

LEGISLATIVE BILL 757

Approved by the Governor February 18, 1992

Introduced by Banking, Commerce and Insurance Committee:
Landis, 46, Chairperson; Conway, 17;
Hall, 7; Lindsay, 9; Wesely, 26

AN ACT relating to financial institutions; to amend sections 2-3227, 8-108, 8-157, 8-319, 8-320, 8-342, 8-343, 8-346, 8-356, 8-385, 8-602, 8-1515, 12-1102, 12-1107, 15-847, 15-849, 16-713, 16-715, 17-607, 21-1777, 30-3209, 43-2202, 72-1262, 72-1268.03, 72-1268.05, 77-2318, 77-2340, 77-2344, 77-2345, 77-2352, 77-2355, 77-2362, and 77-2366, Reissue Revised Statutes of Nebraska, 1943; to redefine terms; to change and eliminate references to the Federal Savings and Loan Insurance Corporation; to provide for the examination of electronic data processing centers as prescribed; to change provisions relating to the establishment of detached auxiliary offices, foreign building and loan associations, building and loan association examinations, the requirement to maintain insurance on certain instruments, fees, and credit union examinations; and to repeal the original sections.

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

Section 1. That section 2-3227, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

2-3227. Each district may invest any surplus money in the district treasury, including such money as may be in any sinking fund established for the purpose of providing for the payment of the principal or interest of any contract, bond, or other indebtedness or for any other purpose, not required for the immediate needs of the district, (1) in certificates of deposit of banks which are members of the Federal Deposit Insurance Corporation, except that whenever the amount deposited exceeds the amount of insurance available thereon, the excess shall be secured in the same manner as for the deposit of public funds, (2) in certificates of deposit of capital stock financial institutions as provided by section 77-2366, (3) in building and loan associations

in the State of Nebraska to the extent that deposits therein in such associations are insured by the Federal Savings and Loan Deposit Insurance Corporation, (4) in its own bonds, (5) in treasury notes or bonds of the United States, or (6) in bonds or debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration. Investments in bonds or treasury notes may be made by direct purchase of any issue of such bonds or treasury notes, or part thereof, at the original sale of the same or by the subsequent purchase of such bonds or treasury notes. Any bonds or treasury notes thus purchased and held may, from time to time, be sold and the proceeds reinvested in bonds or treasury notes as provided in this section. Sales of any bonds or treasury notes thus purchased and held shall, from time to time, be made in season so that the proceeds may be applied to the purposes for which the money with which the bonds or treasury notes were originally purchased was placed in the treasury of the district. The functions and duties authorized by this section shall be performed under such rules and regulations as shall be prescribed by the board.

Sec. 2. That section 8-108, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-108. The director, his or her deputy, or any duly appointed examiner shall have power to make a thorough examination into all the books, papers, and affairs of any bank or other institution in Nebraska subject to the department's jurisdiction, or its holding company, if any, and in so doing to administer oaths and affirmations, to examine on oath or affirmation the officers, agents, and clerks of such institution or its holding company, if any, touching the matter which they may be authorized and directed to inquire into and examine, and to subpoena the attendance of any person or persons in this state to testify under oath or affirmation in relation to the affairs of such institution or its holding company, if any. Such powers shall include, but not be limited to, the authority to examine and monitor by electronic means the books, papers, and affairs of any financial institution or the holding company of a financial institution. The examination may be in the presence of at least two members of the board of directors of the institution or its holding company, if any, undergoing such

examination, and it shall be the duty of the examiner to incorporate in his or her report the names of the directors in whose presence the examination was made. The director may accept any examination or report from the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Comptroller of the Currency, or a foreign state agency. The director may provide any such examination or report to the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Comptroller of the Currency, or a foreign state agency. The department shall have power to examine the books, papers, and affairs of any electronic data processing center which has contracted with a financial institution to conduct the financial institution's electronic data processing business. The department may charge the electronic data processing center for the time spent by examiners in such examination at the rate set forth in section 8-601 for examiners' time spent in examinations of financial institutions.

Sec. 3. That section 8-157, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-157. (1) No bank shall maintain any branch bank, and except as provided in subsections (2) through ~~(7)~~ (8) of this section and section 8-122.01, the general business of every bank shall be transacted at the place of business specified in its charter.

(2) With the approval of the director (a) any bank may maintain an attached auxiliary office if such office is physically connected by a pneumatic tube or tubes or a walkway, a tunnel, or any other electronic, mechanical, or structural connection or attachment for the public use of the bank and is within two hundred feet of the building containing the premises specified as its place of business in its charter or any adjacent connected building housing a continuation of the operations of the bank's main office and (b) any bank may establish and maintain not more than six detached auxiliary offices at which all banking transactions allowed by law may be made. Such auxiliary offices shall be within the corporate limits of the city in which such bank is located, or if the bank is located within the zoning jurisdiction of a city of the primary class or is located within an unincorporated city or unincorporated area in a county which contains a city of the primary class, such auxiliary offices may also be within the corporate limits of such city. Any detached auxiliary office established and maintained by a bank pursuant to the acquisition or merger of an institution

under sections 8-1506 to 8-1510 or the acquisition of an eligible savings association under section 8-1515 shall not count against the number or location of detached auxiliary offices permitted under this section.

(3) With the approval of the director, a bank may acquire another bank in Nebraska as the result of a purchase or merger so long as the acquired bank has been chartered for more than eighteen months and the acquired institution and its detached auxiliary offices are converted to auxiliary offices of the acquiring bank. Such auxiliary offices shall not count against the number of locations of detached auxiliary offices permitted under subsections (1) and (2) of this section.

(4) With the approval of the director, a bank may acquire the assets and assume the deposits of a detached auxiliary office of another bank in Nebraska if: (a) The acquired detached auxiliary office has been approved for more than eighteen months; (b) the acquired detached auxiliary office is converted to an auxiliary office of the acquiring bank; and (c) the bank from which the detached auxiliary office is acquired and the acquiring bank are subsidiaries of the same bank holding company or the detached auxiliary office to be acquired was chartered as a bank prior to becoming a detached auxiliary office. All banking transactions allowed by law may be made at a detached auxiliary office acquired pursuant to this subsection. Such auxiliary office shall not count against the number of locations of detached auxiliary offices permitted under subsections (1) and (2) of this section. The restrictions contained in this subsection shall not limit the authority of a bank to acquire another bank and to continue to operate all of the detached auxiliary offices of the acquired bank as auxiliary offices of the acquiring bank.

(5) With the approval of the director, a bank may acquire the assets and assume the deposits of a detached auxiliary office of another bank in Nebraska or acquire the assets and assume the deposits of an eligible savings association acquired by another bank in Nebraska pursuant to section 8-1515 if (a) the acquired detached auxiliary office or eligible savings association is converted to an auxiliary office of the acquiring bank and (b) the detached auxiliary office or the eligible savings association to be acquired was operated, established, and maintained as an eligible savings association at its existing location prior to August 9, 1989, and was maintained at such location on such date. All banking transactions allowed by law may be made at a detached auxiliary office acquired pursuant

to this subsection. Such auxiliary offices shall not count against the number of locations of detached auxiliary offices permitted under subsections (1) and (2) of this section. The restrictions contained in this subsection shall not limit the authority of a bank to acquire another bank and to continue to operate all of the detached auxiliary offices of the acquired bank as auxiliary offices of the acquiring bank.

