

AMENDMENTS TO LB92

(Amendments to Standing Committee amendments, AM484)

Introduced by Slama, 1.

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 Section 1. Section 8-101.03, Reissue Revised Statutes of Nebraska,
4 is amended to read:

5 8-101.03 For purposes of the Nebraska Banking Act, unless the
6 context otherwise requires:

7 (1) Access device means a code, a transaction card, or any other
8 means of access to a customer's account, or any combination thereof, that
9 may be used by a customer for the purpose of initiating an electronic
10 funds transfer at an automatic teller machine or a point-of-sale
11 terminal;

12 (2) Acquiring financial institution means any financial institution
13 establishing a point-of-sale terminal;

14 (3) Automatic teller machine means a machine established and located
15 in the State of Nebraska, whether attended or unattended, which utilizes
16 electronic, sound, or mechanical signals or impulses, or any combination
17 thereof, and from which electronic funds transfers may be initiated and
18 at which banking transactions as defined in section 8-157.01 may be
19 conducted. An unattended automatic teller machine shall not be deemed to
20 be a branch operated by a financial institution;

21 (4) Automatic teller machine surcharge means a fee that an operator
22 of an automatic teller machine imposes upon a consumer for an electronic
23 funds transfer, if such operator is not the financial institution that
24 holds an account of such consumer from which the electronic funds
25 transfer is to be made;

26 (5) Bank or banking corporation means any incorporated banking

1 institution which was incorporated under the laws of this state as they
2 existed prior to May 9, 1933, and any corporation duly organized under
3 the laws of this state for the purpose of conducting a bank within this
4 state under the act. Bank means any such banking institution which is, in
5 addition to the exercise of other powers, following the practice of
6 repaying deposits upon check, draft, or order and of making loans. Bank
7 or banking corporation includes a digital asset depository institution as
8 defined in section 8-3003. Notwithstanding the provisions of this
9 subdivision, a digital asset depository institution is subject to the
10 provisions of subdivision (2)(b) of section 8-3005;

11 (6)(a) Bank subsidiary means a corporation or limited liability
12 company that:

13 (i) Has a bank as a shareholder, member, or investor; and

14 (ii) Is organized for purposes of engaging in activities which are
15 part of the business of banking or incidental to such business except for
16 the receipt of deposits.

17 (b) A bank subsidiary may include a corporation organized under the
18 Nebraska Financial Innovation Act.

19 (c) A bank subsidiary is not to be considered a branch of its bank
20 shareholder;

21 (7) Capital or capital stock means capital stock;

22 (8) Data processing center means a facility, wherever located, at
23 which electronic impulses or other indicia of a transaction originating
24 at an automatic teller machine are received and either authorized or
25 routed to a switch or other data processing center in order to enable the
26 automatic teller machine to perform any function for which it is
27 designed;

28 (9) Department means the Department of Banking and Finance;

29 (10) Digital asset depository means a financial institution that
30 securely holds liquid assets when such assets are in the form of
31 controllable electronic records, either as a corporation organized,

1 chartered, and operated pursuant to the Nebraska Financial Innovation Act
2 as a digital asset depository institution, or a financial institution
3 operating a digital asset depository business as a digital asset
4 depository department under a charter granted ~~grant of authority~~ by the
5 director;

6 (11) Director means the Director of Banking and Finance;

7 (12) Financial institution means a bank, savings bank, building and
8 loan association, savings and loan association, or credit union, whether
9 chartered by the United States, the department, or a foreign state
10 agency; any other similar organization which is covered by federal
11 deposit insurance; a trust company; or a digital asset depository that is
12 not a digital asset depository institution;

13 (13) Financial institution employees includes parent holding company
14 and affiliate employees;

15 (14) Foreign state agency means any duly constituted regulatory or
16 supervisory agency which has authority over financial institutions and
17 which is created under the laws of any other state, any territory of the
18 United States, Puerto Rico, Guam, American Samoa, the Trust Territory of
19 the Pacific Islands, or the Virgin Islands or which is operating under
20 the code of law for the District of Columbia;

21 (15) Impulse means an electronic, sound, or mechanical impulse, or
22 any combination thereof;

23 (16) Insolvent means a condition in which (a) the actual cash market
24 value of the assets of a bank is insufficient to pay its liabilities to
25 its depositors, (b) a bank is unable to meet the demands of its creditors
26 in the usual and customary manner, (c) a bank, after demand in writing by
27 the director, fails to make good any deficiency in its reserves as
28 required by law, or (d) the stockholders of a bank, after written demand
29 by the director, fail to make good an impairment of its capital or
30 surplus;

