

## LEGISLATIVE BILL 1274

Approved by the Governor April 12, 1996

Introduced by Landis, 46

AN ACT relating to banks and capital stock financial institutions; to amend sections 15-845, 16-712, 72-1268, 72-1268.04, 77-2305, 77-2314, 77-2317, 77-2318.01, 77-2320, 77-2326.05 to 77-2326.08, 77-2346, 77-2351, 77-2356 to 77-2359, and 77-2364, Reissue Revised Statutes of Nebraska, sections 14-556, 15-849, 16-713, 16-715, 16-716, 17-607, 17-720, 77-2318, 77-2326.04, 77-2329, 77-2344, 77-2345, 77-2352, 77-2355, 77-2363, 77-2371, 77-2374 to 77-2376, and 77-2378, Revised Statutes Supplement, 1994, and sections 15-847, 15-848, and 77-2306, Revised Statutes Supplement, 1995; to adopt the Public Funds Deposit Security Act; to change provisions relating to the deposit of public funds; to eliminate provisions relating to the withdrawal and substitution of securities; to harmonize provisions; to repeal the original sections; and to outright repeal sections 72-1268.06, 77-2307, 77-2308, 77-2321, 77-2322, and 77-2328, Reissue Revised Statutes of Nebraska, and sections 72-1268.05, 77-2379, and 77-2380, Revised Statutes Supplement, 1994.

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

Section 1. Sections 1 to 12 of this act shall be known and may be cited as the Public Funds Deposit Security Act.

Sec. 2. For purposes of the Public Funds Deposit Security Act, unless the context otherwise requires:

(1) Bank means any state-chartered or federally chartered bank which has a main chartered office in this state;

(2) Capital stock financial institution means a capital stock state building and loan association, a capital stock federal savings and loan association, a capital stock federal savings bank, a capital stock industrial loan and investment company, and a capital stock state savings bank which has a main chartered office in this state;

(3) Custodial official means an officer or an employee of the State of Nebraska or any political subdivision who, by law, is made custodian of or has control over public money or public funds subject to the act or the security for the deposit of public money or public funds subject to the act;

(4) Deposit guaranty bond means a bond underwritten by an insurance company authorized to do business in this state which provides coverage for deposits of a governing authority which are in excess of the amounts insured by the Federal Deposit Insurance Corporation;

(5) Governing authority means the official, or the governing board, council, or other body or group of officials, authorized to designate a bank or capital stock financial institution as a depository of public money or public funds subject to the act; and

(6) Securities means:

(a) Bonds or obligations fully and unconditionally guaranteed both as to principal and interest by the United States Government;

(b) United States Government notes, certificates of indebtedness, or treasury bills of any issue;

(c) United States Government bonds;

(d) United States Government guaranteed bonds or notes;

(e) Bonds or notes of United States Government agencies;

(f) Bonds of any state or political subdivision which are fully defeased as to principal and interest by any combination of bonds or notes authorized in subdivision (c), (d), or (e) of this subdivision;

(g) Bonds or obligations, including mortgage-backed obligations, issued by the Federal Home Loan Mortgage Corporation, the federal farm credit system, the Federal Home Loan Bank Board, or the Federal National Mortgage Association;

(h) Securities issued under the authority of the Federal Farm Loan Act;

(i) Loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture;

(j) Guaranty agreements of the Small Business Administration of the United States Government;

(k) Bonds or obligations of any county, city, village, metropolitan utilities district, public power and irrigation district, sewer district, fire

protection district, rural water district, or school district in this state which have been issued and registered as required by law or which have been issued under the direction and with the approval of the Auditor of Public Accounts;

(l) Bonds of the State of Nebraska or of any other state which are purchased by the Board of Educational Lands and Funds of this state for investment in the permanent school fund or which are purchased by the state investment officer of this state for investment in the permanent school fund;

(m) Bonds or obligations of another state, or a political subdivision of another state, which are rated within the two highest classifications of prime by at least one of the standard rating services;

(n) Warrants of the State of Nebraska; and

(o) Warrants of any county, city, village, local hospital district, or school district in this state.

Sec. 3. Any bank or capital stock financial institution subject to a requirement by law to secure the deposit of public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation may give security by furnishing securities or providing a deposit guaranty bond pursuant to the Public Funds Deposit Security Act in satisfaction of the requirement.

Sec. 4. A bank or capital stock financial institution furnishes securities pursuant to the Public Funds Deposit Security Act if it (1) deposits securities held by the bank or capital stock financial institution or (2) pledges or grants a security interest in securities held by the bank or capital stock financial institution as provided in the act.

Sec. 5. Any bank or capital stock financial institution pledging securities to secure deposits of public money or public funds may deposit, with the approval of the governing authority, the securities in a federal reserve bank or a bank, capital stock financial institution, or trust company approved by the governing authority, and take for the same a trust receipt in the form of and executed in the manner approved by the governing authority. When the transaction has been approved, the bank or capital stock financial institution may deposit the trust receipt in lieu of the securities evidenced by the trust receipt.

Sec. 6. (1) Securities pledged or securities in which a security interest has been granted shall be delivered to and held by a federal reserve bank or by a branch of a federal reserve bank or another responsible bank, capital stock financial institution, or trust company within this state, other than the pledgor or the bank or capital stock financial institution granting the security interest, as designated by the governing authority, with appropriate joint custody and the pledge agreement or security interest as described in subsection (2) of this section, in a form approved by the governing authority.

