LEGISLATIVE BILL 92
Approved by the Governor June 6, 2023

Introduced by Slama, 1.

A BILL FOR AN ACT relating to law; to amend sections 8-101.03, 8-102, 8-115, 8-135, 8-141, 8-143.01, 8-157.01, 8-183.04, 8-1,140, 8-318, 8-355, 8-602, 8-1101, 8-1101.01, 8-1704, 8-1707, 8-2724, 8-2993, 8-3002, 8-3003, 8-3004, 8-3006 to 8-3007, 8-3008, 8-3011, 8-3012, 8-3013, 8-3014, 8-3015, 8-3016, 8-3017, 8-3018, 8-3019, 8-3020, 8-3021, 8-3022, 8-3023, 8-3025, 8-3026, 8-3028, 8-3030, 10-110, 10-402, 10-403, 10-405, 10-507, 10-711, 10-804, 13-509, 21-17,115, 44-319.02, 44-319.03, 44-319.06, 44-785, 44-1993, 44-2824, 44-2825, 44-2827, 44-2831.01, 44-2832, 44-2833, 44-3308, 44-4054, 44-5140, 45-191.01, 45-191.04, 45-735, 45-1002, 45-1003, 45-1006, 58-201, and 76-1007, Reissue Revised Statutes of Nebraska, sections 44-7,102, 44-5141, 59-1722, 69-2103, 69-2104, 69-2112, and 77-6801, Revised Statutes Cumulative Supplement, 2022, and section 4A-108, Uniform Commercial Code, Revised Statutes Cumulative Supplement, 2022; to change provisions relating to the Commodity Code, the Consumer Rental Purchase Agreement Act, the Credit Union Act, the ImagiNE Nebraska Act, the Insurance Producers Licensing Act, the Insurers Investment Act, the Nebraska Banking Act, the Nebraska Financial Innovation Act, the Nebraska Hospital-Medical Liability Act, the Nebraska Installment Loan Act, the Nebraska Investment Finance Authority Act, the Nebraska Money Transmitters Act, the Nebraska Trust Deeds Act, the Residential Mortgage Licensing Act, the Securities Act of Nebraska, the Seller-Assisted Marketing Plan Act, the Uniform Commercial Code—Funds Transfers, financial institutions, digital asset depositories, bonds secured by property tax levies, securities deposited for the benefit of policyholders and creditors of insurance companies, insurance coverage of breast examinations, insurance coverage of colon examinations, title insurance regulation, loan brokers, and the Olmstead Plan; to adopt updates to federal laws and regulations relating to financial institutions; to provide restrictions on insurance coverage of prescription insulin drugs and electronic delivery of communications related to health benefit plans; to adopt the Insurance Regulatory Sandbox Act; to provide a duty for the Revisor of Statutes; to provide operative dates; to provide severability; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 8-101.03, Reissue Revised Statutes of Nebraska, is amended to read:

8-101.03 For purposes of the Nebraska Banking Act, unless the context otherwise requires:
(1) Access device means a code, a transaction card, or any other means of access to a customer's account, or any combination thereof, that may be used by a customer for the purpose of initiating an electronic funds transfer at an automatic teller machine or a point-of-sale terminal;
(2) Acquiring financial institution means any financial institution establishing a point-of-sale terminal;
(3) Automatic teller machine means a machine established and located in the State of Nebraska, whether attended or unattended, which utilizes electronic, sound, or mechanical signals or impulses, or any combination thereof, and from which electronic funds transfers may be initiated and at which banking transactions as defined in section 8-157.01 may be conducted. An unattended automatic teller machine shall not be deemed to be a branch operated by a financial institution;
(4) Automatic teller machine surcharge means a fee that an operator of an automatic teller machine imposes upon a consumer for an electronic funds transfer, if such operator is not the financial institution that holds an account of such consumer from which the electronic funds transfer is to be made;
(5) Bank or banking corporation means any incorporated banking institution which was incorporated under the laws of this state as they existed prior to May 9, 1933, and any corporation duly organized under the laws of this state for the purpose of conducting a bank within this state under the act. Bank means any such banking institution which is, in addition to the exercise of other powers, following the practice of repaying deposits upon check, draft, or order and of making loans. Bank or banking corporation includes a digital asset depository institution as defined in section 8-3006. Notwithstanding the provisions of this subdivision, a digital asset depository institution is subject to the provisions of subdivision (2)(b) of section 8-3006;
(6) (a) Bank subsidiary means a corporation or limited liability company that:
(i) Has a bank as a shareholder, member, or investor; and
(ii) Is organized for purposes of engaging in activities which are part of the business of banking or incidental to such business except for the receipt of deposits.

-1-
(b) A bank subsidiary may include a corporation organized under the
Nebraska Financial Innovation Act.
(c) A bank subsidiary is not to be considered a branch of its bank
shareholder;
(7) Capital or capital stock means capital stock;
(8) Data processing center means a facility, wherever located, at which
electronic impulses or other indicia of a transaction originating at an
automatic teller machine are received and either authorized or routed to a
switch or other data processing center in order to enable the automatic teller
machine to perform any function for which it is designed;
(9) Department means the Department of Banking and Finance;
(10) Digital asset depository means a financial institution that securely
holds digital assets when such assets are in the form of controllable electronic
records, either as a corporation organized, chartered, and operated pursuant to
the Nebraska Financial Innovation Act as a digital asset depository
institution, or a financial institution operating a digital asset depository
business as a digital asset depository department under a charter granted grant
of authority by the director;
(11) Director means the Director of Banking and Finance;
(12) Financial institution means a bank, savings bank, building and loan
association, savings and loan association, or credit union, whether chartered
by the United States, the department, or a foreign state agency; any other
similar organization which is covered by federal deposit insurance; a trust
company; or a digital asset depository that is not a digital asset depository
institution;
(13) Financial institution employees includes parent holding company and
affiliate employees;
(14) Foreign state agency means any duly constituted regulatory or
supervisory agency which has authority over financial institutions and which is
created under the laws of any other state, any territory of the United States,
Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands,
or the Virgin Islands or which is operating under the code of law for the
District of Columbia;
(15) Impulse means an electronic, sound, or mechanical impulse, or any
combination thereof;
(16) Insolvent means a condition in which (a) the actual cash market value
of the assets of a bank is insufficient to pay its liabilities to its
depositors, (b) a bank is unable to meet the demands of its creditors in the
usual and customary manner, (c) a bank, after demand in writing by the
director, fails to make good any deficiency in its reserves as required by law,
or (d) the stockholders of a bank, after written demand by the director, fail
to make good an impairment of its capital or surplus;
(17) Making loans includes advances or credits that are initiated by means
of credit card or other transaction card. Transaction card and other
transactions, including transactions made pursuant to prior agreements, may be
brought about and transmitted by means of an electronic impulse. Such loan
transactions including transactions made pursuant to prior agreements shall be
subject to sections 8-815 to 8-829 and shall be deemed loans made at the place
of business of the financial institution;
(18) Order includes orders transmitted by electronic transmission;
(19) Point-of-sale terminal means an information processing terminal which
utilizes electronic, sound, or mechanical signals or impulses, or any
combination thereof, which are transmitted to a financial institution or which are
recorded for later transmission to effectuate electronic funds transfer
to effect the purchase or payment of goods and services which are
initiated by an access device. A point-of-sale terminal is not a branch
operated by a financial institution. Any terminal owned or operated by a seller
of goods and services shall be connected directly or indirectly to an acquiring
financial institution; and
(20) Switch means any facility where electronic impulses or other indicia
of a transaction originating at an automatic teller machine are received and
are routed and transmitted to a financial institution or data processing
center, wherever located. A switch may also be a data processing center.
Sec. 2. Section 8-102, Reissue Revised Statutes of Nebraska, is amended to read:
8-102 (1) The department shall, under the laws of this state specifically
made applicable to each, have general supervision and control over banks, trust
companies, credit unions, building and loan associations, savings and loan
associations, and digital asset depositories, all of which are hereby declared to
be quasi-public in nature and subject to regulation and control by the state.
(2) The director may prescribe conditions on banks, trust companies,
credit unions, building and loan associations, savings and loan associations,
and digital asset depositories, and their holding companies, if any, as part of
any written order, decision, or determination required to be made pursuant to
the Nebraska Banking Act, the Nebraska Union Banking Act, the Nebraska Financial
Innovation Act, and Chapter 8, article 3.
Sec. 3. Section 8-115, Reissue Revised Statutes of Nebraska, is amended to read:
8-115 No corporation shall conduct a bank or digital asset depository in
this state without having first obtained a charter or under a grant of
authority in the case of a digital asset depository in the manner provided in
the Nebraska Banking Act or the Nebraska Financial Innovation Act,
respectively.

Sec. 4. Section 8-135, Reissue Revised Statutes of Nebraska, is amended to read:

8-135 (1) All persons, regardless of age, may become depositors in any bank and shall be subject to the same duties and liabilities respecting their deposits. Whenever a deposit is accepted by any bank in the name of any person, regardless of age, the deposit may be withdrawn by the depositor by any of the following methods:

(a) Check or other instrument in writing. The check or other instrument in writing constitutes a receipt or acquittance if the check or other instrument in writing is signed by the depositor and constitutes a valid release and discharge to the bank for all payments so made; or

(b) Electronic means through:

(i) Preauthorized direct withdrawal;

(ii) An automatic teller machine;

(iii) A debit card;

(iv) A transfer by telephone;

(v) A network, including the Internet; or

(vi) Any electronic terminal, computer, magnetic tape, or other electronic means.

(2) All persons, individually or with others and regardless of age, may enter into an agreement with a bank for the lease of a safe deposit box and shall be bound by the terms of the agreement.

(3) This section shall not be construed to affect the rights, liabilities, or responsibilities of participants in an electronic fund transfer under the federal Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq., as such act existed on January 1, 2022, and shall not affect the legal relationships between a minor and any person other than the bank.

Sec. 5. Section 8-141, Reissue Revised Statutes of Nebraska, is amended to read:

8-141 (1) No bank shall directly or indirectly loan to any single corporation, limited liability company, firm, or individual, including in such loans all loans made to the several members or shareholders of such corporation, limited liability company, or firm, for the use and benefit of such corporation, limited liability company, firm, or individual, more than twenty-five percent of the paid-up capital, surplus, and capital notes and debentures or fifteen percent of the unimpaired capital and unimpaired surplus of such bank, whichever is greater. Such limitations shall be subject to the following exceptions:

(a) Obligations of any person, partnership, limited liability company, association, or corporation in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock, when the market value of the livestock securing the obligation is not at any time less than one hundred fifteen percent of the face amount of the notes covered by such documents, shall be subject under this section to a limitation of ten percent of such capital, surplus, and capital notes and debentures or ten percent of such unimpaired capital and unimpaired surplus, whichever is greater, in addition to such twenty-five percent of such capital and surplus or such fifteen percent of such unimpaired capital and unimpaired surplus;

(b) Obligations of any person, partnership, limited liability company, association, or corporation secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States shall be subject under this section to a limitation of ten percent of such capital, surplus, and capital notes and debentures or ten percent of such unimpaired capital and unimpaired surplus, whichever is greater, in addition to such twenty-five percent of such capital and surplus or such fifteen percent of such unimpaired capital and unimpaired surplus;

(c) Obligations of any person, partnership, limited liability company, association, or corporation which are secured by negotiable warehouse receipts in an amount not less than one hundred fifteen percent of the face amount of the note or notes secured by such documents shall be subject under this section to a limitation of ten percent of such capital, surplus, and capital notes and debentures or ten percent of such unimpaired capital and unimpaired surplus, whichever is greater, in addition to such twenty-five percent of such capital and surplus or such fifteen percent of such unimpaired capital and unimpaired surplus;

(d) Obligations of any person, partnership, limited liability company, association, or corporation which are secured by readily marketable collateral having a market value, as determined by reliable and continuously available price quotations, in an amount at least equal to the face amount of the note or notes secured by such collateral, shall be subject under this section to a limitation of ten percent of such capital, surplus, and capital notes and debentures or ten percent of such unimpaired capital and unimpaired surplus, whichever is greater, in addition to such twenty-five percent of such capital and surplus or such fifteen percent of such unimpaired capital and unimpaired surplus.

(2) (a) For purposes of this section, the discounting of bills of exchange, drawn in good faith against actually existing values, and the discounting of commercial paper actually owned by the persons negotiating the bills of exchange or commercial paper shall not be considered as the lending of money.

-3-
(b) Loans or obligations shall not be subject to any limitation under this section, based upon such capital and surplus or such unimpaired capital and surplus, to the extent that such capital and surplus or such unimpaired capital and unimpaired surplus are secured or covered by guaranties, or by commitments or agreements to take over or to purchase such capital and surplus or such unimpaired capital and unimpaired surplus, made by any federal reserve bank or by the United States Government or any authorized agency thereof, including any corporation sponsored or owned by the United States, or general obligations of any state of the United States or any political subdivision of the state. The phrase general obligation of any state or any political subdivision of the state means an obligation supported by the full faith and credit of an obligor possessing general powers of taxation, including property taxation, but does not include municipal revenue bonds and sanitary and improvement district warrants which are subject to the limitations set forth in this section.

(c) Any bank may subscribe to, invest in, purchase, and own single-family mortgages secured by the Federal Housing Administration or the United States Department of Veterans Affairs, and mortgage-backed certificates of the Government National Mortgage Association which are guaranteed as to payment of interest or other rates, indices, or other assets; and mortgage-backed certificates of the Department of Veterans Affairs and mortgage-backed certificates of the Government National Mortgage Association which are guaranteed as to payment of interest or other rates, indices, or other assets; and mortgage-backed certificates of the United States, or general obligations of any state of the United States or any political subdivision of the state. The phrase general obligation of any state or any political subdivision of the state means an obligation supported by the full faith and credit of an obligor possessing general powers of taxation, including property taxation, but does not include municipal revenue bonds and sanitary and improvement district warrants which are subject to the limitations set forth in this section.

(d) Obligations representing loans to any national banking association or to any banking institution organized under the laws of any state, when such loans are approved by the director by rule and regulation or otherwise, shall not be subject under this section to any limitation based upon such capital and surplus or such unimpaired capital and unimpaired surplus.

(e) Extensions of credit secured by a segregated deposit account in the lending bank shall not be subject under this section to any limitation based on such capital and surplus or such unimpaired capital and unimpaired surplus. The director may adopt and promulgate rules and regulations governing the terms and conditions of such security interest and segregated deposit account.

(f) For the purpose of determining lending limits, partnerships shall not be treated as separate entities. Each individual shall be charged with his or her personal debt plus the debt of every partnership in which he or she is a partner, except that for purposes of this section (a) an individual shall only be charged with the debt of any limited partnership in which he or she is a partner to the extent that the limited partnership agreement provides that such individual is to be held liable for the debts or actions of such limited partnership, and (b) no individual shall be charged with the debt of any general partnership in which he or she is a partner beyond the extent to which (i) his or her liability for such partnership debt is limited by the terms of a contract or other written agreement between the bank and such individual and (ii) any personal debt of such individual is incurred for the use and benefit of such general partnership.

(3) A loan made within lending limits at the initial time the loan was made may be renewed, extended, or serviced without regard to changes in the lending limits from the initial extension of the loan if (a) the renewal, extension, or servicing of the loan does not result in the extension of funds beyond the initial amount of the loan or (b) the accrued interest on the loan is not added to the original amount of the loan in the process of renewal, extension, or servicing.

Any bank may purchase or take an interest in life insurance contracts for any purpose incidental to the business of banking. A bank's purchase of any life insurance contract, as measured by its cash surrender value, from any one life insurance company shall not at any time exceed twenty-five percent of the paid-up capital, surplus, and capital notes and debentures of such bank or fifteen percent of the unimpaired capital and unimpaired surplus of such bank, whichever is greater. A bank's purchase of life insurance contracts, as measured by their cash surrender values, in the aggregate from all life insurance companies shall not at any time exceed thirty-five percent of the paid-up capital, surplus, undivided profits, and capital notes and debentures of such bank or fifty percent of the unimpaired capital and unimpaired surplus of the bank. Any bank's purchase of life insurance contracts, in the aggregate from all life insurance companies, shall not apply to any contract purchased prior to April 5, 1994.

(5) On and after January 21, 2013, the director has the authority to determine the manner and extent to which credit exposure resulting from derivative transactions, repurchase agreements, reverse repurchase agreements, securities lending transactions, and securities borrowing transactions shall be taken into account for purposes of determining compliance with this section. In making such determinations, the director may, but is not required to, act by rule and regulation or order.

(6) For purposes of this section:

(i) Derivative transactions means any transaction that is a contract, agreement, swap, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets; and

(ii) Loan includes:

(i) All direct and indirect advances of funds to a person made on the basis of any obligation of that person to repay the funds or repayable from
specific property pledged by or on behalf of that person; (ii) To the extent specified by rule and regulation or order of the directory, any bank to advantage funds to or on behalf of a person pursuant to a contractual commitment; and (iii) Any credit exposure to a person arising from a derivative transaction, repurchase agreement, reverse repurchase agreement, securities lending transaction, or securities borrowing transaction between the bank and the person; and (c) Unimpaired capital and unimpaired surplus means: (i) For qualifying banks that have elected to use the community bank leverage ratio framework, as set forth under the Capital Adequacy Standards of the appropriate federal banking agency: (A) The bank's tier 1 capital as reported according to the capital guidelines of the appropriate federal banking agency; and (B) The bank's allowance for loan and lease losses or allowance for credit losses, as applicable, as reported in the most recent consolidated report of condition filed under 12 U.S.C. 1817(a)(3), as such section existed on January 1, 2023. For all other banks: (A) The bank's tier 1 and tier 2 capital included in the bank's risk-based capital under the capital guidelines of the appropriate federal banking agency, based on the bank's most recent consolidated report of condition filed under 12 U.S.C. 1817(a)(3), as such section existed on January 1, 2022; and (B) The balance of the bank's allowance for loan and lease losses not included in the bank's tier 2 capital for purposes of the calculation of risk-based capital by the appropriate federal banking agency, based on the bank's most recent consolidated report of condition filed under 12 U.S.C. 1817(a)(3), as such section existed on January 1, 2022. Notwithstanding the provisions of section 8-1,140, the director may, by order, deny or limit the inclusion of goodwill in the calculation of a bank's unimpaired capital and unimpaired surplus or in the calculation of a bank's paid-up capital and surplus. Sec. 6. Section 8-143.01, Reissue Revised Statutes of Nebraska, is amended to read: 8-143.01 (1) No bank shall extend credit to any of its executive officers, directors, or principal shareholders or to any related interest of such persons in an amount that, when aggregated with the amount of all other extensions of credit by the bank to that person and to all related interests of that person, exceeds the higher of twenty-five thousand dollars or five percent of the bank's unimpaired capital and unimpaired surplus; unless (a) the extension of credit has been approved in advance by a majority vote of the entire board of directors of the bank, a record of which shall be made and kept as a part of the records of the bank, and (b) the interested party has abstained from participating directly or indirectly in such vote. (2) No bank shall extend credit to any of its executive officers, directors, or principal shareholders or to any related interest of such persons in an amount that, when aggregated with the amount of all other extensions of credit by the bank to that person and to all related interests of that person, exceeds fifteen hundred thousand dollars except by complying with the requirements of subdivisions (1)(a) and (b) of this section. (3) No bank shall extend credit to any of its executive officers, and no such executive officer shall borrow from or otherwise become indebted to his or her bank, except in the amounts and for the purposes set forth in subsection (4) of this section. (4) A bank shall be authorized to extend credit to any of its executive officers: (a) In any amount to finance the education of such executive officer's children; (b)(i) In any amount to finance or refinance the purchase, construction, maintenance, or improvement of a residence of such executive officer if the extension of credit is secured by a first lien on the residence and the residence is owned or is expected to be owned after the extension of credit by the executive officer and (ii) in the case of a refinancing, only the amount of the refinancing used to repay the original extension of credit, together with the refinancing costs of the refinancing, and any additional amount thereof used for any of the purposes enumerated in this subdivision of this section are included within this category of credit; (c) In any amount if the extension of credit is (i) secured by a perfected security interest in bonds, notes, certificates of indebtedness, or treasury bills of the United States or in other such obligations fully guaranteed as to principal by the United States, (ii) secured by unconditional takeout commitments or guarantees of any department, agency, bureau, board, commission, or establishment of the United States or any corporation wholly owned directly or indirectly by the United States, or (iii) secured by a perfected security interest in a segregated deposit account in the lending bank; or (d) For any other purpose not specified in subdivisions (a), (b), and (c) of this subsection if the aggregate amount of such other extensions of credit to such executive officer does not exceed, at any one time, the greater of two and one-half percent of the bank's unimpaired capital and unimpaired surplus or twenty-five thousand dollars, but in no event greater than one hundred thousand dollars or the amount of the bank's lending limit as prescribed in section 8-141, whichever is less.
(5)(a) Except as provided in subdivision (b) or (c) of this subsection, any executive officer shall make, on an annual basis, a written report to the board of directors which he or she is an executive officer stating the date and amount of all loans or indebtedness on which he or she is a borrower, cosigner, or guarantor, the security therefor, and the purpose for which the proceeds have been or are to be used.

