended to read:

77-2345. No deposit shall be made in any designated bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution (1) in excess of the amount insured by the Federal Deposit Insurance Corporation or (2) in excess of the obligation of the depository

bond at the time any deposit of funds is made or during the period in which the deposit of funds remains in the depository. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 57. Section 77-2346, Reissue Revised Statutes of Nebraska, is amended to read:

77-2346. The treasurer or ex officio treasurer shall at all times keep the district supplied with a certified list of the securities furnished by any depository. Each depository shall supply direct to the governing body of the district a sworn monthly statement of the funds of the district on deposit in such depository. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 58. Section 77-2350, Reissue Revised Statutes of Nebraska, is amended to read:

77-2350. The treasurer or ex officio treasurer of any school district or township shall deposit the funds received or held by him or her by virtue of his or her office in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, situated within the boundaries of such district or township, as shall have been and shall be from time to time designated by the governing body of such school district or township as official depositories for such funds. Depositories shall be such banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions as shall be designated by the respective governing bodies by formal resolution duly recorded. Such designation may be withdrawn at any time by such governing body by formal resolution duly entered upon its records. If there is no bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution within the boundaries of such school district or township or if the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution within the district refuses or neglects to make application as a depository, then the governing body may designate any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution within the state.

Sec. 59. Section 77-2350.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-2350.01. When more than one bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution has been designated by the governing body of the school district or township as a depository, the treasurer or ex officio treasurer shall not give a preference but shall prorate deposits in the manner required of county treasurers as provided in section 77-2314. This section shall have no application to certificates of deposit. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 60. Section 77-2351, Reissue Revised Statutes of Nebraska, is amended to read:

77-2351. No treasurer or ex officio treasurer shall be liable on his or her bond for money on deposit in a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution and by direction of the proper legal authority, if the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution has given bond or gives security in accordance with section 77-2352. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 61. Section 77-2352, Reissue Revised Statutes of Nebraska, is amended to read:

77-2352. No deposit in excess of the amount insured by the Federal Deposit Insurance Corporation shall be made in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository unless and until the treasurer or ex officio treasurer has received from the depository as security for the prompt repayment by the depository either a corporate surety bond in form and with sureties approved by formal resolution by the governing body of such district or the giving of security as provided in the Public Funds Deposit Security Act. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 62. Section 77-2353, Reissue Revised Statutes of Nebraska, is amended to read:

77-2353. All funds of any public power district, public irrigation

district, or public power and irrigation district organized and existing under the laws of this state shall be deposited by the treasurer or other competent officer of such district in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as shall have been designated as official depositories for the funds belonging to such district. Such deposits shall either be made in accordance with and subject to agreements of such district with its bondholders or noteholders or, in the absence of any such agreement, shall be subject to the provisions and conditions provided in sections 77-2353 to 77-2361. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 63. Section 77-2353.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-2353.01. In addition to other authorized investments, public power districts are authorized to invest and reinvest in: (1) Direct obligations of or obligations guaranteed by the United States of America; (2) bonds, debentures, or notes issued by any of the following federal agencies: Bank for Cooperatives; Federal Intermediate Banks; Federal Home Loan Bank System; Export-Import Bank of Washington; Federal Land Banks; or the Federal National Mortgage Association including participation certificates issued by such association; (3) public housing bonds purchased on the open market, issued by public housing authorities, and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America or temporary notes issued by public housing authorities or preliminary loan notes issued by local public agencies, in each case, fully secured as to the payment of both principal and interest by a requisition or a payment agreement with the United States of America; (4) direct and general obligations of any state within the territorial United States to the payment of the principal of and interest on which the full credit of such state is pledged; (5) bonds, debentures, notes, or other instruments of indebtedness issued by a bank or other financial lending institution, whether public or privately owned, established by rural electric cooperatives and public power districts to provide supplemental financing in addition to financing available from the Rural Electrification Administration; (6) bonds, debentures, notes, or other instruments of indebtedness of a nonprofit rural electric supply cooperative organization providing electric line materials and other related equipment without profit to its members, including public power districts; (7) stocks, bonds, debentures, notes, or other instruments of indebtedness issued by an insurance carrier providing insurance coverage to such public power district; (8) stocks, bonds, debentures, notes, or other instruments of indebtedness issued by corporations having authority to sell, lease, and service satellite television signal descrambling or decoding devices and satellite television programming; and (9) time certificates of deposit issued by any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution meeting the requirements of sections 77-2354 to 77-2357. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Public power districts when authorized by their respective boards of directors are authorized to take such action as may be necessary in order to carry out the foregoing investment authorization.