(2) The delivery by the bank or capital stock financial institution designated as a depository to the custodial official of a written receipt or acknowledgment from a federal reserve bank or branch of a federal reserve bank or another bank, capital stock financial institution, or trust company in this state, other than the bank or capital stock financial institution granting the security interest, that includes the title of such custodial official, describes the securities identified on the books or records of the depository, and provides that the securities or the proceeds of the securities will be delivered only upon the surrender of the written receipt or the acknowledgment duly executed by the custodial official designated on the written receipt or the acknowledgment and by the authorized representative of the depository shall, together with the custodial official's actual and continued possession of the written receipt or acknowledgment, constitute a valid and perfected security interest in favor of the custodial official in and to the identified securities. Articles 8 and 9, Uniform Commercial Code, shall not apply to any security interest arising under this section.

Sec. 7. A bank or capital stock financial institution which has furnished securities pursuant to the Public Funds Deposit Security Act shall have the right at any time and without prior approval to substitute other securities of equal value in lieu of securities furnished except that such securities substituted shall be those provided for under the act. Following any substitution of securities pursuant to this section the custodial official shall report such substitution to the governing authority.

Sec. 8. A bank or capital stock financial institution which has furnished securities pursuant to the Public Funds Deposit Security Act may withdraw all or any part of such securities upon repayment to the custodial official of the amount of the securities thus withdrawn, and thereupon the custodial official shall be empowered to assign such securities to the owner thereof. All interest coupons attached to securities furnished under the act

shall be detached by the holder or trustee thirty days before maturity and returned to such bank or capital stock financial institution.

Sec. 9. A bank or capital stock financial institution provides a deposit guaranty bond pursuant to the Public Funds Deposit Security Act if it issues a deposit guaranty bond which runs to the custodial official and which is conditioned that the bank or capital stock financial institution shall, at the end of each and every month, render to the custodial official a statement, in duplicate, showing the daily balances and the amounts of public money or public funds of the governing authority held by it during the month and how credited. The public money or public funds shall be paid promptly on the order of the custodial official depositing the public money or public funds.

Sec. 10. (1) If a bank or capital stock financial institution designated as a depository furnishes securities pursuant to the Public Funds Deposit Security Act, the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation, unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured.

(2) If a bank or capital stock financial institution designated as a depository provides a deposit guaranty bond pursuant to the act, the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation, unless and until the depository has provided to the custodial official a deposit guaranty bond in an amount not less than the amount on deposit which is in excess of the amount so insured.

Sec. 11. No custodial official shall be liable on his or her official bond as such custodial official for public money or public funds on deposit in a bank or capital stock financial institution designated as a depository if the depository has furnished securities or provided a deposit guaranty bond pursuant to the Public Funds Deposit Security Act.

Sec. 12. All depositories of public money or public funds belonging to the State of Nebraska or the political subdivisions in this state shall have full authority to deposit, pledge, or grant a security interest in their assets or to provide a deposit guaranty bond for the security and payment for all such deposits and accretions. The State of Nebraska and any political subdivision in this state are given the right and authority to accept such deposit, pledge, or grant of a security interest in assets or the provision of a deposit guaranty bond.

Sec. 13. Section 14-556, Revised Statutes Supplement, 1994, is amended to read:

14-556. (1) The city treasurer shall place all funds of the city, as the same accrue, on deposit in such banks or capital stock financial institutions within the city as shall agree to pay the highest rate of interest for the use of such funds so deposited. The city council is hereby directed to advertise for bids for rates for the deposit of such funds as is hereby contemplated.

(2) The banks or capital stock financial institutions referred to in subsection (1) of this section, so selected, shall:

(a) Give bond to the city for the safekeeping of such funds, and such city shall not have on deposit in any bank or capital stock financial institution giving a guaranty bond more than the amount insured by the Federal Deposit Insurance Corporation plus the maximum amount of the bond given by the bank or capital stock financial institution or in any bank or capital stock financial institution giving a personal bond more than the amount insured by the Federal Deposit Insurance Corporation plus one-half of the amount of the bond of the bank or capital stock financial institution. All bonds of such banks or capital stock financial institutions shall be deposited with and held by the city treasurer; or

(b) Pledge collateral of the same type which may be used to secure deposits of funds of the state as provided in sections 77-2306 and 77-2307 as of the time the collateral is pledged Give security as provided in the Public Funds Deposit Security Act.

(3) The fact that a stockholder, director, or other officer of such bank or capital stock financial institution is also serving as mayor, as a member of the city council, as a member of a board of public works, or as any other officer of such municipality shall not disqualify such bank or capital stock financial institution from acting as a depository for such municipal funds.

(4) The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 14. Section 15-845, Reissue Revised Statutes of Nebraska, is

amended to read:

15-845. The city treasurer of a city of the primary class shall deposit and at all times keep on deposit for safekeeping in the state or national banks, in the capital stock financial institutions, or in some of them doing business in such city of approved and responsible standing all money collected, received, or held by him or her as such city treasurer. Any such bank or capital stock financial institution located in the city may apply for the privilege of keeping such money or any part thereof upon the following conditions: (1) All such deposits shall be subject to payment when demanded by the city treasurer; and (2) such deposits shall be subject to all regulations imposed by law or adopted by the city for the receiving and holding thereof. The fact that a stockholder, director, or other officer of such bank or capital stock financial institution shall also be serving as mayor, as a member of the city council, or as any other officer of such municipality shall not disqualify such bank or capital stock financial institution from acting as a depository for such municipal funds. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 15. Section 15-847, Revised Statutes Supplement, 1995, is amended to read:

15-847. In lieu of the bond required by section 15-846, any bank or capital stock financial institution making application to become a depository may give security as provided in the Public Funds Deposit Security Act to deposit or pledge as security with the city treasurer. (1) United States Government bonds, (2) bonds of the State of Nebraska or bonds of any state the bonds of which are purchased by the Board of Educational Lands and Funds of this state for investment of the permanent school fund, (3) warrants of the State of Nebraska, (4) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (5) bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (6) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, (7) warrants of the county or any city, village, or school district in the county, or (8) mortgage-backed securities issued by either the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association. The penal sum of such bond or the sum of such pledge of assets security may be reduced in the amount of such deposit insured by the Federal Deposit Insurance Corporation. The depository depositing or pledging securities described in this section shall have the right to substitute other approved securities as provided in this section in lieu of securities already pledged if it so desires at any time. The depository may at its option deposit or make the pledge of securities authorized in this section in the manner provided in section 77-2328. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 16. Section 15-848, Revised Statutes Supplement, 1995, is amended to read:

15-848. The city treasurer shall not have on deposit in any bank or capital stock financial institution at any time more than the maximum amount of the bond given by such bank or capital stock financial institution if the bank or capital stock financial institution gives a surety bond, nor in any bank or capital stock financial institution giving a personal bond, more than one-half of the amount of the bond of such bank or capital stock financial institution. The amount on deposit plus accretions at any time with any such bank or capital stock financial institution shall not in either case exceed the paid-up capital stock and surplus of such bank or capital stock financial institution, or more than ninety-eight percent of the market value of the securities pledged or furnished by such financial institution when the financial institution pledges or deposits approved securities in lieu of a bond. The city treasurer shall not be liable for any loss sustained by reason of the failure of any such bonded depository whose bond shall have been duly approved by the city attorney as provided by section 15-846 or which has, in lieu of a surety bond, pledged or deposited approved securities given security as provided by section 15-847. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 17. Section 15-849, Revised Statutes Supplement, 1994, is amended to read:

15-849. The city treasurer may purchase certificates of deposit from and make time deposits in banks or capital stock financial institutions selected as depositories of city funds pursuant to sections 15-846 to 15-848. The certificates of deposit purchased and time deposits made shall bear

interest and shall be secured as prescribed in such sections. The penal sum of such bond or the sum of such ~~pledge of assets~~ security shall be reduced in the amount of the time deposit or certificate of deposit insured by the Federal Deposit Insurance Corporation. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 18. Section 16-712, Reissue Revised Statutes of Nebraska, is amended to read:

16-712. The city treasurer shall deposit, and at all times keep on deposit, for safekeeping, in ~~state or national~~ banks or capital stock financial institutions of approved and responsible standing, all money collected, received, or held by him or her as city treasurer. Such deposits shall be subject to all regulations imposed by law or adopted by the city council for the receiving and holding thereof. The fact that a stockholder, director, or other officer of such bank or capital stock financial institution shall also be serving as mayor, as a member of the city council, as a member of a board of public works, or as any other officer of such municipality shall not disqualify such bank or capital stock financial institution from acting as a depository for such municipal funds. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 19. Section 16-713, Revised Statutes Supplement, 1994, is amended to read:

16-713. The city treasurer may, upon resolution of the mayor and council authorizing the same, purchase certificates of deposit from and make time deposits in banks or capital stock financial institutions selected as depositories of city funds under the provisions of sections 16-712, 16-714, and 16-715. The certificates of deposit purchased and time deposits made shall bear interest and shall be secured as set forth in sections 16-714 and 16-715, except that the penal sum of such bond or the sum of such ~~pledge of assets~~ security shall be reduced in the amount of the time deposit or certificate of deposit insured by the Federal Deposit Insurance Corporation. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 20. Section 16-715, Revised Statutes Supplement, 1994, is amended to read:

16-715. In lieu of the bond required by section 16-714, any bank or capital stock financial institution making application to become a depository may deposit or pledge as security with give security as provided in the Public Funds Deposit Security Act to the city clerk. ~~(1) United States Government bonds, (2) United States Government guaranteed bonds or notes, (3) bonds of any state or municipal subdivision which are fully defeased as to principal and interest by any combination of bonds or notes authorized in subdivision (1), (2), or (7) of this section, (4) bonds of the State of Nebraska or of any state the bonds of which are purchased by the state investment officer of this state for investment of the permanent school fund, (5) warrants of the State of Nebraska, (6) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (7) bonds or notes of United States governmental agencies, including bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (8) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, or (9) warrants of the county or any city, village, or school district in the county.~~ The penal sum of such bond or the sum of such pledge of assets shall be equal to or greater than the amount of the deposit in excess of that portion of such deposit insured by the Federal Deposit Insurance Corporation. The depository depositing or pledging securities described in this section shall have the right to substitute other approved securities provided for in this section in lieu of securities already pledged if it so desires at any time. The depository may at its option deposit or make the pledge of securities authorized in this section in the manner provided in section 77-2328. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 21. Section 16-716, Revised Statutes Supplement, 1994, is amended to read:

16-716. The treasurer shall not have on deposit in any bank or capital stock financial institution at any time more than:

~~(1) The the amount insured by the Federal Deposit Insurance Corporation plus the maximum amount of the bond given by the bank or capital stock financial institution if the bank or capital stock financial institution gives a surety bond, nor in any bank or capital stock financial institution~~

giving a personal bond, more than the amount insured by the Federal Deposit Insurance Corporation plus one-half of the amount of the bond of such bank or capital stock financial institution, and the amount so on deposit any time with any such bank or capital stock financial institution shall not in either case exceed the amount insured by the Federal Deposit Insurance Corporation plus the paid-up capital stock and surplus of such bank or capital stock financial institution. 7

(2) The amount insured by the Federal Deposit Insurance Corporation plus ninety percent of the par value of the securities furnished by the bank in cases when the bank deposits securities pursuant to section 16-715 and approved by the city treasurer in lieu of a bond; or

(3) The amount insured by the Federal Deposit Insurance Corporation plus one hundred percent of the fair market value of the securities furnished by the bank in cases when the bank deposits securities pursuant to section 16-715 and approved by the city treasurer in lieu of a bond-

The city treasurer shall not be liable for any loss sustained by reason of the failure of any such bonded depository whose bond has been duly approved by the mayor as provided in section 16-714 or which has, in lieu of a surety bond, deposited approved securities given security as provided in section 16-715.