(6) With the approval of the director, a bank may acquire a branch of a savings association which is a successor to an eligible savings association if such acquisition occurs within ninety days of the date the successor savings association acquired the eligible savings association and the branch is converted to an auxiliary office of the acquiring bank.

(7) With the approval of the director and subject to the limitations specified in this subsection, a single bank may establish one detached auxiliary office within the corporate limits of any municipality in which a financial institution has closed and ceased doing business within the preceding two years if no other financial institution operates an office within such municipality. If thirty days or less have elapsed since the financial institution ceased operation, the director shall only approve the establishment of a detached auxiliary office by a bank which has its place of business, as specified in its charter, in the same county as or in a contiguous county to the county in which such municipality is located. If more than thirty days have elapsed since the financial institution ceased operation, the director may approve the establishment of a detached auxiliary office by any bank located within Nebraska.

For purposes of this subsection:

(a) An unmanned electronic terminal shall not be deemed to be an office operated by a financial institution; and

(b) Financial institution shall mean a bank, savings bank, building and loan association, savings and loan association, industrial loan and investment company, credit union, or other institution offering electronic terminal transactions.

(7) (8) The name given to any detached bank or branch bank established and maintained pursuant to this section shall not be substantially similar to the name of any existing bank or branch bank which is unaffiliated with the newly created bank or branch bank and is located in the same municipality. The name of such newly created bank or branch bank shall be approved

by the director.

Sec. 4. That section 8-319, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-319. (1) No loan shall be made by such association except to its own members, ~~nor and no loan~~ shall any loan be made to any member for any sum in excess of the par value of his or her stock. The borrower shall pledge to the association, as security for the loan, shares of a maturity value equal to the principal of the loan and, except as otherwise provided in this section, ample security by mortgage or deeds of trust on real estate. For the purpose purposes of this section, the terms real property and real estate shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder or of the association so as not to expire for at least five years beyond the maturity of the debt. Loans made upon improved real estate, except as otherwise provided in this section, shall not exceed ninety-five percent of the reasonable normal cash value thereof, and all loans made on any other real estate shall not exceed three-fourths of the reasonable normal cash value thereof.

(2) An association may make a loan or loans in an amount exceeding ninety-five percent of the reasonable normal cash value of the real estate security (a) if such loan or loans are made to a veteran in accord with the provisions of 38 U.S.C., as now existing or as hereafter amended, (b) if the proceeds of the loan or loans are to be used in purchasing residential property or in constructing a dwelling on unimproved property owned by such veteran to be occupied as his or her home, used for the purpose of making repairs, alterations, or improvements in or paying delinquent indebtedness, taxes, or special assessments on residential property owned by the veteran and used by him or her as his or her home, or used in purchasing any land and buildings to be used by the applicant in pursuing a gainful occupation other than farming, and (c) if the Secretary of Veterans Affairs guarantees that portion of such loan or loans in excess of ninety-five percent of the reasonable normal cash value of the real estate security.

(3) An association is authorized to obtain insurance of its loans by the Federal Housing Administrator under Title II of the National Housing Act, as amended, and such loans so made upon improved

real estate and so insured shall not be subject to the restrictions set forth in this section with reference to the maximum authorized amount of a loan.

(4) An association may make unsecured loans to its members if such loans (a) are insured under Title I and Title II of the National Housing Act, as amended, or (b) are for property alterations, repair, or improvements. The aggregate amount of loans made under subdivisions (a) and (b) of this subsection shall not at any time exceed twenty percent of the association's assets. Each loan made under subdivision (b) of this subsection shall be repayable in regular monthly installments within a period of twenty years and shall be supported by a written property statement on forms to be prescribed by the Department of Banking and Finance. An association may make secured loans to its members and may make loans under 38 U.S.C., as amended, under Chapter V, subchapter C of the Home Owners Loan Act of 1933, as amended (12 U.S.C.), and on the security of mobile homes.

(5) The stock of such association may be accepted as security for a loan of the amount of the withdrawal value of such stock without other security.

(6) An association when so licensed may make loans to its own members upon the terms and security set forth in sections 45-114 to 45-155.

(7) Any provisions of this section to the contrary notwithstanding, an association may make any loan that a federal savings and loan association doing business in this state is or may be authorized to make.

(8) An association may invest in loans, obligations, and advances of credit, all of which are referred to in this subsection as loans, made for the payment of expenses of business school, technical training school, college, or university education, but no association shall make any investment in loans under this subsection if the principal amount of its investment in such loans, exclusive of any investment which is or which at the time of its making was otherwise authorized, would thereupon exceed five percent of its assets. Such loans may be secured, partly secured, or unsecured, and the association may require a comaker or comakers, insurance, guaranty under a governmental student loan guarantee plan, or other protection against contingencies. The borrower shall certify to the association that the proceeds of the loan are to be used by a full-time student solely for the payment of expenses of business, technical training school, college, or university education.

(9) An association may participate with other lenders in making loans of any type that an association may otherwise make if (a) each of the lenders is either an instrumentality of the United States Government or is insured by the Federal Savings and Loan Insurance Corporation or by the Federal Deposit Insurance Corporation or, in the case of another lender, the interest of the association in such loan is superior to the participating interests of the other participants and (b) an association whose accounts are insured by the Federal Savings and Loan Deposit Insurance Corporation, which may be a federal association or an association chartered by this state, or another association chartered by this state, which is not so insured, has otherwise complied with subsection (1) of this section with respect to loans to members.

(10) An association may sell to or purchase from any institution which is a savings association chartered by this state or the accounts of which are insured by the Federal Savings and Loan Deposit Insurance Corporation a participating interest in any loan, whether or not, in the case of a purchase, the security is located within the association's regular lending area.

Sec. 5. That section 8-320, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-320. Any association may invest its reserve fund for the payment of contingent losses, any reserve fund created to protect against any other contingency, and any portion of its idle funds, not immediately needed to carry on its proper functions, in as follows:

(1) In bonds, notes, warrants, or other direct obligations of the United States or of any city, village, county, township, or school, road, water, sewer, paving, drainage, or sanitary and improvement district, or any other political subdivision of the State of Nebraska; 7

(2) in In any securities and obligations issued by the Federal Home Loan Bank, the Federal National Mortgage Association, or successor corporations, bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, and securities of any other federal agency corporation; 7 and

(3) any Any provision of this section to the contrary notwithstanding, an association may make any

investment that a federal savings and loan association doing business in this state is or may be authorized to make.

Any association may deposit its funds, or any part thereof, in any national or state bank, insured by the Federal Deposit Insurance Corporation or any corporation successor thereto, and receive therefor certificates of time or savings deposit or the usual bank passbook credit subject to check, or in share accounts of any state or federal savings and loan association whose the accounts of which are insured by the Federal Savings and Loan Deposit Insurance Corporation or any corporation successor thereto.

