

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 483

Introduced by Raybould, 28.

Read first time January 17, 2023

Committee:

1 A BILL FOR AN ACT relating to investment of public funds; to amend
2 sections 14-556, 15-847, 15-849, 16-691.01, 16-713, 16-715, 16-716,
3 17-607, 17-720, 30-3209, 72-1268.03, 77-2302, 77-2318, 77-2326.04,
4 77-2340, 77-2344, 77-2345, 77-2352, 77-2355, 77-2362, 77-2365.01,
5 77-2365.02, 77-2375, 77-2385, and 77-2389, Reissue Revised Statutes
6 of Nebraska, and sections 77-2387, 77-2388, 77-2392, 77-2395,
7 77-2398, 77-23,100, 77-23,101, 77-23,102, and 77-23,105, Revised
8 Statutes Cumulative Supplement, 2022; to add credit unions to the
9 definition of a qualifying mutual financial institution; to redefine
10 terms; to harmonize provisions; and to repeal the original sections.
11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 14-556, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 14-556 (1) The city treasurer of a city of the metropolitan class
4 shall place all funds of the city on deposit in such banks, capital stock
5 financial institutions, or qualifying mutual financial institutions
6 within the city as shall agree to pay the highest rate of interest for
7 the use of such funds so deposited. The city council is hereby directed
8 to advertise for bids for rates for the deposit of such funds as provided
9 in this section.

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

13 (a) Give bond to the city for the safekeeping of such funds, and
14 such city shall not have on deposit in any bank, capital stock financial
15 institution, or qualifying mutual financial institution giving a guaranty
16 bond more than the amount insured or guaranteed by the Federal Deposit
17 Insurance Corporation or the National Credit Union Administration plus
18 the maximum amount of the bond given by the bank, capital stock financial
19 institution, or qualifying mutual financial institution or in any bank,
20 capital stock financial institution, or qualifying mutual financial
21 institution giving a personal bond more than the amount insured or
22 guaranteed by the Federal Deposit Insurance Corporation or the National
23 Credit Union Administration plus one-half of the amount of the bond of
24 the bank, capital stock financial institution, or qualifying mutual
25 financial institution. All bonds of such banks, capital stock financial
26 institutions, or qualifying mutual financial institutions shall be
27 deposited with and held by the city treasurer; or

28 (b) Give security as provided in the Public Funds Deposit Security
29 Act.

30 (3) The fact that a stockholder, director, or other officer of such
31 bank, capital stock financial institution, or qualifying mutual financial

1 institution is also serving as mayor, as a member of the city council, as
2 a member of a board of public works, or as any other officer of the city
3 shall not disqualify such bank, capital stock financial institution, or
4 qualifying mutual financial institution from acting as a depository for
5 such city funds.

6 (4) Section 77-2366 shall apply to deposits in capital stock
7 financial institutions.

8 (5) Section 77-2365.01 shall apply to deposits in qualifying mutual
9 financial institutions.

10 Sec. 2. Section 15-847, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 15-847 In lieu of the bond required by section 15-846, any bank,
13 capital stock financial institution, or qualifying mutual financial
14 institution making application to become a depository may give security
15 as provided in the Public Funds Deposit Security Act to the city
16 treasurer. The penal sum of such bond or the sum of such security may be
17 reduced in the amount of such deposit insured or guaranteed by the
18 Federal Deposit Insurance Corporation or the National Credit Union
19 Administration. Section 77-2366 shall apply to deposits in capital stock
20 financial institutions. Section 77-2365.01 shall apply to deposits in
21 qualifying mutual financial institutions.

22 Sec. 3. Section 15-849, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 15-849 The city treasurer may purchase certificates of deposit from
25 and make time deposits in banks, capital stock financial institutions, or
26 qualifying mutual financial institutions selected as depositories of city
27 funds pursuant to sections 15-846 to 15-848. The certificates of deposit
28 purchased and time deposits made shall bear interest and shall be secured
29 as prescribed in such sections. The penal sum of such bond or the sum of
30 such security shall be reduced in the amount of the time deposit or
31 certificate of deposit insured or guaranteed by the Federal Deposit

1 Insurance Corporation or the National Credit Union Administration.
2 Section 77-2366 shall apply to deposits in capital stock financial
3 institutions. Section 77-2365.01 shall apply to deposits in qualifying
4 mutual financial institutions.

5 Sec. 4. Section 16-691.01, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 16-691.01 Any surplus funds remaining in the hands of the city
8 treasurer of a city of the first class, to the credit of such various
9 funds, may be invested by the board of public works, with the approval of
10 the mayor and city council, in accordance with the provisions of sections
11 16-712, 16-713, and 16-715, in interest-bearing securities of the State
12 of Nebraska or any political subdivision thereof, in certificates of
13 deposit of banks, capital stock financial institutions, or qualifying
14 mutual financial institutions which are members of the Federal Deposit
15 Insurance Corporation or the National Credit Union Administration, or in
16 interest-bearing securities of the United States upon an order for that
17 purpose drawn by the board of public works upon the city treasurer. Such
18 securities may be purchased, sold, or hypothecated by the board of public
19 works with the approval of the mayor and city council, at their fair
20 market value, and the interest earned by such securities shall be
21 credited to the account of the utility from which the funds paid for the
22 securities were originally drawn. In cities which have not conferred upon
23 any board of public works the active direction and supervision of the
24 city's system of waterworks, power plant, sewerage, and heating or
25 lighting plant, the powers and duties conferred upon the board of public
26 works as to the purchase, sale, and hypothecation of such securities
27 shall be exercised by the city treasurer. Securities so purchased shall
28 be held by the city treasurer who shall provide adequate bond for their
29 safekeeping. When sold, the treasurer shall deliver such securities to
30 the purchaser and collect the sale price.

31 Sec. 5. Section 16-713, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 16-713 The city treasurer of a city of the first class may, upon
3 resolution of the mayor and city council authorizing the action, purchase
4 certificates of deposit from and make time deposits in banks, capital
5 stock financial institutions, or qualifying mutual financial institutions
6 selected as depositories of city funds under the provisions of sections
7 16-712, 16-714, and 16-715. The certificates of deposit purchased and
8 time deposits made shall bear interest and shall be secured as set forth
9 in sections 16-714 and 16-715, except that the penal sum of such bond or
10 the sum of such security shall be reduced in the amount of the time
11 deposit or certificate of deposit insured or guaranteed by the Federal
12 Deposit Insurance Corporation or the National Credit Union
13 Administration. Section 77-2366 shall apply to deposits in capital stock
14 financial institutions. Section 77-2365.01 shall apply to deposits in
15 qualifying mutual financial institutions.

16 Sec. 6. Section 16-715, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 16-715 In lieu of the bond required by section 16-714, any bank,
19 capital stock financial institution, or qualifying mutual financial
20 institution making application to become a depository may give security
21 as provided in the Public Funds Deposit Security Act to the city clerk.
22 The penal sum of such bond shall be equal to or greater than the amount
23 of the deposit in excess of that portion of such deposit insured or
24 guaranteed by the Federal Deposit Insurance Corporation or the National
25 Credit Union Administration. Section 77-2366 shall apply to deposits in
26 capital stock financial institutions. Section 77-2365.01 shall apply to
27 deposits in qualifying mutual financial institutions.