(b) Except as provided in subdivision (c) of this subsection, in lieu of the report required by this subsection the board of directors of a bank may obtain a credit report from a recognized credit agency, on an annual basis, for any or all of its executive officers.

(c) Subdivisions (a) and (b) of this subsection do not apply to any executive officer if such officer is excluded by a resolution of the board of directors of the bank from participating in the major policymaking functions of the bank and does not actually participate in the major policymaking functions of the bank.

(6) No bank shall extend credit to any of its executive officers, directors, or principal shareholders or to any related interest of such persons in an amount that, when aggregated with the amount of all other extensions of credit made to all related interests of that person, exceeds the lending limit of the bank as prescribed in section 8-141.

(7)(a) Except as provided in subdivision (b) of this subsection, no bank shall extend credit to any of its executive officers, directors, or principal shareholders or to any related interest of such persons unless the extension of credit (i) is made on substantially the same terms, including interest rates and collateral, as, and following credit-underwriting procedures that are not less stringent than, those prevailing at the time for comparable transactions by the bank with other persons that are not covered by this section and who are not employed by the bank and (ii) does not involve more than the normal risk of repayment or other favorable features.

(b) Nothing in subdivision (a) of this subsection shall prohibit any extension of credit made by a bank pursuant to a benefit or compensation program under the provisions of 12 C.F.R. 215.4(a)(2), as such regulation existed on January 1, 2023 2022.

(8) For purposes of this section:

(a) Executive officer means a person who participates or has authority to participate, other than in the capacity of director, in the major policymaking functions of the bank, whether or not the officer has an official title, the title designates such officer as an assistant, or such officer is serving without salary; or

(b) Unimpaired capital and unimpaired surplus means the sum of:

(i) The total equity capital of the bank reported on its most recent consolidated report of condition filed under section 8-166;

(ii) Any subordinated notes and debentures approved as an addition to the bank's capital structure by the appropriate federal banking agency; and

(iii) Any valuation reserves created by charges to the bank's income reported on its most recent consolidated report of condition filed under section 8-166.

(9) Any executive officer, director, or principal shareholder of a bank or any other person who intentionally violates this section or who aids, abets, or assists in a violation of this section is guilty of a Class IV felony.

(10) The Director of Banking and Finance may adopt and promulgate rules and regulations to carry out this section, including rules and regulations defining or further defining terms used in this section, consistent with the provisions of 12 U.S.C. 84 and implementing Regulation O as such section and regulation existed on January 1, 2023 2022.
the establishment of a branch or as branch banking. (2) Any financial institution may become a user financial institution by agreeing to pay the establishing financial institution the automatic teller machine usage fee. Such agreement shall be implied by the use of such automatic teller machines.

(3)(a)(i) All automatic teller machines shall be made available on a nondiscriminating basis for use by Nebraska customers of a user financial institution and (ii) all Nebraska automatic teller machine transactions initiated by Nebraska customers of a user financial institution shall be made on a nondiscriminating basis.

(b) It shall not be deemed discrimination if (i) an automatic teller machine does not offer the same transaction services as other automatic teller machines of the same make or that Nebraska automatic teller machine transactions initiated at such automatic teller machine are not made on a nondiscriminating basis.

(c) The director, upon notice and after a hearing, may terminate or suspend the operation of any switch with respect to all Nebraska automatic teller machine transactions if he or she determines that the switch is not being operated in the manner required under subdivision (3)(d) of this section. (d) A switch (i) shall provide to all financial institutions that have a main office or approved branch located in the state and conform to the operating rules and technical standards established by the switch an equal opportunity to participate in the switch for the use of and access thereto; (ii) shall be capable of operating to accept and route Nebraska automatic teller machine transactions, whether receiving data from an automatic teller machine, an establishing financial institution, or a data processing center; and (iii) shall be capable of being directly or indirectly connected to every data processing center for any automatic teller machine.

(e) The director, upon notice and after a hearing, may terminate or suspend the operation of any switch with respect to all Nebraska automatic teller machine transactions if he or she determines that the switch is not being operated in the manner required under subdivision (3)(d) of this section.

(f) Subject to the requirement for a financial institution to comply with this subsection, no user financial institution or establishing financial institution shall be required to become a member of any particular switch.

(4) Any consumer initiating an electronic funds transfer at an automatic teller machine at which a surcharge is charged shall receive notice in accordance with the provisions of 15 U.S.C. 1693b(d)(3)(A) and (B), as such section existed on January 1, 2023. Such notice shall appear on the screen of the automatic teller machine or appear on a paper notice issued from such machine after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

(5) A point-of-sale terminal may be established at any point within this state by a financial institution, a group of two or more financial institutions, or a combination of a financial institution or financial institutions and a third party or parties. Such parties may contract with a seller of goods and services or any other third party for the operation of point-of-sale terminals.

(6) A seller of goods and services or any other third party on whose premises one or more point-of-sale terminals are established shall not be, solely by virtue of such establishment, a financial institution and shall not be subject to any other requirements imposed or, except for the requirement that it faithfully perform its obligations in connection with any transaction originated at any point-of-sale terminal on its premises.

(7) Nothing in this section shall be construed to prohibit nonbank employees from assisting in transactions originated at automatic teller machines or point-of-sale terminals, and such assistance shall not be deemed to be engaging in the business of banking.

(8)(a) Annually by September 1, any entity operating as a switch in Nebraska shall file a notice with the department setting forth its name, address, and contact information for an officer authorized to answer inquiries related to its operations in Nebraska.

(b) Any entity intending to operate in Nebraska as a switch shall file a notice with the department setting forth its name, address, and contact information for an officer authorized to answer inquiries related to its operations in Nebraska. Such notice shall be filed at least thirty days prior to the date on which the switch commences operations, and thereafter annually by September 1.

(9) Nothing in this section prohibits ordinary clearinghouse transactions.
between financial institutions.

(10) Nothing in this section shall prevent any financial institution which has a main chartered office or an approved branch located in the State of Nebraska from participating in a national automatic teller machine program to allow its customers to use automatic teller machines located outside of the State of Nebraska which are established by out-of-state financial institutions or foreign financial institutions or to allow customers of out-of-state financial institutions or foreign financial institutions to use Nebraska automatic teller machines. Such participation and any automatic teller machine usage fees charged or received pursuant to the national automatic teller machine program or usage fees charged for the use of its automatic teller machines by customers of out-of-state financial institutions or foreign financial institutions shall not be considered for purposes of determining (a) if an automatic teller machine has been made available or Nebraska automatic teller machine transactions have been made on a nondiscriminating basis for use by Nebraska customers of a user financial institution or (b) if a switch complies with subdivision (3)(d) of this section.

(11) An agreement to operate or share an automatic teller machine may not prohibit, limit, or restrict, irrespective of the user financial institution, the Nebraska customer of which initiates the Nebraska automatic teller machine transaction that is subject to a surcharge is not imposed; or otherwise prohibited under state or federal law.

(12) Switch fees shall not be subject to this section or be regulated by the department.

(13) Nothing in this section shall prevent a group of two or more credit unions, each of which has a main chartered office or an approved branch located in the State of Nebraska, from participating in a credit union service organization organized on or before January 1, 2015, for the purpose of owning automatic teller machines, provided that all participating credit unions have an ownership interest in the credit union service organization and that the credit union service organization has an ownership interest in each of the participating credit unions' automatic teller machines. Such participation and any automatic teller machine usage fees associated with Nebraska automatic teller machine transactions initiated by customers of participating credit unions at such automatic teller machines shall not be considered for purposes of determining if such automatic teller machines have been made available on a nondiscriminating basis or if Nebraska automatic teller machine transactions initiated at such automatic teller machines have been made on a nondiscriminating basis, provided that all Nebraska automatic teller machine transactions initiated through a point-of-sale terminal, an automatic teller machine, or a personal terminal for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account;

(14) Nebraska automatic teller machine usage fees and any agreements relating to Nebraska automatic teller machine usage fees shall comply with subsection (3) of this section.

(15) For purposes of this section:

(a) Access means the ability to utilize an automatic teller machine or a point-of-sale terminal to conduct permitted banking transactions or purchase goods and services electronically;

(b) Account means a checking account, a savings account, a share account, or any other customer asset account held by a financial institution. Such an account may also include a line of credit which a financial institution has agreed to extend to its customer;

(c) Affiliate financial institution means any financial institution which is a subsidiary of the same bank holding company;

(d) Automatic teller machine usage fee means any per transaction fee agreed to extend to its customer;

(e) Electronic funds transfer means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through a point-of-sale terminal, an automatic teller machine, or a personal terminal for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account;

(f) Essentially the same service means the same Nebraska automatic teller machine transaction offered by an establishing financial institution irrespective of the user financial institution, the Nebraska customer of which initiates the Nebraska automatic teller machine transaction. A Nebraska automatic teller machine transaction that is subject to a surcharge is not essentially the same service as the same banking transaction for which a surcharge is not imposed;

(g) Establishing financial institution means any financial institution which has a main chartered office or approved branch located in the State of Nebraska that establishes or sponsors an automatic teller machine or an out-of-state financial institution that establishes or sponsors an automatic teller machine;

(h) Financial institution means a bank, savings bank, building and loan association, savings and loan association, or credit union, whether chartered by the department, the United States, or a foreign state agency; any other similar organization which is covered by federal deposit insurance; or a subsidiary of any such entity;

(16) Nothing in this section shall prevent any financial institution which has a main chartered office or an approved branch located in the State of Nebraska from participating in a national automatic teller machine program to allow its customers to use automatic teller machines located outside of the State of Nebraska which are established by out-of-state financial institutions or foreign financial institutions or to allow customers of out-of-state financial institutions or foreign financial institutions to use Nebraska automatic teller machines. Such participation and any automatic teller machine usage fees charged or received pursuant to the national automatic teller machine program or usage fees charged for the use of its automatic teller machines by customers of out-of-state financial institutions or foreign financial institutions shall not be considered for purposes of determining (a) if an automatic teller machine has been made available or Nebraska automatic teller machine transactions have been made on a nondiscriminating basis for use by Nebraska customers of a user financial institution or (b) if a switch complies with subdivision (3)(d) of this section.

(11) An agreement to operate or share an automatic teller machine may not prohibit, limit, or restrict, irrespective of the user financial institution, the Nebraska customer of which initiates the Nebraska automatic teller machine transaction that is subject to a surcharge is not imposed; or otherwise prohibited under state or federal law.

(12) Switch fees shall not be subject to this section or be regulated by the department.

(13) Nothing in this section shall prevent a group of two or more credit unions, each of which has a main chartered office or an approved branch located in the State of Nebraska, from participating in a credit union service organization organized on or before January 1, 2015, for the purpose of owning automatic teller machines, provided that all participating credit unions have an ownership interest in the credit union service organization and that the credit union service organization has an ownership interest in each of the participating credit unions' automatic teller machines. Such participation and any automatic teller machine usage fees associated with Nebraska automatic teller machine transactions initiated by customers of participating credit unions at such automatic teller machines shall not be considered for purposes of determining if such automatic teller machines have been made available on a nondiscriminating basis or if Nebraska automatic teller machine transactions initiated at such automatic teller machines have been made on a nondiscriminating basis, provided that all Nebraska automatic teller machine transactions initiated through a point-of-sale terminal, an automatic teller machine, or a personal terminal for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account;

(14) Nebraska automatic teller machine usage fees and any agreements relating to Nebraska automatic teller machine usage fees shall comply with subsection (3) of this section.

(15) For purposes of this section:

(a) Access means the ability to utilize an automatic teller machine or a point-of-sale terminal to conduct permitted banking transactions or purchase goods and services electronically;

(b) Account means a checking account, a savings account, a share account, or any other customer asset account held by a financial institution. Such an account may also include a line of credit which a financial institution has agreed to extend to its customer;

(c) Affiliate financial institution means any financial institution which is a subsidiary of the same bank holding company;

(d) Automatic teller machine usage fee means any per transaction fee agreed to extend to its customer;

(e) Electronic funds transfer means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through a point-of-sale terminal, an automatic teller machine, or a personal terminal for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account;

(f) Essentially the same service means the same Nebraska automatic teller machine transaction offered by an establishing financial institution irrespective of the user financial institution, the Nebraska customer of which initiates the Nebraska automatic teller machine transaction. A Nebraska automatic teller machine transaction that is subject to a surcharge is not essentially the same service as the same banking transaction for which a surcharge is not imposed;

(g) Establishing financial institution means any financial institution which has a main chartered office or approved branch located in the State of Nebraska that establishes or sponsors an automatic teller machine or an out-of-state financial institution that establishes or sponsors an automatic teller machine;

(h) Financial institution means a bank, savings bank, building and loan association, savings and loan association, or credit union, whether chartered by the department, the United States, or a foreign state agency; any other similar organization which is covered by federal deposit insurance; or a subsidiary of any such entity;
(i) Foreign financial institution means a financial institution located outside the United States;
(ii) Nebraska automatic teller machine transaction means a banking transaction as defined in subsection (i) of this section which is (i) initiated at an automatic teller machine established in whole or in part or sponsored by an establishing financial institution, (ii) for an account of a Nebraska customer of a user financial institution, and (iii) processed through a switch regardless of whether it is routed directly or indirectly from an automatic teller machine;

(k) Personal terminal means a personal computer and telephone, wherever located, operated by a customer of a financial institution for the purpose of initiating a transaction affecting an account of the customer;

(l) Sponsorship of an automatic teller machine means the acceptance of responsibility by an establishing financial institution for compliance with all provisions of law governing automatic teller machines and Nebraska automatic teller machine transactions in connection with an automatic teller machine owned by a nonfinancial institution third party;

(m) Switch fee means a fee established by a switch and assessed to a user financial institution or to an establishing financial institution other than an automatic teller machine usage fee; and

(n) User financial institution means any financial institution which has a main chartered office or approved branch located in the State of Nebraska which avails itself of and provides its customers with automatic teller machine services.

Sec. 8. Section 8-183.04, Reissue Revised Statutes of Nebraska, is amended to read:
8-183.04 (1) Notwithstanding any other provision of the Nebraska Banking Act or any other Nebraska law, a state or federal savings association which was formed and in operation as a mutual savings association as of July 15, 1998, may elect to retain its mutual form of corporate organization upon conversion to a state bank.

(2) All references to shareholders or stockholders for state banks shall be deemed to be references to members for such a converted savings association.

(a) The amount and type of capital required for such a converted savings association shall be as required for federal mutual savings associations in 12 C.F.R. 5.21, as such regulation existed on January 1, 2023 2022, except that if at any time the department determines that the capital of such a converted savings association is impaired, the director may require the members to make up the capital impairment.

(b) The director may adopt and promulgate rules and regulations governing such converted mutual savings associations. In adopting and promulgating such rules and regulations, the director may consider the provisions of sections 8-301 to 8-384 governing savings associations in mutual form of corporate organization.

Sec. 9. Section 8-1,140, Reissue Revised Statutes of Nebraska, is amended to read:
8-1,140 Notwithstanding any of the other provisions of the Nebraska Banking Act or any other Nebraska statute, any bank incorporated under the laws of this state and organized under the provisions of the act, or under the laws of any other state as they existed prior to May 9, 1933, shall directly, or indirectly through a department, a subsidiary, or subsidiaries, have all the rights, powers, privileges, benefits, and immunities which may be exercised as of January 1, 2023 2022, by a federally chartered bank doing business in Nebraska, including the exercise of all powers and activities that are permitted for a financial subsidiary of a federally chartered bank. Such rights, powers, privileges, benefits, and immunities shall not relieve such bank from payment of state taxes assessed under any applicable laws of this state.

Sec. 10. Section 8-318, Reissue Revised Statutes of Nebraska, is amended to read:
8-318 (1)(a) Shares of stock in any association, or in any federal savings and loan association incorporated under the provisions of the federal Home Owners' Loan Act, with its principal office and place of business in this state, may be subscribed for, held, transferred, surrendered, withdrawn, and in the manner and with the same binding effect as though such person were of the age of majority, except that a minor or his or her estate shall not be bound on his or her subscription to stock except to the extent of payments actually made thereon.

(b) Whenever a share account is accepted by any building and loan association in the name of any person, regardless of age, the deposit may be withdrawn by the shareholder by any of the following methods:

(i) Check or other instrument in writing. The check or other instrument in writing constitutes a receipt or acquittance if the check or other instrument in writing is signed by the shareholder and constitutes a valid release in discharge to the building and loan association for all payments so made; or

(ii) Electronic means through:
(A) Preauthorized direct withdrawal;
(B) An automatic teller machine;
(C) A debit card;
(D) A transfer by telephone;
(E) A network, including the Internet; or
(F) Any electronic terminal, computer, magnetic tape, or other electronic
means.

(c) This section shall not be construed to affect the rights, liabilities, or responsibilities of participants in an electronic fund transfer under the federal Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq., as it existed on January 1, 2023 2022, and shall not affect the legal relationships between a minor and any person other than the building and loan association.

(2) All trustees, guardians, personal representatives, administrators, and conservators appointed by the courts of this state may invest and reinvest, acquire, make withdrawals in whole or in part, hold, transfer, or make new or additional investments in or transfers of shares of stock in any (a) building and loan association organized under the laws of the State of Nebraska or (b) federal savings and loan association incorporated under the provisions of the federal Home Owners' Loan Act, having place of business in this state, without an order of approval from any court.

(3) Trustees created solely by the terms of a trust instrument may invest in, acquire, hold, and transfer such shares, and make withdrawals, in whole or in part, therefrom, without any order of court, unless expressly limited, restricted, or prohibited therefrom by the terms of such trust instrument.

8. All building and loan associations referred to in this section are qualified to act as trustee or custodian within the provisions of the federal Self-Employed Individuals Tax Retirement Act of 1962, as amended, or under the terms and provisions of section 408(a) of the Internal Revenue Code, if the provisions of such retirement plan require the funds of such trust or custodianship to be invested exclusively in shares or accounts in the association or in other associations. If any such retirement plan, within the judgment of the association, constitutes a qualified plan under the federal Self-Employed Individuals Tax Retirement Act of 1962, or under the terms and provisions of section 408(a) of the Internal Revenue Code, and the regulations promulgated thereunder at the time the trust was established and accepted by the association, is subsequently determined not to be such a qualified plan or subsequently ceases to be such a qualified plan, in whole or in part, the association may continue to act as trustee of any deposits theretofore made under such plan and to dispose of the same in accordance with the directions of the instrument. No association shall, in respect of any retirement plan to which this section has been applied, be required to segregate such savings from other assets of the association. The association shall keep appropriate records showing in proper detail all transactions engaged in under the authority of this section.

Sec. 11. Section 8-355, Reissue Revised Statutes of Nebraska, is amended to read:

8-355 Notwithstanding any of the provisions of Chapter 8, article 3, or any other Nebraska statute, except as provided in section 8-345.02, any association incorporated under the laws of the State of Nebraska and organized under the provisions of such article shall have all the rights, powers, privileges, benefits, and immunities which may be exercised as of January 1, 2023 2022, by a federal savings and loan association doing business in Nebraska. Such rights, powers, privileges, benefits, and immunities shall not relieve such association from payment of state taxes assessed under any applicable laws of this state.

