

March 19, 1982

LB 951

SENATOR CLARK: The bill is declared passed with the emergency clause attached. The Clerk will now read 951.

ASSISTANT CLERK: Mr. President, I have a motion on the desk.

SENATOR CLARK: Read the motion.

ASSISTANT CLERK: Senator Kilgarin would move to return LB 951 to Select File for a specific amendment, that amendment is to strike the enacting clause.

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: Thank you. Mr. President and members of the Legislature, only this last summer and this last fall a couple of incidents came to my attention which made me become a little bit concerned with the fiduciary powers the banks and trust companies have and how they utilize the trust fund, and so when I saw the one liner on this bill which said relating to powers of fiduciaries with regard to trust funds, I became a little concerned and thought maybe I ought to read the bill and kind of see what it does. It really doesn't affect the area that I was concerned about which was banks getting into the listing and selling of real estate through their trust funds, through their fiduciary powers using the attorney in fact, kind of circumventing the law because the comptroller had ruled that that was not proper for banks to be involved in the act of listing and selling of real estate but what I understand this bill does do is something that I think we have fought so diligently in here over the last I don't know how many years and I think it deals with corporations and multibank holding companies and how they can invest their trust funds. Now as I understand it and I am going to ask Senator Hoagland a question, but as I understand it, this bill allows the cross-utilization of trust funds monies by other banks that are held by the same corporation. Now what I would like to ask Senator Hoagland is, does this mean that Nebraska trust fund monies will be going to Minneapolis for investment as opposed to staying in the State of Nebraska?

SENATOR CLARK: Senator Hoagland.

SENATOR HOAGLAND: Mr. President and colleagues, in response to Senator Kilgarin's question, the answer to that is, yes. It could under some circumstances permit trust funds that are managed by a Nebraska trust department to be invested in an affiliated bank if the trust officer and the clients of the trust officer think that the common trust fund of