Sec. 64. Section 77-2354, Reissue Revised Statutes of Nebraska, is amended to read:

77-2354. Depositories shall be such banks, ~~and~~ capital stock financial institutions, and qualifying mutual financial institutions as shall be from time to time designated by the board of directors of such district by formal resolution duly recorded in the minutes of the proceedings of such board. Such designation may be withdrawn at any time by the board of directors of such district by formal resolution duly entered upon its records, whereupon all such deposits, except those represented by time certificates of deposit, in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall be immediately withdrawn. All deposits, except those invested in time certificates of deposit, shall be subject to payment on demand upon the check or order of the duly authorized officer or officers of the district. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 65. Section 77-2355, Reissue Revised Statutes of Nebraska, is amended to read:

77-2355. No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation shall be made or be allowed to accumulate in any

bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository unless and until the treasurer or other competent officer of the district has received from such depository as security for the prompt repayment of such deposits by the depository either a surety bond in form and with corporate sureties approved by formal resolution of the board of directors of such district or, in lieu thereof, the giving of security as provided in the Public Funds Deposit Security Act. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 66. Section 77-2357, Reissue Revised Statutes of Nebraska, is amended to read:

77-2357. Every depository is authorized to secure deposits by giving bond or giving security, as provided in sections 77-2353 to 77-2361, and otherwise to enter into and become a party to any contract or arrangement, not inconsistent with the provisions hereof, as may be reasonably necessary or proper to render fully effective the provisions of such sections. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 67. Section 77-2358, Reissue Revised Statutes of Nebraska, is amended to read:

77-2358. The treasurer or other competent officer of the district shall at all times keep and certify to the district a complete and correct list and description of the securities furnished by any depository. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 68. Section 77-2361, Reissue Revised Statutes of Nebraska, is amended to read:

77-2361. Neither the treasurer, nor other officer of the district charged with the handling of its funds, nor their sureties shall be liable for any loss resulting from the failure of any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institutions as to any such deposits made and maintained as provided in sections 77-2353 to 77-2361. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 69. Section 77-2362, Reissue Revised Statutes of Nebraska, is amended to read:

77-2362. Whenever, by the laws of this state, any municipal corporation or other governmental subdivision of the state is authorized or required to obtain or accept from banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions surety bonds or other bonds as security for deposits of public funds belonging to such municipal corporation or other governmental subdivision, the insurance afforded to depositors in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions through the Federal Deposit Insurance Corporation, organized under the laws of the United States, shall be deemed and construed to be, for the purposes of such laws, a surety bond or bonds to the extent that such deposits are insured by such corporation, and for deposits so insured, no other surety bond or bonds or other security shall be required. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 70. Section 77-2363, Reissue Revised Statutes of Nebraska, is amended to read:

77-2363. In all cases in which public money or funds belonging to the United States, an agency of the United States, the State of Nebraska, or any political subdivision in this state have been deposited or loaned to any person or persons, corporation, bank, capital stock financial institution, qualifying mutual financial institution, partnership, limited liability company, or other firm or association of persons, it shall be lawful for the officer or officers making such deposit or loan or his, her, or their successors in office to maintain an action or actions for the recovery of such money so deposited or loaned. All contracts made for the security or payment of any such money or public funds shall be held to be good and lawful contracts binding on all parties thereto.

Sec. 71. Section 77-2369, Reissue Revised Statutes of Nebraska, is amended to read:

77-2369. The secretary-treasurer of each local hospital district in the State of Nebraska shall deposit, and at all times keep on deposit for

safekeeping in the state or national banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions doing business in the district of approved and responsible standing, the amount of money in his or her hands collected and held by him or her as secretary-treasurer. Any check, draft, order, or other negotiable instrument deposited by the secretary-treasurer, except when drawn upon the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in which the deposit is made, shall be received by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution for collection only and shall be subject to final payment thereof to the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution. Collection of such items shall be in the usual course of business and except for its own negligence, the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall not be liable thereon until and unless payment is actually received. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 72. Section 77-2370, Reissue Revised Statutes of Nebraska, is amended to read:

77-2370. Any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution located in the district may apply for the privilege of keeping money upon the following conditions: All deposits shall be subject to payment when demanded by the secretary-treasurer on his or her check or order and subject also to such regulations as are imposed by law and the rules adopted by the secretary-treasurer for holding and receiving such deposits. It shall be the duty of the board of directors to act on the application or applications of any and all banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions, state or national, as may ask for the privilege of becoming the depository of such money, as well as to approve the bonds of those selected incident to such relation, and the secretary-treasurer shall not deposit such money or any part thereof in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution other than such as may have been so selected by the board of directors for such purposes, if any such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution has been so selected by the board of directors.