28 Sec. 7. Section 16-716, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 16-716 The city treasurer of a city of the first class shall not
31 have on deposit in any bank, capital stock financial institution, or

1 qualifying mutual financial institution at any time more than the amount
2 insured or guaranteed by the Federal Deposit Insurance Corporation or the
3 National Credit Union Administration plus the maximum amount of the bond
4 given by the bank, capital stock financial institution, or qualifying
5 mutual financial institution if the bank, capital stock financial
6 institution, or qualifying mutual financial institution gives a surety
7 bond, nor in any bank, capital stock financial institution, or qualifying
8 mutual financial institution giving a personal bond, more than the amount
9 insured or guaranteed by the Federal Deposit Insurance Corporation or the
10 National Credit Union Administration plus one-half of the amount of the
11 bond of such bank, capital stock financial institution, or qualifying
12 mutual financial institution, and the amount so on deposit any time with
13 any such bank, capital stock financial institution, or qualifying mutual
14 financial institution shall not in either case exceed the amount insured
15 or guaranteed by the Federal Deposit Insurance Corporation or the
16 National Credit Union Administration plus the paid-up capital stock and
17 surplus of such bank, capital stock financial institution, or qualifying
18 mutual financial institution.

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

23 Sec. 8. Section 17-607, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 17-607 (1) The treasurer of a city of the second class or village
26 shall deposit, and at all times keep on deposit, for safekeeping, in
27 banks, capital stock financial institutions, or qualifying mutual
28 financial institutions of approved and responsible standing, all money
29 collected, received, or held by him or her as city treasurer or village
30 treasurer. Such deposits shall be subject to all regulations imposed by
31 law or adopted by the city council or village board of trustees for the

1 receiving and holding thereof. The fact that a stockholder, director, or
2 other officer of such bank, capital stock financial institution, or
3 qualifying mutual financial institution is also serving as mayor, as a
4 member of the city council, as a member of the village board of trustees,
5 as a member of a board of public works, or as any other officer of such
6 municipality shall not disqualify such bank, capital stock financial
7 institution, or qualifying mutual financial institution from acting as a
8 depository for such municipal funds. Section 77-2366 shall apply to
9 deposits in capital stock financial institutions. Section 77-2365.01
10 shall apply to deposits in qualifying mutual financial institutions.

11 (2) The city council or village board of trustees shall require from
12 all banks, capital stock financial institutions, or qualifying mutual
13 financial institutions (a) a bond in such penal sum as may be the maximum
14 amount on deposit at any time less the amount insured or guaranteed by
15 the Federal Deposit Insurance Corporation or the National Credit Union
16 Administration or, in lieu thereof, (b) security given as provided in the
17 Public Funds Deposit Security Act, to secure the payment of all such
18 deposits and accretions. The city council or village board of trustees
19 shall approve such bond or giving of security. The city treasurer or
20 village treasurer shall not be liable for any loss of any money sustained
21 by reason of the failure of any such depository so designated and
22 approved.

23 Sec. 9. Section 17-720, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 17-720 The city treasurer or village treasurer of cities of the
26 second class and villages may, upon resolution of the mayor and city
27 council or village board of trustees authorizing the same, purchase
28 certificates of deposit from and make time deposits in any bank, capital
29 stock financial institution, or qualifying mutual financial institution
30 in the State of Nebraska to the extent that such certificates of deposit
31 or time deposits are insured or guaranteed by the Federal Deposit

1 Insurance Corporation or the National Credit Union Administration.
2 Deposits may be made in excess of the amounts so secured by the
3 municipality, and the amount of the excess deposit shall be secured by a
4 bond or by security given in the same manner as is provided for cities of
5 the first class in sections 16-714 to 16-716 as of the time the deposit
6 is made. Section 77-2366 shall apply to deposits in capital stock
7 financial institutions. Section 77-2365.01 shall apply to deposits in
8 qualifying mutual financial institutions.

9 Sec. 10. Section 30-3209, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 30-3209 (1) Corporate trustees authorized by Nebraska law to
12 exercise fiduciary powers and holding retirement or pension funds for the
13 benefit of employees or former employees of cities, villages, school
14 districts, or other governmental or political subdivisions may invest and
15 reinvest such funds in such securities and investments as are authorized
16 for trustees, guardians, conservators, personal representatives, or
17 administrators under the laws of Nebraska. Retirement or pension funds of
18 such cities, villages, districts, or subdivisions may be invested in
19 annuities issued by life insurance companies authorized to do business in
20 Nebraska. Except as provided in subsection (2) of this section, any other
21 retirement or pension funds of cities, including cities operating under
22 home rule charters, villages, school districts except as provided in
23 section 79-9,107, and all other governmental or political subdivisions
24 may be invested and reinvested, as the governing body of such city,
25 village, school district, or other governmental or political subdivision
26 may determine, in the following classes of securities and investments:
27 (a) Bonds, notes, or other obligations of the United States or those
28 guaranteed by or for which the credit of the United States is pledged for
29 the payment of the principal and interest or dividends thereof; (b) bonds
30 or other evidences of indebtedness of the State of Nebraska and full
31 faith and credit obligations of or obligations unconditionally guaranteed

1 as to principal and interest by any other state of the United States; (c)
2 bonds, notes, or obligations of any municipal or political subdivision of
3 the State of Nebraska which are general obligations of the issuer thereof
4 and revenue bonds or debentures of any city, county, or utility district
5 of this state when the earnings available for debt service have, for a
6 five-year period immediately preceding the date of purchase, averaged not
7 less than one and one-half times such debt service requirements; (d)
8 bonds and debentures issued either singly or collectively by any of the
9 twelve federal land banks, the twelve intermediate credit banks, or the
10 thirteen banks for cooperatives under the supervision of the Farm Credit
11 Administration; (e) certificates of deposit of banks which are members of
12 the Federal Deposit Insurance Corporation or capital stock financial
13 institutions, and if the amount deposited exceeds the amount of insurance
14 available thereon, then the excess shall be secured in the same manner as
15 for the deposit of public funds; (f) accounts with building and loan
16 associations, qualifying mutual financial institutions, or federal
17 savings and loan associations in the State of Nebraska to the extent that
18 such accounts are insured or guaranteed by the Federal Deposit Insurance
19 Corporation or the National Credit Union Administration; (g) bonds or
20 other interest-bearing obligations of any corporation organized under the
21 laws of the United States or any state thereof if (i) at the time the
22 purchase is made, they are given, by at least one statistical
23 organization whose publication is in general use, one of the three
24 highest ratings given by such organization and (ii) not more than five
25 percent of the fund shall be invested in the obligations of any one
26 issuer; (h) direct short-term obligations, generally classified as
27 commercial paper, of any corporation organized or existing under the laws
28 of the United States or any state thereof with a net worth of ten million
29 dollars or more; and (i) preferred or common stock of any corporation
30 organized under the laws of the United States or of any state thereof
31 with a net worth of ten million dollars or more if (i) not more than

1 fifty percent of the total investments at the time such investment is
2 made is in this class and not more than five percent is invested in each
3 of the first five years and (ii) not more than five percent thereof is
4 invested in the securities of any one corporation. Notwithstanding the
5 percentage limits stated in this subsection, the cash proceeds of the
6 sale of such preferred or common stock may be reinvested in any
7 securities authorized under this subdivision. No city, village, school
8 district, or other governmental subdivision or the governing body thereof
9 shall be authorized to sell any securities short, buy on margin, or buy,
10 sell, or engage in puts and calls. Section 77-2366 shall apply to
11 deposits in capital stock financial institutions. Section 77-2365.01
12 shall apply to deposits in qualifying mutual financial institutions.

