

Fisher to close.

SENATOR FISHER: Waive.

SPEAKER WITHEM: Question before the body is, shall LB 931 advance? All in favor vote aye, opposed vote nay. Record.

CLERK: 27 ayes, 0 nays, Mr. President, on the advancement of 931.

SPEAKER WITHEM: LB 931 advances. LB 1274.

CLERK: (LB) 1274, a bill introduced by Senator Landis. (Read title.) Bill was introduced on January 17 of this year, referred to Banking, advanced to General File.

SPEAKER WITHEM: Senator Landis to open on your bill.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature. This is sort of a compendium of work, that technical toiling that Bill Marienau does in the dark and brings forth some good policy. This is a redraft of some of our public funds deposit acts. We have about 14 of them. What happens is that a public subdivision has more than \$100,000 and, as you know, if you go to a bank you get an account that is FDIC insured to 100,000 bucks, so you got some city money or county money and you've got more than 100,000 bucks you don't have an FDIC guarantee for anything above 100,000 bucks. So our Nebraska statutes say this is public money and if we're going to put it into a bank or into a capital...into an S & L that is not capital stock or not a mutual, rather, there has to be some kind of assurance or a promise that the public money is safe, and so what we do now is we have this Deposit Security Act which says that the bank pledges someplace between, depending on which of these 14 statutes, 90 to 110 percent of the face value of what the public subdivision puts in. Let me tell you what the bill does. It says 102 percent face value of the public deposit. It continues to allow, for example, the use of a trust receipt by putting those securities in escrow, or it allows the use of a security deposit guaranty bond and this guaranty bond covers the same amount of 102 percent or more. In other words, if 1274 passes, a single unified number of 102 percent takes place. Number two, it takes a good deal of the terms and simplifies them by a common set of definitions. Third, it allows for the