

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 877

Introduced by Banking, Commerce and Insurance Committee: Mines,
18, Chairperson; Flood, 19; Jensen, 20; Johnson, 37;
Langemeier, 23; Louden, 49; Pahls, 31; Redfield, 12

Read first time January 5, 2006

Committee: Banking, Commerce and Insurance

A BILL

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

1 Section 1. Section 8-148.04, Reissue Revised Statutes of
2 Nebraska, 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
7 the following conditions are satisfied:

8 (a) ~~The investments~~ An investment under this subsection
9 ~~de~~ does not expose the bank to unlimited liability;

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

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

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

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

24 (4) For purposes of this section community development
25 investments means investments of a predominantly civic, community,

1 or public nature and not merely private and entrepreneurial.

2 Sec. 2. Original section 8-148.04, Reissue Revised
3 Statutes of Nebraska, is repealed.

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