

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 9, 1999 LB 396

wash tokens. So if it's going to be an ATM and car wash tokens, then we're going to use the notice and the 30-day objection period. Currently, banks turn over unclaimed property, savings accounts that have been laying around for a long time for which, when they send out a notice, it comes back, it says, nobody at this address. That's unclaimed property. And after a while a bank will turn that over to our State Treasurer. State Treasurer makes computer searches, goes out pretty actively and looks for people, but the bank, of course, had this savings account, so they have a record of the savings account, but they've sent the money on to Dave Heineman. How long do they have to keep the records of that savings account? Well, in fact, the statutes are silent today, and the person could come back at any time and say, well, you're my bank, give me my account; and they could say, well gosh, we sent that to the State Treasurer, and you can go there for your money. Rather than give banks a perpetual obligation to keep records, this says that you retain your ledgers for ten years of unclaimed funds. After that, the working assumption will be, look, we had a record, but after ten years we didn't bother to keep up with the record; go to the State Treasurer's Office. Currently, when there is an application filed to acquire a state bank we require five years' worth of "financials" as a part of that record. On pages 34 and 35 we reduce that from five years to one year of "financials" in the application to acquire a state bank. There's something called the bankers bank on our statutes, it's where bankers go together, invest, and create a bank of their own. That bankers bank does business only with banks. It's a way of creating a correspondent banking relationship. However, even though we have it under the statutes, we have no bankers banks in Nebraska. Our banks haven't created this institution; other states have, Colorado has. So there's a bankers bank in Colorado. And some of our western banks, who use that as a correspondent bank to help improve their working relationship and to get a little better service, have invested in that bankers bank in Colorado. Well, that was done without specific authority from the department, and when the department found out about it they forced the divestiture of that kind of investing. Sections 15 to 17 of this bill allow our banks to bank to own up to 5 percent of their holdings in a bankers bank of another state. Now that's called a foreign bankers bank, but don't mistake that for something in another country, that is a bank