

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 985

Introduced by Mines, 18

Read first time January 9, 2006

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to banks and banking; to amend sections
2 8-1601, 8-1602, and 8-1605, Revised Statutes Cumulative
3 Supplement, 2004; to change provisions relating to
4 banker's banks; and to repeal the original sections.

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

1 Section 1. Section 8-1601, Revised Statutes Cumulative
2 Supplement, 2004, is amended to read:

3 8-1601 For purposes of sections 8-1601 to 8-1605, unless
4 the context otherwise requires:

5 (1) Bank has the same meaning as in section 8-909;

6 (2) Bank holding company has the same meaning as in
7 section 8-909;

8 (3) Banker's bank means a bank formed pursuant to section
9 8-1602;

10 ~~(2)~~ (4) Department means the Department of Banking and
11 Finance;

12 ~~(3)~~ (5) Foreign bank holding company has the same meaning
13 as out-of-state bank holding company in section 8-909;

14 (6) Foreign banker's bank means a bank which is chartered
15 in a foreign state and which is:

16 (a) Insured by the Federal Deposit Insurance Corporation;

17 (b) Owned substantially by banks in the state in which
18 the bank was chartered; and

19 (c) Directly and through its subsidiaries engaged
20 exclusively in providing services for other banks and their
21 officers, directors, and employees;

22 ~~(4)~~ (7) Foreign state means any state of the United
23 States other than the State of Nebraska, any territory of the
24 United States, Puerto Rico, Guam, American Samoa, the Trust
25 Territory of the Pacific Islands, the Virgin Islands, or the

1 District of Columbia; and

2 ~~(5)~~ (8) Owned substantially means at least eighty percent
3 of the outstanding voting stock is owned.

4 Sec. 2. Section 8-1602, Revised Statutes Cumulative
5 Supplement, 2004, is amended to read:

6 8-1602 A banker's bank may be formed with the approval of
7 the department and subject to requirements and procedures for the
8 issuance of a new bank charter or the transfer of an existing bank
9 charter as provided in the Nebraska Banking Act. A banker's bank
10 shall be a bank which is:

11 (1) Insured by the Federal Deposit Insurance Corporation;

12 (2) Owned substantially by other Nebraska banks, bank
13 holding companies, foreign bank holding companies, or a combination
14 of such entities; and

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

18 Sec. 3. Section 8-1605, Revised Statutes Cumulative
19 Supplement, 2004, is amended to read:

20 8-1605 A bank may subscribe to, invest in, buy, or own
21 voting stock of one or more banker's banks, ~~and~~ foreign banker's
22 banks, bank holding companies, or foreign bank holding companies
23 of such banker's bank or foreign banker's bank in an amount not
24 to exceed five percent of any class of voting stock of each such
25 banker's bank, ~~or~~ foreign banker's bank, bank holding company,

1 or foreign bank holding company of such banker's bank or foreign
2 banker's bank. In no event shall such bank's holdings of the stock
3 of a banker's bank, ~~and a foreign banker's bank,~~ bank holding
4 company, or foreign bank holding company of such banker's bank or
5 foreign banker's bank exceed ten percent of the capital stock and
6 paid-in and unimpaired surplus of the bank holding such stock.

7 Sec. 4. Original sections 8-1601, 8-1602, and 8-1605,
8 Revised Statutes Cumulative Supplement, 2004, are repealed.