Sec. 73. Section 77-2371, Reissue Revised Statutes of Nebraska, is amended to read:

77-2371. When more than one bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution may have been selected by the board of directors as depositories, the secretary-treasurer shall not give a preference to any one or more of them in the money he or she may so deposit, but shall keep deposited with each of such banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions such a part of the money as the ~~paid-up~~ capital of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as of December 31 of the preceding year is a part of the amount of all the ~~paid-up~~ capital of all the banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions so selected as of December 31 of the preceding year, so that such money may at all times be deposited with such banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions pro rata as to their ~~paid-up~~ capital, except that the secretary-treasurer may select one or more banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions to be used for active accounts in which he or she may keep deposited in excess of these requirements only such funds as may be necessary for the transaction of ordinary day-to-day requirements. For purposes of this section, capital shall mean capital stock, surplus, undivided profits, capital notes or debentures, and other unimpaired reserves. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 74. Section 77-2374, Reissue Revised Statutes of Nebraska, is amended to read:

77-2374. The bond in substance shall be similar to the bond required and set forth in section 77-2304. No person in any way connected with any depository bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as an officer or stockholder shall be accepted as a surety on any bond given by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution of which he or she is an officer or stockholder.

Sec. 75. Section 77-2375, Reissue Revised Statutes of Nebraska, is amended to read:

77-2375. The secretary-treasurer shall not have on deposit in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution at any time more money than the amount insured by the Federal Deposit Insurance Corporation, plus the maximum amount of the bond given by such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in cases when the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution gives a guaranty bond, except as provided in section 77-2376. The amount on deposit at any time with any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall not exceed fifty percent of the ~~paid-up~~ capital ~~stock~~ and surplus of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, except as provided in section 77-2376. When the amount of money which the secretary-treasurer desires to deposit in the banks, ~~and~~ capital stock financial institutions, or qualifying mutual financial institutions within the district exceeds fifty percent of the ~~paid-up~~ capital and surplus of all of the banks, ~~and~~ capital stock financial institutions, or qualifying mutual financial institutions in such local hospital district, the secretary-treasurer may, with the consent of the board of directors, deposit an amount in excess thereof, but not exceeding the capital ~~stock~~ and surplus in any one bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, unless the depository gives security as provided in section 77-2376. Bond shall be required of all banks, ~~and~~ capital stock financial institutions, or qualifying mutual financial institutions for such excess deposit, unless security is given in accordance with section 77-2376. The bonds shall be deposited with the secretary-treasurer and approved by the board of directors. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 76. Section 77-2376, Reissue Revised Statutes of Nebraska, is amended to read:

77-2376. The secretary-treasurer may deposit in any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution of the local hospital district in which he or she is secretary-treasurer amounts in excess of amounts authorized in section 77-2375 when (1) the depository secures the deposits by giving security as provided in the Public Funds Deposit Security Act and (2) the same is approved by a formal resolution of the board of directors. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 77. Section 77-2377, Reissue Revised Statutes of Nebraska, is amended to read:

77-2377. When banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions located in the local hospital district refuse or neglect to bid on money of the local hospital district, when there are no banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions in the local hospital district, or when the banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions located in the local hospital district do not have sufficient capital ~~stock~~ and surplus to receive such money under sections 77-2369 to 77-2385, then any surplus over the amount specified that banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions in the local hospital district may receive shall be deposited in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions outside of the local hospital district having sufficient capital ~~stock~~ and surplus under the same conditions and terms as if in the local hospital district. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 78. Section 77-2378, Reissue Revised Statutes of Nebraska, is amended to read:

77-2378. In lieu of a bond as provided in sections 77-2373 to 77-2377, any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution making application to become a depository under sections 77-2369 to 77-2385 may give security as provided in the Public Funds Deposit Security Act to the secretary-treasurer. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 79. Section 77-2381, Reissue Revised Statutes of Nebraska, is amended to read:

77-2381. Any treasurer or any officer of a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution who shall directly or indirectly violate or knowingly permit to be violated the provisions of sections 77-2373 to 77-2381, so far as such sections relate to the deposit of public money in a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, shall be guilty of a Class IV felony. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 80. Section 77-2383, Reissue Revised Statutes of Nebraska, is amended to read:

77-2383. The making of profit, directly or indirectly, by the secretary-treasurer out of any money in the local hospital district treasury belonging to the local hospital district, the custody of which the secretary-treasurer is charged with, by loaning or depositing or otherwise using or depositing the same in any manner, or the removal by the secretary-treasurer or by his or her consent of such money or a part thereof out of the vault of the secretary-treasurer's department or any legal depository of such money, except for the payment of warrants legally drawn or for the purpose of depositing the same in the banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions selected as depositories under the provisions of sections 77-2369 to 77-2385, shall be deemed a Class IV felony, and the secretary-treasurer shall also be liable under and upon his or her official bond for all profits realized from such unlawful using of such funds.

