

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB155

Hearing Date: Tuesday January 22, 2013
Committee On: Banking, Commerce and Insurance
Introducer: Gloor
One Liner: Change provisions relating to deposits of public funds in excess of insured or guaranteed amounts

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Campbell, Carlson, Christensen, Crawford, Gloor, Howard, Pirsch, Schumacher

Nay:

Absent:

Present Not Voting:

Proponents:

Senator Mike Gloor
Bob Hallstrom
Kendrik de Koning

Representing:

Introducer
NE Bankers Association
BBW Capital Advisors

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB155 (Gloor) would amend the Public Funds Deposit Security Act which sets forth the mechanisms by which financial institutions acting as depositories of public funds may satisfy their requirements to secure deposits in excess of amounts insured or guaranteed by the Federal Deposit Insurance Corporation. Generally, depositories give security by furnishing securities or providing a deposit guaranty bond.

The bill would amend section 77-2387 of the Public Funds Deposit Security Act to expand the definition of "securities" to include mortgage-backed "securities and collateralized mortgage" obligations that are "backed by collateral one hundred percent guaranteed by" the Federal Home Loan Mortgage Corporation, the Federal Farm Credit System, a Federal Home Loan Bank, or the Federal National Mortgage Association. The bill would further expand the definition of "securities" to include a letter of credit issued by any Federal Home Loan Bank and not just the Federal Home Loan Bank of Topeka.

The bill would amend section 77-2398 of the Public Funds Deposit Security Act which allows a depository to secure the deposits of one or more governmental units by depositing, pledging, or granting a security interest in a single pool of securities to secure repayment of all public funds deposited in the depository. The bill would provide that a "pool of securities" shall include shares of investment companies the assets of which are limited to obligations that are eligible for investment by the depository financial institution and are limited by their prospectuses to owning securities defined as "securities" for purposes of the Public Funds Deposit Security Act.

Mike Gloor, Chairperson