

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 918

Introduced by Pahls, 31.

Read first time January 14, 2008

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to the bank holding companies; to amend
2 section 8-2106, Reissue Revised Statutes of Nebraska, and
3 section 8-910, Revised Statutes Cumulative Supplement,
4 2006; to change provisions relating to bank holding
5 company ownership limitations and interstate mergers;
6 to harmonize provisions; and to repeal the original
7 sections.

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

1 Section 1. Section 8-910, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 8-910 (1) It shall be unlawful, except as provided in
4 this section, for:

5 (a) Any action to be taken that causes any company to
6 become a bank holding company;

7 (b) Any action to be taken that causes a bank to become a
8 subsidiary of a bank holding company;

9 (c) Any bank holding company to acquire direct or
10 indirect ownership or control of any voting shares of any bank if,
11 after such acquisition, such company will directly or indirectly
12 own or control more than twenty-five percent of the voting shares
13 of such bank;

14 (d) Any bank holding company or subsidiary thereof, other
15 than a bank, to acquire all or substantially all of the assets of
16 a bank; or

17 (e) Any bank holding company to merge or consolidate with
18 any other bank holding company.

19 (2) The prohibition set forth in subsection (1) of this
20 section shall not apply if:

21 (a)(i) The bank holding company is registered with the
22 department as of September 29, 1995, as a bank holding company for
23 any bank or banks; or (ii) the bank holding company registers with
24 the department in accordance with the provisions of section 8-913
25 as a bank holding company;

1 (b) The bank holding company does not have a name
2 deceptively similar to an existing unaffiliated bank or bank
3 holding company located in Nebraska;

4 (c) Upon any action referred to in subsection (1) of this
5 section and subject to subsection (3) of this section, the bank or
6 banks so owned or controlled would have deposits in Nebraska in an
7 amount no greater than twenty-two percent of the total deposits of
8 all banks in Nebraska plus the total deposits, savings accounts,
9 passbook accounts, and shares in savings and loan associations and
10 building and loan associations in Nebraska as determined by the
11 director on the basis of the most recent midyear reports, except as
12 provided in subsections (4), and (5), and (6) of this section;

13 (d) The bank holding company is adequately capitalized
14 and adequately managed;

15 (e) The bank holding company complies with sections
16 8-1501 to 8-1505 if the bank or banks to be acquired are chartered
17 in this state under the Nebraska Banking Act; and

18 (f) The bank holding company, if an out-of-state bank
19 holding company, complies with the limitations of section 8-911.

20 (3) If any person, association, partnership, limited
21 liability company, or corporation owns or controls twenty-five
22 percent or more of the voting stock of any bank holding company
23 acquiring a bank and any such person, association, partnership,
24 limited liability company, or corporation owns or controls
25 twenty-five percent or more of the voting stock of any other

1 bank or bank holding company in Nebraska, then the total deposits
2 of such other bank or banks and of all banks in Nebraska owned
3 or controlled by such bank holding company shall be included in
4 the computation of the total deposits of a bank holding company
5 acquiring a bank.

6 (4) A bank or bank holding company which acquires and
7 holds all or substantially all of the voting stock of one credit
8 card bank under sections 8-1512 and 8-1513 shall not have such
9 acquisition count against the limitations set forth in subdivision
10 (2)(c) of this section.

11 (5) A bank holding company which acquired an institution
12 or which formed a bank which acquired an institution under sections
13 8-1506 to 8-1510 or which acquired any assets and liabilities
14 from the Resolution Trust Corporation or the Federal Deposit
15 Insurance Corporation prior to January 1, 1994, shall not have such
16 acquisition or formation count against the limitations set forth in
17 subdivision (2)(c) of this section.

18 (6) A bank which accepts deposits from nonresidents of
19 Nebraska and voluntarily segregates the reporting of such deposits
20 in such a manner as to allow the director to determine the amounts
21 of such deposits shall not have such deposits count against the
22 limitations set forth in subdivision (2)(c) of this section. The
23 bank shall report the amount of such deposits, if so segregated, to
24 the director prior to October 1 of each year.

25 Sec. 2. Section 8-2106, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 8-2106 An interstate merger transaction shall not be
3 permitted if, upon consummation of such transaction, the resulting
4 bank or its bank holding company would have direct or indirect
5 ownership or control of deposits in Nebraska in excess of fourteen
6 percent of the total deposits of all banks in Nebraska, plus
7 the total deposits, savings accounts, passbook accounts, and share
8 accounts in savings and loan associations and building and loan
9 associations in Nebraska, as determined by the director on the
10 basis of the most recent calendar-year-end reports, except as
11 provided in subsection (4), ~~or (5)~~, or (6) of section 8-910.

12 Sec. 3. Original sections 8-2106, Reissue Revised
13 Statutes of Nebraska, and section 8-910, Revised Statutes
14 Cumulative Supplement, 2006, are repealed.