

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 125

Introduced By: Pahls, 31; Carlson, 38; Christensen, 44; Gay, 14; Hansen, 42; Langemeier, 23; Pankonin, 2; Pirsch, 4

Read first time: January 8, 2007

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to banks and banking; to amend section
2 8-148.04, Revised Statutes Cumulative Supplement, 2006; to
3 change provisions relating to community development
4 investments; to repeal the original section; and to declare
5 an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 8-148.04, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 8-148.04. (1) Any bank may make a community development
4 investment or investments either directly or through purchasing an
5 equity interest in or an evidence of indebtedness of an entity
6 primarily engaged in making community development investments, if the
7 following conditions are satisfied:

8 (a) An investment under this subsection does not expose the
9 bank to unlimited liability; and

10 (b) The bank's aggregate investment under this subsection
11 does not exceed ~~ten~~ fifteen percent of its capital and surplus. If
12 the bank's investment in any one entity will exceed five percent of
13 its capital and surplus, the prior written approval of the department
14 must be obtained. ~~;~~ and

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

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

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

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

25 Sec. 2. Original section 8-148.04, Revised Statutes
26 Cumulative Supplement, 2006, is repealed.

27 Sec. 3. Since an emergency exists, this act takes effect

1 when passed and approved according to law.