

**ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024**  
**COMMITTEE STATEMENT**  
**LB1176**

---

**Hearing Date:** Monday February 05, 2024  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Dungan  
**One Liner:** Adopt the Public Entities Pooled Investment Act

---

**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

---

**Vote Results:**

**Aye:** 8 Senators Aguilar, Ballard, Bostar, Dungan, Jacobson, Kauth, Slama, von Gillern  
**Nay:**  
**Absent:**  
**Present Not Voting:**

---

**Testimony:**

**Proponents:**

Senator George Dungan  
Robert Hallstrom  
Dexter Schrod  
Beth Bazyn Ferrell  
Matthew Eash

**Representing:**

Opening Presenter  
Nebraska Bankers Association  
Nebraska Independent Community Bankers  
Nebraska Association of County Officials  
Nebraska Public Agency Investment Trust

**Opponents:**

Mary Vaggalis

**Representing:**

Nebraska CLASS Trust

**Neutral:**

**Representing:**

\* ADA Accommodation Written Testimony

---

**Summary of purpose and/or changes:**

LB 1176 is a bill that was introduced by Senator Dungan. It would amend Neb. Rev. Stat. § 77-2341, a statute that allows counties, cities, villages, and other governmental subdivisions to invest surplus funds in certificates of deposit, time deposits, and any securities in which the state investment officer is authorized to invest pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act and as provided in the authorized investment guidelines of the Nebraska Investment Council.

LB 1176 would also adopt the Public Entities Pooled Investment Act (Act), a set of statutes that are designed to establish investment priorities, customer disclosures, and restrictions on investments for political subdivision investment pools.



The bill provides, section by section, as follows:

Section 1 lists the sections that would make up the Act if LB 1176 were made law.

Section 2 provides definitions for six (6) terms that are used throughout the Act.

Section 3 states that an “eligible entity” (see definition in Section 2) may invest its funds through a local government investment pool if the governing body of the eligible entity by ordinance or resolution authorizes investment in the pool. Also states that a local government investment pool may only invest the funds it receives from eligible entities in eligible investments.

Section 4 provides required notice language that a local government must display and include in all advertising, marketing material, and on Internet websites or mobile applications it maintains in order to highlight the risks related to investments in local government investment pools.

Section 5 states that a general investment strategy for a local government investment pool must have the following objectives (in the below order or priority): preservation and safety of principal, liquidity, and yield.

Section 6 states that any agent, employee, or representative of an investment advisor acting on behalf of a local government investment pool who solicits, purchases, or sells securities or eligible investments on behalf of the local government investment pool shall hold and maintain a Financial Industry Regulatory Authority (FINRA) Series 6 or Series 7 license.

Section 7 amends section 77-2341, a section that identifies specifically what types of investments that counties, cities, villages, and other governmental subdivisions may invest their surplus funds in. New added language would clarify that nothing in 77-2341 can be construed to expand the investment authority of a local government investment pool under the Act.

Section 8 repeals the statute amended.

---

**Explanation of amendments:**

AM 2627 amends LB 1176 as follows:

The restrictions on commercial paper are changed and further defined.

The requirement that an agent, employee, or representative of an investment advisor acting on behalf of a local government investment pool who solicits, purchases, or sells securities or eligible investments on behalf of the local government investment pool to hold and maintain a Financial Industry Regulatory Authority Series 6 or Series 7 license is removed. However, said persons must still hold and maintain any license or registration required by federal or state law to solicit, purchase, or sell securities or eligible investments on behalf of a local government investment pool.

---

Julie Slama, Chairperson