Sec. 12. Section 8-602, Reissue Revised Statutes of Nebraska, is amended to read:

8-602 The Director of Banking and Finance shall charge and collect fees for certain services rendered by the Department of Banking and Finance according to the following schedule:

(1) For filing and examining articles of incorporation, articles of association, and bylaws, except credit unions, one hundred dollars, and for credit unions, fifty dollars;
(2) For filing and examining an amendment to articles of incorporation, articles of association, and bylaws, except credit unions, fifty dollars, and for credit unions, fifteen dollars;
(3) For issuing to banks, credit card banks, trust companies, and building and loan associations a charter, authority, or license to do business in this state, a sum which shall be determined on the basis of one dollar and fifty cents for each one thousand dollars of authorized capital, except that the minimum fee in each case shall be twenty-five dollars in whole or in part, and the maximum fee, in whole or in part, shall be five hundred dollars;
(4) For issuing to digital asset depositories under the Nebraska Financial Innovation Act a charter, an authority, or a license to do business in this state, the sum of fifty thousand dollars;
(5) For issuing an executive officer's or loan officer's license, fifty dollars at the time of the initial license, except credit unions for which the fee is twenty-five dollars at the time of the initial license;
(6) For affixing certificate and seal, five dollars;
(7) For making substitution of securities held by it and issuing a receipt, fifteen dollars;
(8) For issuing a certificate of approval to a credit union, ten dollars;
(9) For investigating the applications required by sections 8-117, 8-120, 8-331, and 8-2402 and the documents required by section 8-201, the cost of such examination, investigation, and inspection, including all legal expenses and the cost of any hearing transcript, with a minimum fee under (a) sections 8-117, 8-120, and 8-2402 of two thousand five hundred dollars, (b) section 8-331 of two thousand dollars, and (c) section 8-201 of one thousand dollars.

The department may require the applicant to procure and give a surety bond in such principal amount as the department may determine and conditioned for the
payment of the fees provided in this subdivision;
(18) For the handling of pledged securities as provided in sections 8-210, and 8-2101 to 8-2122 and one of the initial deposit of such securities, one dollar and fifty cents for each thousand dollars of securities deposited and a like amount on or before January 15 each year thereafter. The fees shall be paid by the entity pledging the securities;
(19) For investigating an application to move its location within the city or village limits of its original charter for banks, trust companies, and building and loan associations, two hundred fifty dollars;
(20) For investigating an application under subdivision (6) of section 8-115, five hundred dollars;
(21) For investigating an application for approval to establish or acquire a branch pursuant to section 8-157 or 8-2103 to establish a mobile branch pursuant to section 8-157, two hundred fifty dollars;
(22) For investigating a notice of acquisition of control under subsection (1) of section 8-1562, five hundred dollars;
(23) For investigating an application for a cross-industry merger under section 8-1518, five hundred dollars;
(24) For investigating an application for a merger of two state banks, a merger of a state bank and a national bank in which the state bank is the surviving entity, or an interstate merger application in which the Nebraska state chartered bank is the resulting bank, five hundred dollars;
(25) For investigating an application or a notice to establish a branch trust office, five hundred dollars;
(26) For investigating an application or a notice to establish a representative trust office, five hundred dollars;
(27) For investigating an application to establish a credit union branch under section 21-1725.01, two hundred fifty dollars;
(28) For investigating an applicant under section 8-1513, five thousand dollars;
(29) For investigating a request to extend a conditional bank charter under section 8-117, one thousand dollars; and
(30) For investigating an application to establish a branch office, for a mergers or acquisitions of control, or for a request to extend a conditional charter for a digital asset depository, five hundred dollars.
Sec. 13. Section 8-1101, Reissue Revised Statutes of Nebraska, is amended to read:
8-1101 For purposes of the Securities Act of Nebraska, unless the context otherwise requires:
(1) Agent means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect sales of securities, but agent does not include an individual who represents (a) an issuer in (i) effecting a transaction in a security exempted by subdivision (8), (7), or (8) of section 8-1110, (ii) effecting certain transactions exempted by section 8-1111, (iii) effecting transactions in a federal covered security as described in section 18(b)(3) of the Securities Act of 1933, or (iv) effecting transactions with existing entities, limited liability company members, partners, or directors of the issuer or any of its subsidiaries if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state or (b) a broker-dealer in effecting transactions described in section 15(h)(2) of the Securities Exchange Act of 1934. A partner, limited liability company member, officer, or director of a broker-dealer is an agent only if he or she otherwise comes within this definition;
(2) Broker-dealer means any person engaged in the business of effecting transactions in securities for the account of others or for his or her own account. Broker-dealer does not include (a) an issuer-dealer, agent, bank, savings institution, or trust company, (b) an issuer effecting a transaction in its own security exempted by subdivision (5)(a), (b), (c), (d), (e), or (f) of section 8-1110 or which qualifies as a federal covered security pursuant to section 18(b)(1) of the Securities Act of 1933, (c) a person who has no place of business in this state if he or she effects transactions in this state exclusively with or through the issuers of the securities involved in the transactions, other broker-dealers, or banks, savings institutions, credit unions, other investment companies, insurance companies, and building and loan associations, (d) a person in effecting transactions in a federal covered security as described in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, (d) a person who has no place of business in this state if during any period of twelve consecutive months he or she does not direct more than five offers to sell or to buy into this state in any manner to persons other than those specified in subdivision (2)(c) of this section, or (e) a person who is a resident of Canada and who has no office or other physical presence in Nebraska if the following conditions are satisfied: (i) The person must be registered with, or be a member of, a securities self-regulatory organization in Canada or a stock exchange in Canada; (ii) the person, in effecting, in connection with, or for a Canadian client, a transaction with or for a Canadian client who is temporarily present in this state or with whom the Canadian broker-dealer had a bona fide customer relationship before the client entered this state or (b) a transaction with or for a Canadian client in a self-directed tax advantaged retirement plan in which of that client is the holder or contributor; and (iv) the
person complies with all provisions of the Securities Act of Nebraska relating to the disclosure of material information in connection with the transaction; (2) "Department" means the Department of Banking and Finance. Director means the Director of Banking and Finance of the State of Nebraska except as further provided in section 8-1120; (4) "Federal covered adviser" means a person who is registered under section 203 of the Investment Advisers Act of 1940; (5) "Federal covered security" means any security described as a covered security under section 10(b) of the Securities Act of 1933 or rules and regulations under the act; (6) "Guaranteed" means guaranteed as to payment of principal, interest, or dividends; (7) "Investment adviser" means any person who for compensation engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities or who for compensation and as a part of a regular business issues or promulgates analyses or reports concerning securities. Investment adviser also includes financial planners and other persons who, as an integral component of other financially related services, provide the foregoing investment advisory services to others for compensation and as part of a business or who hold themselves out as providing the foregoing investment advisory services to others for compensation. Investment adviser does not include (a) an investment adviser representative, (b) a bank, savings institution, or trust company, (c) a lawyer, accountant, engineer, or teacher whose performance of these services is solely incidental to the practice of his or her profession, (d) a broker-dealer or its agent whose performance of these services is solely incidental to its business as a broker-dealer and who receives no special compensation for them, (e) an issuer-dealer, (f) a publisher of any bona fide newspaper, news column, newsletter, news magazine, or business or financial publication or service, whether communicated in hard copy form, by electronic means, or otherwise which does not consist of the rendering of advice on the basis of the specific investment situation of each client, (g) a person who has no place of business in this state if (i) his or her only clients in this state are other investment advisers, broker-dealers, banks, savings institutions, credit unions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or (ii) during the preceding twelve-month period, he or she has had five or fewer clients who are residents of this state other than those persons specified in subdivision (g)(i) of this subdivision, (h) any person that is a federal covered adviser or is excluded from the definition of investment adviser under section 262 of the Investment Adviser Act of 1940, or (i) such other persons not within the intent of this subdivision as the director may by rule and regulation or order designate; (8) "Investment adviser representative" means any partner, limited liability company member, officer, or director or any person occupying a similar status or performing similar functions of a partner, limited liability company member, officer, or director or other individual, except clerical or ministerial personnel employed in investment associated with an investment adviser, who is registered or required to be registered under the Securities Act of Nebraska or who has a place of business located in this state and is employed by or associated with a federal covered adviser, and who (a) makes any recommendations or otherwise renders advice regarding securities, (b) manages accounts or portfolios of clients, (c) determines which recommendation or advice regarding securities should be given, (d) solicits, offers, or negotiates for the sale of or sells investment advisory services, or (e) supervises employees who perform any of the foregoing; (9) "Issuer" means any person who issues or proposes to issue any security, except that (a) with respect to certificates of deposit, voting-trust certificates, or collateral-trust certificates or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors, or persons performing similar functions, or of the fixed, restricted management, or unit type, the term issuer means the person or persons performing the acts and assuming the liabilities or obligations pursuant to the provisions of the trust or other agreement or instrument under which the security is issued and (b) with respect to a fractional or pooled interest in a viatical settlement contract, issuer means the person who creates, for the purpose of sale, the fractional or pooled interest. In the case of a viatical settlement contract that is not fractionalized or pooled, issuer means the person effecting a transaction with a purchaser of such contract; (10) "Issuer-dealer" means (a) any issuer located in the State of Nebraska or (b) any issuer which registered its securities by qualification who proposes to sell to the public of the State of Nebraska the securities that it issues without the benefit of another registered broker-dealer. Such securities shall have been approved for sale in the State of Nebraska pursuant to section 8-1104; (11) "Nonissuer" does not mean directly or indirectly for the benefit of the issuer; (12) "Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint-stock company, a trust in which the interests of the beneficiaries are evidenced by a security, an unincorporated
organization, a government, or a political subdivision of a government;

(13) Sale or sell includes every contract of sale of, contract to sell, or disposition for a security for value; offer to sell includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value. Any security given or delivered with or as a bonus on account of any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value. A purported gift of assessable stock shall be considered to involve an offer and sale. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, shall be considered to include an offer of the other security;


(15) Security means any note, stock, treasury stock, bond, debenture, units of beneficial interest in a real estate trust, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, viatical settlement contract or any fractional or pooled interest in such contract, membership interest in any limited liability company organized under Nebraska law or any other jurisdiction unless otherwise excluded from this definition, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of prospect, or in any interest in a instrument commonly known as a security, or any certificate of interest or participation in, temporary or interim certificate for, guarantee of, or warrant or right to subscribe to or purchase any of the foregoing. Security does not include any insurance or endowment policy or annuity contract issued by an insurance policy or contract. Viatical settlement contract does not include (a) the assignment, transfer, sale, devise, or bequest of a death benefit or ownership of a life insurance policy or contract for consideration which is less than the expected death benefit of the life insurance policy or contract. Viatical settlement contract does not include (a) the assignment, transfer, sale, devise, or bequest of a death benefit of a life insurance policy or contract to a viatical settlement provider or broker licensed pursuant to the Viatical Settlements Act, (b) the assignment of a life insurance policy or contract to a bank, savings bank, savings and loan association, credit union, or other licensed lending institution as collateral for a loan, or (c) the exercise of any interest of the assignee pursuant to the terms of a life insurance policy or contract and consistent with applicable law.

Sec. 14. Section 8-1101.01, Reissue Revised Statutes of Nebraska, is amended to read:

8-1101.01 For purposes of the Securities Act of Nebraska:

(1) Federal rules and regulations adopted under the Investment Advisors Act of 1940 or the Securities Act of 1933 means such rules and regulations as they existed on January 1, 2023 2022; and

(2) Fair practice or ethical rules or standards promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority, or a self-regulatory organization approved by the Securities and Exchange Commission means such practice, rules, or standards as they existed on January 1, 2023 2022.

Sec. 15. Section 8-1704, Reissue Revised Statutes of Nebraska, is amended to read:

8-1704 CFTC rule shall mean any rule, regulation, or order of the Commodity Futures Trading Commission in effect on January 1, 2023 2022.

Sec. 16. Section 8-1707, Reissue Revised Statutes of Nebraska, is amended to read:


Sec. 17. Section 8-2724, Reissue Revised Statutes of Nebraska, is amended to read:

8-2724 (1) The requirement for a license under the Nebraska Money Transmitters Act does not apply to:

(a) The United States or any department, agency, or instrumentality thereof;

(b) Any post office of the United States Postal Service;

(c) A state or any political subdivision thereof;
(d)(i) Banks, credit unions, digital asset depository institutions as defined in section 8-3063, building and loan associations, savings and loan associations, savings banks, or mutual banks organized under the laws of any state or the United States;
(ii) Subsidiaries of the institutions listed in subdivision (d)(i) of this subsection;
(iii) Bank holding companies which have a banking subsidiary located in Nebraska and whose debt securities have an investment grade rating by a national rating agency; or
(iv) Authorized delegates of the institutions and entities listed in subdivision (d)(i), (ii), or (iii) of this subsection, except that authorized delegates that are not banks, credit unions, building and loan associations, savings and loan associations, savings banks, mutual banks, subsidiaries of any of the foregoing, or bank holding companies shall comply with all requirements imposed upon authorized delegates under the act;
(e) The provision of electronic transfer of government benefits for any federal, state, or county governmental agency, as defined in Consumer Financial Protection Bureau Regulation E, 12 C.F.R. part 1005, as such regulation existed on January 1, 2022, by a contractor for and on behalf of the United States or any department, agency, or instrumentality thereof or any state or any political subdivision thereof;
(f) An operator of a payment system only to the extent that the payment system provides processing, clearing, or settlement services between or among persons who are all exempt under this section in connection with wire transfers, credit card transactions, debit card transactions, automated clearinghouse transfers, or similar fund transfers; or
(g) A person, firm, corporation, or association licensed in this state and acting within this state within the scope of a license:
(1) As a collection agency pursuant to the Collection Agency Act;
(ii) As a debt management business pursuant to section 8-2739, is not required to obtain a license under the Nebraska Money Transmitters Act, except that such an authorized delegate shall comply with the other provisions of the act which apply to money transmission transactions.
Sec. 18. Section 8-2903, Reissue Revised Statutes of Nebraska, is amended to read:
8-2903 (1) When a financial institution, or an employee of a financial institution, reasonably believes, or has received information from the department or a law enforcement agency demonstrating that it is reasonable to believe, that financial exploitation of a vulnerable adult or senior adult may have occurred, may have been attempted, is occurring, or is being attempted, the financial institution may, but is not required to:
(a) Delay or refuse a transaction with or involving the vulnerable adult or senior adult;
(b) Delay or refuse to permit the withdrawal or disbursement of funds contained in the vulnerable adult's or senior adult's account;
(c) Prevent a change in ownership of the vulnerable adult's or senior adult's account;
(d) Prevent a transfer of funds from the vulnerable adult's or senior adult's account to an account owned wholly or partially by another person;
(e) Refuse to comply with instructions given to the financial institution by an agent or a person acting for or with an agent under a power of attorney signed or purported to have been signed by the vulnerable adult or senior adult; or
(f) Prevent the designation or change the designation of beneficiaries to receive any property, benefit, or contract rights for a vulnerable adult or senior adult at death.
(2) A financial institution is not required to act under subsection (1) of this section when provided with information alleging that financial exploitation may have occurred, may have been attempted, is occurring, or is being attempted. The financial institution may, but may not be required to, determine whether or not to act under subsection (1) of this section based on the information available to the financial institution at the time.
(3)(a)(i) A financial institution may notify any third party reasonably associated with a vulnerable adult or senior adult if the financial institution reasonably believes that the financial exploitation of a vulnerable adult or senior adult may have occurred, may have been attempted, is occurring, or is being attempted.
(ii) A third party reasonably associated with a vulnerable adult or senior adult includes, but is not limited to, the following: (A) A parent, spouse, adult child, sibling, or other known family member or close associate of a vulnerable adult or senior adult; (B) an authorized contact provided by a vulnerable adult or senior adult to the financial institution; (C) a co-owner, additional authorized signatory, or beneficiary on a vulnerable adult's or a senior adult's account; (D) an attorney in fact, trustee, conservator, guardian, or other fiduciary who has been selected by a vulnerable adult or senior adult, a court, or a third party to manage some or all of the financial affairs of the vulnerable adult or senior adult; and (E) an attorney known to represent or have represented the vulnerable adult or senior adult.
(b) A financial institution may choose not to notify any third party reasonably associated with a vulnerable adult or senior adult of suspected financial exploitation of the vulnerable adult or senior adult if the financial institution reasonably believes the third party is, may be, or may have been engaged in the financial exploitation of the vulnerable adult or senior adult or if requested to refrain from making a notification by a law enforcement agency, if such notification could interfere with a law enforcement investigation.

(c) Nothing in this subsection shall prevent a financial institution from notifying the department or a law enforcement agency, if the financial institution reasonably believes that the financial exploitation of a vulnerable adult or senior adult may have occurred, may have been attempted, is occurring, or is being attempted.

(4) The authority granted the financial institution under subsection (1) of this section expires upon the sooner of: (a) Thirty business days after the date on which the financial institution first acted under subsection (1) of this section; (b) when the financial institution is satisfied that the transaction or act will not result in financial exploitation of the vulnerable adult or senior adult; or (c) upon termination by an order of a court of competent jurisdiction.

(5) Unless otherwise directed by order of a court of competent jurisdiction, a financial institution may extend the duration under subsection (4) of this section based on a reasonable belief that the financial exploitation of a vulnerable adult or senior adult may continue to occur or continue to be attempted.

(6) A financial institution and its bank holding company, if any, and any employees, agents, officers, and directors of the financial institution and its bank holding company, if any, shall be immune from any civil, criminal, or administrative liability that may otherwise exist (a) for delaying or refusing to execute a transaction, withdrawal, or disbursement, or for not delaying or refusing to execute such transaction, withdrawal, or disbursement under this section and (b) for actions taken in furtherance of determinations made under subsections (1) through (5) of this section.

(b) Notwithstanding any other law to the contrary, the refusal by a financial institution to engage in a transaction as authorized under subsection (1) of this section shall not constitute the wrongful dishonor of an item under section 4-402, Uniform Commercial Code.

(1) Economic development initiatives demand buy-in and input from community stakeholders across multiple industries. The Legislature should send a strong message that Nebraska wants to bring high-tech jobs and digital asset operations to our state. Nebraska has an incredible opportunity to be a leader in this emerging technology;

(2) Nebraska desires to create an entrepreneurial ecosystem where young talent can be paired with private investors in order to create jobs, enhance our quality of life, and prevent the brain drain that is particularly acute in rural Nebraska. If Nebraska does not make intentional and meaningful changes to how it recruits and retains young people, Nebraska will be left behind;

(3) The rapid innovation of blockchain and digital ledger technology, including the growing use of virtual currency, digital assets, and other controllable electronic records has complicated the development of blockchain services and products in the marketplace;

(4) Blockchain innovators are able and willing to address banking compliance challenges such as federal customer identification, anti-money laundering, and beneficial ownership requirements to comply with regulators’ concerns;

(5) Compliance with federal and state laws, including, but not limited to, know-your-customer and anti-money-laundering rules and the federal Bank Secrecy Act, is critical to ensuring the future growth and reputation of the blockchain and technology industries as a whole; and

Sec. 20. Section 8-3002, Reissue Revised Statutes of Nebraska, is amended to read:

8-3002 The Legislature finds and declares that:

(1) Economic development initiatives demand buy-in and input from community stakeholders across multiple industries. The Legislature should send a strong message that Nebraska wants to bring high-tech jobs and digital asset operations to our state. Nebraska has an incredible opportunity to be a leader in this emerging technology;

(2) Nebraska desires to create an entrepreneurial ecosystem where young talent can be paired with private investors in order to create jobs, enhance our quality of life, and prevent the brain drain that is particularly acute in rural Nebraska. If Nebraska does not make intentional and meaningful changes to how it recruits and retains young people, Nebraska will be left behind;

(3) The rapid innovation of blockchain and digital ledger technology, including the growing use of virtual currency, digital assets, and other controllable electronic records has complicated the development of blockchain services and products in the marketplace;

(4) Blockchain innovators are able and willing to address banking compliance challenges such as federal customer identification, anti-money laundering, and beneficial ownership requirements to comply with regulators’ concerns;

(5) Compliance with federal and state laws, including, but not limited to, know-your-customer and anti-money-laundering rules and the federal Bank Secrecy Act, is critical to ensuring the future growth and reputation of the blockchain and technology industries as a whole; and

(6) Authorizing digital asset depositories in Nebraska will provide a necessary and valuable service to blockchain innovators and customers, emphasize Nebraska's partnership with the technology and financial industries industry, safely grow this state's ever-evolving financial sector, and afford more opportunities for Nebraska residents.

