

March 4, 1980

LB 940

to the whole operation if you intend to vote if you voted immediately. Have you all voted?

SENATOR MURPHY: Yes, sir. Yes, sir. Well I suggest we have a Call of the House...

SPEAKER MARVEL: Your bill can't advance with 22 votes.

SENATOR MURPHY: ...and let's all have the pleasure of voting.

SPEAKER MARVEL: The motion before the House is the adoption of the committee amendments. Record.

CLERK: 25 ayes, 0 nays on adoption of the committee amendments, Mr. President.

SPEAKER MARVEL: The committee amendments are adopted. Senator Murphy, what do you want to do with the bill?

SENATOR MURPHY: Would you rephrase that, Mr. Speaker?

SPEAKER MARVEL: No.

SENATOR MURPHY: In that case, I would move that the bill be advanced. The bill was brought to the Banking Committee because the law, if you look at the existing language in the green copy, reads that a city of the first class, a treasurer may not have on deposit in any bank more than one of three conditions, the maximum amount of a surety bond issued by the bank, one-half the amount of a personal bond which I don't believe any bank any longer issues, or in excess of the value of the capital stock and surplus, and the law then went on to say, or ninety percent of pledged securities in lieu of such bond. Ninety percent of pledged securities would mean that the bank would be pledging a hundred and eleven percent of the amount of the city treasurer's deposit and is a much more favorable situation than either of the others. Now, it was the attempt by the bill's introducer to add some clarifying language, but the clarifying language becomes unnecessary if, as in a committee amendment, we simply add two subsection numbers...subsection one which sets forth the reference to bonds, and subsection two would drop down to the business of pledged securities. In reality, subsection two, the pledged security by setting it out separately, becomes a much stronger assurance for the city because that bond is irrevocably pledged to guarantee that deposit. If you took the bank capital and surplus in the event of a default or any difficulty, you would be