

**ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025**  
**COMMITTEE STATEMENT**  
**LB231**

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**Hearing Date:** Tuesday January 28, 2025  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Hallstrom  
**One Liner:** Adopt the Uniform Special Deposits Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Bostar, Dungan, Hallstrom, Hardin, Jacobson, Riepe, Wordekemper, von Gillern  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Testimony:**

**Proponents:**

Senator Bob Hallstrom  
Dexter Schrodt  
Don Swanson  
Ryan McIntosh  
Brandon Luetkenhaus

**Representing:**

Opening Presenter  
Nebraska Independent Community Bankers  
Uniform Law Commission  
Nebraska Bankers Association  
Nebraska Credit Union League

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 231 would adopt the Uniform Special Deposits Act (Act). The Act would establish a framework for banks and their customers to utilize special deposits with greater certainty of how such deposits will be treated under various circumstances. Importantly, the Act is an “opt in” statute. Banks and their customers must specify in their account agreement that they intend to be covered by the Act. This feature permits existing relationships to continue undisturbed, and lets parties choose to utilize the protections provided by the Act when they wish. Matters not addressed by the Act are controlled by general laws already governing deposits or contractual arrangements.

The Act remedies four key legal uncertainties. First, the Act clarifies what a “special deposit” is. Second, the Act clarifies the treatment of a special deposit in the event of the bankruptcy of a depositor. Third, the Act clarifies the applicability of creditor process on a special deposit. Fourth, the Act provides clarity on the legality of the bank exercising a set off or right of recoupment against a special deposit that is unrelated to any payment to a beneficiary



or the special deposit itself.

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**Explanation of amendments:**

AM 30 amends LB 231 by changing the use of the word "bank" throughout the Act with "financial institution." The amendment also provides a definition for "financial institution."

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Mike Jacobson, Chairperson