Sec. 81. Section 77-2385, Reissue Revised Statutes of Nebraska, is amended to read:

77-2385. The secretary-treasurers of the various local hospital districts of the state may, upon resolution of their respective boards of directors authorizing such action, make time deposits in banks, ~~or~~ capital stock financial institutions, or qualifying mutual financial institutions selected as depositories of the local hospital district funds under ~~the provisions of~~ sections 77-2369 to 77-2372. The time deposits shall bear interest and shall be secured as set forth in section 77-2304 or 77-2378, except that the amount insured by the Federal Deposit Insurance Corporation shall be exempt from the requirement of being secured as provided by section 77-2378 or by bonds similar to the bond required and set forth in section 77-2304. ~~The provisions of section~~ Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 1 of this act shall apply to deposits in qualifying mutual financial institutions.

Sec. 82. Section 77-2387, Revised Statutes Supplement, 2000, is amended to read:

77-2387. For purposes of the Public Funds Deposit Security Act, unless the context otherwise requires:

(1) Affiliate means any entity that controls, is controlled by, or is under common control with another entity;

(2) Bank means any state-chartered or federally chartered bank which has a main chartered office or branch in this state;

(3) Capital stock financial institution means a capital stock state building and loan association, a capital stock federal savings and loan association, a capital stock federal savings bank, a capital stock industrial loan and investment company, and a capital stock state savings bank which has a main chartered office in this state;

(4) Control means to own directly or indirectly or to control in any manner twenty-five percent of the voting shares of any bank, capital stock financial institution, or holding company or to control in any manner the election of the majority of directors of any bank, capital stock financial institution, or holding company;

(5) Custodial official means an officer or an employee of the State of Nebraska or any political subdivision who, by law, is made custodian of or has control over public money or public funds subject to the act or the security for the deposit of public money or public funds subject to the act;

(6) Deposit guaranty bond means a bond underwritten by an insurance company authorized to do business in this state which provides coverage for deposits of a governing authority which are in excess of the amounts insured by the Federal Deposit Insurance Corporation;

(7) Event of default means the issuance of an order by a supervisory authority or a receiver which restrains a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution from paying its deposit liabilities;

(8) Governing authority means the official, or the governing board, council, or other body or group of officials, authorized to designate a bank,

~~or~~ capital stock financial institution, or qualifying mutual financial institution as a depository of public money or public funds subject to the act;

(9) Governmental unit means the State of Nebraska or any political subdivision thereof; ~~and~~

(10) Qualifying mutual financial institution shall have the same meaning as in section 1 of this act;

(11) Repurchase agreement means an agreement to purchase securities by the governing authority by which the counterparty bank, capital stock financial institution, or qualifying mutual financial institution will repurchase the securities on or before a specified date and for a specified amount and the counterparty bank, capital stock financial institution, or qualifying mutual financial institution will deliver the underlying securities to the governing authority by book entry, physical delivery, or third-party custodial agreement. The transfer of underlying securities to the counterparty bank's, capital stock financial institution's, or qualifying mutual financial institution's customer book entry account may be used for book entry delivery if the governing authority so chooses; and

(12) Securities means:

(a) Bonds or obligations fully and unconditionally guaranteed both as to principal and interest by the United States Government;

(b) United States Government notes, certificates of indebtedness, or treasury bills of any issue;

(c) United States Government bonds;

(d) United States Government guaranteed bonds or notes;

(e) Bonds or notes of United States Government agencies;

(f) Bonds of any state or political subdivision which are fully defeased as to principal and interest by any combination of bonds or notes authorized in subdivision (c), (d), or (e) of this subdivision;

(g) Bonds or obligations, including mortgage-backed obligations, issued by the Federal Home Loan Mortgage Corporation, the federal farm credit system, a Federal Home Loan Bank, or the Federal National Mortgage Association;

(h) Repurchase agreements the subject securities of which are any of the securities described in subdivisions (a) through (g) of this subdivision;

(i) Securities issued under the authority of the Federal Farm Loan Act;

~~(j)~~ (j) Loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture;

~~(k)~~ (k) Guaranty agreements of the Small Business Administration of the United States Government;