13 (2) Notwithstanding the limitations prescribed in subsection (1) of
14 this section, trustees or custodians holding retirement or pension funds
15 for the benefit of employees or former employees of any city of the
16 primary class, city of the metropolitan class, metropolitan utilities
17 district, county in which a city of the metropolitan class is located, or
18 public power district shall invest such funds in investments of the
19 nature which individuals of prudence, discretion, and intelligence
20 acquire or retain in dealing with the property of another. Such
21 investments shall not be made for speculation but for investment,
22 considering the probable safety of their capital as well as the probable
23 income to be derived. The trustees or custodians shall not buy on margin,
24 buy call options, or buy put options. The trustees or custodians may lend
25 any security if cash, United States Government obligations, or United
26 States Government agency obligations with a market value equal to or
27 exceeding the market value of the security lent are received as
28 collateral. If shares of stock are purchased under this subsection, all
29 proxies may be voted by the trustees or custodians. The asset allocation
30 restrictions set forth in subsection (1) of this section shall not be
31 applicable to the funds of pension or retirement systems administered by

1 or on behalf of a city of the primary class, city of the metropolitan
2 class, metropolitan utilities district, county in which a city of the
3 metropolitan class is located, or public power district.

4 (3) For purposes of subsection (2) of this section, a custodian
5 means a custodian meeting the requirements of section 401(f)(2) of the
6 Internal Revenue Code.

7 Sec. 11. Section 72-1268.03, Reissue Revised Statutes of Nebraska,
8 is amended to read:

9 72-1268.03 The state investment officer shall not have on deposit in
10 any bank, capital stock financial institution, or qualifying mutual
11 financial institution giving a guaranty bond more than the amount insured
12 or guaranteed by the Federal Deposit Insurance Corporation or the
13 National Credit Union Administration plus the maximum amount of the bond
14 given by such bank, capital stock financial institution, or qualifying
15 mutual financial institution or in any bank, capital stock financial
16 institution, or qualifying mutual financial institution giving a personal
17 bond more than the amount insured or guaranteed by the Federal Deposit
18 Insurance Corporation or the National Credit Union Administration plus
19 one-half of the amount of the bond given by such bank, capital stock
20 financial institution, or qualifying mutual financial institution. All
21 bonds of such depositories shall be deposited with and held by the state
22 investment officer.

23 Sec. 12. Section 77-2302, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 77-2302 For purposes of any law requiring a bank, capital stock
26 financial institution as defined under section 77-2366, or qualifying
27 mutual financial institution as defined under section 77-2365.01 to
28 secure the deposit of public money or public funds in excess of the
29 amount insured by the Federal Deposit Insurance Corporation or the
30 National Credit Union Administration, references to amounts insured by
31 the Federal Deposit Insurance Corporation or the National Credit Union

1 Administration shall include amounts guaranteed by the Federal Deposit
2 Insurance Corporation or the National Credit Union Administration.

3 Sec. 13. Section 77-2318, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-2318 The county treasurer shall not have on deposit in any bank,
6 capital stock financial institution, or qualifying mutual financial
7 institution at any time more money than the amount insured or guaranteed
8 by the Federal Deposit Insurance Corporation or the National Credit Union
9 Administration, plus the maximum amount of the bond given by such bank,
10 capital stock financial institution, or qualifying mutual financial
11 institution in cases when the bank, capital stock financial institution,
12 or qualifying mutual financial institution gives a guaranty bond except
13 as provided in section 77-2318.01. The amount on deposit at any time with
14 any bank, capital stock financial institution, or qualifying mutual
15 financial institution shall not exceed fifty percent of the capital and
16 surplus of such bank, capital stock financial institution, or qualifying
17 mutual financial institution except as provided in section 77-2318.01.
18 When the amount of money which the county treasurer desires to deposit in
19 the banks, capital stock financial institutions, and qualifying mutual
20 financial institutions within the county exceeds fifty percent of the
21 capital and surplus of all of the banks, capital stock financial
22 institutions, and qualifying mutual financial institutions in such
23 county, then the county treasurer may, with the consent of the county
24 board, deposit an amount in excess thereof, but not exceeding the capital
25 stock and surplus in any one bank, capital stock financial institution,
26 or qualifying mutual financial institution unless the depository gives
27 security as provided in section 77-2318.01. Bond shall be required of all
28 banks, capital stock financial institutions, and qualifying mutual
29 financial institutions for such excess deposit unless security is given
30 in accordance with section 77-2318.01. The bonds shall be deposited with
31 the county treasurer and approved by the county board. Section 77-2366

1 shall apply to deposits in capital stock financial institutions. Section
2 77-2365.01 shall apply to deposits in qualifying mutual financial
3 institutions.

4 Sec. 14. Section 77-2326.04, Reissue Revised Statutes of Nebraska,
5 is amended to read:

6 77-2326.04 No deposits in excess of the amount insured or guaranteed
7 by the Federal Deposit Insurance Corporation or the National Credit Union
8 Administration shall be made to accumulate in any bank, capital stock
9 financial institution, or qualifying mutual financial institution
10 designated as a depository unless and until the county judge, clerk of
11 the county court, or clerk of the district court, as the case may be, has
12 received from such depository as security for the prompt repayment by the
13 depository of his or her respective deposits in excess of the amount
14 insured or guaranteed by the Federal Deposit Insurance Corporation or the
15 National Credit Union Administration either a surety bond in form and
16 with corporate sureties approved by the county judge or judges or by
17 formal resolution of the county board, as the case may be, or in lieu
18 thereof, the giving of security as provided in the Public Funds Deposit
19 Security Act. Section 77-2366 shall apply to deposits in capital stock
20 financial institutions. Section 77-2365.01 shall apply to deposits in
21 qualifying mutual financial institutions.

22 Sec. 15. Section 77-2340, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 77-2340 The county treasurers of the various counties of the state
25 may, upon resolution of their respective county boards authorizing the
26 same, make time deposits in banks, capital stock financial institutions,
27 or qualifying mutual financial institutions selected as depositories of
28 county funds under the provisions of sections 77-2312 to 77-2315. The
29 time deposits shall bear interest and shall be secured as set forth in
30 section 77-2304 or 77-2320, except that the amount insured or guaranteed
31 by the Federal Deposit Insurance Corporation or the National Credit Union

1 Administration shall be exempt from the requirement of being secured as
2 provided by section 77-2320 or by bonds similar to the bond required and
3 set forth in section 77-2304. Section 77-2366 shall apply to deposits in
4 capital stock financial institutions. Section 77-2365.01 shall apply to
5 deposits in qualifying mutual financial institutions.

6 Sec. 16. Section 77-2344, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 77-2344 No deposit in excess of the amount insured or guaranteed by
9 the Federal Deposit Insurance Corporation or the National Credit Union
10 Administration shall be made in any bank, capital stock financial
11 institution, or qualifying mutual financial institution designated as a
12 depository unless and until the metropolitan utilities district has
13 received from such depository as security for the prompt repayment by the
14 depository either a corporate surety bond in form and with sureties
15 approved by formal resolution by the governing body of such district or
16 the giving of security as provided in the Public Funds Deposit Security
17 Act. Section 77-2366 shall apply to deposits in capital stock financial
18 institutions. Section 77-2365.01 shall apply to deposits in qualifying
19 mutual financial institutions.