Sec. 20. Section 8-3003, Reissue Revised Statutes of Nebraska, is amended to read:

8-3003 For purposes of the Nebraska Financial Innovation Act:

(1) Blockchain means a distributed digital record of controllable electronic record transactions;

(2) Centralized finance means centralized digital asset exchanges, businesses, or organizations with a valid physical address;

(3) Control has the following meaning:

(a) A person has control of a controllable electronic record if:
(i) The following conditions are met:

(A) The controllable electronic record or the system in which it is recorded, if any, gives the person:

(I) The power to derive substantially all the benefit from the controllable electronic record;

(II) Subject to subdivision (b) of this subdivision, the exclusive power to prevent others from deriving substantially all the benefit from the controllable electronic record; and

(III) Subject to subdivision (b) of this subdivision, the exclusive power to transfer control of the controllable electronic record to another person or cause another person to obtain control of a controllable electronic record that derives from the controllable electronic record; and

(B) The controllable electronic record, a record attached to or logically associated with the controllable electronic record, or the system in which the controllable electronic record is recorded, if any, enables the person to readily identify itself as having the powers specified in subdivision (a)(i) of this subdivision; or

(ii) Another person obtains control of the controllable electronic record on behalf of the person, or having previously obtained control of the controllable electronic record, acknowledges that it has control on behalf of the person.

(b) A power specified in subdivisions (3)(a)(i)(A)(II) or (III) of this section can be exclusive, even if:

(i) The controllable electronic record or the system in which it is recorded, if any, limits the use to which the controllable electronic record may be put or has protocols that are programmed to result in a transfer of control; and

(ii) The person has agreed to share the power with another person.

(c) For the purposes of subdivision (3)(a)(i)(B) of this section, a person may be identified in any way, including by name, identifying number, cryptographic key, office, or account number;

(4) Controllable electronic borrowing means the act of receiving digital assets or the use of digital assets from a lender in exchange for the payment to the digital asset lender of interest, fees, or other rewards;

(5) Controllable electronic record means an electronic record that can be subjected to control. The term has the same meaning as digital asset and does not include electronic chattel paper, electronic documents, investment property, and transferable records under the Uniform Electronic Transactions Act;

(6) Controllable electronic record exchange means a business that allows customers to purchase, sell, convert, send, receive, or trade digital assets for other digital assets;

(7) Controllable electronic record lending means the act of providing digital assets to a borrower in exchange for digital assets, interest, fees, or rewards;

(8) Controllable electronic records staking means the act of pledging a digital asset or token with an expectation of gaining digital assets, interest, fees, or other rewards on such act;

(9) Customer means a digital asset depositor or digital asset account holder;

(10) Decentralized finance means digital asset exchanges, businesses, or organizations operating independently on blockchains;

(11) Department means the Department of Banking and Finance;

(12) Digital asset depository means a financial institution that securely holds liquid assets when such assets are in the form of controllable electronic records, either as a corporation organized, chartered, and operated pursuant to the Nebraska Financial Innovation Act as a digital asset depository institution or a financial institution operating a digital asset depository business as a digital asset depository department under a charter granted grant of authority by the director;

(13) Digital asset depository department means a financial institution operating a digital asset depository business as a digital asset depository department under a charter granted grant of authority by the director;

(14) Digital asset depository institution means a corporation operating a digital asset depository business organized and chartered pursuant to the Nebraska Financial Innovation Act;

(15) Director means the Director of Banking and Finance;

(16) Financial institution means a bank, savings bank, building and loan association, or savings and loan association chartered by the United States, the department, or a foreign state agency; or a trust company;

(17) Fork means a change to the protocol of a blockchain network;

(18) Independent node verification network means a shared electronic database where copies of the same information are stored on multiple computers; and

(19) Stablecoin means a controllable electronic record cryptocurrency designed to have a stable value that is backed by a reserve asset.

Sec. 21. Section 8-3004, Reissue Revised Statutes of Nebraska, is amended to read:

8-3004 The director shall have the power to issue to corporations desiring to transact business as a digital asset depository institution charters of authority to transact digital asset depository business as defined in the Nebraska Financial Innovation Act. The director shall have general supervision and control over such digital asset depositories.

-16-
Sec. 22. Section 8-3005, Reissue Revised Statutes of Nebraska, is amended to read:

8-3005 (1)(a) A digital asset depository may:
(i) Make contracts as a corporation under Nebraska law;
(ii) Sue and be sued;
(iii) Receive notes as permitted by federal law;
(iv) Carry on a nonlending digital asset banking business for customers, consistent with subdivision (2)(b) of this section;
(v) Provide payment services upon the request of a customer; and
(vi) Make an application to become a member bank of the federal reserve system.
(b) A digital asset depository shall maintain its main office and the primary office of its chief executive officer in Nebraska.
(c) As otherwise authorized by this section, a digital asset depository may conduct business with customers outside this state.
(2)(a) A digital asset depository institution, consistent with the Nebraska Financial Innovation Act, shall be organized as a corporation under the Nebraska Model Business Corporation Act to exercise the powers set forth in subsection (1) of this section.
(b) A digital asset depository institution shall not accept demand deposits of United States currency or United States currency that may be accessed or withdrawn by check or similar means for payment to third parties and except as otherwise provided in this subsection, a digital asset depository institution shall not make any consumer loans to consumers for personal, property or household purposes, mortgage loans, or commercial loans of any fiat currency including, but not limited to, United States currency, including the provision of temporary credit relating to overdrafts. Notwithstanding this prohibition against fiat currency lending by a digital asset depository institution, a digital asset depository institution may facilitate the provision of digital asset business services resulting from the interaction of customers with centralized finance or decentralized finance platforms including, but not limited to, controllable electronic record exchange, staking, controllable electronic record lending, and controllable electronic record borrowing. A digital asset depository institution may purchase debt obligations specified by subdivision (2)(c) of section 8-3009.
(c) A Subject to the laws of the host state, a digital asset depository institution may open a branch in this state or in another state in the manner set forth in section 8-157 or 8-2903. A branch in another state is subject to the laws of the host state. A digital asset depository institution, including any branch of the digital asset depository institution, may only accept digital asset deposits or provide other digital asset business services under the Nebraska Financial Innovation Act to individual customers or a customer that is a legal entity other than a natural person engaged in a bona fide business which is lawful under the laws of Nebraska, the laws of the host state if the entity is headquartered in another state, and federal law.
(3) The deposit limitations of subdivision (2)(a)(ii) of section 8-157 shall not apply to a digital asset depository.
(4) Any United States currency coming into an account established by a customer of a digital asset depository institution shall be held in a financial institution, if one is insured by the Federal Deposit Insurance Corporation, which maintained a main-chartered office in this state, any branch thereof in this state, or any branch of the financial institution which maintained the main-chartered office in this state prior to becoming a branch of such financial institution.
(5) A digital asset depository institution shall establish and maintain programs for compliance with the federal Bank Secrecy Act, in accordance with 12 C.F.R. 208.63, as the act and rule existed on January 1, 2023.
(6) A digital asset depository shall help meet the digital financial needs of the communities in which it operates, consistent with safe and sound operations, and shall maintain and update a public file available to any person on request and on any Internet website or mobile application it maintains containing specific information about its efforts to meet community needs, including:
(a) The collection and reporting of data;
(b) Its policies and procedures for accepting and responding to consumer complaints; and
(c) Its efforts to assist with financial literacy or personal finance programs to increase knowledge and skills of Nebraska students in areas such as digital assets, budgeting, credit, checking and savings accounts, loans, stocks, and insurance.
Sec. 22. Section 8-3007, Reissue Revised Statutes of Nebraska, is amended to read:

8-3007 (1) No customer shall open or maintain an account with a digital asset depository or otherwise receive any services from the digital asset depository unless the customer meets the criteria of this subsection. A customer shall:
(a) Make sufficient evidence available to the digital asset depository to enable compliance with anti-money laundering, customer identification, and beneficial ownership requirements, as determined by the federal Bank Secrecy Act guidance and the policies and practices of the institution; and
(b) If the customer is a legal entity other than a natural person:
(i) Be in good standing with the jurisdiction in the United States in which it is incorporated or organized; and
(ii) Be engaged in a business that is lawful and bona fide in Nebraska, in the host state, if applicable, and under federal law consistent with subsection (3) of this section.

(2) A customer which meets the criteria of subsection (1) of this section may be issued a digital asset depository account and otherwise receive services from the digital asset depository, contingent on the digital asset depository maintaining availability of sufficient insurance under subsection (5) of section 8-3023.

(3) Consistent with subdivisions (1)(a)(iv) and (v) of section 8-3005, and in addition to any requirements specified by federal law, a digital asset depository shall require that any potential customer that is a legal entity other than a natural person provide reasonable evidence that the entity is engaged in a business that is lawful and bona fide in Nebraska, in the host state, if applicable, and under federal law or is likely to open a lawful, bona fide business within a federal Bank Secrecy Act compliant timeframe, as the act existed on January 1, 2022. For purposes of this subsection, reasonable evidence includes business entity filings, articles of incorporation or organization, bylaws, operating agreements, business plans, promotional materials, financing agreements, or other evidence.

Sec. 24. Section 8-3008, Reissue Revised Statutes of Nebraska, is amended to read:

8-3008 The terms and conditions of a customer's digital asset depository account at a digital asset depository shall be disclosed at the time the customer contracts for a digital asset business service. Such disclosure shall be full and complete, contain no material misrepresentations, be in readily understandable language, and shall include, as appropriate and to the extent applicable:

(1) A schedule of fees and charges the digital asset depository may assess, the manner by which fees and charges will be calculated if they are not set in advance and disclosed, and the timing of the fees and charges;

(2) A statement that the customer's digital asset depository account is not protected by the Federal Deposit Insurance Corporation;

(3) A statement whether there is support for forked networks of each digital asset;

(4) A statement that investment in digital assets is volatile and subject to market losses;

(5) A statement that investment in digital assets may result in total loss of value;

(6) A statement that legal, legislative, and regulatory changes may impact the value of digital assets;

(7) A statement that customers should perform research before investing in digital assets;

(8) A statement that transfers of digital assets are irrevocable, if applicable;

(9) A statement as to how liability for an unauthorized, mistaken, or accidental transfer shall be apportioned;

(10) A statement that digital assets are not legal tender in any jurisdiction;

(11) A statement that digital assets may be subject to cyber theft or theft and become unrecoverable;

(12) A statement about who maintains control, ownership, and access to any private key related to a digital assets customer's digital asset account;

(13) A statement that losing private key information may result in permanent total loss of access to digital assets.

Sec. 25. Section 8-3011, Reissue Revised Statutes of Nebraska, is amended to read:

8-3011 (1) With respect to all digital asset business activities, a digital asset depository shall display and include in all advertising, in all marketing materials, on any Internet website or mobile application it maintains, and at each window or place where it accepts digital asset deposits, a notice conspicuously stating that digital asset deposits and digital asset accounts are not insured by the Federal Deposit Insurance Corporation, if applicable, and (b) the following conspicuous statement: Holdings of digital assets are speculative and involve a substantial degree of risk, including the risk of complete loss. There is no assurance that any digital asset will be viable, liquid, or solvent. Nothing in this communication is intended to imply that any digital asset held in custody by a digital asset depository is low-risk or risk-free. Digital assets held in custody are not guaranteed by a digital asset depository and are not FDIC insured by the Federal Deposit Insurance Corporation.

(2) Upon opening a digital asset depository account, and if applicable, a digital asset depository shall require each customer to execute a statement acknowledging that all digital asset deposits at the digital asset depository are not insured by the Federal Deposit Insurance Corporation. The digital asset depository shall permanently retain this acknowledgment, whether in electronic form or as a signature card.

Sec. 26. Section 8-3012, Reissue Revised Statutes of Nebraska, is amended to read:

8-3012 (1) Except as otherwise provided by subsection (5) of this section, five or more adult persons, including at least one Nebraska resident, may form a digital asset depository institution. The incorporators shall subscribe the articles of incorporation and transmit them and the bylaws of the digital asset depository to the director as part of an application for a charter under
section 8-3013. (1) The capital stock of each digital asset depository institution chartered under the Nebraska Financial Innovation Act shall be subscribed for as paid-up stock. No digital asset depository institution shall be chartered with capital stock of less than ten million dollars. (2) No digital asset depository institution shall commence business until the full amount of its authorized capital is subscribed and all capital stock is fully paid in. No digital asset depository institution may be chartered without a paid-up surplus fund of at least three years of estimated operating expenses in the amount disclosed pursuant to subsection (2) of section 8-3015 or any amount required by the director.

(3) A digital asset depository institution may acquire additional capital prior to the granting of a charter and shall report this capital as an amendment to its charter application.

Sec. 27. Section 8-3013, Reissue Revised Statutes of Nebraska, is amended to read:

8-3013 (1) The capital stock of each digital asset depository institution chartered under the Nebraska Financial Innovation Act shall be subscribed for as paid-up stock. No digital asset depository institution shall be chartered with capital stock of less than ten million dollars. (2) No digital asset depository institution shall commence business until the full amount of its authorized capital is subscribed and all capital stock is fully paid in. No digital asset depository institution may be chartered without a paid-up surplus fund of at least three years of estimated operating expenses in the amount disclosed pursuant to subsection (2) of section 8-3015 or any amount required by the director.

(3) A digital asset depository institution may acquire additional capital prior to the granting of a charter and shall report this capital as an amendment to its charter application.

Sec. 28. Section 8-3014, Reissue Revised Statutes of Nebraska, is amended to read:

8-3014 (1) Any financial institution, having adopted or amended its articles of incorporation to authorize the conduct of a digital asset depository business may be further chartered by the director to transact a digital asset depository business in a digital asset depository department in connection with such financial institution. (2) The director has the authority to issue to financial institutions amendments to their charters of authority to transact a digital asset depository business, and has general supervision and control over such digital asset depository departments of financial institutions, and may require the injection of additional capital.

(3) The director, before granting to any financial institution the right to operate a digital asset depository department, shall require such financial institution to make an application for amendment of its charter, setting forth such information as the director may require.

(4) A digital asset depository department of a financial institution when chartered under subsection (1) of this section shall be separate and apart from every other department of the financial institution and shall have all of the powers, duties, and obligations of a digital asset depository institution as set forth in the Nebraska Financial Innovation Act.

(5) Any financial institution authorized to transact a digital asset depository business in a digital asset depository department pursuant to subsection (1) of this section may conduct such digital asset depository business at the office of any financial institution which is a subsidiary of the same bank holding company as the authorized financial institution.

(6) A financial institution may deposit or have on deposit funds of an accredited institution controlled by the financial institution's digital asset depository department unless prohibited by applicable law.

Sec. 29. Section 8-3015, Reissue Revised Statutes of Nebraska, is amended to read:

8-3015 (1) No corporation shall act as a digital asset depository without first obtaining authority to do so from the director under the Nebraska Financial Innovation Act.

(2) The incorporators under section 8-3012 shall apply to the director for a charter. The application shall contain the digital asset depository institution's articles of incorporation, bylaws, a detailed business plan, a comprehensive estimate of operating expenses for the first three years of operation, any proposal for compliance with the provisions of the Nebraska Financial Innovation Act, evidence of the capital and surplus required under section 8-3013, and any investors or owners holding ten percent or more equity in the digital asset depository institution. The director may prescribe the form of application.

(3) A financial institution may apply to the director for a charter authority to operate a digital asset depository business as a department. The application shall contain a detailed business plan, a comprehensive estimate of
operating expenses for the first three years of operation, and a complete proposal for compliance with the provisions of the Nebraska Financial Innovation Act. The director may prescribe the form of application.

(4) Each application for a charter or authority shall be accompanied by an application fee of fifty thousand dollars.

Sec. 30. Section 8-3016, Reissue Revised Statutes of Nebraska, is amended to read:

8-3016 (1) After a substantially complete application for a digital asset depository institution charter authority or a digital asset depository department institution charter has been submitted, the director shall notify the applicants in writing within thirty calendar days of any deficiency in the required information or that the application has been accepted for filing. When the director is satisfied that all required information has been furnished, the director shall establish a time and place for a public hearing which shall be conducted not less than one hundred twenty days, nor more than one hundred twenty days, after notice from the director to the applicants that the application is in order.

(2) Within thirty days after receipt of notice of the time and place of the public hearing, the department shall cause notice of filing of the application and the hearing to be published at the applicant's expense in a newspaper of general circulation within the county where the proposed digital asset depository is to be located. Publication shall be made at least once a week for three consecutive weeks before the hearing, stating the proposed location of the digital asset depository, the names of the applicants for a charter, the nature of the activities to be conducted by the proposed digital asset depository, and other information required by rule and regulation. The director shall electronically send notice of the hearing to state and national banks, federal savings and loan associations, state and federal credit unions, and other financial institutions in the state, federal agencies, and financial industry trade groups.

Sec. 31. Section 8-3017, Reissue Revised Statutes of Nebraska, is amended to read:

8-3017 The hearing required by section 8-3016 for a charter application or for authority to operate a digital asset depository shall be conducted under the Administrative Procedure Act and shall comply with the requirements of the act.

Sec. 32. Section 8-3018, Reissue Revised Statutes of Nebraska, is amended to read:

8-3018 Upon receiving an application for a charter to become a digital asset depository institution, or for a charter authority to operate a digital asset depository department, the applicable fee, and other information required by the director, the director shall make a careful investigation and examination of the following:

(1) The character, reputation, criminal record, financial standing, and ability of the shareholders owning ten percent or more equity in the applicant;

(2) The character, financial responsibility, criminal background, banking or other financial experience, and business qualifications of those proposed as officers and directors;

(3) Whether the applicant or any of its officers, directors, or shareholders owning ten percent or more equity in the applicant have ever been convicted of any (i) misdemeanor involving any aspect of a digital asset depository business or any business of a similar nature or (ii) felony;

(4) Whether the applicant or any of its officers, directors, or shareholders owning ten percent or more equity in the applicant have ever been permanently or temporarily enjoined by a court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of a digital asset depository business or any business of a similar nature;

(5) A criminal history record information check of the applicant, its officers, directors, and shareholders owning ten percent or more equity in the applicant. The direct cost of the criminal history record information check shall be paid by the applicant; and

(6) The application for a charter, or for authority to operate a digital asset depository, including the adequacy and plausibility of the business plan of the digital asset depository, the benefits to the customers, and whether the applicant has offered a complete proposal for compliance with the Nebraska Financial Innovation Act.

Sec. 33. Section 8-3019, Reissue Revised Statutes of Nebraska, is amended to read:

8-3019 (1) Within ninety days after receipt of the transcript of the public hearing, the director shall render a decision on the application based on the following criteria and requirements:

(a) Whether the character, reputation, criminal record, financial standing, and ability of the shareholders owning ten percent or more equity in the applicant are sufficient to afford reasonable promise of a successful operation;

(b) That the digital asset depository will be operated by officers of integrity and responsibility;

(c) Whether the character, financial responsibility, criminal background, and banking or other financial experience and business qualifications of those proposed as officers and directors are sufficient to afford reasonable promise of a successful operation;

(d) The adequacy and plausibility of the business plan of the digital asset depository institution, including the ongoing customer expectations of
the digital asset depository institution as determined by the director;

(e) Compliance by the digital asset depository institution with the capital and other requirements of section 8-3019.

(f) Whether the digital asset depository institution is being formed for no other purpose than legitimate objectives authorized by law;

(g) That the name of the proposed digital asset depository institution includes the words "digital asset bank" so that it does not resemble the name of any other financial institution transacting business in the state so as to cause confusion;

(h) That the digital asset depository will be operated in a safe and sound manner to benefit its customers;

(i) That the digital asset depository shall help meet the digital financial needs in which it operates, constitutes a community facility, and shall maintain and update a public file and on any Internet website or mobile application it maintains containing specific information about its efforts to meet community needs, including:

(1) The collection and reporting of data;

(2) Its policies and procedures for accepting and responding to consumer complaints; and

(iii) Its efforts to assist with financial literacy or personal finance programs to increase knowledge and skills of Nebraska students in areas such as digital assets, budgeting, credit, checking and savings accounts, loans, stocks, and insurance;

(j) Whether the applicants have complied with all provisions of state law and are eligible to apply for membership in the federal reserve system; and

(k) Any other considerations in addition to statutory requirements submitted by the applicant pursuant to operational order, rules and regulations, or request of the department.

8-3019 (2) The director shall approve an application upon making favorable findings on the criteria set forth in subsection (1) of this section. The if necessary, the director may either conditionally approve an application by specifying conditions relating to the criteria or may deny disapproving the application. The director shall state findings of fact and conclusions of law as required by Sec. 35. If the director approves the application, the director shall issue an order approving, conditionally approving, or denying the application.

Sec. 34. Section 8-3020, Reissue Revised Statutes of Nebraska, is amended to read:

8-3020 (1) If an application is approved, and a charter shall not be issued and if authority is granted by the director under section 8-3019, the digital asset depository shall not commence business before satisfaction of all conditions precedent contained in the director’s order or conditional order.

