

LEGISLATIVE BILL 208

Approved By the Governor February 22, 1975

Introduced by Johnson, 15

AN ACT relating to banking; to provide that banks and savings and loan associations may act as trustees as provided; to amend section 8-318, Revised Statutes Supplement, 1974; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. All banks chartered under the laws of Nebraska are qualified to act as trustee or custodian within the provisions of the Federal Self-Employed Individuals Tax Retirement Act of 1962, as amended, or under the terms and provisions of section 408 (a) of the Internal Revenue Code, as amended, if the provisions of such retirement plan require the funds of such trust or custodianship to be invested exclusively in shares or accounts in the bank or in other banks. If any such retirement plan, within the judgment of the bank, constitutes a qualified plan under the Federal Self-Employed Individuals Tax Retirement Act of 1962, or under the terms and provisions of section 408 (a) of the Internal Revenue Code, as amended, and the regulations promulgated thereunder at the time the trust was established and accepted by the bank, is subsequently determined not to be such a qualified plan or subsequently ceases to be such a qualified plan, in whole or in part, the bank may nevertheless continue to act as trustee of any deposits theretofore made under such plan and to dispose of the same in accordance with the directions of the member and beneficiaries thereof. No bank, in respect to savings made under this section, shall be required to segregate such savings from other assets of the bank; Provided, that the bank shall keep appropriate records showing in proper detail all transactions engaged in under the authority of this section.

Sec. 2. That section 8-318, Revised Statutes Supplement, 1974, be amended to read as follows:

8-318. (1) Shares of stock in any association, or in any federal savings and loan association incorporated under the provisions of the Home Owners Owners' Loan Act of 1933, with its principal office and place of business in this state, may be subscribed for, held, transferred, surrendered, withdrawn, and forfeited,

and payments thereon received and receipted for by any minor in the same manner and with the same binding effect as though such person were of full age, except that the said minor or his estate, shall not be bound on his subscription to stock except to the extent of payments actually made thereon.

(2) All trustees, guardians, executors, administrators, and conservators appointed by the courts of this state may invest and reinvest in, acquire, make withdrawals in whole or in part, hold, transfer, or make new or additional investments in or transfers of shares of stock in any (a) building and loan association organized under the laws of the State of Nebraska or (b) federal savings and loan association incorporated under the provisions of the Home Owners' Loan Act of 1933, having its principal office and place of business in this state, without an order of approval from any court.

(3) Trustees created solely by the terms of a trust instrument may invest in, acquire, hold, and transfer such shares, and make withdrawals, in whole or in part, therefrom, without any order of court, unless expressly limited, restricted, or prohibited therefrom by the terms of such trust instrument.

(4) All building and loan associations referred to in this section are qualified to act as trustee or custodian within the provisions of the Federal Self-Employed Individuals Tax Retirement Act of 1962, as amended, or under the terms and provisions of section 408 (a) of the Internal Revenue Code, as amended, if the provisions of such retirement plan require the funds of such trust or custodianship to be invested exclusively in shares or accounts in the association or in other associations. If any such retirement plan, within the judgment of the association, constitutes a qualified plan under the Federal Self-Employed Individuals Tax Retirement Act of 1962, or under the terms and provisions of section 408 (a) of the Internal Revenue Code, as amended, and the regulations promulgated thereunder at the time the trust was established and accepted by the association, is subsequently determined not to be such a qualified plan or subsequently ceases to be such a qualified plan, in whole or in part, the association may nevertheless continue to act as trustee of any deposits theretofore made under such plan and to dispose of the same in accordance with the directions of the member and beneficiaries thereof. No association, in respect to savings made under this section, shall be required to segregate such savings from other assets of the association; Provided, that the association shall keep appropriate records showing in proper detail all

LB208

transactions engaged in under the authority of this section.

Sec. 3. That original section 8-318, Revised Statutes Supplement, 1974, is repealed.