20 Sec. 17. Section 77-2345, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-2345 No deposit shall be made in any designated bank, capital
23 stock financial institution, or qualifying mutual financial institution
24 (1) in excess of the amount insured or guaranteed by the Federal Deposit
25 Insurance Corporation or the National Credit Union Administration or (2)
26 in excess of the obligation of the depository bond at the time any
27 deposit of funds is made or during the period in which the deposit of
28 funds remains in the depository. Section 77-2366 shall apply to deposits
29 in capital stock financial institutions. Section 77-2365.01 shall apply
30 to deposits in qualifying mutual financial institutions.

31 Sec. 18. Section 77-2352, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-2352 No deposit in excess of the amount insured or guaranteed by
3 the Federal Deposit Insurance Corporation or the National Credit Union
4 Administration shall be made in any bank, capital stock financial
5 institution, or qualifying mutual financial institution designated as a
6 depository unless and until the treasurer or ex officio treasurer has
7 received from the depository as security for the prompt repayment by the
8 depository either a corporate surety bond in form and with sureties
9 approved by formal resolution by the governing body of such district or
10 the giving of security as provided in the Public Funds Deposit Security
11 Act. Section 77-2366 shall apply to deposits in capital stock financial
12 institutions. Section 77-2365.01 shall apply to deposits in qualifying
13 mutual financial institutions.

14 Sec. 19. Section 77-2355, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-2355 No deposits in excess of the amount insured or guaranteed by
17 the Federal Deposit Insurance Corporation or the National Credit Union
18 Administration shall be made or be allowed to accumulate in any bank,
19 capital stock financial institution, or qualifying mutual financial
20 institution designated as a depository unless and until the treasurer or
21 other competent officer of the district has received from such depository
22 as security for the prompt repayment of such deposits by the depository
23 either a surety bond in form and with corporate sureties approved by
24 formal resolution of the board of directors of such district or, in lieu
25 thereof, the giving of security as provided in the Public Funds Deposit
26 Security Act. Section 77-2366 shall apply to deposits in capital stock
27 financial institutions. Section 77-2365.01 shall apply to deposits in
28 qualifying mutual financial institutions.

29 Sec. 20. Section 77-2362, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-2362 Whenever, by the laws of this state, any municipal

1 corporation or other governmental subdivision of the state is authorized
2 or required to obtain or accept from banks, capital stock financial
3 institutions, or qualifying mutual financial institutions surety bonds or
4 other bonds as security for deposits of public funds belonging to such
5 municipal corporation or other governmental subdivision, the insurance or
6 guarantee afforded to depositors in banks, capital stock financial
7 institutions, or qualifying mutual financial institutions through the
8 Federal Deposit Insurance Corporation or the National Credit Union
9 Administration, organized under the laws of the United States, shall be
10 deemed and construed to be, for the purposes of such laws, a surety bond
11 or bonds to the extent that such deposits are insured or guaranteed by
12 such corporation, and for deposits so insured or guaranteed, no other
13 surety bond or bonds or other security shall be required. Section 77-2366
14 shall apply to deposits in capital stock financial institutions. Section
15 77-2365.01 shall apply to deposits in qualifying mutual financial
16 institutions.

17 Sec. 21. Section 77-2365.01, Reissue Revised Statutes of Nebraska,
18 is amended to read:

19 77-2365.01 (1)(a) Notwithstanding any other provision of law, any
20 local ordinance, regulation, or resolution, or any rule or regulation to
21 the contrary, the funds of this state or any political subdivision of the
22 state may be deposited, by the appropriate custodians of such funds, with
23 qualifying mutual financial institutions to the same extent and subject
24 to the same terms, conditions, and limitations, including
25 collateralization required, if any, as may be otherwise provided for the
26 deposit of such funds in banks and capital stock financial institutions.
27 In making such a deposit of public funds, it shall not be necessary for
28 the state or any political subdivision to become an owner of any interest
29 in the qualifying mutual financial institution or to acquire voting
30 rights therein, and a qualifying mutual financial institution is
31 authorized and empowered to receive public funds under these conditions.

1 Qualifying mutual financial institution means a state or federal mutual
2 building and loan association, a state or federal mutual savings and loan
3 association, a state or federal mutual savings bank, ~~or~~ a state or
4 federal mutual organized bank, or a state or federal credit union, which
5 has a main chartered office in this state, any branch thereof in this
6 state, or any branch in this state of a qualifying mutual financial
7 institution which maintained a main chartered office in this state prior
8 to becoming a branch of such qualifying mutual financial institution,
9 which, by its charter and bylaws, restricts the rights of the state or a
10 political subdivision as an account holder as follows:

11 (i) Interest in the qualifying mutual financial institution is
12 limited to the withdrawal value of the state's or the political
13 subdivision's account;

14 (ii) The state or the political subdivision has no voting rights in
15 the qualifying mutual financial institution; and

16 (iii) The state or the political subdivision has no entitlement to
17 any distribution of assets upon voluntary or involuntary liquidation,
18 dissolution, or winding up of the affairs of the qualifying mutual
19 financial institution.

20 (b) To the extent any deposit in any bank is:

21 (i) Required to be subject to check or draft, then such deposit may
22 be subject to order; and

23 (ii) Required to be made, maintained, or otherwise dealt with by
24 reference to the capital of any bank, then it may be so made, maintained,
25 or dealt with by reference to the capital or net worth of such qualifying
26 mutual financial institution, and if by reference to the undivided
27 profits, capital notes, debentures, or other capital items of any bank,
28 then to any unimpaired reserves, capital notes, and debentures or
29 comparable capital items of such qualifying mutual financial institution.

30 (2) To the extent the state or a political subdivision is or may
31 ever be required by law to deposit funds in a bank, the state or

1 political subdivision shall, to the same extent and subject to the same
2 terms, conditions, and limitations, including collateralization required,
3 be required to make deposits in a qualifying mutual financial institution
4 on the same basis.

5 (3) The restriction in subdivision (1)(a)(iii) of this section shall
6 not apply to the interest of the state or political subdivision in any
7 security required by law to be furnished by the qualifying mutual
8 financial institution.

9 (4) A qualifying mutual financial institution that amends its
10 charter or bylaws in such a manner that it no longer meets the
11 restrictions set forth in subdivisions (1)(a)(i) through (iii) of this
12 section shall immediately give notice that it is no longer a qualifying
13 mutual financial institution to the custodial official, as that term is
14 defined in section 77-2387, of every state and political subdivision
15 depositor, and that the state or political subdivision must immediately
16 withdraw its deposits.

17 (5) This section shall be applied in a manner consistent with the
18 intention of the Legislature which is to provide for the deposit of funds
19 of the state or any political subdivision in qualifying mutual financial
20 institutions.