~~(l)~~ (l) Bonds or obligations of any county, city, village, metropolitan utilities district, public power and irrigation district, sewer district, fire protection district, rural water district, or school district in this state which have been issued and registered as required by law or which have been issued under the direction and with the approval of the Auditor of Public Accounts;

~~(m)~~ (m) Bonds of the State of Nebraska or of any other state which are purchased by the Board of Educational Lands and Funds of this state for investment in the permanent school fund or which are purchased by the state investment officer of this state for investment in the permanent school fund;

~~(n)~~ (n) Bonds or obligations of another state, or a political subdivision of another state, which are rated within the two highest classifications of prime by at least one of the standard rating services;

~~(o)~~ (o) Warrants of the State of Nebraska;

~~(p)~~ (p) Warrants of any county, city, village, local hospital district, or school district in this state; and

~~(q)~~ (q) Irrevocable, nontransferable, unconditional standby letters of credit issued by the Federal Home Loan Bank of Topeka.

Sec. 83. Section 77-2388, Reissue Revised Statutes of Nebraska, is amended to read:

77-2388. Any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution subject to a requirement by law to secure the deposit of public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation may give security by furnishing securities or providing a deposit guaranty bond pursuant to the Public Funds Deposit Security Act in satisfaction of the requirement.

Sec. 84. Section 77-2389, Reissue Revised Statutes of Nebraska, is amended to read:

77-2389. A bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution furnishes securities pursuant to the

Public Funds Deposit Security Act if it (1) deposits securities held by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution or (2) pledges or grants a security interest in securities held by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution as provided in the act.

Sec. 85. Section 77-2390, Revised Statutes Supplement, 2000, is amended to read:

77-2390. Any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution pledging securities to secure deposits of public money or public funds pursuant to section 77-2389 may deposit, with the approval of the governing authority, the securities in a federal reserve bank or a bank, federal home loan bank, capital stock financial institution, qualifying mutual financial institution, or trust company approved by the governing authority, and take for the same a trust receipt in the form of and executed in the manner approved by the governing authority. When the transaction has been approved, the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution may deposit the trust receipt in lieu of the securities evidenced by the trust receipt.

Sec. 86. Section 77-2391, Revised Statutes Supplement, 2000, is amended to read:

77-2391. (1) Securities pledged or securities in which a security interest has been granted pursuant to section 77-2389 shall be delivered to and held by a federal reserve bank or by a branch of a federal reserve bank, a federal home loan bank, or another responsible bank, capital stock financial institution, qualifying mutual financial institution, or trust company, other than the pledgor or the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution granting the security interest, as designated by the governing authority, with appropriate joint custody and the pledge agreement or security interest as described in subsection (2) of this section, in a form approved by the governing authority.

(2) The delivery by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository to the custodial official of a written receipt or acknowledgment from a federal reserve bank or branch of a federal reserve bank, a federal home loan bank, or another bank, capital stock financial institution, qualifying mutual financial institution, or trust company, other than the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution granting the security interest, that includes the title of such custodial official, describes the securities identified on the books or records of the depository, and provides that the securities or the proceeds of the securities will be delivered only upon the surrender of the written receipt or the acknowledgment duly executed by the custodial official designated on the written receipt or the acknowledgment and by the authorized representative of the depository shall, together with the custodial official's actual and continued possession of the written receipt or acknowledgment, constitute a valid and perfected security interest in favor of the custodial official in and to the identified securities. Articles 8 and 9, Uniform Commercial Code, shall not apply to any security interest arising under this section.

Sec. 87. Section 77-2392, Reissue Revised Statutes of Nebraska, is amended to read:

77-2392. A bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution which has furnished securities pursuant to the Public Funds Deposit Security Act shall have the right at any time and without prior approval to substitute other securities of equal value in lieu of securities furnished except that such securities substituted shall be those provided for under the act. Following any substitution of securities pursuant to this section the custodial official shall report such substitution to the governing authority.

Sec. 88. Section 77-2393, Reissue Revised Statutes of Nebraska, is amended to read:

77-2393. A bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution which has furnished securities pursuant to the Public Funds Deposit Security Act may withdraw all or any part of such securities upon repayment to the custodial official of the amount of the securities thus withdrawn, and thereupon the custodial official shall be empowered to assign such securities to the owner thereof. All interest coupons attached to securities furnished under the act shall be detached by the holder or trustee thirty days before maturity and returned to such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution.