Sec. 6. That section 8-342, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-342. (1) Every corporation, company, or association contemplating doing business in this state and having for a part of its title or name the words, loan and building association, building and loan association, savings and loan association, loan and savings association, savings bank, cooperative bank, or investment company, and (2) every corporation, company, or association whose stock is payable by an accumulating fund in regular or stated periodical installments or at the will of the holder, and (3) every corporation, company, or association doing business in a form and character similar to that authorized to be done by section 8-302 or 8-356 shall, if organized in any country, state, or territory other than the State of Nebraska, be known herein in sections 8-301 to 8-349 as a foreign building and loan association.

Sec. 7. That section 8-343, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-343. No foreign building and loan association, directly or indirectly, shall transact any business in this state without first procuring a certificate of approval of authorization from the Department of Banking and Finance. Before obtaining such certificate, a such foreign building and loan association shall furnish said the department with a statement sworn to by the president or secretary of the association, which statement shall show the name and locality of the association, an itemized account of its actual financial condition, and the amount of its property and liabilities, the amount and number of shares subscribed, the amount which has been paid in on such shares, the number of shares redeemed, the

estimated cash value of each share of its stock, and all such other information touching its affairs as the department may require. Such ~~The~~ foreign building and loan association shall also file with the department a certified copy of the laws of the state, territory, or government under which it is incorporated, of its charter or articles of incorporation, and of its constitution and bylaws, and all amendments thereto. ~~It~~ The association shall appoint an attorney in each county in which it transacts or solicits business who shall be a resident of such county, and shall file with the department a written instrument, duly signed and sealed, authorizing such attorney of such association to acknowledge service of process in behalf of such association, consenting that service of process, mesne or final, upon such attorney shall be taken and held as if served upon the association according to the laws of this or any other state, and waiving all claims or rights of error by reason of such acknowledgment of service a resident individual or a domestic corporation as a registered agent upon whom any process, notice, or demand may be served. If, after examination of such statements and certified copies of instruments, and after ~~said~~ the association shall have ~~has~~ complied with the requirements of ~~sections 8-301 to 8-345~~ this section as to the appointment of an attorney ~~or attorneys a registered agent~~, the department shall be ~~is~~ satisfied that such association is solvent, that it maintains insurance of its shares, savings, or accounts by membership in the Federal Deposit Insurance Corporation, and that the capital and investments are secure, and that the laws, charters, articles of incorporation, constitution, and bylaws governing it afford as ample protection to interests of its members as is afforded by the laws of this state to members of associations ~~hereafter~~ incorporated under the laws of the State of Nebraska for the purpose mentioned in section 8-302 or 8-356, then the department may grant such association a certificate of approval authorizing it to transact business until the 31st day of January of the ensuing year, in those counties of this state in which it shall have appointed a resident attorney as above provided.

Sec. 8. That section 8-346, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-346. (1) The Director of Banking and Finance, his or her deputy, or any duly appointed examiner, shall have power to make a thorough examination into all the books, records, business, and

affairs of every building and loan association organized under the laws of this state and every foreign building and loan association authorized to transact business in this state as often as shall be deemed necessary. The director may ~~PROVIDED, the Director of Banking and Finance is~~ authorized to accept in his or her discretion, in lieu of any examination authorized by the laws of this state, a report of an examination made by the building and loan association by the Federal Home Loan Bank or the Federal Savings and Loan Deposit Insurance Corporation or the Office of Thrift Supervision, or he the director may examine any such association jointly with either of these federal agencies.

(2) The director may, at his or her discretion, make available to the Federal Home Loan Bank or to the Federal Savings and Loan Deposit Insurance Corporation or the Office of Thrift Supervision copies of reports of any such examination, or any information furnished to or obtained by him or her in such examination. The rights, powers, duties, and privileges of the director, his or her deputy, or any duly appointed examiner in connection with such examinations shall be the same as is or may be provided by law in reference to the examinations of banks.

Sec. 9. That section 8-356, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-356. (1) A capital stock savings and loan association, referred to in sections 8-356 to 8-384 as a capital stock association, shall mean a financial institution incorporated under sections 8-356 to 8-384 having for its purposes the encouragement of home financing, the accumulation of capital through the issuance and sale of its stock, the acceptance of such accounts, referred to in sections 8-356 to 8-384 as deposits, as may be authorized for mutual savings and loan associations, and the lending of funds so accumulated in accordance with the powers conveyed to mutual associations by Chapter 8, article 3. A capital stock association shall issue a class of stock known as capital stock. The par value shall be stated in the articles of association and bylaws and approved by the Department of Banking and Finance. The consideration for capital stock which has a par value shall be credited to the capital stock account at its par value and any excess shall be credited to paid-in surplus and both shall be maintained as the fixed and permanent capital of the association. Participation in the management of the association shall be limited to the

holders of capital stock.

(2) Capital stock shall be a reserve to absorb losses after all surplus, undivided profits, and other reserves available for losses have been depleted.

(3) Capital stock shall not be subject to redemption except on dissolution, and shall then be eligible for redemption only after all accounts, deposits, and other creditors, including the Federal Savings and Loan Deposit Insurance Corporation in the case of an insured institution, have been paid in full, together with accrued interest.

Sec. 10. That section 8-385, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-385. (1) Any building and loan association organized under the provisions of Chapter 8, article 3, shall, within six months of March 13, 1984, (a) obtain and continually maintain insurance of its shares, savings, or deposits by membership in the Federal Savings and Loan Deposit Insurance Corporation, (b) merge with an institution which holds such membership and insurance, or (c) (b) provide the notice and advertisement specified in subsection (2) of this section. Any building and loan association organized after March 13, 1984, shall, prior to commencing its operations, comply with subdivision (1)(a) of this section or, upon commencing its operations, comply with subdivision (1)(c) of this section.

(2) A building and loan association may commence operation or continue to operate if it provides notice to depositors and holders of shares, savings certificates, or other similar instruments that such deposits or instruments are not insured. Such notice shall be given (a) by October 1, 1984, to all depositors and holders of such instruments created before October 1, 1984, (b) on the date any such deposit, share, savings certificate, or similar instrument is created for deposits made and instruments created on or after October 1, 1984, and (c) (b) annually thereafter as follows: AS PROVIDED BY THE LAWS OF THE STATE OF NEBRASKA YOU ARE HEREBY NOTIFIED THAT YOUR DEPOSIT, SHARE, SAVINGS CERTIFICATE, OR OTHER SIMILAR INSTRUMENT IS NOT INSURED. Any advertising conducted by such institution shall in each case state: THE DEPOSITS, SHARES, SAVINGS CERTIFICATES, OR SIMILAR INSTRUMENTS OF THIS INSTITUTION ARE NOT INSURED. The institution shall also display such notice in one or more prominent places in all facilities in which the institution operates. All such notices and statements shall be given in large

or contrasting type in such a manner that such notices shall be are conspicuous. Each willful failure to give the notice prescribed in this subsection shall constitute a Class II misdemeanor. All officers and directors of any such institution shall be jointly and severally responsible for the issuance of the notices described in this subsection in the form and manner described.