21 Sec. 22. Section 77-2365.02, Reissue Revised Statutes of Nebraska,
22 is amended to read:

23 77-2365.02 Notwithstanding any other provision of law, to the extent
24 that the funds of this state or any political subdivision of this state
25 may be invested or deposited, by the appropriate custodian of such funds,
26 in interest-bearing deposits with banks, capital stock financial
27 institutions, or qualifying mutual financial institutions, such
28 authorization may include the investment or deposit of funds in interest-
29 bearing deposits in accordance with the following conditions as an
30 alternative to the furnishing of securities or the providing of a deposit
31 guaranty bond pursuant to the Public Funds Deposit Security Act:

1 (1) The bank, capital stock financial institution, or qualifying
2 mutual financial institution in this state through which the investment
3 or deposit of funds is initially made arranges for the deposit of a
4 portion or all of such funds in interest-bearing deposits with other
5 banks, capital stock financial institutions, or qualifying mutual
6 financial institutions located in the United States;

7 (2) Each such interest-bearing deposit is fully insured or
8 guaranteed by the Federal Deposit Insurance Corporation or the National
9 Credit Union Administration;

10 (3) The bank, capital stock financial institution, or qualifying
11 mutual financial institution through which the investment or deposit of
12 funds was initially made acts as a custodian for the state or political
13 subdivision with respect to any such interest-bearing deposit issued for
14 the account of the state or political subdivision; and

15 (4) At the same time that the funds are deposited into other banks,
16 capital stock financial institutions, or qualifying mutual financial
17 institutions, the bank, capital stock financial institution, or
18 qualifying mutual financial institution through which the investment or
19 deposit of funds in interest-bearing deposits was initially made receives
20 an amount of deposits from customers of other banks, capital stock
21 financial institutions, or qualifying mutual financial institutions
22 located in the United States which is equal to or greater than the amount
23 of the investment or deposit of funds in interest-bearing deposits
24 initially made by the state or political subdivision.

25 Sec. 23. Section 77-2375, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 77-2375 The secretary-treasurer shall not have on deposit in any
28 bank, capital stock financial institution, or qualifying mutual financial
29 institution at any time more money than the amount insured or guaranteed
30 by the Federal Deposit Insurance Corporation or the National Credit Union
31 Administration, plus the maximum amount of the bond given by such bank,

1 capital stock financial institution, or qualifying mutual financial
2 institution in cases when the bank, capital stock financial institution,
3 or qualifying mutual financial institution gives a guaranty bond, except
4 as provided in section 77-2376. The amount on deposit at any time with
5 any bank, capital stock financial institution, or qualifying mutual
6 financial institution shall not exceed fifty percent of the capital and
7 surplus of such bank, capital stock financial institution, or qualifying
8 mutual financial institution, except as provided in section 77-2376. When
9 the amount of money which the secretary-treasurer desires to deposit in
10 the banks, capital stock financial institutions, or qualifying mutual
11 financial institutions within the district exceeds fifty percent of the
12 capital and surplus of all of the banks, capital stock financial
13 institutions, or qualifying mutual financial institutions in such local
14 hospital district, the secretary-treasurer may, with the consent of the
15 board of directors, deposit an amount in excess thereof, but not
16 exceeding the capital and surplus in any one bank, capital stock
17 financial institution, or qualifying mutual financial institution, unless
18 the depository gives security as provided in section 77-2376. Bond shall
19 be required of all banks, capital stock financial institutions, or
20 qualifying mutual financial institutions for such excess deposit, unless
21 security is given in accordance with section 77-2376. The bonds shall be
22 deposited with the secretary-treasurer and approved by the board of
23 directors. Section 77-2366 shall apply to deposits in capital stock
24 financial institutions. Section 77-2365.01 shall apply to deposits in
25 qualifying mutual financial institutions.

26 Sec. 24. Section 77-2385, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 77-2385 The secretary-treasurers of the various local hospital
29 districts of the state may, upon resolution of their respective boards of
30 directors authorizing such action, make time deposits in banks, capital
31 stock financial institutions, or qualifying mutual financial institutions

1 selected as depositories of the local hospital district funds under
2 sections 77-2369 to 77-2372. The time deposits shall bear interest and
3 shall be secured as set forth in section 77-2304 or 77-2378, except that
4 the amount insured or guaranteed by the Federal Deposit Insurance
5 Corporation or the National Credit Union Administration shall be exempt
6 from the requirement of being secured as provided by section 77-2378 or
7 by bonds similar to the bond required and set forth in section 77-2304.
8 Section 77-2366 shall apply to deposits in capital stock financial
9 institutions. Section 77-2365.01 shall apply to deposits in qualifying
10 mutual financial institutions.

11 Sec. 25. Section 77-2387, Revised Statutes Cumulative Supplement,
12 2022, is amended to read:

13 77-2387 For purposes of the Public Funds Deposit Security Act,
14 unless the context otherwise requires:

15 (1) Affiliate means any entity that controls, is controlled by, or
16 is under common control with another entity;

17 (2) Bank means any state-chartered or federally chartered bank which
18 has a main chartered office in this state, any branch thereof in this
19 state, or any branch in this state of a state-chartered or federally
20 chartered bank which maintained a main chartered office in this state
21 prior to becoming a branch of such state-chartered or federally chartered
22 bank;

23 (3) Capital stock financial institution means a capital stock state
24 building and loan association, a capital stock federal savings and loan
25 association, a capital stock federal savings bank, and a capital stock
26 state savings bank, which has a main chartered office in this state, any
27 branch thereof in this state, or any branch in this state of a capital
28 stock financial institution which maintained a main chartered office in
29 this state prior to becoming a branch of such capital stock financial
30 institution;

31 (4) Control means to own directly or indirectly or to control in any

1 manner twenty-five percent of the voting shares of any bank, capital
2 stock financial institution, or holding company or to control in any
3 manner the election of the majority of directors of any bank, capital
4 stock financial institution, or holding company;

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

10 (6) Deposit guaranty bond means a bond underwritten by an insurance
11 company authorized to do business in this state which provides coverage
12 for deposits of a governing authority which are in excess of the amounts
13 insured or guaranteed by the Federal Deposit Insurance Corporation or the
14 National Credit Union Administration;

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

16 (8) Event of default means the issuance of an order by a supervisory
17 authority or a receiver which restrains a bank, capital stock financial
18 institution, or qualifying mutual financial institution from paying its
19 deposit liabilities;

20 (9) Governing authority means the official, or the governing board,
21 council, or other body or group of officials, authorized to designate a
22 bank, capital stock financial institution, or qualifying mutual financial
23 institution as a depository of public money or public funds subject to
24 the act;

25 (10) Governmental unit means the State of Nebraska or any political
26 subdivision thereof;

27 (11) Political subdivision means any county, city, village,
28 township, district, authority, or other public corporation or entity,
29 whether organized and existing under direct provisions of the
30 Constitution of Nebraska or laws of the State of Nebraska or by virtue of
31 a charter, corporate articles, or other legal instruments executed under

1 authority of the constitution or laws, including any entity created
2 pursuant to the Interlocal Cooperation Act or the Joint Public Agency
3 Act;

4 (12) Qualifying mutual financial institution shall have the same
5 meaning as in section 77-2365.01;

6 (13) Repurchase agreement means an agreement to purchase securities
7 by the governing authority by which the counterparty bank, capital stock
8 financial institution, or qualifying mutual financial institution will
9 repurchase the securities on or before a specified date and for a
10 specified amount and the counterparty bank, capital stock financial
11 institution, or qualifying mutual financial institution will deliver the
12 underlying securities to the governing authority by book entry, physical
13 delivery, or third-party custodial agreement. The transfer of underlying
14 securities to the counterparty bank's, capital stock financial
15 institution's, or qualifying mutual financial institution's customer book
16 entry account may be used for book entry delivery if the governing
17 authority so chooses; and

18 (14) Securities means:

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

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

23 (c) United States Government bonds;

24 (d) United States Government guaranteed bonds or notes;

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

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

29 (g) Bonds or obligations, including mortgage-backed securities and
30 collateralized mortgage obligations, issued by or backed by collateral
31 one hundred percent guaranteed by the Federal Home Loan Mortgage

1 Corporation, the Federal Farm Credit System, a Federal Home Loan Bank, or
2 the Federal National Mortgage Association;

3 (h) Student loans backed or partially guaranteed by the United
4 States Department of Education;