Sec. 89. Section 77-2394, Reissue Revised Statutes of Nebraska, is

amended to read:

77-2394. A bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution provides a deposit guaranty bond pursuant to the Public Funds Deposit Security Act if it issues a deposit guaranty bond which runs to the custodial official and which is conditioned that the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall, at the end of each and every month, render to the custodial official a statement, in duplicate, showing the daily balances and the amounts of public money or public funds of the governing authority held by it during the month and how credited. The public money or public funds shall be paid promptly on the order of the custodial official depositing the public money or public funds.

Sec. 90. Section 77-2395, Revised Statutes Supplement, 2000, is amended to read:

77-2395. (1) If a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository furnishes securities pursuant to section 77-2389, the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation, unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured.

(2) If a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository furnishes securities pursuant to subsection (1) of section 77-2398, the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation, unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred five percent of the amount on deposit which is in excess of the amount so insured.

(3) If a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository provides a deposit guaranty bond pursuant to the act, the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation, unless and until the depository has provided to the custodial official a deposit guaranty bond in an amount not less than the amount on deposit which is in excess of the amount so insured.

Sec. 91. Section 77-2396, Reissue Revised Statutes of Nebraska, is amended to read:

77-2396. No custodial official shall be liable on his or her official bond as such custodial official for public money or public funds on deposit in a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a depository if the depository has furnished securities or provided a deposit guaranty bond pursuant to the Public Funds Deposit Security Act.

Sec. 92. Section 77-2398, Revised Statutes Supplement, 2000, is amended to read:

77-2398. (1) As an alternative to the requirements to secure the deposit of public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation pursuant to sections 77-2389 and 77-2394, a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution designated as a public depository may secure the deposits of one or more governmental units by providing a deposit guaranty bond or by depositing, pledging, or granting a security interest in a single pool of securities to secure the repayment of all public money or public funds deposited in the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution by such governmental units and not otherwise secured pursuant to law, if at all times the total value of the deposit guaranty bond is at least equal to the amount on deposit which is in excess of the amount so insured or the aggregate market value of the pool of securities so deposited, pledged, or in which a security interest is granted is at least equal to one hundred five percent of the amount on deposit which is in excess of the amount so insured. Each such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall carry on its accounting records at all times a general ledger or other appropriate account of the total amount of all public money or public funds to be secured by a deposit guaranty bond or by the pool of securities, as determined at the opening of business each day, and the total value of the deposit guaranty bond or the aggregate market value of the pool of securities deposited, pledged, or in which a security interest is granted to secure such public money or public

funds.

(2) Only the securities listed in subdivision ~~(10)~~ (12) of section 77-2387 may be provided and accepted as security for the deposit of public money or public funds and shall be eligible as collateral. The qualified trustee shall accept no security which is not listed in subdivision ~~(10)~~ (12) of section 77-2387.

Sec. 93. Section 77-2399, Revised Statutes Supplement, 2000, is amended to read:

77-2399. Each governmental unit depositing public money or public funds in a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall have an undivided beneficial interest under the deposit guaranty bond provided or an undivided security interest in the pool of securities deposited, pledged, or in which a security interest is granted by a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution pursuant to subsection (1) of section 77-2398 in the proportion that the total amount of the governmental unit's public money or public funds secured by the deposit guaranty bond or by the pool of securities bears to the total amount of public money or public funds so secured. Articles 8 and 9, Uniform Commercial Code, shall not apply to any security interest arising under this section.

Sec. 94. Section 77-23,100, Revised Statutes Supplement, 2000, is amended to read:

77-23,100. (1) Any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in which public money or public funds have been deposited which satisfies its requirement to secure the deposit of public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation by the deposit, pledge, or granting of a security interest in a single pool of securities shall designate a qualified trustee and place with the trustee for holding the securities so deposited, pledged, or in which a security interest has been granted pursuant to subsection (1) of section 77-2398. The bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall give written notice of the designation of the qualified trustee to any custodial official depositing public money or public funds for which such securities are deposited, pledged, or in which a security interest has been granted, and if an affiliate of the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution is to serve as the qualified trustee, the notice shall disclose the affiliate relationship and shall be given prior to designation of the qualified trustee. The custodial official shall accept the written receipt of the trustee describing the pool of securities so deposited, pledged, or in which a security interest has been granted by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, a copy of which shall also be delivered to the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution.

(2) Any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution which satisfies its requirement to secure the deposit of public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation under the Public Funds Deposit Security Act by providing a deposit guaranty bond pursuant to the provisions of subsection (1) of section 77-2398 shall designate a qualified trustee and cause to be issued a deposit guaranty bond which runs to the qualified trustee and which is conditioned that the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall render to the qualified trustee the statement required under subsection (3) of this section.