Sec. 22. Section 17-607, Revised Statutes Supplement, 1994, is amended to read:

17-607. (1) The city council or board of trustees, as the case may be, at its first meeting in each fiscal year, shall designate some one or more state or national banks or capital stock financial institutions of approved and responsible standing in which the city treasurer or village treasurer shall keep at all times, subject to payment on his or her demand, all money held by him or her as such city treasurer or village treasurer. If there is one or more banks or capital stock financial institutions located in the city or village which apply for the privilege of keeping such money and furnish the security give bond or give security for the repayment of deposits as provided in this section, such banks or capital stock financial institutions shall be selected as such depositories. The city treasurer or village treasurer shall not give a preference to any one or more of them in the money he or she may so deposit.

(2) The council or board of trustees shall require from all banks or capital stock financial institutions (a) a bond, referred to in subsection (1) of this section, in such penal sum as may be the maximum amount on deposit at any time less the amount insured by the Federal Deposit Insurance Corporation or, in lieu thereof, may accept a pledge of sufficient assets of such depository (b) security given as provided in the Public Funds Deposit Security Act, referred to in subsection (1) of this section, to secure the payment of all such deposits and accretions. The council or board shall approve such bond or pledge giving of security. The city treasurer or village treasurer shall not be liable for any loss of any money sustained by reason of the failure of any such depository so designated and approved. The fact that a stockholder, director, or other officer of such bank or capital stock financial institution is also serving as mayor, as a member of the city council or board of trustees, as a member of a board of public works, or as any other officer of such municipality shall not disqualify such bank or capital stock financial institution from acting as a depository for such municipal funds.

Sec. 23. Section 17-720, Revised Statutes Supplement, 1994, is amended to read:

17-720. The city or village treasurer of cities of the second class and villages may, upon resolution of the mayor and council or board of trustees authorizing the same, purchase certificates of deposit from and make time deposits in any state or national bank or capital stock financial institution in the State of Nebraska to the extent that such certificates of deposit or time deposits are insured by the Federal Deposit Insurance Corporation. Deposits may be made in excess of the amounts so secured by the corporation, and the amount of the excess deposit shall be secured by a bond or a pledge of assets by security given in the same manner as is provided for cities of the first class in sections 16-714 to 16-716 and 77-2328 as of the time the deposit is made. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 24. Section 72-1268, Reissue Revised Statutes of Nebraska, is amended to read:

72-1268. Notwithstanding any other provision of law, every bank and building and loan association shall be eligible for the maximum investment offered to all banks provided for in section 72-1263. The bank or building and loan association shall give a bond or, in lieu of a bond, may deposit

securities give security for any investment under the Nebraska Capital Expansion Act as provided in sections 72-1268.01 to 72-1268.04. Any bank or building and loan association may apply for the privilege of keeping on deposit such funds. Every bank and building and loan association shall, as a condition of accepting state funds, agree to cash free of charge state warrants which are presented by payees of the state without regard to whether or not such payee has an account with such bank or building and loan association.

Sec. 25. Section 72-1268.04, Reissue Revised Statutes of Nebraska, is amended to read:

72-1268.04. (1) In lieu of the bond required by section 72-1268.01, any bank, capital stock financial institution, or building and loan association making application to become a depository under the Nebraska Capital Expansion Act may deposit with give security as provided in the Public Funds Deposit Security Act to the state investment officer, (a) United States Government bonds, (b) United States Government guaranteed bonds or notes, (c) bonds or notes of United States governmental agencies, including bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (d) bonds of any state or municipal subdivision which are fully guaranteed as to principal and interest by any combination of bonds or notes provided in subdivisions (a) through (c) of this subsection, (e) bonds of the State of Nebraska or of any state whose bonds are purchased by the state investment officer of this state for investment of the permanent school fund, (f) warrants of the State of Nebraska, (g) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (h) securities issued under the authority of the Federal Farm Loan Act, (i) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, or (j) warrants of any county, city, village, or school district in the State of Nebraska.

(2) When the deposit to be secured is in an interest-bearing account, there may be deposited with the state investment officer in lieu of the bond as provided in section 72-1268-01 guaranty agreements of the Small Business Administration of the United States Government. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 26. Section 77-2305, Reissue Revised Statutes of Nebraska, is amended to read:

77-2305. The State Treasurer shall not have on deposit in any bank giving a guaranty bond more than the amount insured by the Federal Deposit Insurance Corporation plus the maximum amount of the bond given by said the bank, nor any bank giving a personal bond more than the amount insured by the Federal Deposit Insurance Corporation, plus one-half of the amount of the bond of said the bank. The amount deposited in any bank shall not exceed the amount insured by the Federal Deposit Insurance Corporation plus twice its capital stock and surplus, but no bonds or pledging of any kind giving of security shall be required for funds over which the state investment officer has investment jurisdiction except those funds which are eligible for long-term investment. All bonds of such depositories shall be deposited with and held by the State Treasurer.

Sec. 27. Section 77-2306, Revised Statutes Supplement, 1995, is amended to read:

77-2306. (1) In lieu of a bond as provided in section 77-2305, any bank making application to become a depository under the provisions of sections 77-2301 to 77-2309 may deposit with give security as provided in the Public Funds Deposit Security Act to the State Treasurer, (a) United States Government notes, certificates of indebtedness, or treasury bills of any issue; (b) bonds or obligations fully and unconditionally guaranteed both as to principal and interest by the United States or bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; (c) bonds or obligations, including mortgage-backed obligations, issued by the Federal Home Loan Mortgage Corporation, the federal farm credit system, the Federal Home Loan Bank, or the Federal National Mortgage Association; (d) bonds or obligations of any county, city, village, sewer district, fire protection district, rural water district, or school district of this state which have been issued and registered as required by law; (e) bonds or obligations of another state or a political subdivision of another state the bonds of which are rated within the

two highest classifications of prime by at least one of the standard rating services; (f) bonds of the State of Nebraska or of any state the bonds of which are purchased by the Board of Educational Lands and Funds of this state for investment of the permanent school fund or warrants of the State of Nebraska; (g) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture; or (h) registered warrants of any county, city, or school district of this state.