(2) If an approved digital asset depository fails to commence business in good faith within twelve months after the issuance of a charter or an order of authority to operate by the director, the charter or authority shall expire. The director, for good cause and upon an application filed prior to the expiration of the twelve-month six-month period, may extend the time within which the digital asset depository may open for business.

Sec. 35. Section 8-3021, Reissue Revised Statutes of Nebraska, is amended to read:

8-3021 Any decision of the department or director in approving, conditionally approving, or denying disapproving a charter or authority for a digital asset depository is appealable in accordance with the Administrative Procedure Act.

Sec. 36. Section 8-3022, Reissue Revised Statutes of Nebraska, is amended to read:

8-3022 (1) Except as otherwise provided by subsection (2) of this section, a digital asset depository shall, before transacting any business, pledge or furnish a surety bond to the director to cover costs likely to be incurred by the director in a liquidation or conservatorship of the digital asset depository. The amount of the surety bond or pledge of assets under subsection (2) of this section shall be determined by the director in an amount sufficient to defray the costs of a liquidation or conservatorship.

(2) In lieu of a bond, a digital asset depository may irrevocably pledge specified assets equivalent to subsection (1) of this section of any assets pledged to the director under this subsection shall be held in a state or nationally chartered bank, trust company, federal reserve bank, or savings and loan association having a principal or branch office in this state, excluding affiliated institutions. All costs associated with pledging and holding such assets are the responsibility of the digital asset depository.

(4) The digital asset depository shall have the right, with the approval of the director, to substitute other securities for those deposited and shall be required to do so on written order of the director made for good cause shown. Any assets deposited shall pay the fees prescribed in section 8-602 for pledging and substitution of securities. So long as the digital asset depository so pledging shall continue to be solvent and is not in violation of the Nebraska Financial Innovation Act, such digital asset depository shall be permitted to receive the interest or dividends on such deposit.

Sec. 37. Section 8-3023, Reissue Revised Statutes of Nebraska, is amended to read:

8-3023 (1) Surety bonds shall run to the State of Nebraska, and shall be approved under the terms and conditions required under section 8-110.

(6) The director may by order or rules and regulations establish
additional investment guidelines or investment options for purposes of the pledge or surety bond required by this section.

The event of a liquidation or conservatorship of a digital asset depository pursuant to section 8-3027, the director may, without regard to priorities, preferences, or adverse claims, reduce the surety bond or assets pledged under this section to cash as soon as practicable and utilize the cash to defray the costs associated with the liquidation or conservatorship.

(2) Upon evidence that the amount of the current surety bond is insufficient, the director may require a digital asset depository to increase its surety bond or pledged assets by providing not less than thirty days' written notice to the digital asset depository.

Sec. 37. Section 8-3023, Reissue Revised Statutes of Nebraska, is amended to read:

8-3023 (1) The director may call for reports verified under oath from a digital asset depository at any time as necessary to inform the director of the condition of the digital asset depository. Such reports shall be available to the public.

(2) All reports required of a digital asset depository by the director and all materials relating to examinations of a digital asset depository shall be subject to the provisions of sections 8-103 and 8-108.

(3) Every digital asset depository is subject to examination by the department to determine the condition and resources of a digital asset depository, the mode of managing digital asset depository affairs and conducting business, the actions of officers and directors in the investment and disposition of funds, the safety and prudence of digital asset depository management, and requirements of the Nebraska Financial Innovation Act, and such other matters as the director may require.

(4) A digital asset depository shall pay an assessment in a sum to be determined by the director in accordance with section 8-601 and approved by the Governor and the costs of any examination or investigation as provided in sections 8-108 and 8-806.

(5) A digital asset depository shall maintain appropriate insurance or a bond covering the operational risks of the digital asset depository, which shall include coverage for directors' and officers' liability, errors and omissions liability, and information technology infrastructure and activities liability, and business operations, as determined by the director.

Sec. 38. Section 8-3025, Reissue Revised Statutes of Nebraska, is amended to read:

8-3025 The director may suspend or revoke the charter or authority of a digital asset depository if, after notice and opportunity for a hearing, the director determines that:

(1) The digital asset depository has failed or refused to comply with an order issued under section 8-1,136, 8-2504, or 8-2743;

(2) The application for a charter or authority contained a materially false statement, misrepresentation, or omission; or

(3) An officer, a director, or an agent of the digital asset depository, in connection with an application for a charter or authority, an examination, a report, or other document filed with the director, knowingly made a materially false statement, misrepresentation, or omission to the department, the director, or the duly authorized agent of the department or director.

Sec. 39. Section 8-3026, Reissue Revised Statutes of Nebraska, is amended to read:

8-3026 If the charter or authority of a digital asset depository is surrendered, suspended, or revoked, the digital asset depository shall continue to be subject to the provisions of the Nebraska Financial Innovation Act during any liquidation or conservatorship.

Sec. 40. Section 8-3028, Reissue Revised Statutes of Nebraska, is amended to read:

8-3028 (1) A digital asset depository institution may voluntarily dissolve in accordance with this section. Voluntary dissolution shall be accomplished by either liquidating the digital asset depository institution or reorganizing the digital asset depository into an appropriate business entity that does not engage in any activity authorized only for a digital asset depository institution. Upon complete liquidation or completion of the reorganization, the director shall revoke the charter or authority of the digital asset depository institution. Thereafter, the corporation or business entity shall not use the words digital asset depository or digital asset bank in its business name or in connection with its ongoing business.

(2) A digital asset depository institution may dissolve its charter either by liquidation or reorganization. The board of directors shall file an application for dissolution with the director, accompanied by a filing fee established by an order or the rules and regulations of the director. The application shall include a comprehensive plan for dissolution including forth the proposed disposition of all assets and liabilities in reasonable detail to effect a liquidation or reorganization, and any other plans required by the director. The plan of dissolution shall provide for the discharge or assumption of all of the known and unknown claims and liabilities of the digital asset depository institution. Additionally, the application for dissolution shall include other evidence, certifications, affidavits, documents, or information as the director may require, including demonstration of how assets and
liabilities will be disposed, the timetable for effecting disposition of the assets and liabilities, and a proposal of the digital asset depository institution that are required after the dissolution has been completed. The director shall examine the application for compliance with this section, the business entity laws applicable to the required type of dissolution, and applicable orders and rules and regulations. The director may conduct a special examination of the digital asset depository institution, consistent with subsection (3) of section 8-3023, for purposes of evaluating the application.

(3) If the director finds that the application is incomplete, the director shall return it for completion not later than sixty days after it is filed. If the application is found to be complete by the director, the director shall approve or disapprove the application not later than thirty days after it is filed. If the director approves the application, the digital asset depository institution may proceed with the dissolution pursuant to the plan outlined in the application, subject to any further conditions the director may prescribe. If the digital asset depository institution subsequently determines that the plan of dissolution needs to be amended to complete the dissolution, it shall provide the director with a plan to complete the dissolution. If the director does not approve the application or amended plan, the digital asset depository institution may appeal the decision to the director pursuant to the Administrative Procedure Act.

(4) Upon completion of all actions required under the plan of dissolution and satisfaction of all conditions prescribed by the director, the digital asset depository institution shall submit a written report of its actions to the director. The report shall contain a certification made under oath that the report is true and correct. Following receipt of the report, the director, no later than sixty days after the filing of the report, shall examine the digital asset depository institution to determine whether the director is satisfied that all required actions have been taken in accordance with the plan of dissolution and any conditions prescribed by the director. If all requirements and conditions have been met, the director shall, within thirty days of the examination, notify the digital asset depository institution in writing that the director has been satisfied. The director may conduct a special examination of the digital asset depository department for cancellation to the department.

(5) Upon receiving an order of dissolution, the digital asset depository institution shall surrender its charter to the director. The digital asset depository institution shall then file articles of dissolution and other documents required by sections 21-2,184 to 21-2,291 for a corporation with the Secretary of State. In the case of reorganization, the digital asset depository institution shall file the documents required by the Secretary of State to finalize the reorganization.

(6) If the director determines that all required actions under the plan for dissolution, or as otherwise required by the director, have not been completed, the director shall notify the digital asset depository institution, no later than thirty days after this determination, in writing, of what additional actions shall be taken in order for the institution to be eligible for a certificate of dissolution. The director shall establish a reasonable deadline of up to thirty days for the submission of evidence that additional actions have been taken and the director may extend any deadline upon good cause. The digital asset depository institution shall file a final report showing that the additional actions have been taken before the deadline, or submits a report that is found not to be satisfactory by the director, the director shall notify the digital asset depository institution in writing that its voluntary dissolution is not approved, and the institution may appeal the decision to the director pursuant to the Administrative Procedure Act.

(7) A financial institution operating a digital asset depository department may, upon adoption of a resolution by its board of directors, and upon compliance with the provisions of this section, insofar as determined by the director by order or rule and regulation, surrender its charter for a digital asset depository department for cancellation to the department.

Sec. 41. Section 8-3030, Reissue Revised Statutes of Nebraska, is amended to read:

8-3030 Each officer, director, employee, or agent of a digital asset depository, following written notice from the director, is subject to removal upon the director’s decision to do so, of such officer, director, employee, or agent knowingly, willfully, or negligently:

(1) Fails to perform any duty required by the Nebraska Financial Innovation Act or other applicable law;
(2) Fails to conform to any order or rules and regulations of the director; or
(3) Endangers the interest of a customer or the safety and soundness of the digital asset depository.

Sec. 42. Section 10-110, Reissue Revised Statutes of Nebraska, is amended to read:

10-110 The county clerk shall ascertain from the assessment roll of the county the amount of taxable property in such county and the percentage required to be levied thereon to pay the interest and to create a sinking fund. The county board shall levy such percentage upon the taxable property of the county, and the county clerk shall place the same upon the tax roll of the county in a separate column or columns, designating the purposes for which the taxes are levied. The taxes shall be collected by the county treasurer in the same manner that other taxes are collected.

Sec. 43. Section 10-402, Reissue Revised Statutes of Nebraska, is amended to read:

10-402
to read:
10-402 The proposition of the question must be accompanied by a provision to levy a tax annually for the payment of the interest on the said bonds. An as it becomes due; Provided, an additional amount shall be levied and collected to pay the principal of such said bonds when it shall become due.
Sec. 44. Section 10-403, Reissue Revised Statutes of Nebraska, is amended to read:
10-403 The proposition shall state the rate of interest such bond shall draw, and when the principal and interest shall be made payable.
Sec. 45. Section 10-405, Reissue Revised Statutes of Nebraska, is amended to read:
10-405 It shall be the duty of the proper officers of such county or city to cause to be annually levied, collected, and paid to the holders of such bonds a special tax on all taxable property within the said county or city sufficient to pay the annual interest and as the same becomes due. When the principal of the said bonds. Not becomes due such officers shall in like manner levy and collect an additional amount sufficient to pay the same as it becomes due; Provided, not more than twenty percent of the principal of such said bonds shall be levied and collected in any one year.
Sec. 46. Section 10-507, Reissue Revised Statutes of Nebraska, is amended to read:
10-507 The county board of any county issuing bonds under the provisions of sections 10-501 to 10-509 shall levy a tax annually for the payment of the interest on the said bonds. An as it becomes due; Provided, an additional amount shall be levied and collected sufficient to pay the principal of such bonds at maturity. Not and provided, not more than twenty percent of the principal of such said bonds shall be levied and collected in any one year.
Sec. 47. Section 10-711, Reissue Revised Statutes of Nebraska, is amended to read:
10-711 It shall be the duty of the county board in each county to levy annually upon all the taxable property in each school district in such county a tax sufficient to pay the interest that will accrue or is accruing upon any bonds that have been or will be issued by such school district and to provide a sum sufficient to pay the final redemption of the same. Such levy shall be made with the annual levy of the county and the taxes collected with other taxes and when collected shall be paid over to the county treasurer of the county in which the administrative office of such school district is located and shall remain in the hands of such county treasurer as a specific fund for the payment of the interest upon such bonds and for the final payment of the same at maturity. At the request of the school board of any district, the county board shall cause to make a levy to pay the principal of the bonds when no bonds will be due within fifteen years thereafter.
Sec. 48. Section 10-804, Reissue Revised Statutes of Nebraska, is amended to read:
10-804 The proposition, when submitted, shall state the amount necessary to be raised each year for the payment of the interest on the said bonds, and for the payment of the principal thereof at maturity. When such bonds shall have been issued or authorized to be issued, the proper officers of such county shall cause to be annually levied and collected a special tax upon all taxable property in the annual amount designated in the proposition, and to pay the interest and principal of such said bonds as the same become due and payable.
Sec. 49. Section 13-509, Reissue Revised Statutes of Nebraska, is amended to read:
13-509 (1) On or before August 20 of each year, the county assessor shall certify to each governing body or board empowered to levy or certify a tax levy the current taxable value of the taxable real and personal property subject to the applicable levy. The certification shall be provided to the governing body or board (a) by mail if requested by the governing body or board, (b) electronically, or (c) by listing such certification on the county assessor’s website.
(2) Current taxable value for real property shall mean the value established by the county assessor and equalized by the county board of equalization and the Tax Equalization and Review Commission. Current taxable value for personal property shall mean the net book value reported by the taxpayer and certified by the county assessor.
(3) If a political subdivision annexes property since the last time taxable values were certified under subsection (1) of this section, the governing body of such political subdivision shall file and record a certified copy of the annexation ordinance, petition, or resolution in the office of the register of deeds or, if none, the county clerk and the county assessor of the county in which the annexed property is located. The annexation ordinance, petition, or resolution shall include a full legal description of the annexed property. If the register of deeds or county clerk receives and records such ordinance, petition, or resolution prior to July 1 or, for annexations by a city of the metropolitan class, prior to August 1, the valuation of the real and personal property annexed shall be considered in the taxable valuation of the annexing political subdivision for the following year. If the register of deeds or county clerk receives and records such ordinance, petition, or resolution on or after July 1 or, for annexations by a city of the metropolitan class, on or after August 1, the valuation of the real and personal property annexed shall be considered in the taxable valuation of the annexing political subdivision for the following year.
(4) If the legal voters of a political subdivision have approved a bond since the last time taxable values were certified under subsection (1) of this section and the political subdivision has filed an application for valuation in accordance with the bond language approved by the legal voters of the political subdivision and a full legal description of the property subject to the bond with the county assessor of the county or counties in which such political subdivision is located. If the county assessor receives such copy and full legal description prior to July 1 or, for bonds of the metropolitan class, prior to August 1, the valuation of the real and personal property subject to the bond shall be included in the value certified by the county assessor pursuant to subsection (1) of this section. If the county assessor receives such copy and full legal description on or after July 1 or, for bonds of the metropolitan class, on or after August 1, the valuation of the real and personal property subject to the bond shall be included in the value certified by the county assessor pursuant to subsection (1) of this section for the following year.

Sec. 59. Section 21-17,115, Reissue Revised Statutes of Nebraska, is amended to read:

21-17,115 Notwithstanding any of the other provisions of the Credit Union Act or any other Nebraska statute, any credit union incorporated under the laws of the State of Nebraska and organized under the provisions of the act shall have all the rights, powers, privileges, benefits, and immunities which may be exercised as of January 1, 2023 2022, by a federal credit union doing business in Nebraska on the condition that such rights, powers, privileges, benefits, and immunities shall not relieve such credit union from payment of state taxes assessed under any applicable laws of this state.

Sec. 51. Section 44-319.02, Reissue Revised Statutes of Nebraska, is amended to read:

44-319.02 Every domestic insurer hereafter organized to transact the business of insurance in this state shall deposit and continually maintain with the Department of Insurance eligible securities for the benefit of all of its policyholders in the United States in the amount of one hundred thousand dollars.

Sec. 52. Section 44-319.03, Reissue Revised Statutes of Nebraska, is amended to read:

44-319.03 Every domestic assessment association hereafter organized to transact the business of insurance in this state, except (1) health and accident assessment associations and (2) assessment associations organized primarily to write insurance coverage on farm properties against the perils of fire, high wind, hail, and flood shall deposit with the Department of Insurance eligible securities in the amount of not less than one hundred thousand dollars for the benefit of all of its policyholders in the United States equal to one-fifth of the minimum surplus funds required of domestic mutual insurance companies licensed to write the same kind or kinds of insurance.

Sec. 54. Section 44-319.06, Reissue Revised Statutes of Nebraska, is amended to read:

44-319.06 No foreign insurer or assessment association now or hereafter authorized to do business in this state shall henceforth transact such business unless it shall deposit and continually maintain with the Department of Insurance of the State of Nebraska in accordance with the laws of each state of the United States designated by law to accept such deposit, eligible securities in the amount of not less than one hundred thousand dollars for the benefit of all of its policyholders in the United States.

Sec. 55. Section 44-785, Reissue Revised Statutes of Nebraska, is amended to read:

44-785 (1) Notwithstanding section 44-3,131, (a) any individual or group sickness and accident insurance policy or subscriber contract delivered, issued for delivery, or renewed in this state and any hospital, medical, or surgical expense-incurred policy, except for policies that provide coverage for a specified disease or other limited-benefit coverage, and (b) any self-funded employee benefit plan to the extent not preempted by federal law shall include coverage for screening mammography, digital breast tomosynthesis, bilateral whole breast ultrasound, and diagnostic magnetic resonance imaging as follows:

(i) For a woman woman who is are thirty-five years of age or or older but younger than forty years of age, one base-line mammogram between thirty-five and forty years of age; (ii) For a woman woman who is younger than forty years of age and who based on the National Comprehensive Cancer Network Guidelines for Breast Cancer Screening and Diagnosis version 1.2022 and the recommendation of the woman’s health care provider, has an increased risk for breast cancer due to (A) a family history of breast cancer or prior atypical breast biopsy, (B) positive genetic testing, or (C) heterogeneous or dense breast tissue based on the patient’s physician’s recommendation; and the recommendation of the woman’s health care provider, has increased risk for breast cancer due to (A) a family history of breast cancer or prior atypical breast biopsy, (B) positive genetic testing, or (C) heterogeneous or dense breast tissue based on the patient’s physician’s recommendation; and

(iii) For a woman woman who is forty are fifty years of age or older, one mammogram every

(iv) For a woman who, based on the National Comprehensive Cancer Network Guidelines for Breast Cancer Screening and Diagnosis version 1.2022 and the recommendation of the woman’s health care provider, has increased risk for breast cancer due to (A) a family or personal history of breast cancer or prior atypical breast biopsy, (B) positive genetic testing, or (C) heterogeneous or dense breast tissue based on the patient’s physician’s recommendation; and

...
(vi) For a woman who, based on the National Comprehensive Cancer Network Guidelines for Breast Cancer Screening and Diagnosis version 1.2022 and the recommendation of the woman’s health care provider, has an increased risk for breast cancer due to (A) a family or personal history of breast cancer or prior atypical breast biopsy, (B) positive genetic testing, or (C) heterogeneous or dense breast tissue based on a breast imaging, one bilateral whole breast ultrasound each year;

(vii) For a woman who, based on national standard risk models or the National Comprehensive Cancer Network Guidelines for Breast Cancer Screening and Diagnosis, has an increased risk of breast cancer and heterogeneous or dense breast tissue, one diagnostic magnetic resonance imaging each year;

(2) Except as provided in subdivision (b) of this subsection this section prohibits the application of deductible, coinsurance, copayment, or other cost-sharing requirements contained in the policy or health benefit plan for such services.

(b) (2) This section does not prevent application of deductible or copayment provisions contained in the policy or health benefit plan for diagnostic magnetic resonance imaging for a woman based on heterogeneous or dense breast tissue.

(c) This section does not require that coverage under an individual or group policy or health benefit plan be extended to any other procedures. The coverage provided by this section shall not be less favorable than for other radiological examinations. This section does not apply if the covered individuals are provided an ongoing screening mammography program which at a minimum meets the requirements of this section as a separate benefit.

For purposes of this section, screening mammography shall mean radiological examination of the breast of asymptomatic women for the early detection of breast cancer, which examination shall include (a) a craniocaudal and a mediolateral oblique view of each breast and (b) a licensed radiologist's interpretation of the results of the procedure. Screening mammography shall not include diagnostic mammography, additional projections required for lesion definition, breast ultrasound, or any breast interventional procedure. Screening mammography shall be performed by a mammogram supplier who meets the standards of the federal Mammography Quality Standards Act of 1992.
December 31 certified by the title insurance agent as being a true and accurate representation of the title insurance agent's financial condition. Attorneys acting under the act who fail to renew or continue his or her qualification in the manner provided by law and by the rules and regulations of the Department of Insurance shall cease to be qualified under the act.