(3) Each bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution which satisfies its requirement to secure the deposit of public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation by providing a deposit guaranty bond or by depositing, pledging, or granting a security interest in a single pool of securities shall, on or before the tenth day of each month, render to the qualified trustee a statement showing as of the last business day of the previous month (a) the amount of public money or public funds deposited in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution that is not insured by the Federal Deposit Insurance Corporation (i) by each custodial official separately and (ii) by all custodial officials in the aggregate and (b) the total value of the deposit guaranty bond or the aggregate market value of the pool of securities deposited, pledged, or in which a security interest has been granted pursuant to subsection (1) of section 77-2398. Any qualified trustee shall be authorized, acting for the benefit of custodial officials, to take any and all actions necessary to take title to or to effect a first perfected security interest in the securities deposited, pledged, or in which a security interest

is granted.

(4) Within ten days after receiving the statement required under subsection (3) of this section from a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, the qualified trustee shall provide a report to each custodial official listed in such statement reflecting (a) the amount of public money or public funds deposited in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution by each custodial official as of the last business day of the previous month that is not insured by the Federal Deposit Insurance Corporation and that is secured pursuant to subsection (1) of section 77-2398 and (b) the total value of the deposit guaranty bond or the aggregate market value of the pool of securities deposited, pledged, or in which a security interest is granted pursuant to subsection (1) of section 77-2398 as of the last business day of the previous month. The report shall clearly notify the custodial official if the value of the securities deposited does not meet the statutory requirement.

Sec. 95. Section 77-23,101, Revised Statutes Supplement, 2000, is amended to read:

77-23,101. Any Federal Reserve Bank, branch of a Federal Reserve Bank, a federal home loan bank, or another responsible bank ~~with a main-chartered office or branch in this state~~ which is authorized to exercise trust powers, capital stock financial institution ~~with a main-chartered office or branch in this state~~ which is authorized to exercise trust powers, qualifying mutual financial institution which is authorized to exercise trust powers, or trust company, other than the pledgor or the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution providing the deposit guaranty bond or granting the security interest, is qualified to act as a qualified trustee for the receipt of a deposit guaranty bond or the holding of securities under section 77-23,100. The bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in which public money or public funds are deposited may at any time substitute, exchange, or release securities deposited with a qualified trustee if such substitution, exchange, or release does not reduce the aggregate market value of the pool of securities to an amount that is less than one hundred five percent of the total amount of public money or public funds less the portion of such public money or public funds insured by the Federal Deposit Insurance Corporation. The bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution in which public money or public funds are deposited may at any time reduce the amount of the deposit guaranty bond if the reduction does not reduce the value of the deposit guaranty bond to an amount less than the total amount of public money or public funds less the portion of such public money or public funds insured by the Federal Deposit Insurance Corporation.

Sec. 96. Section 77-23,102, Revised Statutes Supplement, 2000, is amended to read:

77-23,102. (1) If a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution experiences an event of default the qualified trustee shall proceed in the following manner: (a) The qualified trustee shall ascertain the aggregate amounts of public money or public funds secured pursuant to subsection (1) of section 77-2398 and deposited in the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution which has defaulted, as disclosed by the records of such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution. The qualified trustee shall determine for each custodial official for whom public money or public funds are deposited in the defaulting bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution the accounts and amount of federal deposit insurance that is available for each account. It shall then determine for each such custodial official the amount of public money or public funds not insured by the Federal Deposit Insurance Corporation and the amount of the deposit guaranty bond or pool of securities pledged, deposited, or in which a security interest has been granted to secure such public money or public funds. Upon completion of this analysis, the qualified trustee shall provide each such custodial official with a statement that reports the amount of public money or public funds deposited by the custodial official in the defaulting bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, the amount of public money or public funds that may be insured by the Federal Deposit Insurance Corporation, and the amount of public money or public funds secured by a deposit guaranty bond or secured by a pool of securities pursuant to subsection (1) of section 77-2398. Each such custodial official shall verify this information from his or her records within ten business days after receiving the report and information from the qualified trustee; and (b) upon

receipt of a verified report from such custodial official and if the defaulting bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution is to be liquidated or if for any other reason the qualified trustee determines that public money or public funds are not likely to be promptly paid upon demand, the qualified trustee shall proceed to enforce the deposit guaranty bond or liquidate the pool of securities held to secure the deposit of public money or public funds and shall repay each custodial official for the public money or public funds not insured by the Federal Deposit Insurance Corporation deposited in the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution by the custodial official. In the event that the amount of the deposit guaranty bond or the proceeds of the securities held by the qualified trustee after liquidation is insufficient to cover all public money or public funds not insured by the Federal Deposit Insurance Corporation for all custodial officials for whom the qualified trustee serves, the qualified trustee shall pay out to each custodial official available amounts pro rata in accordance with the respective public money or public funds not insured by the Federal Deposit Insurance Corporation for each such custodial official.