31 (17) Making loans includes advances or credits that are initiated by

1 means of credit card or other transaction card. Transaction card and
2 other transactions, including transactions made pursuant to prior
3 agreements, may be brought about and transmitted by means of an
4 electronic impulse. Such loan transactions including transactions made
5 pursuant to prior agreements shall be subject to sections 8-815 to 8-829
6 and shall be deemed loans made at the place of business of the financial
7 institution;

8 (18) Order includes orders transmitted by electronic transmission;

9 (19) Point-of-sale terminal means an information processing terminal
10 which utilizes electronic, sound, or mechanical signals or impulses, or
11 any combination thereof, which are transmitted to a financial institution
12 or which are recorded for later transmission to effectuate electronic
13 funds transfer transactions for the purchase or payment of goods and
14 services and which are initiated by an access device. A point-of-sale
15 terminal is not a branch operated by a financial institution. Any
16 terminal owned or operated by a seller of goods and services shall be
17 connected directly or indirectly to an acquiring financial institution;
18 and

19 (20) Switch means any facility where electronic impulses or other
20 indicia of a transaction originating at an automatic teller machine are
21 received and are routed and transmitted to a financial institution or
22 data processing center, wherever located. A switch may also be a data
23 processing center.

24 Sec. 2. Section 8-102, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 8-102 (1) The department shall, under the laws of this state
27 specifically made applicable to each, have general supervision and
28 control over banks, trust companies, credit unions, building and loan
29 associations, savings and loan associations, and digital asset
30 depositories, all of which are hereby declared to be quasi-public in
31 nature and subject to regulation and control by the state.

1 (2) The director may prescribe conditions on banks, trust companies,
2 credit unions, building and loan associations, savings and loan
3 associations, and digital asset depositories, and their holding
4 companies, if any, as part of any written order, decision, or
5 determination required to be made pursuant to the Nebraska Banking Act,
6 Chapter 8, article 3, the Credit Union Act, and the Nebraska Financial
7 Innovation Act.

8 Sec. 3. Section 8-115, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 8-115 No corporation shall conduct a bank or digital asset
11 depository in this state without having first obtained a charter ~~or under~~
12 ~~a grant of authority in the case of a digital asset depository~~ in the
13 manner provided in the Nebraska Banking Act or the Nebraska Financial
14 Innovation Act, respectively.

15 Sec. 4. Section 8-135, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 8-135 (1) All persons, regardless of age, may become depositors in
18 any bank and shall be subject to the same duties and liabilities
19 respecting their deposits. Whenever a deposit is accepted by any bank in
20 the name of any person, regardless of age, the deposit may be withdrawn
21 by the depositor by any of the following methods:

22 (a) Check or other instrument in writing. The check or other
23 instrument in writing constitutes a receipt or acquittance if the check
24 or other instrument in writing is signed by the depositor and constitutes
25 a valid release and discharge to the bank for all payments so made; or

26 (b) Electronic means through:

27 (i) Preauthorized direct withdrawal;

28 (ii) An automatic teller machine;

29 (iii) A debit card;

30 (iv) A transfer by telephone;

31 (v) A network, including the Internet; or

1 (vi) Any electronic terminal, computer, magnetic tape, or other
2 electronic means.

3 (2) All persons, individually or with others and regardless of age,
4 may enter into an agreement with a bank for the lease of a safe deposit
5 box and shall be bound by the terms of the agreement.

6 (3) This section shall not be construed to affect the rights,
7 liabilities, or responsibilities of participants in an electronic fund
8 transfer under the federal Electronic Fund Transfer Act, 15 U.S.C. 1693
9 et seq., as such act existed on January 1, 2023 ~~2022~~, and shall not
10 affect the legal relationships between a minor and any person other than
11 the bank.

