

March 27, 1981

LB 491

CLERK: Mr. President, LB 491 was introduced by Senator Cope. (Read.) The bill was read on January 20, referred to Urban Affairs. The bill was advanced to General File. There are committee amendments by the Urban Affairs Committee.

SPEAKER MARVEL: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, the amendments to LB 491, LB 491 is required because of some bad drafting and mandatory language over time which confused the purpose of that section. The amendments that are offered by the committee are grammatical in nature with the exception of the addition of the language approved by the city treasurer and represents simply an attempt to clarify grammatically the purpose of the bill. To adopt the committee amendments is simply to make the purpose of the bill more grammatical at which time then I would turn this over to Senator Cope, I believe it is, who will speak as to the merits of the bill itself. The amendments are the changing of semicolons, the use of the word "either" instead of the word "than" and such changes as that, purely grammatical in nature.

SPEAKER MARVEL: The motion is to adopt the committee amendments as explained by Senator Landis. All of those in favor of adoption of committee amendments vote aye, opposed no. Have you all voted? Record.

CLERK: 26 ayes, 0 nays on adoption of committee amendments.

SPEAKER MARVEL: The motion is carried. The committee amendment is adopted. Senator Cope.

SENATOR COPE: Mr. President and members, this bill was brought in behalf of a first class city through the Bankers Association. The purpose of LB 491 as introduced and amended by the committee amendments is to clarify sections 16-716 which determines how much money a bank in the first class may have on deposit in a bank and how such deposits will be secured. Now, first of all, the banks, the deposits of a city at any one time within a bank cannot exceed paid up capital stock and surplus and that is where clarification is made. As you know, banks have to secure deposits and that is done by pledging securities. There are...sometimes cities at peak times of the year have more deposits than there are capital stock and surplus in even one, two, or three banks, whatever are in the city and this came up at one of the cities and they wanted it clarified to be sure that they were within the law. The intent of LB 491 as amended is to make clear that there exists an alternative means of providing security for a city deposit without the artificial limitation of the