(2) In the event that a federal deposit insurance agency is appointed and acts as a liquidator or receiver of any bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution under state or federal law, those duties under this section that are specified to be performed by the qualified trustee in the event of default may be delegated to and performed by such federal deposit insurance agency.

Sec. 97. Section 77-23,103, Revised Statutes Supplement, 2000, is amended to read:

77-23,103. Any charges or compensation of a qualified trustee for acting as such under the Public Funds Deposit Security Act shall be paid by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution and in no event shall be chargeable to any governmental unit, to the custodial official, or to any officer of the governmental unit. Such charges or compensation shall not be a lien or charge upon the deposit guaranty bond or the securities held by the qualified trustee prior, superior, or equal to the rights to and interests under such deposit guaranty bond or in such securities of the governmental unit or of the custodial official. The custodial official shall be relieved from any liability to the governmental unit or to the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution for the loss or destruction of any deposit guaranty bond or securities pledged, deposited, or in which a security interest has been granted.

Sec. 98. Section 77-23,104, Revised Statutes Supplement, 2000, is amended to read:

77-23,104. In lieu of placing its unqualified endorsement on each security, a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution depositing, pledging, or granting a security interest in securities pursuant to subsection (1) of section 77-2398 that are not negotiable without its endorsement or assignment may furnish to the qualified trustee holding the securities an appropriate resolution and irrevocable power of attorney authorizing the trustee to assign the securities. The resolution and power of attorney shall conform to such terms and conditions as the trustee prescribes.

Sec. 99. Section 77-23,105, Revised Statutes Supplement, 2000, is amended to read:

77-23,105. Upon request of a custodial official, a bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall report as of the date of such request the amount of public money or public funds deposited in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution that is not insured by the Federal Deposit Insurance Corporation (1) by the custodial official making the request and (2) by all other custodial officials and secured pursuant to subsection (1) of section 77-2398, and the total value of the deposit guaranty bond or the aggregate market value of the pool of securities deposited, pledged, or in which a security interest has been granted to secure public money or public funds held by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution, including those deposited by the custodial official. Upon request of a custodial official, a qualified trustee shall report as of the date of such request the total value of the deposit guaranty bond or the aggregate market value of the pool of securities deposited, pledged, or in which a security interest has been granted by the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution and shall provide an itemized list of the securities in the pool. Such reports shall be made on or before the date the custodial official

specifies.

Sec. 100. Section 77-23,106, Revised Statutes Supplement, 2000, is amended to read:

77-23,106. The public money or public funds in the bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution shall be paid promptly on the order of the custodial official depositing the public money or public funds in such bank, ~~or~~ capital stock financial institution, or qualifying mutual financial institution.

Sec. 101. Original sections 2-4214, 13-817, 14-556, 14-563, 14-1237, 14-1719, 15-845, 15-846, 15-847, 15-848, 15-849, 16-712, 16-713, 16-714, 16-715, 16-716, 17-607, 17-720, 18-2473, 18-2732, 46-146, 46-1,139, 46-1,140, 77-2312, 77-2313, 77-2314, 77-2317, 77-2318, 77-2318.01, 77-2319, 77-2320, 77-2323, 77-2325, 77-2326.02, 77-2326.03, 77-2326.04, 77-2326.06, 77-2326.07, 77-2326.08, 77-2326.09, 77-2329, 77-2340, 77-2342, 77-2343, 77-2344, 77-2345, 77-2346, 77-2350, 77-2350.01, 77-2351, 77-2352, 77-2353, 77-2353.01, 77-2354, 77-2355, 77-2357, 77-2358, 77-2361, 77-2362, 77-2363, 77-2369, 77-2370, 77-2371, 77-2374, 77-2375, 77-2376, 77-2377, 77-2378, 77-2381, 77-2383, 77-2385, 77-2388, 77-2389, 77-2392, 77-2393, 77-2394, and 77-2396, Reissue Revised Statutes of Nebraska, and sections 2-3227, 3-506, 3-616, 3-709, 13-1305, 13-2538, 18-2102.01, 30-3209, 46-1,141, 77-2387, 77-2390, 77-2391, 77-2395, 77-2398, 77-2399, 77-23,100, 77-23,101, 77-23,102, 77-23,103, 77-23,104, 77-23,105, and 77-23,106, Revised Statutes Supplement, 2000, are repealed.