(2) When the deposit to be secured is in an interest-bearing account, there may be deposited with the State Treasurer in lieu of the bond as provided in section 77-2305 guaranty agreements of the Small Business Administration of the United States Government.

Sec. 28. Section 77-2314, Reissue Revised Statutes of Nebraska, is amended to read:

77-2314. When more than one bank or capital stock financial institution may have been selected by the county board as depositories, the county treasurer shall not give a preference to any one or more of them in the money he or she may so deposit, but shall keep deposited with each of such banks or capital stock financial institutions such a part of the money as the paid-up capital of such bank or capital stock financial institution as of December 31 of the preceding year is a part of the amount of all the paid-up capital of all the banks or capital stock financial institutions so selected as of December 31 of the preceding year, so that such money may at all times be deposited with such banks or capital stock financial institutions pro rata as to their paid-up capital, except that the county treasurer may select one or more banks or capital stock financial institutions to be used for active accounts in which he or she may keep deposited in excess of these requirements only such funds as may be necessary for the transaction of ordinary day-to-day requirements. For purposes of this section, capital shall mean capital stock, surplus, undivided profits, capital notes or debentures, and other unimpaired reserves. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 29. Section 77-2317, Reissue Revised Statutes of Nebraska, is amended to read:

77-2317. The bond in substance shall be similar to the bond required and set forth in section 77-2304. No person in any way connected with any depository bank or capital stock financial institution as an officer or stockholder shall be accepted as a surety on any bond given by the bank or capital stock financial institution of which he or she is an officer or stockholder.

Sec. 30. Section 77-2318, Revised Statutes Supplement, 1994, is amended to read:

77-2318. The county treasurer shall not have on deposit in any bank or capital stock financial institution at any time more money than the amount insured by the Federal Deposit Insurance Corporation, plus the maximum amount of the bond given by such bank or capital stock financial institution in cases when the bank or capital stock financial institution gives a guaranty bond except as provided in section 77-2318.01. The amount on deposit at any time with any bank or capital stock financial institution shall not exceed fifty percent of the paid-up capital stock and surplus of such bank or capital stock financial institution except as provided in section 77-2318.01. When the amount of money which the county treasurer desires to deposit in the banks and capital stock financial institutions within the county exceeds fifty percent of the paid-up capital and surplus of all of the banks and capital stock financial institutions in such county, then the county treasurer may, with the consent of the county board, deposit an amount in excess thereof, but not exceeding the capital stock and surplus in any one bank or capital stock financial institution unless the depository gives security as provided in section 77-2318.01. Bond shall be required of all banks and capital stock financial institutions for such excess deposit unless security is given in accordance with section 77-2318.01. The bonds shall be deposited with the county clerk and approved by the county board. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 31. Section 77-2318.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-2318.01. The county treasurer may deposit in any bank or capital stock financial institution of the county in which he or she is treasurer in excess of the amounts authorized in section 77-2318 when (1) the depository secures the deposits by a pledge of or grant of a security interest in the assets of the bank or capital stock financial institution in the manner and within the limitations provided for county judges, county clerks, and clerks of the district court in sections 77-2326-04 to 77-2326-09 giving security as

provided in the Public Funds Deposit Security Act and (2) the same is approved by a formal resolution of the county board. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 32. Section 77-2320, Reissue Revised Statutes of Nebraska, is amended to read:

77-2320. In lieu of a bond as provided in sections 77-2316 to 77-2319, any bank or capital stock financial institution making application to become a depository under sections 77-2312 to 77-2324 may give security as provided in the Public Funds Deposit Security Act to the county clerk. - (1) Deposit with the county clerk (a) United States Government bonds; (b) United States Government guaranteed bonds or notes; (c) bonds or notes of United States governmental agencies, including bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; (d) bonds of any state or municipal subdivision which are fully defeased as to principal and interest by any combination of bonds or notes provided in subdivisions (a) through (c) of this subdivision; (e) bonds of the State of Nebraska or of any state whose bonds are purchased by the state investment officer of this state for investment of the permanent school fund; (f) warrants of the State of Nebraska; (g) county bonds; municipal bonds; or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts; (h) securities issued under the authority of the Federal Farm Loan Act; (i) loan participations which carry the guarantee of the Commodity Credit Corporation; an instrumentality of the United States Department of Agriculture; or (j) warrants of the county or any city, village, or school district in the county; or (2) pledge or grant a security interest in assets of the bank or capital stock financial institution as provided in section 77-2318-01. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 33. Section 77-2326.04, Revised Statutes Supplement, 1994, is amended to read:

77-2326.04. (1) No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation shall be made to accumulate in any bank or capital stock financial institution designated as a depository unless and until the county judge, clerk of the county court, or clerk of the district court, as the case may be, has received from such depository as security for the prompt repayment by the depository of his or her respective deposits in excess of the amount insured by the Federal Deposit Insurance Corporation either a surety bond in form and with corporate sureties approved by the county judge or judges or by formal resolution of the county board, as the case may be, or in lieu thereof, the giving of security as provided in the Public Funds Deposit Security Act. a pledge of or grant of a security interest in-

(a) Bonds, notes, certificates of indebtedness, or treasury bills of the United States Government of any issue;

(b) Obligations fully and unconditionally guaranteed both as to principal and interest by the United States or bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration;

(c) Bonds of any county, city, village, or school district of this state which have been issued and registered as required by law;

(d) Loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture; or

(e) Registered warrants of any county, city, or school district of this state.