(3) The certificate of approval of any building and loan association which fails to comply with subsection (1) of this section shall be automatically forfeited and such association shall be liquidated and dissolved, either voluntarily by its board of directors under the supervision of the Department of Banking and Finance or involuntarily by the department as in cases of insolvency.

(4) A building and loan association shall file proof of compliance with subsection (1) of this section with the Department of Banking and Finance.

Sec. 11. That section 8-602, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-602. The Director of Banking and Finance shall charge and collect fees for certain services rendered by the Department of Banking and Finance according to the following schedule:

(1) For filing and examining articles of incorporation, association, and bylaws, ~~excepting~~ except cooperative credit associations and credit unions, one hundred dollars, and for cooperative credit associations and credit unions, fifty dollars;

(2) For filing and examining an amendment to articles of incorporation, association, and bylaws, ~~excepting~~ except cooperative credit associations and credit unions, fifty dollars, for cooperative credit associations, twenty-five dollars, and for credit unions, fifteen dollars;

(3) For issuing to banks, trust companies, building and loan associations, and industrial loan and investment companies a charter, authority, or license to do business in this state, a sum which shall be determined on the basis of one dollar and fifty cents for each one thousand dollars of authorized capital, except that the minimum fee in each case shall be two hundred twenty-five dollars, and all foreign building and loan associations shall pay annually a fee of two hundred dollars;

(4) For issuing to cooperative credit associations a charter, authority, or license to do

business in this state, twenty-five dollars;

(5) For issuing an executive officer's or loan officer's license, fifty dollars at the time of the initial license and fifteen dollars on or before January 15 in each year thereafter, except cooperative credit associations and credit unions for which the fee shall be twenty-five dollars at the time of the initial license and fifteen dollars thereafter on or before January 15 each year thereafter;

(6) For affixing certificate and seal, five dollars;

(7) For making a photostatic copy of instruments, documents, or any other departmental records and for providing a computer-generated document, each one hundred words, thirty cents except when the photostatic copying method is used the charge shall be at the rate of one dollar and fifty cents per page;

(8) For making substitution of securities held by it and issuing a receipt, fifteen dollars;

(9) For issuing a certificate of approval to a credit union, ten dollars;

(10) For investigating the statements applications required by sections 8-120, 8-331, and 8-403 and 8-201 and the applications documents required by sections 8-331, 8-403 8-201, 21-1312, and 21-1313, the cost of such examination, investigation, and inspection, including all legal expenses and the cost of any hearing transcript, with a minimum fee under (a) section 8-120 of two thousand five hundred dollars, (b) section 8-331 of two thousand dollars, (c) section 8-403 of two thousand five hundred dollars, and (d) sections 8-201, 21-1312, and 21-1313 of one thousand dollars, 7 and (e) under section 8-816 of fifty dollars. The department may require the applicant to procure and give a surety bond in such principal amount as the department may determine and conditioned for the payment of the fees herein provided;

(11) For registering a statement of intention to engage in the business of making personal loans pursuant to section 8-816, fifty dollars;

(12) To meet the expense of safekeeping securities as provided in section 8-210, the company or national bank, shall, at the time of the initial deposit thereof, pay one dollar and fifty cents for each thousand dollars of securities deposited and a like amount on or before January 15 in each year thereafter;

(13) For investigating an application to move its location within the city or village limits of its original license or charter, for banks, trust

companies, building and loan associations, and industrial loan and investment companies, two hundred fifty dollars;

~~(13)~~ (14) For investigating an application for approval ~~of to establish or acquire~~ a detached auxiliary teller office pursuant to section 8-157, two hundred fifty dollars;

(14) (15) For investigating an application for approval of an electronic satellite facility, fifteen dollars; and

(15) (16) For investigating a notice of acquisition of control under subsection (1) of section 8-1502, five hundred dollars;

(17) For investigating an application for a cross-industry merger under section 8-1510, five hundred dollars;

(18) For investigating an application for a merger of two state banks or a merger of a state bank and a national bank in which the state bank is the surviving entity, five hundred dollars; and

(19) For investigating an application for a purchase of an eligible savings association under section 8-1515, five hundred dollars.

All fees and all money collected by or paid to the department under any of the provisions of Chapter 8 or any other law shall, if and when specifically appropriated by the Legislature during any biennium, constitute the Financial Institution Assessment Cash Fund in the state treasury for the use of the department during any biennium in administering the provisions of such chapter and any duties imposed upon the department by any other law, and all of such money when appropriated shall be appropriated for the purposes herein expressed in this section.

Sec. 12. That section 8-1515, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-1515. (1) With the approval of the director, a bank may acquire an eligible savings association and convert the eligible savings association into a detached auxiliary office of the acquiring bank if (a) the eligible savings association was established and maintained at its existing location prior to August 9, 1989, and was maintained at such location on such date and (b) the acquiring bank purchases or assumes all or any part of the assets or liabilities of the eligible savings association or agrees to act as the paying agent of the Federal Deposit Insurance Corporation or Resolution Trust Corporation with respect to the deposit

liabilities of the eligible savings association.

(2) With the approval of the director, a bank may acquire a branch of a savings association which is a successor to an eligible savings association if such acquisition occurs within ninety days of the date the successor savings association acquired the eligible savings association and the branch is converted to an auxiliary office of the acquiring bank.

(3) For purposes of this section and section 8-157, eligible savings association shall mean the main office, any or all branches of the main office, or the main office and any or all branches of the main office of any federally chartered or state-chartered savings bank, building and loan association, or savings and loan association the deposits of which are insured by the Federal Deposit Insurance Corporation (a) with respect to which any adjudication or other official determination of any court of competent jurisdiction, the director, the appropriate federal banking agency, or any other public authority has resulted in the appointment of a conservator, receiver, or other legal custodian or (b) which fails to meet the minimum capital requirements applicable to it as established by law or regulation promulgated by its principal federal or state regulator. The determination of whether any federally chartered or state-chartered savings bank, building and loan association, or savings and loan association has failed to meet the minimum capital requirements applicable to it shall be made without regard to whether it has been granted any forbearance or other relief from any statutory, regulatory, or other capital requirements by any federal or state regulator, whether the institution has submitted to any such regulator a plan to meet applicable capital requirements or standards over time, or whether any such capital plan has been approved by a federal or state regulator.