5 (i) Repurchase agreements the subject securities of which are any of
6 the securities described in subdivisions (a) through (g) of this
7 subdivision;

8 (j) Securities issued under the authority of the Federal Farm Loan
9 Act;

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

13 (l) Guaranty agreements of the Small Business Administration of the
14 United States Government;

15 (m) Bonds or obligations of any county, city, village, metropolitan
16 utilities district, public power and irrigation district, sewer district,
17 fire protection district, rural water district, or school district in
18 this state which have been issued as required by law;

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

24 (o) Bonds or obligations of another state, or a political
25 subdivision of another state, which are rated within the two highest
26 classifications by at least one of the standard rating services, with
27 such classifications to include the underlying credit rating or enhanced
28 credit rating, whichever is higher, with respect to bonds or obligations
29 of a political subdivision of another state;

30 (p) Warrants of the State of Nebraska;

31 (q) Warrants of any county, city, village, local hospital district,

1 or school district in this state;

2 (r) Irrevocable, nontransferable, unconditional standby letters of
3 credit issued by a Federal Home Loan Bank; and

4 (s) Certificates of deposit fully insured or guaranteed by the
5 Federal Deposit Insurance Corporation or the National Credit Union
6 Administration that are issued to a bank, capital stock financial
7 institution, or qualifying mutual financial institution furnishing
8 securities pursuant to the Public Funds Deposit Security Act.

9 Sec. 26. Section 77-2388, Revised Statutes Cumulative Supplement,
10 2022, is amended to read:

11 77-2388 Any bank, capital stock financial institution, or qualifying
12 mutual financial institution subject to a requirement by law to secure
13 the deposit of public money or public funds in excess of the amount
14 insured or guaranteed by the Federal Deposit Insurance Corporation or the
15 National Credit Union Administration may give security by furnishing
16 securities or providing a deposit guaranty bond, or any combination
17 thereof, pursuant to the Public Funds Deposit Security Act in
18 satisfaction of the requirement.

19 Sec. 27. Section 77-2389, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-2389 A bank, capital stock financial institution, or qualifying
22 mutual financial institution furnishes securities pursuant to the Public
23 Funds Deposit Security Act if it (1) deposits securities held by the
24 bank, capital stock financial institution, or qualifying mutual financial
25 institution, (2) pledges or grants a security interest in securities held
26 by the bank, capital stock financial institution, or qualifying mutual
27 financial institution as provided in the act, or (3) effects the
28 assignment to the custodial official of a certificate of deposit fully
29 insured or guaranteed by the Federal Deposit Insurance Corporation or the
30 National Credit Union Administration that is issued to the bank, capital
31 stock financial institution, or qualifying mutual financial institution.

1 Sec. 28. Section 77-2392, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-2392 A bank, capital stock financial institution, or qualifying
4 mutual financial institution which has furnished securities pursuant to
5 the Public Funds Deposit Security Act shall have the right at any time
6 and without prior approval to substitute or exchange other securities of
7 equal value in lieu of securities furnished except that such securities
8 substituted or exchanged shall be those provided for under the act and
9 such substitution or exchange shall not reduce the market value of the
10 securities to an amount that is less than one hundred two percent of the
11 total amount of public money or public funds less the portion of such
12 public money or public funds insured or guaranteed by the Federal Deposit
13 Insurance Corporation or the National Credit Union Administration.
14 Following any substitution or exchange of securities pursuant to this
15 section by a bank, capital stock financial institution, or qualifying
16 mutual financial institution utilizing the dedicated method as provided
17 in subdivision (2)(a) of section 77-2398, the custodial official shall
18 report such substitution or exchange to the governing authority.

19 Sec. 29. Section 77-2395, Revised Statutes Cumulative Supplement,
20 2022, is amended to read:

21 77-2395 (1) If a bank, capital stock financial institution, or
22 qualifying mutual financial institution designated as a depository
23 provides a deposit guaranty bond or furnishes securities or any
24 combination thereof, pursuant to section 77-2389, the custodial official
25 shall not have on deposit in such depository any public money or public
26 funds in excess of the amount insured or guaranteed by the Federal
27 Deposit Insurance Corporation or the National Credit Union
28 Administration, unless and until the depository has provided a deposit
29 guaranty bond or furnished securities, or any combination thereof, to the
30 custodial official, and the total value of such deposit guaranty bond and
31 the market value of such securities are in an amount not less than one

1 hundred two percent of the amount on deposit which is in excess of the
2 amount so insured or guaranteed.

3 (2) If a bank, capital stock financial institution, or qualifying
4 mutual financial institution designated as a depository provides a
5 deposit guaranty bond or furnishes securities or any combination thereof,
6 pursuant to subsection (1) of section 77-2398, the governmental unit
7 shall not have on deposit in such depository any public money or public
8 funds in excess of the amount insured or guaranteed by the Federal
9 Deposit Insurance Corporation or the National Credit Union
10 Administration, unless and until the depository has provided a deposit
11 guaranty bond or furnished securities, or any combination thereof,
12 pursuant to the Public Funds Deposit Security Act, and the total value of
13 such deposit guaranty bond and the aggregate market value of the pool of
14 such securities so provided are in an amount not less than one hundred
15 two percent of the amount on deposit which is in excess of the amount so
16 insured or guaranteed.

17 Sec. 30. Section 77-2398, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 77-2398 (1) As an alternative to the requirements to secure the
20 deposit of public money or public funds in excess of the amount insured
21 or guaranteed by the Federal Deposit Insurance Corporation or the
22 National Credit Union Administration pursuant to sections 77-2389 and
23 77-2394, a bank, capital stock financial institution, or qualifying
24 mutual financial institution designated as a public depository may secure
25 the deposits of one or more governmental units by providing a deposit
26 guaranty bond or by depositing, pledging, or granting a security interest
27 in a single pool of securities or by a combination thereof to secure the
28 repayment of all public money or public funds deposited in the bank,
29 capital stock financial institution, or qualifying mutual financial
30 institution by such governmental units and not otherwise secured pursuant
31 to law, if at all times the total value of the deposit guaranty bond and

1 the aggregate market value of the pool of securities so deposited,
2 pledged, or in which a security interest is granted is at least equal to
3 one hundred two percent of the amount on deposit which is in excess of
4 the amount so insured or guaranteed. Each such bank, capital stock
5 financial institution, or qualifying mutual financial institution shall
6 carry on its accounting records at all times a general ledger or other
7 appropriate account of the total amount of all public money or public
8 funds to be secured by a deposit guaranty bond or by the pool of
9 securities, or any combination thereof, as determined at the opening of
10 business each day, and the total value of the deposit guaranty bond or
11 the aggregate market value of the pool of securities deposited, pledged,
12 or in which a security interest is granted to secure such public money or
13 public funds. For purposes of this section, a pool of securities shall
14 include shares of investment companies registered under the federal
15 Investment Company Act of 1940 when the investment companies' assets are
16 limited to obligations that are eligible for investment by the bank,
17 capital stock financial institution, or qualifying mutual financial
18 institution and limited by their prospectuses to owning securities
19 enumerated in section 77-2387.

20 (2) A bank, capital stock financial institution, or qualifying
21 mutual financial institution may secure the deposit of public money or
22 public funds using the dedicated method, the single bank pooled method,
23 or both methods as set forth in subsection (1) of this section.

