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FLOOR DEBATE

February 19, 2003 LB 175, 600

amend with AM0455. (Legislative Journal pages 579-581.)

SPEAKER BROMM: Senator Tyson.

SENATOR TYSON: Thank you, Mr. Speaker, members of the body. My amendment is a...was taken verbatim from LB 600, which was heard by Banking, Insurance and Commerce and was advanced without opposition to the General File. In essence, AM0455 amends 17-607, which eliminates the requirement that governing bodies of second-class cities and villages designate a financial institution for the deposit of city or village funds. The current law states that if one or more financial institutions in the city or village apply to keep the money, the city or village has to deposit funds with each institution. No preference can be given to any one or more of the institutions involved. AM0455 would give, instead, to second-class cities and villages the authority to determine the depository institution based on interest rates and terms that are most beneficial to the city or village. The city or village treasurer will not have to deposit money in each applying institution. Larger cities have the authority to choose financial institutions, and the language in this amendment and the language in LB 600 was taken from Section 16-712 which applies to cities of the first class. It also removes potential conflicts of interest from subsection (2) of subsection (1) of 17-607. In testimony before the committee, a number of people testified that the way they have been handling this previously is that they would put it into a bank one year. At the end of that year, they would then move it to another bank. And if there were more than two, they would go to the third and fourth and I would imagine to the twenty-eighth if there were that many banks there. This is merely a simplification for the benefit of the cities and...cities of the second class and villages, and puts them on a par handling of their money with cities of the first class. It's a very simple bill and I ask that you approve...very simple amendment and I ask for your approval and vote. Thank you very much.

SPEAKER BROMM: Thank you, Senator Tyson. Senator Jensen, on the amendment.

SENATOR JENSEN: Thank you, Mr. Speaker. I will just comment