Sec. 13. That section 12-1102, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

12-1102. As used in For purposes of the Burial Pre-Need Sale Act, unless the context otherwise requires:

(1) Agent shall mean any person who acts for or on behalf of a pre-need seller in making pre-need sales;

(2) Burial or funeral merchandise or services shall mean all items of real or personal property or a combination of both or services, sold or offered for sale to the general public by any pre-need seller, which

may be used in any manner in connection with a funeral or the interment, entombment, inurnment, or other alternate disposition of human remains. Such term shall not include a lot or grave space or a crypt or niche located in a mausoleum, columbarium, or lawn crypt upon which construction has been substantially completed;

(3) Columbarium shall mean an above-ground structure or building which is used or intended to be used for the inurnment of human remains in a niche. A columbarium may be combined with a mausoleum;

(4) Crypt or niche shall mean a chamber in a lawn crypt, columbarium, or mausoleum of sufficient size to inter or entomb cremated or noncremated human remains;

(5) Delivery shall mean the act of performing the service required by or the act of placing the item purchased in the physical possession of the pre-need purchaser, including, but not limited to, the installing or depositing of the item sold on or in real property owned by or designated by the person entitled to receive such item, except that (a) the pre-need burial of a vault shall constitute delivery only if the burial is with the consent of the pre-need purchaser and the pre-need seller has made other pre-need vault burials prior to January 1, 1986, and (b) delivery of a crypt or niche in a mausoleum, lawn crypt, or columbarium or a marker or monument may be accomplished by delivery of a document of title;

(6) Department shall mean the Department of Insurance;

(7) Director shall mean the Director of Insurance;

(8) Document of title shall mean a deed, bill of sale, warehouse receipt, or any other document which meets the following requirements:

(a) The effect of the document is to immediately vest the ownership of the item described in the person purchasing the item;

(b) The document states the exact location of such item; and

(c) The document gives assurances that the item described exists in substantially completed form and is subject to delivery upon request;

(9) Human remains shall mean the body of a deceased person;

(10) Lawn crypt shall mean an inground burial receptacle of single or multiple depth, installed in multiples of ten or more in a large mass excavation, usually constructed of concrete and installed on gravel

or other drainage underlayment and which acts as an outer container for the interment of human remains;

(11) Letter of credit shall mean an irrevocable undertaking issued by any financial institution which qualifies as a trustee under the Burial Pre-Need Sale Act, given to a pre-need seller and naming the director as the beneficiary, in which the issuer agrees to honor drafts or other demands for payment by the beneficiary up to a specified amount;

(12) Lot or grave space shall mean a space in a cemetery intended to be used for the inground interment of human remains;

(13) Marker, monument, or lettering shall mean an object or method used to memorialize, locate, and identify human remains;

(14) Master trust agreement shall mean an agreement between a pre-need seller and a trustee, a copy of which has been filed with the department, under which proceeds from pre-need sales may be deposited by the pre-need seller;

(15) Mausoleum shall mean an above-ground structure or building which is used or intended to be used for the entombment of human remains in a crypt. A mausoleum may be combined with a columbarium;

(16) Pre-need purchaser shall mean a member of the general public purchasing burial or funeral merchandise or services or a marker, monument, or lettering from a pre-need seller for personal use;

(17) Pre-need sale shall mean any sale by any pre-need seller to a pre-need purchaser of:

(a) Any items of burial or funeral merchandise or services which are not purchased for the immediate use in a funeral or burial of human remains;

(b) Any unspecified items of burial or funeral merchandise or services which items will be specified either at death or at a later date; or

(c) A marker, monument, or lettering which will not be delivered within six months of the date of the sale;

(18) Pre-need seller shall mean any person, partnership, corporation, or association on whose behalf pre-need sales are made to the general public;

(19) Substantially completed shall mean that time when the mausoleum, columbarium, or lawn crypt being constructed is then ready for the interment, entombment, or inurnment of human remains;

(20) Surety bond shall mean an undertaking given by an incorporated surety company naming the director as the beneficiary and conditioned upon the

faithful performance of a contract for the construction of a mausoleum, columbarium, or lawn crypt by a pre-need seller;

(21) Trust account shall mean either a separate trust account established pursuant to the Burial Pre-Need Sale Act for a specific pre-need purchaser by a pre-need seller or multiple accounts held under a master trust agreement when it is required by such the act that all or some portion of the proceeds of such pre-need sale be placed in trust by the pre-need seller;

(22) Trustee shall mean a bank, trust company, building and loan association, or industrial loan and investment company within the state whose deposits are insured by the Federal Deposit Insurance Corporation; ~~or the Federal Savings and Loan Insurance Corporation;~~

(23) Trust principal shall mean all deposits, including amounts retained as required by section 12-1114, made to a trust account by a pre-need seller less all withdrawals occasioned by delivery or cancellation; and

(24) Vault shall mean an item of burial or funeral merchandise or services which is an inground burial receptacle installed individually, as opposed to lawn crypts, which is constructed of concrete, steel, or any other material, and which acts as an outer container for the interment of human remains.

Sec. 14. That section 12-1107, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

12-1107. (1) Banks which do not have a separate trust department and building and loan associations and industrial loan and investment companies acting as trustees under the Burial Pre-Need Sale Act shall accept trust funds only to the extent that the full amount of all of such funds is insured by the Federal Deposit Insurance Corporation, ~~or the Federal Savings and Loan Insurance Corporation.~~

(2) Banks with a separate trust department and trust companies acting as trustees under the Burial Pre-Need Sale Act when investing or reinvesting trust funds shall have the power to deal with such funds as a prudent trustee would deal with the funds and shall have all of the powers granted to a trustee by the Nebraska Trustees' Powers Act, but the Nebraska Principal and Income Act shall not be applicable and all income, whether from interest, dividends, capital gains, or any other source, shall be considered as income.

Sec. 15. That section 15-847, Reissue Revised

Statutes of Nebraska, 1943, be amended to read as follows:

15-847. In lieu of the bond required by section 15-846, any bank or capital stock financial institution making application to become a depository may deposit or pledge as security with the city treasurer (1) United States Government bonds, (2) bonds of the State of Nebraska or bonds of any state whose the bonds of which are purchased by the Board of Educational Lands and Funds of this state for investment of the permanent school fund, (3) warrants of the State of Nebraska, (4) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (5) bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (6) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, or (7) warrants of the county or any city, village, or school district in the county. The penal sum of such bond or the sum of such pledge of assets may be reduced in the amount of such deposit insured by the Federal Deposit Insurance Corporation, ~~or the Federal Savings and Loan Insurance Corporation.~~ The depository depositing or pledging securities described in this section shall have the right to substitute other approved securities as provided in this section in lieu of securities already pledged if it so desires at any time. The depository may at its option deposit or make the pledge of securities authorized in this section in the manner provided in section 77-2328. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 16. That section 15-849, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

15-849. The city treasurer may purchase certificates of deposit from and make time deposits in banks or capital stock financial institutions selected as depositories of city funds pursuant to sections 15-846 to 15-848. The certificates of deposit purchased and time deposits made shall bear interest and shall be secured as prescribed in such sections. The penal sum of such bond or the sum of such pledge of assets shall be reduced in the amount of the time deposit or

certificate of deposit insured by the Federal Deposit Insurance Corporation, ~~or the Federal Savings and Loan Insurance Corporation.~~ The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 17. That section 16-713, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-713. The city treasurer may, upon resolution of the mayor and council authorizing the same, purchase certificates of deposit from and make time deposits in banks or capital stock financial institutions selected as depositories of city funds under the provisions of sections 16-712, 16-714, and 16-715. The certificates of deposit purchased and time deposits made shall bear interest and shall be secured as set forth in sections 16-714 and 16-715, except that the penal sum of such bond or the sum of such pledge of assets shall be reduced in the amount of the time deposit or certificate of deposit insured by the Federal Deposit Insurance Corporation, ~~or the Federal Savings and Loan Insurance Corporation.~~ The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 18. That section 16-715, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-715. In lieu of the bond required by section 16-714, any bank or capital stock financial institution making application to become a depository may deposit or pledge as security with the city clerk (1) United States Government bonds, (2) United States Government guaranteed bonds or notes, (3) bonds of any state or municipal subdivision which are fully defeased as to principal and interest by any combination of bonds or notes authorized in subdivision (1), (2), or (7) of this section, (4) bonds of the State of Nebraska or of any state ~~whose~~ the bonds of which are purchased by the state investment officer of this state for investment of the permanent school fund, (5) warrants of the State of Nebraska, (6) county bonds, municipal bonds, or school district bonds of any county, city, village, or school district in the State of Nebraska issued under the direction of and with the approval of the Auditor of Public Accounts, (7) bonds or notes of United States governmental agencies, including bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives

under the supervision of the Farm Credit Administration, (8) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, or (9) warrants of the county or any city, village, or school district in the county. The penal sum of such bond or the sum of such pledge of assets shall be equal to or greater than the amount of the deposit in excess of that portion of such deposit insured by the Federal Deposit Insurance Corporation, ~~or the Federal Savings and Loan Insurance Corporation.~~ The depository depositing or pledging securities described in this section shall have the right to substitute other approved securities provided for in this section in lieu of securities already pledged if it so desires at any time. The depository may at its option deposit or make the pledge of securities authorized in this section in the manner as provided in section 77-2328. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 19. That section 17-607, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

17-607. (1) The city council or board of trustees, as the case may be, at its first meeting in each fiscal year, shall designate some one or more state or national banks or capital stock financial institutions of approved and responsible standing in which the city treasurer or village treasurer shall keep at all times, subject to payment on his or her demand, all money held by him or her as such city treasurer or village treasurer. If there is one or more banks or capital stock financial institutions located in the city or village which apply for the privilege of keeping such money and furnish the security for the repayment of deposits as provided in ~~subsections (1) and (2)~~ of this section, such banks or capital stock financial institutions shall be selected as such depositories. ~~The treasurer of the city~~ treasurer or village treasurer shall not give a preference to any one or more of them in the money he or she may so deposit.

(2) The council or board of trustees shall require from all banks or capital stock financial institutions a bond, referred to in subsection (1) of this section, in such penal sum as may be the maximum amount on deposit at any time less the amount insured by the Federal Deposit Insurance Corporation ~~or the Federal Savings and Loan Insurance Corporation~~ or, in lieu thereof, may accept a pledge of sufficient assets of

such depository, referred to in subsection (1) of this section, to secure the payment of all such deposits and accretions. The council or board shall approve such bond or pledge. The treasurer of such city treasurer or village treasurer shall not be liable for any loss of any money sustained by reason of the failure of any such depository so designated and approved. The fact that a stockholder, director, or other officer of such financial institution is also serving as mayor, as a member of the city council or board of trustees, as a member of a board of public works, or as any other officer of such municipality shall not disqualify such financial institution from acting as a depository for such municipal funds.

Sec. 20. That section 21-1777, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-1777. Each credit union shall be examined at least once a year. Each credit union and all of its officers and agents shall give the Department of Banking and Finance or any of the examiners appointed by it free access to all books, papers, securities, and other sources of information relative to such credit union under their control, and for the purpose of such examination, the department shall have the power to subpoena witnesses, administer oaths, compel the giving of testimony, and require the submission of documents. The Director of Banking and Finance may accept, in lieu of any examination authorized by the laws of this state, a report of an examination made of a credit union by the National Credit Union Administration or may examine any such credit union jointly with such federal agency. The Director of Banking and Finance may make available to the National Credit Union Administration copies of reports of any examination or any information furnished to or obtained by the Department of Banking and Finance in any examination. If it appears from any examination of reports or otherwise that a credit union is insolvent, that it has violated any of the provisions of the Credit Union Act or any other law of the state, or that it is conducting its business in an unsafe manner, the Department of Banking and Finance may require such corrective measures in accordance with sections 8-1,134 to 8-1,139 as may be deemed necessary or take possession of the property and business of such credit union and retain possession thereof until such time as it may determine either to permit ~~it~~ the credit union to resume business or to order its dissolution. In the event the Department of Banking and Finance orders its

dissolution, such credit union shall be liquidated in receivership proceedings in the same manner, as nearly as may be possible, as is provided by the laws governing the liquidation of state banks. Pursuant to sections 21-1777.01 to 21-1777.05, the Department of Banking and Finance may appoint the National Credit Union Administration Board as receiver or liquidator of the assets and liabilities of any credit union in the possession of the Department of Banking and Finance. Such appointment shall be subject to the approval of the district court of the judicial district in which the credit union is located.

Sec. 21. That section 30-3209, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

30-3209. Corporate trustees authorized by Nebraska law to exercise fiduciary powers and holding retirement or pension funds for the benefit of employees or former employees of cities, villages, school districts, public power districts, or other governmental or political subdivisions may invest and reinvest such funds in such securities and investments as are authorized for trustees, guardians, conservators, personal representatives, or administrators under the laws of Nebraska. Retirement or pension funds of such cities, villages, districts, or subdivisions may be invested in annuities issued by life insurance companies authorized to do business in Nebraska. Any other retirement or pension funds of cities, including cities operating under home rule charters, villages, school districts except as provided in section 79-1051, public power districts, and all other governmental or political subdivisions may be invested and reinvested, as the governing body of such city, village, school district, public power district, or other governmental or political subdivisions ~~subdivisions~~ subdivision may determine, in the following classes of securities and investments: (1) Bonds, notes, or other obligations of the United States or those guaranteed by or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof; (2) bonds or other evidences of indebtedness of the State of Nebraska and full faith and credit obligations of or obligations unconditionally guaranteed as to principal and interest by any other state of the United States; (3) bonds, notes, or obligations of any municipal or political subdivision of the State of Nebraska which are general obligations of the issuer thereof and revenue bonds or debentures of any city, county, or utility

district of this state when the earnings available for debt service have, for a five-year period immediately preceding the date of purchase, averaged not less than one and one-half times such debt service requirements; (4) bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; (5) certificates of deposit of banks which are members of the Federal Deposit Insurance Corporation or capital stock financial institutions, and if the amount deposited exceeds the amount of insurance available thereon, then the excess shall be secured in the same manner as for the deposit of public funds; (6) accounts with building and loan associations or federal savings and loan associations in the State of Nebraska to the extent that such accounts are insured by the Federal Savings and Loan Deposit Insurance Corporation; (7) bonds or other interest-bearing obligations of any corporation organized under the laws of the United States or any state thereof if (a) at the time the purchase is made, they are given, by at least one statistical organization whose publication is in general use, one of the three highest ratings given by such organization and (b) not more than five percent of the fund shall be invested in the obligations of any one issuer; (8) direct short-term obligations, generally classified as commercial paper, of any corporation organized under the laws of the United States or any state thereof with a net worth of ten million dollars or more; and (9) preferred or common stock of any corporation organized under the laws of the United States or of any state thereof with a net worth of ten million dollars or more if (a) not more than fifty percent of the total investments at the time such investment is made is in this class and not more than five percent is invested in each of the first five years and (b) not more than five percent thereof is invested in the securities of any one corporation. Notwithstanding the percentage limits stated in this section, the cash proceeds of the sale of such preferred or common stock may be reinvested in any securities authorized under this subdivision. No city, village, school district, public power district, or other governmental subdivision or the governing body thereof shall be authorized to sell any securities short, buy on margin, or buy, sell, or engage in puts and calls. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 22. That section 43-2202, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