(3) A title insurer shall, at least annually, conduct an onsite review of the underwriting, claims, and escrow practices of the title insurance agent which shall include a review of the title insurance agent's title insurance policy forms inventory and processing operations. If the title insurance agent does not maintain separate financial institution or trust accounts for each title insurer it represents, the title insurer shall verify that the funds held on its behalf are reasonably ascertainable from the books of account and records of the title insurance agent.

(4) Within thirty days after executing or terminating a contract with a title insurance agent, a title insurer shall provide written notification of the appointment or termination and the reason for termination to the director. Notices of appointment or approval of a title insurance agent shall be made on a form prescribed or approved by the director.

(5) A title insurer shall maintain an inventory of all title insurance policy forms or title insurance policy numbers allocated to each title insurance agent.

(6) A title insurer shall have on file proof that each title insurance agent is licensed by this state.

(7) A title insurer shall establish the underwriting guidelines and, when applicable, limitations on title claims settlement authority to be incorporated into contracts with its title insurance agents.

8(a) A title insurer is liable for the defalcation, conversion, or misappropriation by a title insurance agent appointed by or under written contract with such title insurer of escrow, settlement, closing, or security deposits, insurance deposits, or title insurance premiums in contemplation of or in connection with the issuance of a title insurance commitment or title insurance policy by such title insurer. However, if no such title insurance commitment or title insurance policy was issued, each title insurer which appointed or maintained a written contract with such title insurance agent at the time of the discovery of the defalcation, conversion, or misappropriation bears the same proportion that the premium remitted to the title insurer by such title insurance agent during the twelve-month period immediately preceding the date of the discovery of the defalcation, conversion, or misappropriation bears to the total premium remitted to all title insurers by such title insurance agent during the twelve-month period immediately preceding the date of the discovery of the defalcation, conversion, or misappropriation.

(b) For purposes of this subsection, title insurance agent includes (i) a person with whom a title insurer maintains a title insurance agency agreement and (ii) an employer or employee of a title insurance agent or of a person with whom a title insurer maintains a title insurance agency agreement.

Sec. 57. Section 44-2824, Reissue Revised Statutes of Nebraska, is amended to read:

44-2824 (1) To be qualified under the Nebraska Hospital-Medical Liability Act, a health care provider or such health care provider's employer, employee, partner, or limited liability company members shall:

(a) File with the director proof of financial responsibility, pursuant to section 44-2827 or 44-2827.01, in the amount of eight five hundred thousand dollars for each occurrence. An In the case of physicians or certified registered nurse anesthetists and their employers, employees, partners, or limited liability members an aggregate amount of three million dollars for all occurrences or claims made in any policy year or risk-loss trust year for each named insured shall be provided. Such policy may be written on either an occurrence or a claims-made basis. Any risk-loss trust shall be established and maintained only on an occurrence basis. Such qualification shall remain effective only as long as insurance coverage or risk-loss trust coverage as required remains effective; and

(b) Pay the surcharge and any special surcharge levied on all health care providers pursuant to sections 44-2829 to 44-2831.

(2) Subject to the requirements in subsections (1) and (4) of this section, the qualification of a health care provider shall be either on an occurrence or claims-made basis and shall be the same as the insurance coverage provided by the insurer's policy.

(3) The director shall have authority to permit qualification of health care providers who have retired or ceased doing business if such health care providers have primary insurance coverage under subsection (1) of this section.

(4) A health care provider who is not qualified under the act at the time of the alleged occurrence giving rise to a claim shall not, for purposes of that claim, under the act notwithstanding subsequent filing of proof of financial responsibility and payment of a required surcharge.

(5) Qualification of a health care provider under the Nebraska Hospital-Medical Liability Act shall continue only as long as the health care provider meets the requirements for qualification. A health care provider who has once qualified under the act and who fails to renew or continue his or her qualification in the manner provided by law and by the rules and regulations of the Department of Insurance shall cease to be qualified under the act.
Sec. 58. Section 44-2825, Reissue Revised Statutes of Nebraska, is amended to read:

44-2825 (1) The total amount recoverable under the Nebraska Hospital-Medical Liability Act from any and all health care providers and the Excess Liability Fund for any occurrence resulting in any injury or death of a patient may not exceed (a) five hundred thousand dollars for any occurrence on or before December 31, 1984, (b) one million dollars for any occurrence after December 31, 1984, and on or before December 31, 1992, and on or before December 31, 2003, (d) one million seven hundred fifty thousand dollars for any occurrence after December 31, 2003, and on or before December 31, 2014, and (e) two million two hundred fifty thousand dollars for any occurrence after December 31, 2014.

(2) A health care provider qualified under the act shall not be liable to any patient or his or her representative who is covered by the act for an amount in excess of eight five hundred thousand dollars for all claims or causes of action arising from any occurrence during the period that the act is effective with reference to such patient.

(3) Subject to the limits from all sources as provided in subsection (1) of this section, any amount due from a judgment or settlement which is in excess of the total liability of all liable health care providers shall be paid from the Excess Liability Fund pursuant to sections 44-2831 to 44-2833.

(4) Nothing in the Nebraska Hospital-Medical Liability Act shall be construed to require the Excess Liability Fund to provide coverage for the first eight hundred thousand dollars per occurrence or to provide a defense for or on behalf of a qualified health care provider after the provider’s annual aggregate limit of liability amount set forth in sections 44-2824 and 44-2827 has been exhausted. A qualified health care provider’s purchase of coverage with an aggregate limit of liability higher than required by sections 44-2824 and 44-2827 shall not affect the obligation of payment from the Excess Liability Fund pursuant to this section.

Sec. 59. Section 44-2827, Reissue Revised Statutes of Nebraska, is amended to read:

44-2827 Financial responsibility of a health care provider may be established only by filing with the director proof that the health care provider is insured pursuant to sections 44-2837 to 44-2839 or by a policy of professional liability insurance in a company authorized to do business in Nebraska. Such insurance shall be in the amount of eight five hundred thousand dollars per occurrence, and, in the case of hospitals and their employees, an aggregate liability amount of three million dollars for all occurrences or claims made in any policy year shall be provided. The filing shall state the premium charged for the policy of insurance.

Sec. 60. Section 44-2831.01, Reissue Revised Statutes of Nebraska, is amended to read:

44-2831.01 (1) Any health care provider who has furnished proof of financial responsibility prior to January 1, 2025, under sections 44-2824 and 44-2827 shall be qualified under section 44-2824 for the remainder of the policy year or risk-loss trust year.

(2) The increases in coverage requirements made by Laws 2004, LB 998, in sections 44-2824 and 44-2827 shall apply to policies issued or renewed and risk-loss trust years that which commence after January 1, 2005, and before January 1, 2025.

(3) The changes made to sections 44-2825, 44-2832, and 44-2833 by Laws 2004, LB 998, apply commencing with policies issued or renewed and risk-loss trust years that which commence after January 1, 2005, and before January 1, 2025.

(4) The increases in coverage requirements made by this legislative bill in sections 44-2824 and 44-2827 shall apply to policies issued or renewed and risk-loss trust years that which commence after January 1, 2005, and before January 1, 2025.

(5) The changes made to sections 44-2825, 44-2832, and 44-2833 by this legislative bill in policies issued or renewed and risk-loss trust years that commence on or after January 1, 2025.

Sec. 61. Section 44-2832, Reissue Revised Statutes of Nebraska, is amended to read:

44-2832 (1) The Director of Administrative Services shall issue a warrant drawing on the fund in the amount of each claim submitted by the director. All claims against the fund shall be made on a voucher or other appropriate request by the director after he or she has received:

(a) A certified copy of a final judgment in excess of eight five hundred thousand dollars against a health care provider and in excess of the amount recoverable from all health care providers;

(b) A certified copy of a court-approved settlement in excess of eight five hundred thousand dollars against a health care provider and in excess of the amount recoverable from all health care providers; or

(c) In case of claims based on primary insurance issued by the risk manager under sections 44-2837 to 44-2839, a certified copy of a final judgment or court-approved settlement requiring payment from the fund.

(2) The amount paid from the fund for excess liability when added to the payments by all health care providers may not exceed the maximum amount...
recoverable pursuant to subsection (1) of section 44-2825. The amount paid from the fund on account of a primary insurance policy issued by the risk manager to a health care provider under sections 44-2857 to 44-2859 may not exceed eight thousand dollars for any one occurrence covered by such policy under any circumstances.

Sec. 62. Section 44-2833, Reissue Revised Statutes of Nebraska, is amended to read:

44-2833 (1) If the insurer of a health care provider shall agree to settle its liability on a claim against its insured by payment of its policy limits of eight thousand dollars and the claimant shall demand an amount in excess thereof for a complete and final release and if no other health care provider is involved, the procedures prescribed in this section shall be followed:

(2) A motion shall be filed by the claimant with the court in which the action is pending against the health care provider or, if no action is pending, the claimant shall file a complaint in one of the district courts of the State of Nebraska, seeking approval of an agreed settlement, if any, or demanding payment of damages from the Excess Liability Fund. If a complaint is filed or a motion file the claimant shall serve the claimant, the health care provider shall be held to assure the faithful performance of the insurer's obligations to its insured, and the health care provider's insurer and shall contain sufficient information to inform the parties concerning the nature of the claim and the additional amount demanded. The health care provider or his or her insurer shall have a right to intervene and participate in the proceedings.

(4) The director, with the consent of the health care provider, may agree to a settlement with the claimant from the Excess Liability Fund. Either the director or the health care provider may file written objections to the payment of the amount demanded. The agreement or objections to the payment demanded shall be filed within twenty days after the motion or complaint is filed. After the motion or complaint, agreement, and objections, if any, have been filed, the judge shall set the matter for trial as soon as practicable. The court shall give notice of the trial to the claimant, the health care provider, and the director.

(3) At the trial, the director, the claimant, and the health care provider may introduce relevant evidence to enable the court to determine whether or not the settlement should be approved if it has been submitted on agreement without objections. If the director, the health care provider, and the claimant shall be unable to agree on the amount, if any, to be paid out of the Excess Liability Fund, the amount of claimant's damages, if any, in excess of the eight thousand dollars already paid by the insurer of the health care provider shall be determined at trial.

(7) The court shall determine the amount for which the fund is liable and render a finding and judgment accordingly. In approving a settlement or determining the amount, if any, to be paid from the Excess Liability Fund in such a case, the court shall consider the liability of the health care provider as submitted and established by evidence.

(8) Any settlement approved by the court may not be appealed. Any judgment of the court fixing damages recoverable in any such contested proceeding shall be appealable pursuant to the rules governing appeals in any other civil case.

Sec. 63. Section 44-3308, Reissue Revised Statutes of Nebraska, is amended to read:

44-3308 (1) An insurer whose purposes according to its articles of incorporation are restricted to transacting legal expense insurance and business reasonably related thereto shall deposit with the director securities or bond in the amount of one hundred fifty thousand dollars, or as provided by subsection (7) of this section. A deposit under this section shall be held to assure the faithful performance of the insurer's obligations to its policyholders or policyholders and creditors.

(2) In lieu of any deposit of securities required under subsection (1) of this section, the insurer may file with the director a surety bond in the amount of one hundred fifty thousand dollars, or as provided by subsection (7) of this section. The bond shall be one issued by an insurance company authorized to do business in the State of Nebraska. The bond shall be for the sum of the amount of the deposit. The bond shall be subject to cancellation unless at least thirty days' advance notice thereof, in writing, is filed with the director.

(3) Securities or bond posted by the insurer pursuant to subsection (1) or (2) of this section shall be for the benefit of and subject to action thereon in the event of insolvency of the insurer by any person or persons sustaining an actionable injury due to the failure of the insurer to faithfully perform its obligations to its policyholders or policyholders and creditors.

(4) The State of Nebraska shall be responsible for the safekeeping of all securities deposited with the director under this section. The securities shall not, if being in this state, be subject to taxation.

(5) The depositing insurer shall, during its solvency, have the right to exchange or substitute other securities of a like quality and value for securities on deposit, to receive the interest and other income accruing on such securities, and to inspect the deposit at all reasonable times.

(6) The deposit or bond shall be maintained unimpaired as long as the insurer continues in business in this state. Whenever the insurer ceases to do business and furnishes to the director proof satisfactory to the director that
the insurer adequately provided for all of its obligations to its policyholders, creditors, or contract holders in this state, the director shall eliminate the suspension or the insurer is unable to perform its obligations; or

(b) Accident and health or sickness, insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income;

(c) Property insurance coverage for the direct or consequential loss or damage to property of every kind;

(d) Casualty insurance coverage against legal liability, including that for death, injury, or disability or damage to real or personal property;

(e) Variable life and variable annuity products, insurance coverage provided under variable life insurance contracts, and variable annuities;

(f) Limited line credit insurance;

(g) Limited line pre-need funeral insurance;

(h) Personal lines property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes; and

(i) Any other line of insurance permitted under Nebraska laws, rules, or regulations.

(2) An insurance producer license shall remain in effect unless revoked or suspended if the fee set forth in section 44-4064 is paid and education requirements for resident individual producers are met by the due date.

(3) All business entity licenses issued under the Insurance Producers Licensing Act shall expire on April 30 of each even-numbered year, and all producers licenses shall expire on the last day of the month of the producer's birthday in the first year after issuance in which his or her age is divisible by two. Such producer licenses may be renewed within the ninety-day period before their expiration dates. Business entity and producer licenses also may be renewed within the thirty-day period after their expiration dates upon payment of a late renewal fee as established by the director pursuant to section 44-4064 in addition to the applicable fee otherwise required for renewal of business entity and producer licenses as established by the director pursuant to such section. All business entity and producer licenses renewed within the thirty-day period after their expiration dates pursuant to this subsection shall be deemed to have been renewed before their expiration dates.

(4) The director may establish procedures for renewal of licenses by rule and regulation adopted and promulgated pursuant to the Administrative Procedure Act.

(5) An individual insurance producer who allows his or her license to lapse may, within twelve months from the due date of the renewal fee, reinstate the same license without the necessity of passing a written examination. Producer licenses reinstated pursuant to this subsection shall be issued only after payment of a reinstatement fee as established by the director pursuant to section 44-4064 in addition to the applicable fee otherwise required for renewal of producer licenses as established by the director pursuant to such section.

(6) The director may grant a licensed insurance producer who is unable to comply with license renewal procedures due to military service or some other extenuating circumstance, including, but not limited to, a long-term medical disability, a waiver of any examination requirement or any other fine, fee, or sanction imposed for failure to comply with renewal procedures.

(7) The license shall contain the licensee's name, address, and personal identification number, the date of issuance, the lines of authority, the expiration date, and any other information the director deems necessary.

(8) Licensees shall inform the director by any means acceptable to the director of a change of legal name or address within thirty days after the
change. Any person failing to provide such notification shall be subject to a fine by the director of not more than five hundred dollars per violation, suspension of the person's license until the change of address is reported to the director, or both. (9) The director may contract with nongovernmental entities, including the National Association of Insurance Commissioners or any affiliates or subsidiaries that the National Association of Insurance Commissioners oversees, to perform all or any material functions, including the collection of fees, related to producer licensing that the director may deem appropriate.

Sec. 65. Section 44-5148, Reissue Revised Statutes of Nebraska, is amended to read:

44-5148 (1) An insurer may invest in the preferred stock of any corporation which:
   (a) Has retained earnings of not less than one million dollars;
   (b) Has earned and paid regular dividends at the regular prescribed rate each year upon its preferred stock, if any is or has been outstanding, for not less than five years immediately preceding the purchase of such preferred stock or during such part of such five-year period as it has had preferred stock outstanding; and
   (c) Has had no material defaults in principal payments of or interest on any obligations of such corporation and its subsidiaries having a priority equal to or higher than those purchased during the period of five years immediately preceding the date of acquisition or, if outstanding for less than five years, at any time since such obligations were issued.

   The earnings of and the regular dividends paid by all predecessor, merged, consolidated, or purchased corporations may be included through the use of consolidated or pro forma statements.

   (2) Except as authorized under the Insurance Holding Company System Act, an insurer shall not own more than five percent of the total issued shares of any corporation other than an insurer.

   (3) A life insurer's investments authorized under this section shall not exceed the greater of twenty-five percent of its admitted assets or one hundred percent of its policyholders surplus, nor shall a life insurer's investments authorized under this section that are not rated P-1 or P-2 by the Securities Valuation Office exceed ten percent of its admitted assets.

Sec. 66. Section 44-5141, Revised Statutes Cumulative Supplement, 2022, is amended to read:

44-5141 (1) An insurer may invest in the common stock or rights to purchase or sell common stock of any corporation which has retained earnings of not less than one million dollars, except that an investment may be made in any corporation having a majority of its operations in this state which has retained earnings of not less than two hundred fifty thousand dollars. The earnings of all predecessor, merged, consolidated, or purchased corporations may be included through the use of consolidated or pro forma statements.

   (2) (a) An insurer may invest in equity interests or rights to purchase or sell equity interests in business entities other than general partnerships unless the general partnership is wholly owned by the insurer.

   (b) A life insurer shall not invest under this subsection in any investment which the life insurer may invest in under section 44-5140 or subsection (1) of this section.

   (3) A life insurer's investments authorized under this section shall not exceed the greater of one hundred percent of its policyholders surplus or twenty percent of its admitted assets.

Sec. 67. Section 45-191.01, Reissue Revised Statutes of Nebraska, is amended to read:

45-191.01 (1) Prior to a borrower signing a loan brokerage agreement, the loan broker shall give the borrower a written disclosure statement. The cover sheet of the disclosure statement shall have printed, in at least ten-point boldface capital letters, the title DISCLOSURES REQUIRED BY NEBRASKA LAW. The following statement, printed in at least ten-point type, shall appear under the title:

THE STATE OF NEBRASKA HAS NOT REVIEWED AND DOES NOT APPROVE, RECOMMEND, ENDORSE, OR SPONSOR ANY LOAN BROKERAGE AGREEMENT. THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT HAS NOT BEEN VERIFIED BY THE STATE. IF YOU HAVE QUESTIONS REGARDING LEGAL ADVICE BEFORE YOU SIGN A LOAN BROKERAGE AGREEMENT, YOU SHOULD CONSULT WITH A LAWYER.

Only the title and the statement shall appear on the cover sheet.

(2) The body of the disclosure statement shall contain the following information:

(a) The name, street address, and telephone number of the loan broker, the names under which the loan broker does, has done, or intends to do business, the names under which any parent of an affiliated company, and the electronic mail and Internet address of the loan broker, if any;

(b) A statement as to whether the loan broker does business as an individual, a partnership, a corporation, or another organizational form, including identification of the state of incorporation or formation;

(c) How long the loan broker has done business;

(d) The number of loan brokerage agreements the loan broker has entered into in the previous twelve months;

(e) The number of loans the loan broker has obtained for borrowers in the previous twelve months;

(f) A description of the services the loan broker agrees to perform for the borrower;

(g) The conditions under which the borrower is obligated to pay the loan
amended to read:

company that shall directly supervise, control, and maintain responsibility for
mortgage loans.

company.

banker, registrant, or installment loan company shall designate the location or
contract shall provide that the mortgage loan originator is originating loans
real or personal property or the use of unfair, unlawful, or deceptive business
practices; or

(iii) Is subject to any currently effective injunction or restrictive
order relating to business activity as the result of an action brought by a public
department including, but not limited to, action affecting any vocational license; and

(i) Any other information the director requires.

Sec. 68. Section 45-191.04, Reissue Revised Statutes of Nebraska, is
amended to read:

45-191.04 (1) A loan brokerage agreement shall be in writing and shall be
signed by the loan broker and the borrower. The loan broker shall furnish the
borrower a copy of such signed loan brokerage agreement at the time the
borrower signs it.

(2) The borrower has the right to cancel a loan brokerage agreement for
any reason at any time within five business days after the date the parties
sign the agreement. The loan brokerage agreement shall set forth the borrower's
right to cancel and the procedures to be followed when an agreement is
canceled.