(2) The delivery by the bank or capital stock financial institution designated as a depository to the county judge, clerk of the county court, or clerk of the district court, as the case may be, of a written receipt or acknowledgment from a Federal Reserve Bank or branch thereof or some other bank, capital stock financial institution, or trust company in this state, other than the bank or capital stock financial institution granting the security interest, that includes the title of such public officer, describes securities identified on the books or records of the depository, and provides that the securities or the proceeds of securities will be delivered only upon surrender of the receipt or the acknowledgment duly executed by the public officer designated thereon and by the authorized representative of the depository shall, together with such public officer's actual and continued possession of such receipt or acknowledgment, constitute a valid and perfected

security interest in favor of such public officer in and to the securities so identified. Articles 8 and 9, Uniform Commercial Code, shall not apply to any security interest arising under this section. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 34. Section 77-2326.05, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.05. The deposits secured by a surety bond shall at no time exceed the amount of the penal sum of such surety bond, and deposits secured by a pledge of or grant of a security interest in securities shall at no time exceed the market value of the securities thus pledged or secured.

Sec. 35. Section 77-2326.06, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.06. Every depository may secure deposits by a pledge of or grant of a security interest in the assets of the bank or capital stock financial institution or by furnishing giving a surety bond or giving security as provided in section 77-2326.04 and otherwise enter into and become a party to any contract or arrangement not inconsistent with this section, as may be reasonably necessary or proper to render fully effective section 77-2326.04. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 36. Section 77-2326.07, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.07. The clerk of the district court shall at all times keep and certify to the county board a complete and correct list and description of the securities pledged or in which a security interest has been granted furnished by any depository to secure the deposits. Bonds and securities pledged or in which a security interest has been granted shall be delivered to and held by some Federal Reserve Bank or branch thereof or some other responsible bank, capital stock financial institution, or trust company within this state, other than the pledgor or the bank or capital stock financial institution granting the security interest, as designated by the county board, with appropriate joint custody and the pledge agreement or security interest as described in subsection (2) of section 77-2326.04 in a form approved by the county board. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 37. Section 77-2326.08, Reissue Revised Statutes of Nebraska, is amended to read:

77-2326.08. The depository pledging or granting a security interest in bonds or securities under sections 77-2326.01 to 77-2326.09 shall have the right to substitute therefor from time to time other and different bonds and securities of equal value within the foregoing requirements and to withdraw all or any part of such bonds or securities so pledged or in which a security interest has been granted upon repayment to the clerk of the county court or clerk of the district court of the value of the bonds or securities thus withdrawn. Each depository shall furnish directly to the county board a sworn monthly statement of the funds of the county judge, clerk of the county court, and clerk of the district court on deposit in such depository. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 38. Section 77-2329, Revised Statutes Supplement, 1994, is amended to read:

77-2329. No treasurer or secretary-treasurer shall be liable on his or her bond for money on deposit in a bank or capital stock financial institution under and by direction of the proper legal authority if the bank or capital stock financial institution has given bond in accordance with section 14-556, 15-846, 16-714, 17-720, 77-2318, 77-2344, 77-2352, 77-2355, or 77-2375 or pledged securities given security as provided in the Public Funds Deposit Security Act, section 15-847, 16-715, 17-720, 77-2318.01, 77-2328, or 77-2376.

Sec. 39. Section 77-2344, Revised Statutes Supplement, 1994, is amended to read:

77-2344. No deposit in excess of the amount insured by the Federal Deposit Insurance Corporation shall be made in any bank or capital stock financial institution designated as a depository unless and until the treasurer or ex officio treasurer has received from such depository as security for the prompt repayment by the depository either a corporate surety bond in form and with sureties approved by formal resolution by the governing body of such district or the giving of security as provided in the Public Funds Deposit Security Act, deposit and pledge of (1) the securities of the United States of America, (2) the bonds of any state of the United States of America, (3) registered bonds of Nebraska school districts, (4) registered bonds of Nebraska counties, (5) bonds and debentures issued either singly or

collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (6) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, (7) bonds of Nebraska municipalities, or (8) bonds of the particular metropolitan utilities district. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 40. Section 77-2345, Revised Statutes Supplement, 1994, is amended to read:

77-2345. No deposit shall be made in any designated bank or capital stock financial institution (1) in excess of the amount insured by the Federal Deposit Insurance Corporation or (2) in excess of the obligation of the depository bond or the market value of the securities on deposit at the time any deposit of funds is made or during the period in which the deposit of funds remains in the depository. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 41. Section 77-2346, Reissue Revised Statutes of Nebraska, is amended to read:

77-2346. The treasurer or ex officio treasurer shall at all times keep the district supplied with a certified list of the securities on deposit furnished by any depository. Such securities may be held in the custody of such treasurer or may, with the formal approval by resolution of the governing body of the district, be deposited in the Federal Reserve Bank or branch thereof or a bank, capital stock financial institution, or trust company situated within the corporate boundaries of the district. The form and conditions of the receipt and acknowledgment of the pledge shall be approved by the governing body of the district. Each depository shall supply direct to the governing body of the district a sworn monthly statement of the funds of the district on deposit in such depository. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 42. Section 77-2351, Reissue Revised Statutes of Nebraska, is amended to read:

77-2351. No treasurer or ex officio treasurer shall be liable on his or her bond for money on deposit in a bank or capital stock financial institution and by direction of the proper legal authority, if the bank or capital stock financial institution has given bond or pledges securities gives security in accordance with section 77-2352. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 43. Section 77-2352, Revised Statutes Supplement, 1994, is amended to read:

77-2352. No deposit in excess of the amount insured by the Federal Deposit Insurance Corporation shall be made in any bank or capital stock financial institution designated as a depository unless and until the treasurer or ex officio treasurer has received from the depository as security for the prompt repayment by the depository either a corporate surety bond in form and with sureties approved by formal resolution by the governing body of such district or the giving of security as provided in the Public Funds Deposit Security Act, deposit and pledge of (1) a pledge of bonds, notes, certificates of indebtedness, and treasury bills of the United States Government of any issue, (2) obligations fully and unconditionally guaranteed both as to principal and interest by the United States, (3) bonds of any county, city, village, or school district of this state which have been issued and registered as required by law, (4) registered warrants of the county or of any city, village, or school district in the county in which such school district or township is located; or (5) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture. Bonds and securities so pledged shall be delivered to and held by some federal reserve bank or branch thereof or some other responsible bank, capital stock financial institution, or trust company within this state other than the pledgor with an appropriate joint custody and pledge agreement. The depository pledging such bonds or securities shall have the right to substitute, from time to time, other and different bonds or securities of equal amount, within the foregoing requirements, and to withdraw all or any part of such pledged bonds or securities upon repaying to such treasurer and reducing his or her deposit account by the amount of the bonds or securities so withdrawn. The amount of security so pledged shall be at all times at least equal to the amount of the deposit so secured, less any portion of such deposit that is insured by the Federal Deposit Insurance Corporation. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 44. Section 77-2355, Revised Statutes Supplement, 1994, is

amended to read:

77-2355. No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation shall be made or be allowed to accumulate in any bank or capital stock financial institution designated as a depository unless and until the treasurer or other competent officer of the district has received from such depository as security for the prompt repayment of such deposits by the depository either a surety bond in form and with corporate sureties approved by formal resolution of the board of directors of such district or, in lieu thereof, the giving of security as provided in the Public Funds Deposit Security Act. ~~(1) a pledge of bonds, notes, certificates of indebtedness, and treasury bills of the United States Government of any issue or bonds and debentures issued either singly or collectively by any of the twelve federal land banks; the twelve intermediate credit banks; or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; (2) obligations fully and unconditionally guaranteed both as to principal and interest by the United States; (3) bonds of any county, city, village, or school district of this state which have been issued and registered as required by law; (4) loan participations which carry the guarantee of the Commodity Credit Corporation; an instrumentality of the United States Department of Agriculture; (5) registered warrants of any county, city, or school district of this state; or (6) bonds of the district making such deposits.~~ The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 45. Section 77-2356, Reissue Revised Statutes of Nebraska, is amended to read:

77-2356. The deposits secured by a surety bond shall at no time exceed the amount of the penal sum of such surety bond, ~~and deposits secured by pledge of securities shall at no time exceed the market value of the securities thus pledged.~~

Sec. 46. Section 77-2357, Reissue Revised Statutes of Nebraska, is amended to read:

77-2357. Every depository is authorized to secure deposits by ~~pledge of the assets of the bank or capital stock financial institution or by furnishing surety bond giving bond or giving security,~~ as provided in sections 77-2353 to 77-2361, and otherwise to enter into and become a party to any contract or arrangement, not inconsistent with the provisions hereof, as may be reasonably necessary or proper to render fully effective the provisions of such sections. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 47. Section 77-2358, Reissue Revised Statutes of Nebraska, is amended to read:

77-2358. The treasurer or other competent officer of the district shall at all times keep and certify to the district a complete and correct list and description of the securities pledged ~~furnished~~ by any depository. Bonds and securities pledged shall, as designated by resolution of the board of directors, be delivered to and held by some federal reserve bank or branch thereof or some other responsible bank, capital stock financial institution, or trust company within this state, other than the pledgor, with appropriate joint custody and pledge agreement, in form approved by the board of directors. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 48. Section 77-2359, Reissue Revised Statutes of Nebraska, is amended to read:

77-2359. The depository pledging bonds or securities under sections 77-2353 to 77-2361 shall have the right to substitute therefor from time to time other and different bonds and securities of equal value within the foregoing requirements and to withdraw all or any part of such pledged bonds or securities upon repayment to the district and reduction of its deposit account in the amount of the value of the bonds or securities so withdrawn. Each depository shall furnish directly to the board of directors of the district, or to an officer of the district designated by the board, a sworn monthly statement of the funds of the district on deposit in such depository.

Sec. 49. Section 77-2363, Revised Statutes Supplement, 1994, is amended to read:

77-2363. In all cases in which public money or funds belonging to the United States, an agency of the United States, the State of Nebraska, or any county, school district, county hospital district, local hospital district, educational service unit, community college, city, village, or transit authority political subdivision in this state have been deposited or loaned to any person or persons, corporation, bank, capital stock financial institution, partnership, limited liability company, or other firm or association of persons, it shall be lawful for the officer or officers making

such deposit or loan or his, her, or their successors in office to maintain an action or actions for the recovery of such money so deposited or loaned. All contracts made for the security or payment of any such money or public funds shall be held to be good and lawful contracts binding on all parties thereto.

Sec. 50. Section 77-2364, Reissue Revised Statutes of Nebraska, is amended to read:

77-2364. All depositories of public money or other funds belonging to the United States, the State of Nebraska, or the ~~governmental agencies enumerated in section 77-2363 political subdivisions in this state~~ shall have full authority to give bond for the safekeeping and payment of such deposits and the accretions thereof. In lieu of such bond, such depositories shall have full authority to pledge their assets for the security and payment of all ~~such deposits and accretions give security as provided in the Public Funds Deposit Security Act.~~ Such assets so pledged may be deposited in the Federal Reserve Bank, a branch thereof; or a bank, capital stock financial institution; or trust company situated within the corporate boundaries of the ~~governmental agency receiving such pledge. All such governmental agencies The State of Nebraska and any political subdivision in this state~~ are hereby given the right and authority to accept such bonds or, in lieu thereof, such giving of ~~security as provided in the act.~~ pledge of assets. Nothing in this section shall be construed to in any manner affect the liability of any surety or signers of any official bond hereafter given or made in this state.