43-2202. In the Nebraska Uniform Gifts to Minors Act, unless the context otherwise requires:

(1) An adult is a person who has attained the age of nineteen years;

(2) A bank is a bank, trust company, national banking association, savings bank, industrial bank, building and loan association, or credit union;

(3) A broker is a person lawfully engaged in the business of effecting transactions in securities for the account of others. The term includes a bank which effects such transactions. The term also includes a person lawfully engaged in buying and selling securities for his or her own account, through a broker or otherwise, as a part of a regular business;

(4) Court means the county court;

(5) The custodial property includes: (a) All securities, life insurance policies, annuity contracts, and money under the supervision of the same custodian for the same minor as a consequence of a gift or gifts made to the minor in a manner prescribed in the act; (b) the income from the custodial property; and (c) the proceeds, immediate and remote, from the sale, exchange, conversion, investment, reinvestment, surrender, or other disposition of such securities, money, life insurance policies, annuity contracts, and income;

(6) A custodian is a person so designated in a manner prescribed in the act. The term includes a successor custodian;

(7) A financial institution is a bank, a federal savings and loan association, a savings institution chartered and supervised as a savings and loan or similar institution under federal law or the laws of a state, or a federal credit union or a credit union chartered and supervised under the laws of a state; a domestic financial institution is one chartered and supervised under the laws of this state or chartered and supervised under federal law and having its principal office in this state; an insured financial institution is one, deposits (including a savings, share, certificate, or deposit account) in which are, in whole or in part, insured by the Federal Deposit Insurance Corporation, or by the Federal Savings and Loan Insurance Corporation National Credit Union Administration, or by a deposit insurance fund approved by this state;

(8) A guardian of a minor means the general

guardian, guardian, tutor, or curator of his or her property or estate appointed or qualified by a court of this state or another state;

(9) An issuer is a person who places or authorizes the placing of his or her name on a security (other than as a transfer agent) to evidence that it represents a share, participation, or other interest in his or her property or in an enterprise or to evidence his or her duty or undertaking to perform an obligation evidenced by the security, or who becomes responsible for or in place of any such person;

(10) A legal representative of a person is his or her personal representative or the administrator, general guardian, guardian, committee, conservator, tutor, or curator of his or her property or estate;

(11) A life insurance policy or annuity contract means a life insurance policy or annuity contract issued by an insurance company authorized to do business in this state on the life of a minor to whom a gift of the policy or contract is made in the manner prescribed in sections 43-2202 to 43-2205, 43-2207, and 43-2208 or on the life of a member of the minor's family;

(12) A member of a minor's family means any of the minor's parents, grandparents, brothers, sisters, uncles, and aunts, whether of the whole blood or the half blood, or by or through legal adoption;

(13) A minor is a person who has not attained the age of nineteen years;

(14) A security includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease, any instrument evidencing membership in and ownership of an account in a building and loan association, collateral-trust certificate, transferable share, voting-trust certificate, or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation in, any temporary or interim certificate, receipt, or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing. The term does not include a security of which the donor is the issuer. A security is in registered form when it specifies a person entitled to it or to the rights it evidences and its transfer may be registered upon books maintained for that purpose by or on behalf of the issuer;

(15) A transfer agent is a person who acts as authenticating trustee, transfer agent, registrar, or other agent for an issuer in the registration of transfers of its securities or in the issue of new securities or in the cancellation of surrendered securities; and

(16) A trust company is a bank authorized to exercise trust powers in the state.

Sec. 23. That section 72-1262, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-1262. As used in For purposes of the Nebraska Capital Expansion Act, unless the context otherwise requires:

(1) Bank shall mean any national bank with its principal office in this state or any bank which is chartered to conduct a bank in this state as provided by sections 8-115 and 8-116;

(2) Building and loan association shall mean any building and loan association organized under Chapter 8, article 3, or any federal savings and loan association with its principal office in this state;

(3) Time deposit open account shall mean a bank account or a deposit with a building and loan association with respect to which there is in force a written contract which provides that neither the whole nor any part of such deposit may be withdrawn, by check or otherwise, prior to the date of maturity, which date shall be not less than thirty days after the date of the deposit, or prior to the expiration of the period of notice which shall be given by the state investment officer in writing not less than thirty days in advance of withdrawal. The time deposit open account contract shall be uniform and shall be furnished by the state investment officer with prior approval of such form by the Federal Deposit Insurance Corporation and the ~~Federal Savings and Loan Insurance Corporation~~ to each bank and building and loan association for execution;

(4) Equity capital shall mean capital, surplus, undivided profits, federal insurance reserves, and contingency reserves; and

(5) Funds available for investment shall mean all funds over which the state investment officer has investment jurisdiction less those funds necessary for operations and except those funds which are eligible for long-term investment.

Sec. 24. That section 72-1268.03, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-1268.03. The state investment officer shall not have on deposit in any bank or building and loan association giving a guaranty bond more than the amount insured by the Federal Deposit Insurance Corporation ~~or Federal Savings and Loan Insurance Corporation~~ plus the maximum amount of the bond given by such bank or building and loan association or in any bank or building and loan association giving a personal bond more than the amount insured by the Federal Deposit Insurance Corporation ~~or Federal Savings and Loan Insurance Corporation~~ plus one-half of the amount of the bond of such bank or building and loan association. The amount deposited in any bank or building and loan association shall not exceed the amount insured by the Federal Deposit Insurance Corporation ~~or Federal Savings and Loan Insurance Corporation~~ plus twice its capital stock and surplus. All bonds of such depositories shall be deposited with and held by the state investment officer.

Sec. 25. That section 72-1268.05, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-1268.05. The aggregate amount of securities deposited under section 72-1268.04 shall at all times equal ten percent more than the amount of the public funds deposited in the bank, capital stock financial institution, or building and loan association, less the amount insured by the Federal Deposit Insurance Corporation ~~or Federal Savings and Loan Insurance Corporation~~. The depository bank, capital stock financial institution, or building and loan association furnishing securities shall have the right to substitute other approved securities in lieu of securities already pledged if it so desires at any time. Such securities substituted shall be those provided for in section 72-1268.04, and the total value of which in the case of bonds alone shall at all times equal the maximum amount of the deposit to which the bank, capital stock financial institution, or building and loan association is entitled, less the amount insured by the Federal Deposit Insurance Corporation ~~or Federal Savings and Loan Insurance Corporation~~. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 26. That section 77-2318, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2318. The county treasurer shall not have on deposit in any bank or capital stock financial