(3) A loan brokerage agreement shall set forth in at least ten-point type,
or handwriting of at least equivalent size, the following:

(a) The terms and conditions of payment;

(b) A full and detailed description of the acts or services the loan
broker will undertake to perform for the borrower;

(c) The loan broker's principal business address, telephone number, and
electronic mail and Internet address, if any, and the name, address, telephone
number for electronic mail and Internet address, if any, of its agent in the
State of Nebraska authorized to receive service of process;

(d) The business form of the loan broker, whether a corporation,
partnership, limited liability company, or otherwise; and

(e) The following notice of the borrower's right to cancel the loan
brokerage agreement pursuant to this section:

"You have five business days in which you may cancel this agreement for
any reason by mailing or delivering written notice to the loan broker. The five
business days shall expire on ................. (last date to mail or deliver
notice), and notice of cancellation should be mailed to ..........................................
(loan broker's name and business
street address). If you choose to mail your notice, it must be placed in the
United States mail properly addressed, first-class postage prepaid, and
postmarked before midnight of the above date. If you choose to deliver your
notice to the loan broker directly, it must be delivered to the loan broker by
hand delivering the notice on the normal business day on the above date. Within five business days
after receipt of the notice of cancellation, the loan broker shall return to
you all sums paid by you to the loan broker pursuant to this agreement."
The notice shall be set forth immediately above the place at which the
borrower signs the loan brokerage agreement.

Sec. 69. Section 45-735, Reissue Revised Statutes of Nebraska, is
amended to read:

45-735 (1) A mortgage loan originator shall be an employee or independent
agent of a single licensed mortgage banker, registrant, or installment loan
company that shall directly supervise, control, and maintain responsibility for
the origination activities of the mortgage loan originators.

(2)(a) 45-735 (2)(a) A mortgage loan originator shall not engage in mortgage loan
origination activities at any location that is not a main office location of a
licensed mortgage banker, registrant, or installment loan company or a branch
office of a licensed mortgage banker or registrant. The licensed mortgage
bankers, registrant, or installment loan company shall designate the location or
locations at which each mortgage loan originator is originating residential
mortgage loans.

(b) The department may adopt and promulgate rules, regulations, and orders
to authorize and regulate the use of remote work arrangements conducted outside
of a main office location or branch office by employees or agents, including
mortgage loan originators, of licensed mortgage bankers, registrants, or
installment loan companies.

(3) Any licensed mortgage banker, registrant, or installment loan company
who engages an independent agent as a mortgage loan originator shall maintain a
written agency contract with such mortgage loan originator. Such written agency
contract shall provide that the mortgage loan originator is originating loans
exclusively for the licensed mortgage banker, registrant, or installment loan
company.
(4) A licensed mortgage banker, registrant, or installment loan company that has hired a licensed mortgage loan originator as an employee or entered into an independent agent agreement with such loan originator must provide notification to the department as soon as reasonably possible after entering into such relationship, along with a fee of fifty dollars. The employing entity shall not allow the mortgage loan originator to conduct such activity in this state prior to such notification to the department and confirmation that the department has received notice of the termination of the mortgage loan originator’s prior employment.

(5) A licensed mortgage banker, registrant, or installment loan company shall notify the department no later than ten days after the termination, whether voluntary or involuntary, of a mortgage loan originator unless the mortgage loan originator has previously notified the department of the termination.

Sec. 70. Section 45-1002, Reissue Revised Statutes of Nebraska, is amended to read:
45-1002 (1) For purposes of the Nebraska Installment Loan Act:
(a) Applicant means a person applying for a license under the act;
(b) Debt cancellation contract means a loan term or contractual arrangement modifying loan terms under which a financial institution or licensee agrees to suspend all or part of a borrower’s obligation to repay an extension of credit from the financial institution or licensee upon the occurrence of a specified event. The debt cancellation contract may be separate from or a part of other loan documents. The term debt cancellation contract does not include loan payment deferral arrangements in which the triggering event is the borrower’s unilateral election to defer repayment or the financial institution’s or licensee’s unilateral decision to allow a deferral of repayment;
(c) Guaranteed asset protection waiver means a waiver that is offered, sold, or provided in accordance with the Guaranteed Asset Protection Waiver Act;
(d) Loan means a loan or any extension of credit to a consumer originated by or on behalf of a financial institution and which is, or is intended to be, permanently affixed to the land.
(e) Financial institution has the same meaning as in section 8-101.03;
(f) Director means the Director of Banking and Finance;
(g) Department means the Department of Banking and Finance;
(h) Consumer means an individual who is a resident of Nebraska and who seeks to obtain, obtains, or has obtained a loan that is to be used primarily for personal, family, or household purposes;
(i) Licensee means any person who obtains a license under the Nebraska Installment Loan Act;
(j) Mortgage loan originator means an individual who for compensation or gain (A) takes a residential mortgage loan application or (B) offers or negotiates terms of a residential mortgage loan.

(i) Mortgage loan originator does not include (A) any individual who is not otherwise described in subdivision (i)(A) of this subdivision and who performs purely administrative or clerical tasks on behalf of a person who is described in subdivision (i) of this subdivision, (B) a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable state law, unless the person or entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator, or (C) a person or entity solely involved in extensions of credit relating to time-share programs as defined in section 76-1702;
(j)(i) Mortgage loan originator does not include (A) any individual who is not otherwise described in subdivision (i)(A) of this subdivision and who performs purely administrative or clerical tasks on behalf of a person who is described in subdivision (i) of this subdivision, (B) a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable state law, unless the person or entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator, or (C) a person or entity solely involved in extensions of credit relating to time-share programs as defined in section 76-1702;
(k) Breach of security of the system means unauthorized acquisition of data that compromises the security, confidentiality, or integrity of the information maintained by the Nationwide Mortgage Licensing System and Registry, its affiliates, or its subsidiaries;
(l) Person means individual, partnership, limited liability company, association, financial institution, trust, corporation, and any other legal entity; and
(m) Person means individual, partnership, limited liability company, association, financial institution, trust, corporation, and any other legal entity; and
(n) Real property means an owner-occupied single-family, two-family, three-family, or four-family dwelling which is located in this state, which is occupied, used, or intended to be occupied or used for residential purposes, and which is, or is intended to be, permanently affixed to the land.
(2) Except as provided in subsection (3) of section 45-1017 and subsection (4) of section 45-1019, no revenue arising under the Nebraska Installment Loan Act shall inure to any school fund of the State of Nebraska or any of its governmental subdivisions.

(3) Loan, when used in the Nebraska Installment Loan Act, does not include any loan made by a person who is not a licensee on which the interest does not exceed the maximum rate permitted by section 45-101.03.

Nothing in the Nebraska Installment Loan Act applies to any loan made by a person who is not a licensee if the interest on the loan does not exceed the maximum rate permitted by section 45-101.03.

Sec. 71. Section 45-1003, Reissue Revised Statutes of Nebraska, is amended to read:

45-1003 No financial institution is eligible for a license or to make loans under the Nebraska Installment Loan Act.

A license shall be required for any person that is not a financial institution who, at or after the time a loan is made by a financial institution, markets, owns in whole or in part, holds, acquires, services, or otherwise participates in such loan.

Sec. 72. Section 45-1006, Reissue Revised Statutes of Nebraska, is amended to read:

45-1006 (1) When an application for an original installment loan license has been accepted by the director as substantially complete, notice of the filing of the application shall be published by the department three successive weeks in a legal newspaper published in or of general circulation in the county where the applicant proposes to operate the business of lending money. A public hearing shall be held on each application except as provided in subsection (2) of this section. The date for hearing shall not be less than thirty days after the last publication. Written protest against the issuance of the license may be served upon the department by any person not later than five days before the date set for hearing. The director, in his or her discretion, may grant a continuance. The costs of the hearing shall be paid by the applicant. The director may deny any application for license after hearing. The director shall, in his or her discretion, make examination and inspection concerning the propriety of issuance of a license to an applicant. The cost of such examination and inspection shall be paid by the applicant.

(2) The director may waive the hearing requirements of subsection (1) of this section if (a) the applicant (i) does not originate loans under the Nebraska Installment Loan Act or (ii) has held, and operated under, a license to engage in the business of lending money in Nebraska pursuant to the Nebraska Installment Loan Act for at least one calendar year immediately prior to the filing of the application, (b) no written protest against the issuance of the license has been filed with the department within fifteen days after publication of a notice of the filing of the application one time in a newspaper of general circulation in the county where the applicant proposes to operate the business of lending money, and (c) in the judgment of the director, the experience, character, and general fitness of the applicant warrant the belief that the applicant will comply with the Nebraska Installment Loan Act.

(3) The expense of any publication made pursuant to this section shall be paid by the applicant.

Sec. 73. Section 58-201, Reissue Revised Statutes of Nebraska, is amended to read:

58-201 Sections 58-201 to 58-272 and section 74 of this act shall be known and may be cited as the Nebraska Investment Finance Authority Act.

Sec. 74. (1) For purposes of this section, Olmstead Plan means the comprehensive strategic plan for providing services to individuals with disabilities that was developed in accordance with section 81-6,122.

(2) In order to help fulfill one of the goals of the Olmstead Plan, the authority shall use its best efforts to obtain state and federal grants for the purpose of building safe, affordable, and accessible housing for individuals with disabilities.

(3) The authority shall collaborate with the Department of Economic Development and the Department of Health and Human Services in obtaining such grants.

Sec. 75. (1) For purposes of this section, Olmstead Plan means the comprehensive strategic plan for providing services to individuals with disabilities that was developed in accordance with section 81-6,122.

(2) In order to help fulfill one of the goals of the Olmstead Plan, the Department of Economic Development shall use its best efforts to obtain state and federal grants for the purpose of building safe, affordable, and accessible housing for individuals with disabilities.

(3) The Department of Economic Development shall collaborate with the Nebraska Investment Finance Authority and the Department of Health and Human Services in obtaining such grants. The Department of Economic Development shall use its best efforts to coordinate and contract with the Nebraska Investment Finance Authority to develop and administer grant programs under this section.

Sec. 76. Section 59-1722, Revised Statutes Cumulative Supplement, 2022, is amended to read:

59-1722 (1) Any transaction involving the sale of a franchise as defined in 16 C.F.R. 436.1(h), as such regulation existed on January 1, 2023, shall be exempt from the Seller-Assisted Marketing Plan Act, except that such transactions shall be subject to subdivision (1)(d) of section 59-1757, those provisions regulating or prescribing the use of the phrase buy-back or secured investment or similar phrases as set forth in sections 59-1726 to 59-1728 and
59-1751, and all sections which provide for their enforcement. The exemption
shall only apply if:
(a) The franchise is offered and sold in compliance with the requirements
of 16 C.F.R. part 436, Disclosure Requirements and Prohibitions Concerning
Franchising, as such part existed on January 1, 2023 2022;
(b) Before placing any advertisement in a Nebraska-based publication,
offering for sale to any prospective purchaser in Nebraska, or making any
representations in connection with such offer or sale to any prospective
purchaser in Nebraska, the seller files a notice with the Department of Banking
and Finance which contains (i) the name, address, and telephone number of the
seller and the name under which the seller intends to do business and (ii) a
brief description of the plan offered by the seller; and

(2) The department may request a copy of the disclosure document upon
receipt of a written complaint or inquiry regarding the seller or upon a
reasonable belief that a violation of the Seller-Assisted Marketing Plan Act
has occurred or may occur. The seller shall provide such copy within ten
business days of receipt of the request.
(3) All funds collected by the department under this section shall be
remitted to the State Treasurer for credit to the Securities Act Cash Fund.

(4) The Director of Banking and Finance may by order deny or revoke an
exemption specified in this section with respect to a particular offering of
one or more business opportunities if the director finds that such an order is
in the public interest or is necessary for the protection of purchasers. An
order shall not be entered without appropriate prior notice to all interested
parties, an opportunity for hearing, and written findings of fact and
conclusions of law. If the public interest or the protection of purchasers so
requires, the director may by order summarily deny or revoke an exemption
specifying the plan or the final determination of any proceeding under this
section. An order under this section shall not operate retroactively.

Sec. 77. Section 69-2103, Revised Statutes Cumulative Supplement, 2022, is
amended to read:

69-2103 For purposes of the Consumer Rental Purchase Agreement Act:
(1) An advertisement means a commercial message in any medium that aids,
promotes or assists directly or indirectly a consumer rental purchase
agreement but does not include in-store merchandising aids such as window signs
and ceiling banners;

(2) Cash price means the price at which the lessor would have sold the
property to the consumer for cash on the date of the consumer rental purchase
agreement for the property;

(3) Consumer means a natural person who rents property under a consumer
rental purchase agreement;

(4) Consumer rental purchase agreement means an agreement which is for the
use of property by a consumer primarily for personal, family, or household
purposes, which is for an initial period of four months or less, whether or not
there is any obligation beyond the initial period, which is automatically
renovable with each payment, and which permits the consumer to become the owner
of the property. A consumer rental purchase agreement in compliance with the
act shall not be construed to be a lease or agreement which constitutes a
consumer lease as defined in section 45-335; and

(5) Department means the Department of Banking and Finance;

(6) Consummation means the occurrence of an event which causes a consumer
to become contractually obligated on a consumer rental purchase agreement;

(7) Lease period means a week, month, or other specific period of time,
during which the consumer has the right to possess and use the property after
paying the lease payment and applicable taxes for such period; and

(8) Property means any property that is not real property under the laws
of this state when made available for a consumer rental purchase agreement; and

(9) Total of payments to acquire ownership means the total of all charges
imposed by the lessor and payable by the consumer as a condition of acquiring
ownership of the property. Total of payments to acquire ownership includes
lease payments and any initial nonrefundable administrative fee or required
delivery charge but does not include taxes, late charges, reinstatement fees,
or charges for optional products or services.

Sec. 78. Section 69-2104, Revised Statutes Cumulative Supplement, 2022, is
amended to read:
69-2104 (1) Before entering into any consumer rental purchase agreement, the lessor shall disclose to the consumer the following items as applicable:

(a) A brief description of the leased property sufficient to identify the property to the consumer and lessor;
(b) The number, amount, and timing of all payments included in the total of payments to acquire ownership;
(c) The total of payments to acquire ownership;
(d) A statement that the consumer will not own the property until the consumer has paid the total of payments to acquire ownership plus applicable taxes;
(e) A statement that the total of payments to acquire ownership does not include other charges such as taxes, late charges, reinstatement fees, or charges for optional products or services the consumer may have elected to purchase and that the consumer should see the rental purchase agreement for an explanation of these charges;
(f) A statement that the consumer is responsible for the fair market value, remaining rent, early purchase option amount, or cost of repair of the property, whichever is less, if it is lost, stolen, damaged, or destroyed;
(g) A statement indicating whether the property is new or used. A statement that indicates that new property is used shall not be a violation of the Consumer Rental Purchase Agreement Act;
(h) A statement of the cash price of the property. When the agreement involves a lease for two or more items, a statement of the aggregate cash price of all items shall satisfy the requirement of this subdivision;
(i) The total amount of the initial payments required to be paid before consummation of the agreement or delivery of the property, whichever occurs later, and an itemization of the components of the initial payment, including any initial nonrefundable administrative fee or delivery charge, lease payment, taxes, or fee or charge for optional products or services;
(j) A statement clearly summarizing the terms of the consumer’s options to purchase, including a statement that at any time after the first periodic payment is made the consumer may acquire ownership of the property by tendering an amount which may not exceed fifty-five percent of the difference between the total of payments to acquire ownership and the total of lease payments that the consumer has paid on the property at that time;
(k) A statement identifying the party responsible for maintaining or servicing the property while it is being leased, together with a description of that responsibility and a statement that if any part of a manufacturer’s warranty covers the leased property at the time the consumer acquires ownership of the property, such warranty shall be transferred to the consumer if allowed by the terms of the warranty; and
(l) The date of the transaction and the names of the lessor and the consumer.

(2) With respect to matters specifically governed by the federal Consumer Credit Protection Act, 15 U.S.C. 1601 et seq., as such act existed on January 1, 2023 2022, compliance with such act shall satisfy the requirements of this section.

(3) Subsection (1) of this section shall not apply to a lessor who complies with the disclosure requirements of the federal Consumer Credit Protection Act, 15 U.S.C. 1667a, as such section existed on January 1, 2023 2022, with respect to a consumer rental purchase agreement entered into with a consumer.

Sec. 79. Section 69-2112, Revised Statutes Cumulative Supplement, 2022, is amended to read:
69-2112 (1) Any advertisement for a consumer rental purchase agreement which refers to or states the amount of any payment or the right to acquire ownership for any specific item shall also state clearly and conspicuously the following if applicable:
(a) That the transaction advertised is a consumer rental purchase agreement;
(b) The total of payments to acquire ownership; and
(c) That the consumer acquires no ownership rights until the total of payments to acquire ownership is paid.

(2) Any owner or employee of any medium in which an advertisement appears or through which it is disseminated shall not be liable under this section.

(3) Subsection (1) of this section shall not apply to an advertisement which does not refer to a specific item of property, which does not refer to or state the amount of any payment, or which is published in the yellow pages of a telephone directory or any similar directory of business.

(4) With respect to matters specifically governed by the federal Consumer Credit Protection Act, 15 U.S.C. 1601 et seq., as such act existed on January 1, 2023 2022, compliance with such act shall satisfy the requirements of this section.

Sec. 80. Section 76-1007, Reissue Revised Statutes of Nebraska, is amended to read:
76-1007 (1) The trustee or the attorney for the trustee shall give written notice of the time and place of sale particularly describing the property to be sold by publication of such notice, at least five times, once a week for five consecutive weeks, the last publication to be at least ten days but not more than thirty days prior to the sale, in some newspaper having a general circulation in each county in which the property to be sold, or some part thereof, is situated.

(2) The sale shall be held at the time and place designated in the notice
of sale which shall be between the hours of nine a.m. and five p.m. and at (a) the premises, (b) at the courthouse of the county in which the property to be sold, or some part thereof, is situated, or (c) a public building wherein one or more county offices are located within the county in which the property to be sold, or some part thereof, is situated.

(3) The notice of sale shall be sufficient if made in substantially the following form:

Notice of Trustee’s Sale
The following described property will be sold at public auction to the highest bidder at the ........... door of the county courthouse in ..........., County of ..........., Nebraska, on ..........., 20.....

(Name of Trustee) ........................................

Sec. 81. Section 77-6801, Revised Statutes Cumulative Supplement, 2022, is amended to read:

77-6801 Sections 77-6801 to 77-6843 and sections 82 to 84 of this act shall be known and may be cited as the ImagiNE Nebraska Act.

Sec. 82. (1) It is the intent of the Legislature that an application made by a taxpayer that is a Nebraska-based covered entity in 15 U.S.C. 4651 under the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law 116-283, be approved upon receipt if:

(a) The taxpayer’s application contains the items listed in subsection (2) of section 77-6827; and

(b) The taxpayer’s application meets the federal eligibility requirements of the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law 116-283.

(2) Not more than thirty days after receipt and approval of an application under subsection (1) of this section, the director shall issue to such taxpayer a written agreement conforming to the requirements of section 77-6828 and sections 83 and 84 of this act.

Sec. 83. (1) An agreement issued pursuant to section 82 of this act shall contain total incentives, refunds, and credits earned through the ImagiNE Nebraska Act sufficient to equal twenty-five percent of the taxpayer’s investment in qualified property for the fabrication, assembly, testing, advancement of semiconductors or technologies with extensive microelectronic content. The director shall ensure that such agreement creates no additional obligation upon the General Fund.

(2) With respect to an application or agreement with a taxpayer that is a Nebraska-based covered entity as defined in 15 U.S.C. 4651 under the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law 116-283:

(a) The provisions of section 77-6839 shall not apply, except that the annual credits and incentives redeemed by the taxpayer may be limited to one-fifteenth of the total credits and incentives eligible to be earned during a fifteen-year performance period, as defined by section 77-6816; and

(b) The taxpayer may not carryover earned but unused incentives past the performance period.

Sec. 84. A taxpayer that is also a Nebraska-based covered entity as described in 15 U.S.C. 4651 that qualifies under the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law 116-283, may use earned incentives or credits under the ImagiNE Nebraska Act.

(1) To obtain a refund from the state equal to the amount that the taxpayer demonstrates to the director was paid by the taxpayer after the date of the complete application to repay the principal or interest on revenue bonds issued by an inland port authority pursuant to section 13-3306;

(b) To provide financial assistance to public and private sector initiatives that are intended to improve Nebraska’s ability to attract microelectronic-based enterprises, especially those incentivized under the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law 116-283, by making necessary investments in the semiconductor industry and technologies with extensive microelectronic content, including, but not limited to, grants for the establishment of private sector entities for such purposes within eligible economically disadvantaged areas in Nebraska, as set forth in section 9902(a)(2)(B) of the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law 116-283; and

(4) For any other eligible use authorized pursuant to the ImagiNE Nebraska Act.

