

February 7, 1980

LB 698

Senator Goodrich moves to amend the bill and it is on page 540 of the Legislative Journal.

SENATOR GOODRICH: Is that the savings and loan amendment?

CLERK: Yes, sir.

SENATOR GOODRICH: Okay, Mr. President, members of the body, this just...in other words the bill itself provides that the Director of the Penal Complex can invest the prisoners' funds in banks and I am just adding "or federally insured savings and loan associations". The reason being that the savings and loan associations pay a quarter percent more interest in some of their investment savings accounts so I am adding that they have the authority to invest in federally insured savings and loan associations also. I move the adoption.

SPEAKER MARVEL: Senator Landis.

SENATOR LANDIS: Mr. Speaker, I would just ask Senator Goodrich a question, if possible. As I understand it, there is a constitutional bar to the investment of state funds in anything other than a capitalized stock financial institution, namely, a bank. Does that apply in this instance? Do you know?

SENATOR GOODRICH: No. In fact we have included the savings and loans in any number of public bodies, like for example, the counties, school district, that sort of thing, where they can invest their funds the same as if it was in a bank.

SENATOR LANDIS: Thank you.

SPEAKER MARVEL: Senator Keyes.

SENATOR KEYES: Yes, Senator Goodrich, can you tell me why you object or why you didn't include state savings and loans?

SENATOR GOODRICH: I said federally insured savings and loans, in other words, I am not saying state chartered savings and loans or federally chartered savings and loans, I am saying federally insured savings and loans. In other words, it can be a state chartered savings and loan federally insured by the FSLIC and still get the funds.