

**ONE HUNDRED THIRD LEGISLATURE - SECOND SESSION - 2014**  
**COMMITTEE STATEMENT**  
**LB977**

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**Hearing Date:** Thursday February 06, 2014  
**Committee On:** Nebraska Retirement Systems  
**Introducer:** Conrad  
**One Liner:** Change provisions relating to standard of care for corporate trustees regarding governmental retirement and pension funds

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**  
**Aye:** 5 Senators Conrad, Karpisek, Kolowski, Mello, Nordquist  
**Nay:**  
**Absent:** 1 Senator Davis  
**Present Not Voting:**

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<b>Proponents:</b> Danielle Conrad Keith Peters	<b>Representing:</b> Introducer Lincoln Electric System & Nebraska Public Power District
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<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
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**Summary of purpose and/or changes:**

Currently, section 30-3209 allows retirement or pension funds of most political subdivisions to be invested with corporate trustees according to the prudent person rule. Investments are restricted to bonds, stocks of certain companies, or other commercial paper. Subsection (2) of the current statute contains an exception for the city of the metropolitan class, a metropolitan utilities district and a county in which a city of the metropolitan class is located. These exempted retirement plans can offer investment in any fund, as long as it is a prudent investment. LB 977 adds a city of the primary class and public power districts to the list of exempt entities and also allows exempt entities to use a custodian to hold the funds of the plan.

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Jeremy Nordquist, Chairperson