Sec. 85. Section 4A-108, Uniform Commercial Code, Revised Statutes Cumulative Supplement, 2022, is amended to read:

4A-108 Relationship to federal Electronic Fund Transfer Act.

(a) Except as provided in subsection (b), this article does not apply to a funds transfer as defined in the federal Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq., as such act existed on January 1, 2023.

(b) This article applies to a funds transfer that is a remittance transfer as defined in the federal Electronic Fund Transfer Act, 15 U.S.C. 1693o-1, as
such section existed on January 1, 2023, unless the remittance transfer is an electronic fund transfer as defined in the Federal Electronic Fund Transfer Act, 15 U.S.C. § 1693a, as such section existed on January 1, 2023.

(c) In a funds transfer to which this article applies, in the event of an inconsistency between an applicable provision of this article and an applicable provision of the federal Electronic Fund Transfer Act, the provision of the federal Electronic Fund Transfer Act governs to the extent of the inconsistency.

Sec. 86. (1) Except as provided in subsection (3) of this section, beginning January 1, 2024, and notwithstanding section 44-3,131, (a) any individual or group sickness and accident insurance policy or subscriber contract delivered, issued for delivery, or renewed in this state and any hospital, medical, or surgical expense-incurred policy, except for policies that provide coverage for a specified disease or other limited-benefit coverage, and (b) any self-funded employee benefit plan to the extent not preempted by federal law, which provides reimbursement for prescription insulin drugs shall limit the total amount that a covered individual is required to pay for each prescription insulin drug on the policy’s, contract’s, or plan’s lowest brand or generic tier to a maximum of thirty-five dollars per thirty-day supply of insulin, regardless of the amount needed.

(2) Nothing in this section prevents a policy, contract, or plan from reducing the total amount that a covered individual is required to pay for each covered prescription insulin drug to an amount less than the maximum specified in subsection (1) of this section.

(3) If, due to a national shortage of an insulin drug, a covered individual cannot access a covered prescription insulin drug on the lowest brand or generic tier of the policy, contract, or plan, the policy, contract, or plan shall ensure access to an insulin drug at a maximum of thirty-five dollars per thirty-day supply until such time that the national shortage ends to prevent disruptions in patient access to insulin.

(4) For purposes of this section, prescription insulin drug means a prescription drug that contains insulin and is used to treat diabetes.

Sec. 87. (1) For purposes of this section:

(a) Benefit plan means a policy, a contract, a certificate, or an agreement entered into, offered by, or issued by an insurer to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services, including a vision or dental benefit plan. Health benefit plan shall not include any coverage pursuant to a liability insurance policy, including medical payments insurance issued as a supplement to a liability insurance policy, or a workers’ compensation insurance policy; and

(b) Plan sponsor means:

(i) In the case of a health benefit plan established or maintained by a single employer, the employer;

(ii) In the case of a health benefit plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the benefit plan.

(2) The plan sponsor of a health benefit plan may, on behalf of covered persons in the plan, provide the consent to the delivery of all communications related to the plan by electronic means and to the electronic delivery of any health insurance identification card if, before consenting on behalf of a covered person, a plan sponsor:

(a) Confirms that the covered person routinely uses electronic communications during the normal course of employment;

(b) Provides the covered person an opportunity to opt out of delivery by electronic means; and

(c) Follows all federal and state laws relating to the electronic delivery of such information or documents.

Sec. 88. Sections 88 to 97 of this act shall be known and may be cited as the Insurance Regulatory Sandbox Act.

Sec. 89. The purpose of the Insurance Regulatory Sandbox Act is to create a regulatory sandbox program of the Department of Insurance under the Code that allows a participant to temporarily test innovative insurance products or services on a limited basis without otherwise being licensed or authorized to act under the laws of the state.

Sec. 90. For purposes of the Insurance Regulatory Sandbox Act:

(a) Applicant means an individual or entity that is applying to participate in the regulatory sandbox; and

(b) Consumer means a person that purchases or otherwise enters into a transaction agreement to receive an innovative insurance product or service that is being tested by a sandbox participant.

(1) Applicable agency means a department or agency of the state that, by law, regulates certain types of insurance-related business activity in the state and persons engaged in such insurance-related business activity. This includes the issuance of licenses or any other types of authorization which the department determines would otherwise regulate a sandbox participant.

(2) Sandbox participant means an individual or entity that is testing an innovation in the regulatory sandbox.

(3) Consumer means a person that purchases or otherwise enters into a transaction agreement to receive an innovative insurance product or service that is being tested by a sandbox participant.

(4) Department means the Department of Insurance.
product, service, business model, or delivery mechanism that is not known by
the department to have a comparable widespread offering in the state;

(6) Innovative insurance product or service means an insurance product or
service that includes an innovation;

(7) Insurance product or service means an insurance-related product or
service that requires state licensure, registration, or other authorization as
regulated by state law, including any insurance-specific business model,
delivery mechanism, or element that requires a license, registration, or other
authorization;

(8) Regulatory sandbox means the program created in section 91 of this act
which allows a person to temporarily test an innovative insurance product or
service on a limited basis without otherwise being licensed or authorized to
act under the laws of the state;

(9) Sandbox participant means a person whose application to participate in
the regulatory sandbox is approved in accordance with the Insurance Regulatory
Sandbox Act; and

(10) Test means to provide an innovative insurance product or service in
accordance with the Insurance Regulatory Sandbox Act.

Sec. 91. (1) The department shall create and administer a regulatory
sandbox program that enables a person to obtain limited access to the market in
the state to test an innovative insurance product or service without obtaining
a license or without regard to other provisions of Chapter 44 or rules and
regulations adopted and promulgated by the department which may be applicable,
as determined by the department.

(2) In administering the regulatory sandbox, the department:
(a) Shall consult with each applicable agency;
(b) May enter into agreements with or follow the best practices of the
Consumer Financial Protection Bureau or other states that are administering
similar programs; and
(c) May not approve participation in the regulatory sandbox by an
applicant or any other participant who has been convicted of, or pled guilty or
nolo contendere to, a serious crime:
(i) Involving theft, fraud, or dishonesty; or
(ii) That bears a substantial relationship to the applicant’s or
participant’s ability to safely or competently participate in the regulatory
sandbox.

(3) An applicant for the regulatory sandbox shall submit an application to
the department in a form and manner prescribed by the department. The
application shall:
(a) Include a nonrefundable application fee of two hundred fifty dollars;
(b) Demonstrate the applicant is subject to the jurisdiction of the state;
(c) Demonstrate the applicant has established a physical or virtual
location that is adequately accessible to the department from which testing
will be developed and performed and where all required records, documents, and
data will be maintained;
(d) Contain relevant personal and contact information for the application,
including legal names, addresses, telephone numbers, email addresses, website
addresses, and other information required by the department;
(e) Disclose any criminal conviction of the applicant or officers,
directors, or other participating personnel, if any;
(f) Demonstrate that the applicant has the necessary personnel, financial
and technical expertise, access to capital, and developed plans to test,
monitor, and assess the innovative insurance product or service;
(g) Contain a description of the innovative insurance product or service to
be tested, including statements regarding the following:
(i) How the innovative insurance product or service is subject to
licensing or other authorization requirements outside of the regulatory
sandbox, including a specific list of all state laws, regulations, and
licensing or other requirements that the applicant is seeking to have waived
during the testing period;
(ii) How the innovative insurance product or service benefits
customers;
(iii) How the innovative insurance product or service is different from
other insurance products or services available in the state;
(iv) What risks may confront consumers that use or purchase the innovative
insurance product or service;
(v) How participating in the regulatory sandbox would enable a successful
test of the innovative insurance product or service;
(vi) A description of how the applicant will perform ongoing duties after
the test; and
(vii) How the applicant will end the test and protect consumers if the
test fails, including providing evidence of sufficient liability coverage and
financial reserves to protect consumers and to protect against insolvency by
the applicant; and
(h) Provide any other required information as determined by the
department.
(4) An applicant shall file a separate application for each innovative
insurance product or service the applicant wants to test.

(5) The following items shall not be waived as part of any applicant’s
participation in the regulatory sandbox:
(a) Laws and regulations not under the jurisdiction of the Director of
Insurance;
(b) Any law or regulation required for the department to maintain
(c) Laws regarding minimum paid-in capital or surplus required to be possessed or maintained by an insurer or product reserving laws;

(d) The Unfair Insurance Trade Practices Act and the Unfair Insurance Claims Settlement Practices Act;

(e) Any requirement for insurance producers to be licensed; and

(f) The application of any taxes or fees.

(6) After an application is filed and before approving the application, the department may seek any additional information from the applicant that the department determines is necessary.

(7) Subject to subsection (8) of this section, not later than ninety days after the day on which a complete application is received by the department, the department shall inform the applicant as to whether the application is approved for entry into the regulatory sandbox.

(8) If the department approves an application, the applicant may mutually agree to extend the ninety-day timeline described in subsection (7) of this section.

(9) In reviewing an application under this section, the department shall consult with, and get approval from, each applicable agency before admitting an applicant into the regulatory sandbox. The consultation with an applicable agency may include seeking information about:

(a) Whether the applicable agency has previously issued a license or other authorization to the applicant;

(b) Whether the applicable agency has previously investigated, sanctioned, or pursued legal action against the applicant;

(c) Whether the applicant could obtain a license or other authorization from the applicable agency after exiting the regulatory sandbox; and

(d) Whether certain licensure or other regulations should not be waived even if the applicant is accepted into the regulatory sandbox.

(10) In reviewing an application under this section, the department shall also consider whether a competitor to the applicant is or has been a sandbox participant and weigh that as a factor in determining whether to allow the applicant to also become a sandbox participant.

(11) If the department and each applicable agency approve admitting an applicant into the regulatory sandbox, an applicant may become a sandbox participant. Applicants that become sandbox participants shall incur a participation fee set by the department. The participation fee shall be commensurate with the costs incurred by the department in administering the participant's participation in the regulatory sandbox. Participation fees shall be dependent on factors such as the size of the applicant and the number of customers the applicant has, but shall be set at a reasonable amount to encourage participation in the regulatory sandbox.

(12) The department may enter into agreements with other states that have enacted laws that are substantially similar to the Insurance Regulatory Sandbox Act in order to advance the purposes of the act and to facilitate the consideration of applications for participation in the regulatory sandbox from persons that have satisfied the requirements of this section and received approval for participation in similar programs in other states.

(13) The department may deny any application submitted under this section, for any reason, at the department's discretion.

(14) If the department denies an application submitted under this section, the department shall provide to the applicant a written description of the reasons for the denial.

(15) Documents, materials, and other information in the possession or control of the Director of Insurance that are obtained by, created by, or disclosed to the director or any other person under the Insurance Regulatory Sandbox Act are recognized by this state as being proprietary and to contain trade secrets. All such documents, materials, and other information shall be confidential by law and privileged, shall not be public record subject to disclosure by the director pursuant to sections 84-712 to 84-712.09, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. The director may use the documents, materials, and other information in the furtherance of any regulatory or legal action brought as a part of the director's official duties. The director shall not otherwise make the documents, materials, and other information public without written approval of the applicant. In order to assist in the performance of the director's regulatory duties, the director:

(a) May, upon request, share documents, materials, and other information that are obtained by, created by, or disclosed to the director or any other person under the Insurance Regulatory Sandbox Act, including the confidential and privileged documents, materials, and other information subject to this subsection, with other state, federal, and international financial regulatory agencies, including members of any supervisory college under section 44-2137.01, with the National Association of Insurance Commissioners, and with any third-party consultants designated by the director, if the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, and other information and has verified in writing the legal authority to maintain confidentiality; and

(b) May receive documents, materials, and other information, including otherwise confidential and privileged documents, materials, and other information from regulatory officials of other foreign or domestic jurisdictions that have enacted laws substantially similar to the Insurance Regulatory Sandbox Act, including members of any supervisory college under section 44-2137.01 and from the National Association of Insurance...
Commissioners, and shall maintain as confidential or privileged any documents, materials, or other information received with notice or the understanding that it is considered by the department as subject to the laws of the jurisdiction that is the source of the document, material, or other information.

(16) The department shall not accept any applications for the regulatory sandbox after June 30, 2034.

Sec. 92. (1) If the department approves an application under section 91 of this act, the sandbox participant has twelve months after the day on which the application was approved to test the innovative insurance product or service described in the sandbox participant's application.

(2) A sandbox participant testing an innovative insurance product or service within the regulatory sandbox is subject to the following:

(a) Consumers shall be residents of this state; and
(b) The department may, on a case-by-case basis, specify the maximum number of consumers that may enter into an agreement with the sandbox participant to use the innovative insurance product or service; and
(c) The department may, on a case-by-case basis, specify the maximum number of innovative insurance products or services that may be offered by a sandbox participant during the test of such product or service.

(3) If a sandbox participant is accepted into the regulatory sandbox, the department shall notify other businesses in the industry that a regulatory waiver was granted in order to afford other businesses the opportunity to apply for the same regulatory waiver if they so choose.

(4) This section does not restrict a sandbox participant who holds a license or other authorization in another jurisdiction from acting in accordance with that license or other authorization.

(5) A sandbox participant is deemed to possess an appropriate license under the laws of the state for the purposes of any provision of federal law requiring licensure or authorization.

(6) A sandbox participant that is testing an innovative insurance product or service is not subject to state laws, regulations, licensing requirements, or authorization requirements that were identified by the sandbox participant's application and have been waived in writing by the department.

(7) Notwithstanding any other provision of the Nebraska Regulatory Sandbox Act, a sandbox participant does not have immunity related to any criminal offense committed during the sandbox participant's participation in the regulatory sandbox.

(8) By written notice, the department may end a sandbox participant's participation in the regulatory sandbox at any time and for any reason, including if the department determines a sandbox participant is not operating in good faith to bring an innovative insurance product or service to market.

(9) The department and the department's employees are not liable for any business losses or the recouping of application expenses related to the regulatory sandbox.

(10) No guaranty association in the state may be held liable for business losses or liabilities incurred as a result of activities undertaken by a sandbox participant while participating in the regulatory sandbox.

Sec. 93. (1) Prior to the sale of an innovative insurance product or service to a consumer, the sandbox participant shall disclose the following to the consumer in a clear and conspicuous format in English and Spanish:

(a) The name and contact information of the sandbox participant;
(b) That the innovative insurance product or service is authorized pursuant to the Insurance Regulatory Sandbox Act for a temporary period of one year with a possible extension of one additional year, but for no more than two years;
(c) Any risk to the consumer associated with the purchase of the innovative insurance product or service;
(d) That neither the State of Nebraska nor the Department of Insurance recommends the innovative insurance product or service and that neither the state nor the department is subject to any liability for losses or damages caused by such product or service;
(e) That the consumer may contact the Department of Insurance to file a complaint regarding the innovative insurance product or service; Contact information for the Department of Insurance shall also be provided;
(f) That state insurance insolvency guaranty funds are not available for the innovative insurance product or service; and
(g) Any other statements or additional disclosures that may be required by the Department of Insurance.

(2) The disclosures required by subsection (1) of this section shall be provided to consumers through a written disclosure statement. Sandbox participants shall keep a signed copy of the disclosure statement on file and be able to provide the statement to the department upon request.

(3) Sandbox participants shall also note on any websites, social media postings, advertisements, and promotional materials of any kind all potential risks for consumers associated with the purchase of the innovative insurance product or service.

Sec. 94. (1) At least thirty days before the end of the twelve-month regulatory sandbox testing period, a sandbox participant shall:

(a) Notify the department that the sandbox participant will exit the
regulatory sandbox, discontinue the sandbox participant's test, and stop offering any innovative insurance product or service in the regulatory sandbox within sixty days after the day on which the twelve-month testing period ends; or

(b) Seek an extension in accordance with section 95 of this act.

(2) Subject to subsection (3) of this section, if the department does not receive notification as required by subsection (1) of this section, the regulatory sandbox testing period ends at the end of the twelve-month testing period and the sandbox participant shall immediately stop offering each innovative insurance product or service being tested.

(3) If a test includes offering an innovative insurance product or service that requires ongoing duties, the sandbox participant shall continue to fulfill those duties for another person to fulfill those duties after the date on which the sandbox participant exits the regulatory sandbox.

Sec. 95. (1) Not later than thirty days before the end of the twelve-month regulatory sandbox testing period, a sandbox participant may request an extension of the regulatory sandbox testing period for the purpose of obtaining a license or other authorization.

(2) The department shall grant or deny a request for an extension by the end of the twelve-month regulatory sandbox testing period.

(3) The department may grant one extension in accordance with this section for not more than twelve months after the end of the regulatory sandbox testing period.

(4) A sandbox participant that obtains an extension in accordance with this section shall provide the department with a written report every three months that provides an update on efforts to obtain a license or other authorization required by law, including any applications submitted for licensure or other authorization, rejected applications, or issued licenses or other authorizations.

Sec. 96. (1) A sandbox participant shall retain records, documents, and data produced in the ordinary course of business regarding an innovative insurance product or service tested in the regulatory sandbox.

(2) If an innovative insurance product or service fails before the end of a testing period, the sandbox participant shall notify the department and report on actions taken by the sandbox participant to ensure consumers have not been harmed as a result of the failure.

(3) The department shall establish quarterly reporting requirements for a sandbox participant, including information about any customer complaints.

(4) The department may request records, documents, and data from a sandbox participant's request that a sandbox participant shall make such records, documents, and data available for inspection by the department.

(5) If the department determines that a sandbox participant has engaged in, is engaging in, or is about to engage in any practice or transaction that is in violation of Chapter 44, the department may remove a sandbox participant from the regulatory sandbox. If the department determines that the practice or transaction is in violation of state or federal criminal law, the department shall remove the sandbox participant from the regulatory sandbox.

The department shall provide a written report upon request by a member of the Legislature that provides information regarding each sandbox participant and that provides recommendations regarding the effectiveness of the Insurance Regulatory Sandbox Act.

Sec. 97. The department may adopt and promulgate rules and regulations to carry out the Insurance Regulatory Sandbox Act.

Sec. 98. The Revisor of Statutes shall assign section 75 of this act to Chapter 81, article 12.

Sec. 99. Sections 54 and 183 of this act become operative on January 1, 2024. Sections 64 and 184 of this act become operative on April 30, 2024. Sections 57, 58, 59, 60, 61, 62, and 185 of this act become operative on January 1, 2625. Sections 42, 43, 44, 45, 46, 47, 48, 49, 51, 52, 53, 55, 56, 63, 65, 66, 73, 74, 75, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, and 102 of this act become operative three calendar months after the adjournment of this legislative session. The other sections of this act become operative on their effective date.

Sec. 100. If any section in this act or any part of any section is declared invalid or unconstitutional, the declaration shall not affect the validity or constitutionality of the remaining portions.

Sec. 101. Original sections 8-101.03, 8-102, 8-115, 8-135, 8-141, 8-143.01, 8-157.01, 8-183.04, 8-1-140, 8-318, 8-355, 8-602, 8-1101, 8-1161.01, 8-1764.11, 8-1767, 8-2724, 8-2903, 8-3002, 8-3003, 8-3004, 8-3005, 8-3007, 8-3008, 8-3011, 8-3012, 8-3013, 8-3014, 8-3015, 8-3016, 8-3017, 8-3018, 8-3019, 8-3020, 8-3021, 8-3022, 8-3023, 8-3025, 8-3026, 8-3028, 8-3030, 21-1,7115, 45-191.01, 45-191.04, 45-735, 45-1002, 45-1003, 45-1006, and 76-1,007, Reissue Revised Statutes of Nebraska, sections 59-1722, 69-2193, 69-2194, 69-2195, and 77-6801, Revised Statutes Cumulative Supplement, 2022, and section 4A-108, Uniform Commercial Code, Revised Statutes Cumulative Supplement, 2022, are repealed.

Sec. 102. Original sections 10-110, 10-402, 10-403, 10-405, 10-407, 10-511, 10-804, 13-509, 44-319.02, 44-319.03, 44-319.06, 44-1993, 44-3308, 44-5140, and 58-201, Reissue Revised Statutes of Nebraska, and sections 44-7,102 and 44-5141, Revised Statutes Cumulative Supplement, 2022, are repealed.

Sec. 103. Original section 4-785, Reissue Revised Statutes of Nebraska, is repealed.
Sec. 104. Original section 44-4054, Reissue Revised Statutes of Nebraska, is repealed.

Sec. 105. Original sections 44-2824, 44-2825, 44-2827, 44-2831.01, 44-2832, and 44-2833, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 106. Since an emergency exists, this act takes effect when passed and approved according to law.