

# **One Hundred Ninth Legislature - First Session - 2025**

## **Introducer's Statement of Intent**

### **LB231**

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**Chairperson: Senator Mike Jacobson**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing:**

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

LB 231 is the Uniform Special Deposits Act which establishes a framework for banks and their customers to utilize special deposits with greater certainty about how such deposits will be treated under various circumstances. The Act is an “opt in” statute that only applies if banks and their customers specify in their account agreement that they intend to be covered by it. The Act remedies four key uncertainties under current law: (1) the Act clarifies what a special deposit is; (2) it clarifies the treatment of a special deposit in the event of the bankruptcy of the depositor; (3) it clarifies the applicability of creditor processes on a special deposit; and (4) it clarifies the ability of a bank to exercise a set off or right of recoupment against a special deposit that is unrelated to a payment to a beneficiary or the special deposit itself.

A special deposit under the LB 231 creates an assignable and pledgeable interest for a beneficiary – a definite and clear right to payment upon the occurrence of a contingency and notice to the bank, where one may not otherwise exist. The Act creates a mechanism for parties to a commercial transaction to obtain a low cost and safe return on earnest money. It is narrowly tailored to cure these four legal uncertainties and eliminate doubts so that parties can utilize special deposits with greater confidence.

**Principal Introducer:** \_\_\_\_\_

**Senator Bob Hallstrom**