

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB78

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: January 24, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 78 would establish a definition for “political subdivisions” for purposes of the Public Funds Deposit Security Act. Under current law, banks and capital stock financial institutions are required to pledge “securities” to the state and any political subdivision for the protection of public funds which are in excess of the amount secured by the Federal Deposit Insurance Corporation.

The bill provides an all encompassing definition of “political subdivision,” (any county, city, village, township, district, authority or other public corporation or entity, including any entity created pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act), which should serve to provide greater clarification for both financial institutions and political subdivisions and maximize protection for the public funds of political subdivisions.

Principal Introducer: _____

Senator Rich Pahls