

AMENDMENTS TO LB1176

Introduced by Banking, Commerce and Insurance.

1 1. Strike the original sections 2 and 6 and insert the following new
2 sections:

3 Sec. 2. For purposes of the Public Entities Pooled Investment Act:

4 (1) Bank means a state-chartered or federally chartered bank which
5 has a main chartered office in this state, any branch thereof in this
6 state, or any branch in this state of a state-chartered or federally
7 chartered bank which maintained a main chartered office in this state
8 prior to becoming a branch of such state-chartered or federally chartered
9 bank;

10 (2) Capital stock financial institution means a capital stock state
11 building and loan association, a capital stock federal savings and loan
12 association, a capital stock federal savings bank, or a capital stock
13 state savings bank, which has a main chartered office in this state, any
14 branch thereof in this state, or any branch in this state of a capital
15 stock financial institution which maintained a main chartered office in
16 this state prior to becoming a branch of such capital stock financial
17 institution;

18 (3) Eligible entity means any governmental, public, or quasi-public
19 entity, joint public agency created pursuant to the Joint Public Agency
20 Act, or joint entity created pursuant to the Interlocal Cooperation Act,
21 located in the state, including, but not limited to, an entity designated
22 as a political subdivision, vested with taxing authority, or whose
23 membership is wholly comprised by such entities and funds created by such
24 entities. Eligible entity does not include the State of Nebraska or any
25 department, division, office, board, commission, or other agency of the
26 state, or any court, constitutional office, or elected or appointed
27 officer of the state;

1 (4) Eligible investment means:

2 (a) Obligations, including letters of credit, of any agency or
3 instrumentality of the United States, including bonds, debentures, or
4 notes issued by the Federal Home Loan Bank System;

5 (b) Direct obligations of or other obligations the principal of and
6 interest on which are guaranteed by the United States or its agencies or
7 instrumentalities, including collateralized mortgage obligations and
8 obligations that are fully guaranteed or insured by the Federal Deposit
9 Insurance Corporation or by the full faith and credit of the United
10 States;

11 (c) Direct obligations of the state, its agencies, and
12 instrumentalities receiving an investment quality rating by a nationally
13 recognized investment rating firm not less than A or its equivalent at
14 the time of purchase;

15 (d) Obligations of other states, agencies, counties, cities, and
16 political subdivisions of any state receiving an investment quality
17 rating by a nationally recognized investment rating firm not less than A
18 or its equivalent at the time of purchase;

19 (e) Commercial paper, if such commercial paper:

20 (i) Is issued by a United States corporation;

21 (ii) Has a stated maturity of two hundred seventy days or fewer from
22 its date of issuance;

23 (iii) Is rated in the highest short-term rating quality category by
24 at least two nationally recognized statistical rating organizations at
25 the time of purchase;

26 (iv) Is limited to no more than fifty percent of the total funds
27 available for investment by a local government investment pool at the
28 time of purchase; and

29 (v) Is limited to no more than five percent of the total funds
30 available for investment by a local government investment pool being
31 invested in the commercial paper of a single issuer;

1 (f) Money market mutual funds whose shares are sold without
2 commissions or other sales charges unrelated to fund expenses, that have
3 a fixed net asset value of one dollar, and are comprised of obligations
4 of the United States, its agencies, or instrumentalities;

5 (g) Fully collateralized repurchase agreements, if such agreements:

6 (i) Have a defined termination date;

7 (ii) Are secured by a combination of cash and obligations of the
8 United States, its agencies, or its instrumentalities;

9 (iii) Require securities purchased by the trust or cash held by the
10 trust to be pledged to the trust, held in the trust's name, and deposited
11 at the time the investment is made with the trust or with a third party
12 selected and approved by the trust; and

13 (iv) Are invested through a primary government securities dealer, as
14 defined by the Board of Governors of the Federal Reserve System, or a
15 financial institution; and

16 (h) Certificates of deposit and time deposit open accounts in banks,
17 capital stock financial institutions, or qualifying mutual financial
18 institutions;

19 (5) Local government investment pool means an investment pool or
20 trust created pursuant to the laws of this state, including, but not
21 limited to, the Interlocal Cooperation Act, for the purpose of pooling
22 and investing the funds of two or more eligible entities; and

23 (6) Qualifying mutual financial institution has the same meaning as
24 in section 77-2365.01.

25 Sec. 6. Any agent, employee, or representative of an investment
26 advisor acting on behalf of a local government investment pool who
27 solicits, purchases, or sells securities or eligible investments on
28 behalf of the local government investment pool shall hold and maintain
29 any license or registration required by federal or state law to solicit,
30 purchase, or sell securities or eligible investments on behalf of a local
31 government investment pool.