Sec. 51. Section 77-2371, Revised Statutes Supplement, 1994, is amended to read:

77-2371. When more than one bank or capital stock financial institution may have been selected by the board of directors as depositories, the secretary-treasurer shall not give a preference to any one or more of them in the money he or she may so deposit, but shall keep deposited with each of such banks or capital stock financial institutions such a part of the money as the paid-up capital of such bank or capital stock financial institution as of December 31 of the preceding year is a part of the amount of all the paid-up capital of all the banks or capital stock financial institutions so selected as of December 31 of the preceding year, so that such money may at all times be deposited with such banks or capital stock financial institutions pro rata as to their paid-up capital, except that the secretary-treasurer may select one or more banks or capital stock financial institutions to be used for active accounts in which he or she may keep deposited in excess of these requirements only such funds as may be necessary for the transaction of ordinary day-to-day requirements. For purposes of this section, capital shall mean capital stock, surplus, undivided profits, capital notes or debentures, and other unimpaired reserves. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 52. Section 77-2374, Revised Statutes Supplement, 1994, is amended to read:

77-2374. The bond in substance shall be similar to the bond required and set forth in section 77-2304. No person in any way connected with any depository bank or capital stock financial institution as an officer or stockholder shall be accepted as a surety on any bond given by the bank or capital stock financial institution of which he or she is an officer or stockholder.

Sec. 53. Section 77-2375, Revised Statutes Supplement, 1994, is amended to read:

77-2375. The secretary-treasurer shall not have on deposit in any bank or capital stock financial institution at any time more money than the amount insured by the Federal Deposit Insurance Corporation, plus the maximum amount of the bond given by such bank or capital stock financial institution in cases when the bank or capital stock financial institution gives a guaranty bond, except as provided in section 77-2376. The amount on deposit at any time with any bank or capital stock financial institution shall not exceed fifty percent of the paid-up capital stock and surplus of such bank or capital stock financial institution, except as provided in section 77-2376. When the amount of money which the secretary-treasurer desires to deposit in the banks and capital stock financial institutions within the district exceeds fifty percent of the paid-up capital and surplus of all of the banks and capital stock financial institutions in such local hospital district, the secretary-treasurer may, with the consent of the board of directors, deposit an amount in excess thereof, but not exceeding the capital stock and surplus in any one bank or capital stock financial institution, unless the depository gives security as provided in section 77-2376. Bond shall be required of all banks and capital stock financial institutions for such excess deposit, unless security is given in accordance with section 77-2376. The bonds shall be deposited with the secretary-treasurer and approved by the board of directors.

The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 54. Section 77-2376, Revised Statutes Supplement, 1994, is amended to read:

77-2376. The secretary-treasurer may deposit in any bank or capital stock financial institution of the local hospital district in which he or she is secretary-treasurer amounts in excess of amounts authorized in section 77-2375 when (1) the depository secures the deposits by giving security as provided in the Public Funds Deposit Security Act a pledge of or grant of a security interest in the assets of the bank or capital stock financial institution in the manner and within the limitations provided for county judges, clerks of the county court, and clerks of the district court in sections 77-2326.04 to 77-2326.09 and (2) the same is approved by a formal resolution of the board of directors. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 55. Section 77-2378, Revised Statutes Supplement, 1994, is amended to read:

77-2378. In lieu of a bond as provided in sections 77-2373 to 77-2377, any bank or capital stock financial institution making application to become a depository under sections 77-2369 to 77-2385 may give security as provided in the Public Funds Deposit Security Act to the secretary-treasurer. ~~(1) Deposit with the secretary-treasurer (a) United States Government bonds, (b) United States Government guaranteed bonds or notes, (c) bonds or notes of United States governmental agencies, including bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (d) bonds of any state or municipal subdivision which are fully defeased as to principal and interest by any combination of bonds or notes provided in subdivisions (a) through (c) of this subdivision, (e) bonds of the State of Nebraska or of any state whose bonds are purchased by the state investment officer of this state for investment of the permanent school fund, (f) warrants of the State of Nebraska, (g) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (h) securities issued under the authority of the Federal Farm Loan Act, (i) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, or (j) warrants of the local hospital district or any county, city, village, or school district in the local hospital district, or (2) pledge or grant a security interest in assets of the bank or capital stock financial institution as provided in section 77-2376.~~ The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 56. Original sections 15-845, 16-712, 72-1268, 72-1268.04, 77-2305, 77-2314, 77-2317, 77-2318.01, 77-2320, 77-2326.05 to 77-2326.08, 77-2346, 77-2351, 77-2356 to 77-2359, and 77-2364, Reissue Revised Statutes of Nebraska, sections 14-556, 15-849, 16-713, 16-715, 16-716, 17-607, 17-720, 77-2318, 77-2326.04, 77-2329, 77-2344, 77-2345, 77-2352, 77-2355, 77-2363, 77-2371, 77-2374 to 77-2376, and 77-2378, Revised Statutes Supplement, 1994, and sections 15-847, 15-848, and 77-2306, Revised Statutes Supplement, 1995, are repealed.

Sec. 57. The following sections are outright repealed: Sections 72-1268.06, 77-2307, 77-2308, 77-2321, 77-2322, and 77-2328, Reissue Revised Statutes of Nebraska, and sections 72-1268.05, 77-2379, and 77-2380, Revised Statutes Supplement, 1994.