24 (a) Under the dedicated method, a bank, capital stock financial
25 institution, or qualifying mutual financial institution may secure the
26 deposit of public money or public funds by each governmental unit
27 separately by furnishing securities or providing a deposit guaranty bond,
28 or any combination thereof, pursuant to the Public Funds Deposit Security
29 Act.

30 (b)(i) Under the single bank pooled method, a bank, capital stock
31 financial institution, or qualifying mutual financial institution may

1 secure the deposit of public money or public funds of one or more
2 governmental units by providing a deposit guaranty bond or through a pool
3 of eligible securities established by such bank, capital stock financial
4 institution, or qualifying mutual financial institution with a qualified
5 trustee, or any combination thereof, to be held subject to the order of
6 the director or the administrator for the benefit of the governmental
7 units having public money or public funds with such bank, capital stock
8 financial institution, or qualifying mutual financial institution as set
9 forth in subsection (1) of this section. A bank, capital stock financial
10 institution, or qualifying mutual financial institution may not retain
11 any deposit of public money or public funds which is required to be
12 secured unless, within ten days thereafter or such shorter period as has
13 been agreed upon by the bank, capital stock financial institution, or
14 qualifying mutual financial institution and the director or
15 administrator, it has secured the deposits for the benefit of the
16 governmental units having public money or public funds with such bank,
17 capital stock financial institution, or qualifying mutual financial
18 institution pursuant to this section.

19 (ii) The director shall designate a bank, savings association, trust
20 company, or other qualified firm, corporation, or association which is
21 authorized to transact business in this state to serve as the
22 administrator with respect to a single bank pooled method. Fees and
23 expenses of such administrator shall be paid by the banks, capital stock
24 financial institutions, or qualifying mutual financial institutions
25 utilizing the single bank pooled method.

26 (iii) If a bank, capital stock financial institution, or qualifying
27 mutual financial institution elects to secure the deposit of public money
28 or public funds through the use of the single bank pooled method, such
29 bank, capital stock financial institution, or qualifying mutual financial
30 institution shall notify the administrator in writing that it has elected
31 to utilize the single bank pooled method and the proposed effective date

1 thereof.

2 (iv) The single bank pooled method shall not be utilized by any
3 bank, capital stock financial institution, or qualifying mutual financial
4 institution unless an administrator has been designated by the director
5 pursuant to subdivision (2)(b)(ii) of this section and is acting as the
6 administrator.

7 (3) Only a deposit guaranty bond and the securities listed in
8 subdivision (14) of section 77-2387 may be provided and accepted as
9 security for the deposit of public money or public funds and shall be
10 eligible as collateral. The qualified trustee shall not accept any
11 securities which are not listed in subdivision (14) of section 77-2387.

12 Sec. 31. Section 77-23,100, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 77-23,100 (1) Any bank, capital stock financial institution, or
15 qualifying mutual financial institution in which public money or public
16 funds have been deposited which satisfies its requirement to secure the
17 deposit of public money or public funds in excess of the amount insured
18 or guaranteed by the Federal Deposit Insurance Corporation or the
19 National Credit Union Administration, in whole or in part, by the
20 deposit, pledge, or granting of a security interest in a single pool of
21 securities shall designate a qualified trustee and place with the trustee
22 for holding the securities so deposited, pledged, or in which a security
23 interest has been granted pursuant to subsection (1) of section 77-2398,
24 subject to the order of the director or the administrator. The bank,
25 capital stock financial institution, or qualifying mutual financial
26 institution shall give written notice of the designation of the qualified
27 trustee to any governmental unit depositing public money or public funds
28 for which such securities are deposited, pledged, or in which a security
29 interest has been granted, and if an affiliate of the bank, capital stock
30 financial institution, or qualifying mutual financial institution is to
31 serve as the qualified trustee, the notice shall disclose the affiliate

1 relationship and shall be given prior to designation of the qualified
2 trustee. The director or administrator shall accept the written receipt
3 of the qualified trustee describing the pool of securities so deposited,
4 pledged, or in which a security interest has been granted by the bank,
5 capital stock financial institution, or qualifying mutual financial
6 institution, a copy of which shall also be delivered to the bank, capital
7 stock financial institution, or qualifying mutual financial institution.

8 (2) Any bank, capital stock financial institution, or qualifying
9 mutual financial institution which satisfies its requirement to secure
10 the deposit of public money or public funds in excess of the amount
11 insured or guaranteed by the Federal Deposit Insurance Corporation or the
12 National Credit Union Administration under the Public Funds Deposit
13 Security Act, in whole or in part, by providing a deposit guaranty bond
14 pursuant to the provisions of subsection (1) of section 77-2398, shall
15 designate the director and cause to be issued a deposit guaranty bond
16 which runs to the director acting for the benefit of the governmental
17 units having public money or public funds on deposit with such bank,
18 capital stock financial institution, or qualifying mutual financial
19 institution and which is conditioned that the bank, capital stock
20 financial institution, or qualifying mutual financial institution shall
21 render to the administrator the statement required under subsection (3)
22 of this section.

23 (3) Each bank, capital stock financial institution, or qualifying
24 mutual financial institution which satisfies its requirement to secure
25 the deposit of public money or public funds in excess of the amount
26 insured or guaranteed by the Federal Deposit Insurance Corporation or the
27 National Credit Union Administration by providing a deposit guaranty bond
28 or by depositing, pledging, or granting a security interest in a single
29 pool of securities, or any combination thereof, shall, on or before the
30 tenth day of each month, render to the administrator a statement showing
31 as of the last business day of the previous month (a) the amount of

1 public money or public funds deposited in such bank, capital stock
2 financial institution, or qualifying mutual financial institution that is
3 not insured or guaranteed by the Federal Deposit Insurance Corporation or
4 the National Credit Union Administration (i) by each governmental unit
5 separately and (ii) by all governmental units in the aggregate and (b)
6 the total value of the deposit guaranty bond and the aggregate market
7 value of the pool of securities deposited, pledged, or in which a
8 security interest has been granted pursuant to subsection (1) of section
9 77-2398. The director shall be authorized, acting for the benefit of the
10 governmental units having public money or public funds on deposit with
11 such bank, capital stock financial institution, or qualifying mutual
12 financial institution, to take any and all actions necessary to take
13 title to or to effect a first perfected security interest in the
14 securities deposited, pledged, or in which a security interest is
15 granted.

16 (4) Within twenty days after the deadline for receiving the
17 statement required under subsection (3) of this section from a bank,
18 capital stock financial institution, or qualifying mutual financial
19 institution, the administrator shall provide a report to each
20 governmental unit listed in such statement reflecting (a) the amount of
21 public money or public funds deposited in such bank, capital stock
22 financial institution, or qualifying mutual financial institution by each
23 governmental unit as of the last business day of the previous month that
24 is not insured or guaranteed by the Federal Deposit Insurance Corporation
25 or the National Credit Union Administration and that is secured pursuant
26 to subsection (1) of section 77-2398 and (b) the total value of the
27 deposit guaranty bond and the aggregate market value of the pool of
28 securities deposited, pledged, or in which a security interest is granted
29 pursuant to subsection (1) of section 77-2398 as of the last business day
30 of the previous month. The report shall clearly notify the governmental
31 unit if the value of the deposit guaranty bond provided or the securities

1 deposited, pledged, or in which a security interest has been granted, or
2 any combination thereof, do not meet the statutory requirement. The
3 report required by this subsection shall be deemed to have been provided
4 to a governmental unit upon posting of the report by the administrator on
5 its website for access by governmental units participating under the
6 single bank pooled method if the governmental unit has agreed in advance
7 to receive such report by accessing the administrator's website.

