

LEGISLATIVE BILL 1123

Approved by the Governor April 14, 1986

Introduced by DeCamp, 40; Labeledz, 5

AN ACT relating to banking; to define terms; to authorize the formation of a banker's bank as prescribed; and to provide powers, duties, and limitations.

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

Section 1. As used in this act, unless the context otherwise requires:

(1) Banker's bank shall mean a bank formed pursuant to section 2 of this act; and

(2) Department shall mean the Department of Banking and Finance.

Sec. 2. A banker's bank may be formed with the approval of the department and subject to requirements and procedures for the issuance of a new bank charter or the transfer of an existing bank charter as provided in sections 8-101 to 8-1,139. A banker's bank shall be a bank which is:

(1) Insured by the Federal Deposit Insurance Corporation;

(2) Owned exclusively by other Nebraska banks, except to the extent directors' qualifying shares are required by law; and

(3) Directly and through all its subsidiaries engaged exclusively in providing services for other banks and their officers, directors, and employees.

Sec. 3. A banker's bank shall be subject to sections 8-101 to 8-1,139 and the rules and regulations adopted and promulgated by the department.

Sec. 4. A banker's bank may repurchase, for its own account, shares of its own capital stock, but the outstanding capital stock may not be reduced below the minimum required by law.

Sec. 5. A bank may not subscribe to, invest in, buy, or own more than five per cent of any class of voting stock of a banker's bank, and in no event may such bank's holdings of the stock of a banker's bank exceed ten per cent of the capital stock and paid-in and unimpaired surplus of the bank holding such stock.