

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

February 19, 2003 LB 175

Insurance Committee. That committee reports the bill to General File with no committee amendments.

SPEAKER BROMM: Thank you, Mr. Clerk. Senator Jensen, to open on LB 175.

SENATOR JENSEN: Thank you, Mr. Speaker, members of the Legislature. LB 175 was heard by the Banking Committee and was advanced to General File by unanimous vote. LB 175, essentially, does two things: one, expand the list of permissible securities which may be pledged for public funds to include fully insured certificates of deposits; and two, extend the authority of mutually chartered building and loan, savings and loans, savings banks, and banks to maintain state public funds. Under current law, financial institutions which are eligible to maintain public deposits are required to pledge security for safekeeping of the public funds in excess of \$100,000 FDIC insured amount. Currently, Nebraska statute contains the present list of securities which are eligible for pledging in connection with the deposit of public funds. LB 175 would expand the permissible list of securities to include certificates of deposits fully insured by FDIC that are issued to eligible financial institutions furnishing securities pursuant to the Public Funds Deposit Security Act. Also, LB 175 would then expand the ability for qualifying mutual financial institutions to maintain public deposits of the state. Under current law, qualifying mutual financial institutions are authorized to maintain public deposits of political subdivisions if they amend their bylaws and articles to place restrictions upon the rights of a political subdivision as an account holder. Under LB 175, the state of Nebraska would be authorized to deposit public funds in a qualifying mutual financial institution which has established restrictions on the rights of the state of Nebraska as an account holder through amendments to its charter and bylaws as required by Nebraska statute. I will just thank you for your consideration and would ask that you move this bill to Select File. Thank you, Mr. Speaker.

SPEAKER BROMM: Thank you, Senator Jensen. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Tyson would move to