8 Sec. 32. Section 77-23,101, Revised Statutes Cumulative Supplement,
9 2022, is amended to read:

10 77-23,101 Any Federal Reserve Bank, branch of a Federal Reserve
11 Bank, a federal home loan bank, or another responsible bank which is
12 authorized to exercise trust powers, capital stock financial institution
13 which is authorized to exercise trust powers, or qualifying mutual
14 financial institution which is authorized to exercise trust powers,
15 including a bank which is authorized to exercise trust powers, capital
16 stock financial institution which is authorized to exercise trust powers,
17 or qualifying mutual financial institution which is authorized to
18 exercise trust powers chartered by a foreign state agency as defined in
19 subdivision (14) of section 8-101.03, or trust company, other than the
20 pledgor or the bank, capital stock financial institution, or qualifying
21 mutual financial institution providing the deposit guaranty bond or
22 granting the security interest, is qualified to act as a qualified
23 trustee for the receipt of a deposit guaranty bond or the holding of
24 securities under section 77-23,100. The bank, capital stock financial
25 institution, or qualifying mutual financial institution in which public
26 money or public funds are deposited may at any time substitute, exchange,
27 or release securities deposited with a qualified trustee if such
28 substitution, exchange, or release does not reduce the aggregate market
29 value of the pool of securities to an amount that is less than one
30 hundred two percent of the total amount of public money or public funds
31 less the portion of such public money or public funds insured or

1 guaranteed by the Federal Deposit Insurance Corporation or the National
2 Credit Union Administration. The bank, capital stock financial
3 institution, or qualifying mutual financial institution in which public
4 money or public funds are deposited may at any time reduce the amount of
5 the deposit guaranty bond if the reduction does not reduce the total
6 combined value of the deposit guaranty bond and the aggregate market
7 value of the pool of securities to an amount less than one hundred two
8 percent of the total amount of public money or public funds less the
9 portion of such public money or public funds insured or guaranteed by the
10 Federal Deposit Insurance Corporation or the National Credit Union
11 Administration.

12 Sec. 33. Section 77-23,102, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 77-23,102 (1) When the director determines that a bank, capital
15 stock financial institution, or qualifying mutual financial institution
16 which secures the deposit of public money or public funds using the
17 single bank pooled method has experienced an event of default the
18 director shall proceed in the following manner: (a) The director shall
19 ascertain the aggregate amounts of public money or public funds secured
20 pursuant to subsection (1) of section 77-2398 and deposited in the bank,
21 capital stock financial institution, or qualifying mutual financial
22 institution which has defaulted, as disclosed by the records of such
23 bank, capital stock financial institution, or qualifying mutual financial
24 institution. The director shall determine for each governmental unit for
25 whom public money or public funds are deposited in the defaulting bank,
26 capital stock financial institution, or qualifying mutual financial
27 institution the accounts and amount of federal deposit insurance or
28 guarantee that is available for each account. The director shall then
29 determine for each such governmental unit the amount of public money or
30 public funds not insured or guaranteed by the Federal Deposit Insurance
31 Corporation or the National Credit Union Administration and the amount of

1 the deposit guaranty bond or pool of securities pledged, deposited, or in
2 which a security interest has been granted, or any combination thereof,
3 to secure such public money or public funds. Upon completion of this
4 analysis, the director shall provide each such governmental unit with a
5 statement that reports the amount of public money or public funds
6 deposited by the governmental unit in the defaulting bank, capital stock
7 financial institution, or qualifying mutual financial institution, the
8 amount of public money or public funds that may be insured or guaranteed
9 by the Federal Deposit Insurance Corporation or the National Credit Union
10 Administration, and the amount of public money or public funds secured by
11 a deposit guaranty bond or secured by a pool of securities, or any
12 combination thereof, pursuant to subsection (1) of section 77-2398. Each
13 such governmental unit shall verify this information from his or her
14 records within ten business days after receiving the report and
15 information from the director; and (b) upon receipt of a verified report
16 from such governmental unit and if the defaulting bank, capital stock
17 financial institution, or qualifying mutual financial institution is to
18 be liquidated or if for any other reason the director determines that
19 public money or public funds are not likely to be promptly paid upon
20 demand, the director shall proceed to enforce the deposit guaranty bond
21 and liquidate the pool of securities held to secure the deposit of public
22 money or public funds and shall repay each governmental unit for the
23 public money or public funds not insured or guaranteed by the Federal
24 Deposit Insurance Corporation or the National Credit Union Administration
25 deposited in the bank, capital stock financial institution, or qualifying
26 mutual financial institution by the governmental unit. In the event that
27 the amount of the deposit guaranty bond or the proceeds of the securities
28 held by the director after liquidation is insufficient to cover all
29 public money or public funds not insured or guaranteed by the Federal
30 Deposit Insurance Corporation or the National Credit Union Administration
31 for all governmental units for whom the director serves, the director

1 shall pay out to each governmental unit available amounts pro rata in
2 accordance with the respective public money or public funds not insured
3 or guaranteed by the Federal Deposit Insurance Corporation or the
4 National Credit Union Administration for each such governmental unit.

5 (2) In the event that a federal deposit insurance agency is
6 appointed and acts as a liquidator or receiver of any bank, capital stock
7 financial institution, or qualifying mutual financial institution under
8 state or federal law, those duties under this section that are specified
9 to be performed by the director in the event of default may be delegated
10 to and performed by such federal deposit insurance agency.

11 Sec. 34. Section 77-23,105, Revised Statutes Cumulative Supplement,
12 2022, is amended to read:

13 77-23,105 Upon request of a governmental unit, a bank, capital stock
14 financial institution, or qualifying mutual financial institution shall
15 report as of the date of such request the amount of public money or
16 public funds deposited in such bank, capital stock financial institution,
17 or qualifying mutual financial institution that is not insured or
18 guaranteed by the Federal Deposit Insurance Corporation or the National
19 Credit Union Administration (1) by the governmental unit making the
20 request and (2) by all other governmental units and secured pursuant to
21 subsection (1) of section 77-2398, and the total value of the deposit
22 guaranty bond or the aggregate market value of the pool of securities
23 deposited, pledged, or in which a security interest has been granted to
24 secure public money or public funds held by the bank, capital stock
25 financial institution, or qualifying mutual financial institution,
26 including those deposited by the governmental unit. Upon request of a
27 governmental unit, a qualified trustee shall report as of the date of
28 such request the total value of the deposit guaranty bond or the
29 aggregate market value of the pool of securities deposited, pledged, or
30 in which a security interest has been granted by the bank, capital stock
31 financial institution, or qualifying mutual financial institution and

1 shall provide an itemized list of the securities in the pool. Such
2 reports shall be made on or before the date the governmental unit
3 specifies.

4 Sec. 35. Original sections 14-556, 15-847, 15-849, 16-691.01,
5 16-713, 16-715, 16-716, 17-607, 17-720, 30-3209, 72-1268.03, 77-2302,
6 77-2318, 77-2326.04, 77-2340, 77-2344, 77-2345, 77-2352, 77-2355,
7 77-2362, 77-2365.01, 77-2365.02, 77-2375, 77-2385, and 77-2389, Reissue
8 Revised Statutes of Nebraska, and sections 77-2387, 77-2388, 77-2392,
9 77-2395, 77-2398, 77-23,100, 77-23,101, 77-23,102, and 77-23,105, Revised
10 Statutes Cumulative Supplement, 2022, are repealed.