institution at any time more money than the amount insured by the Federal Deposit Insurance Corporation, or the Federal Savings and Loan Insurance Corporation, plus the maximum amount of the bond given by such financial institution in cases when the financial institution gives a guaranty bond except as provided in section 77-2318.01. The amount on deposit at any time with any financial institution shall not exceed fifty percent of the paid-up capital stock and surplus of such financial institution except as provided in section 77-2318.01. When the amount of money which the county treasurer desires to deposit in the banks and capital stock financial institutions within the county exceeds fifty percent of the paid-up capital and surplus of all of the banks and capital stock financial institutions in such county, then the county treasurer may, with the consent of the county board, deposit an amount in excess thereof, but not exceeding the capital stock and surplus in any one bank or capital stock financial institution unless the depository gives security as provided in section 77-2318.01. Bond shall be required of all banks and capital stock financial institutions for such excess deposit unless security is given in accordance with section 77-2318.01. The bonds shall be deposited with the county clerk and approved by the county board. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 27. That section 77-2340, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2340. The county treasurers of the various counties of the state may, upon resolution of their respective county boards authorizing the same, make time deposits in banks or capital stock financial institutions selected as depositories of county funds under the provisions of sections 77-2312 to 77-2315. The time deposits shall bear interest and shall be secured as set forth in section 77-2304 or 77-2320, except that the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation shall be exempt from the requirement of being secured as provided by section 77-2320 or by bonds similar to the bond required and set forth in section 77-2304. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 28. That section 77-2344, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2344. No deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation shall be made in any bank or capital stock financial institution designated as a depository unless and until the treasurer or ex officio treasurer has received from such depository as security for the prompt repayment by the depository either a corporate surety bond in form and with sureties approved by formal resolution by the governing body of such district or the deposit and pledge of (1) the securities of the United States of America, (2) the bonds of any state of the United States of America, (3) registered bonds of Nebraska school districts, (4) registered bonds of Nebraska counties, (5) bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (6) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, (7) bonds of Nebraska municipalities, or (8) bonds of the particular metropolitan water district or metropolitan utilities district. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 29. That section 77-2345, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2345. No deposit shall be made in any designated bank or capital stock financial institution (1) in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or (2) in excess of the obligation of the depository bond or the market value of the securities on deposit at the time any deposit of funds is made or during the period in which the deposit of funds remains in the depository. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 30. That section 77-2352, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2352. No deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation shall be made in any bank or capital stock financial institution designated as a depository unless and until the treasurer or ex officio treasurer has received from

the depository as security for the prompt repayment by the depository either a corporate surety bond in form and with sureties approved by formal resolution by the governing body of such district or the deposit and pledge of (1) a pledge of bonds, notes, certificates of indebtedness, and treasury bills of the United States Government of any issue, (2) obligations fully and unconditionally guaranteed both as to principal and interest by the United States, (3) bonds of any county, city, village, or school district of this state which have been issued and registered as required by law, (4) registered warrants of the county or of any city, village, or school district in the county where in which such school district or township is located, or (5) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture. Bonds and securities so pledged shall be delivered to and held by some federal reserve bank or branch thereof or some other responsible bank, capital stock financial institution, or trust company within this state other than the pledgor with an appropriate joint custody and pledge agreement. The depository pledging such bonds or securities shall have the right to substitute, from time to time, other and different bonds or securities of equal amount, within the foregoing requirements, and to withdraw all or any part of such pledged bonds or securities upon repaying to such treasurer and reducing his or her deposit account by the amount of the bonds or securities so withdrawn. The amount of security so pledged shall be at all times at least equal to the amount of the deposit so secured, less any portion of such deposit that is insured by the Federal Deposit Insurance Corporation, ~~or the Federal Savings and Loan Insurance Corporation.~~ The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 31. That section 77-2355, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2355. No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation ~~or the Federal Savings and Loan Insurance Corporation~~ shall be made or be allowed to accumulate in any bank or capital stock financial institution designated as a depository unless and until the treasurer or other competent officer of the district has received from such depository as security for the prompt repayment of such deposits by the depository either a surety bond in form

and with corporate sureties approved by formal resolution of the board of directors of such district or in lieu thereof (1) a pledge of bonds, notes, certificates of indebtedness, and treasury bills of the United States Government of any issue or bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, (2) obligations fully and unconditionally guaranteed both as to principal and interest by the United States, (3) bonds of any county, city, village, or school district of this state which have been issued and registered as required by law, (4) loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture, (5) registered warrants of any county, city, or school district of this state, or (6) bonds of the district making such deposits. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 32. That section 77-2362, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2362. Whenever, by the laws of this state, any municipal corporation or other governmental subdivision of the state is authorized or required to obtain or accept from banks or capital stock financial institutions, surety bonds or other bonds as security for deposits of public funds belonging to such municipal corporation or other governmental subdivision, the insurance afforded to depositors in banks or capital stock financial institutions through the Federal Deposit Insurance Corporation, organized under the laws of the United States, ~~or the Federal Savings and Loan Insurance Corporation~~ shall be deemed and construed to be, for the purposes of such laws, a surety bond or bonds to the extent that such deposits are insured by such corporation, and for deposits so insured, no other surety bond or bonds or other security shall be required. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

Sec. 33. That section 77-2366, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2366. (1) Notwithstanding any other provision of law, any local ordinance or regulation, or any rule or regulation to the contrary, the funds of this state or any political subdivision of the state may

be deposited, by the appropriate custodians of such funds; with capital stock financial institutions to the same extent and subject to the same terms, conditions, and limitations, including collateralization required, if any, as may be otherwise provided for the deposit of such funds in banks. Capital stock financial institutions shall include state and national banks, capital stock state building and loan associations, capital stock federal savings and loan associations, capital stock federal savings banks, capital stock industrial loan and investment companies, and capital stock state savings banks. To the extent any deposit in any bank is:

(a) ~~Required to be insured by the Federal Deposit Insurance Corporation; then such insurance may instead be provided by the Federal Savings and Loan Insurance Corporation;~~

~~(b) Required to be subject to check or draft, then such deposit may be subject to order; and~~

~~(c) (b) Required to be made, maintained, or otherwise dealt with by reference to the capital of any bank, then it may be so made, maintained, or dealt with by reference to the capital or net worth of such financial institution, and if by reference to the undivided profits, capital notes, debentures, or other capital items of any bank, then to any unimpaired reserves, capital notes, and debentures or comparable capital items of such other financial institution.~~

(2) To the extent the state or any political subdivision is or may ever be required by any law to deposit funds in any bank, the state or any such political subdivision shall, to the same extent and subject to the same terms, conditions, and limitations, including collateralization required, be required to make deposits in any capital stock financial institution on the same basis.

(3) This section shall be applied in a manner consistent with the intention of the Legislature which is to provide for the deposit of funds of the state and any political subdivision in capital stock financial institutions.

Sec. 34. That original sections 2-3227, 8-108, 8-157, 8-319, 8-320, 8-342, 8-343, 8-346, 8-356, 8-385, 8-602, 8-1515, 12-1102, 12-1107, 15-847, 15-849, 16-713, 16-715, 17-607, 21-1777, 30-3209, 43-2202, 72-1262, 72-1268.03, 72-1268.05, 77-2318, 77-2340, 77-2344, 77-2345, 77-2352, 77-2355, 77-2362, and 77-2366, Reissue Revised Statutes of Nebraska, 1943, are repealed.