12 Sec. 5. Section 8-141, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 8-141 (1) No bank shall directly or indirectly loan to any single
15 corporation, limited liability company, firm, or individual, including in
16 such loans all loans made to the several members or shareholders of such
17 corporation, limited liability company, or firm, for the use and benefit
18 of such corporation, limited liability company, firm, or individual, more
19 than twenty-five percent of the paid-up capital, surplus, and capital
20 notes and debentures or fifteen percent of the unimpaired capital and
21 unimpaired surplus of such bank, whichever is greater. Such limitations
22 shall be subject to the following exceptions:

23 (a) Obligations of any person, partnership, limited liability
24 company, association, or corporation in the form of notes or drafts
25 secured by shipping documents or instruments transferring or securing
26 title covering livestock or giving a lien on livestock, when the market
27 value of the livestock securing the obligation is not at any time less
28 than one hundred fifteen percent of the face amount of the notes covered
29 by such documents, shall be subject under this section to a limitation of
30 ten percent of such capital, surplus, and capital notes and debentures or
31 ten percent of such unimpaired capital and unimpaired surplus, whichever

1 is greater, in addition to such twenty-five percent of such capital and
2 surplus or such fifteen percent of such unimpaired capital and unimpaired
3 surplus;

4 (b) Obligations of any person, partnership, limited liability
5 company, association, or corporation secured by not less than a like
6 amount of bonds or notes of the United States issued since April 24,
7 1917, or certificates of indebtedness of the United States, treasury
8 bills of the United States, or obligations fully guaranteed both as to
9 principal and interest by the United States shall be subject under this
10 section to a limitation of ten percent of such capital, surplus, and
11 capital notes and debentures or ten percent of such unimpaired capital
12 and unimpaired surplus, whichever is greater, in addition to such twenty-
13 five percent of such capital and surplus or such fifteen percent of such
14 unimpaired capital and unimpaired surplus;

15 (c) Obligations of any person, partnership, limited liability
16 company, association, or corporation which are secured by negotiable
17 warehouse receipts in an amount not less than one hundred fifteen percent
18 of the face amount of the note or notes secured by such documents shall
19 be subject under this section to a limitation of ten percent of such
20 capital, surplus, and capital notes and debentures or ten percent of such
21 unimpaired capital and unimpaired surplus, whichever is greater, in
22 addition to such twenty-five percent of such capital and surplus or such
23 fifteen percent of such unimpaired capital and unimpaired surplus; or

24 (d) Obligations of any person, partnership, limited liability
25 company, association, or corporation which are secured by readily
26 marketable collateral having a market value, as determined by reliable
27 and continuously available price quotations, in an amount at least equal
28 to the face amount of the note or notes secured by such collateral, shall
29 be subject under this section to a limitation of ten percent of such
30 capital, surplus, and capital notes and debentures or ten percent of such
31 unimpaired capital and unimpaired surplus, whichever is greater, in

1 addition to such twenty-five percent of such capital and surplus or such
2 fifteen percent of such unimpaired capital and unimpaired surplus.

3 (2)(a) For purposes of this section, the discounting of bills of
4 exchange, drawn in good faith against actually existing values, and the
5 discounting of commercial paper actually owned by the persons negotiating
6 the bills of exchange or commercial paper shall not be considered as the
7 lending of money.

8 (b) Loans or obligations shall not be subject to any limitation
9 under this section, based upon such capital and surplus or such
10 unimpaired capital and unimpaired surplus, to the extent that such
11 capital and surplus or such unimpaired capital and unimpaired surplus are
12 secured or covered by guaranties, or by commitments or agreements to take
13 over or to purchase such capital and surplus or such unimpaired capital
14 and unimpaired surplus, made by any federal reserve bank or by the United
15 States Government or any authorized agency thereof, including any
16 corporation wholly owned directly or indirectly by the United States, or
17 general obligations of any state of the United States or any political
18 subdivision of the state. The phrase general obligation of any state or
19 any political subdivision of the state means an obligation supported by
20 the full faith and credit of an obligor possessing general powers of
21 taxation, including property taxation, but does not include municipal
22 revenue bonds and sanitary and improvement district warrants which are
23 subject to the limitations set forth in this section.

24 (c) Any bank may subscribe to, invest in, purchase, and own single-
25 family mortgages secured by the Federal Housing Administration or the
26 United States Department of Veterans Affairs and mortgage-backed
27 certificates of the Government National Mortgage Association which are
28 guaranteed as to payment of principal and interest by the Government
29 National Mortgage Association. Such mortgages and certificates shall not
30 be subject under this section to any limitation based upon such capital
31 and surplus or such unimpaired capital and unimpaired surplus.

1 (d) Obligations representing loans to any national banking
2 association or to any banking institution organized under the laws of any
3 state, when such loans are approved by the director by rule and
4 regulation or otherwise, shall not be subject under this section to any
5 limitation based upon such capital and surplus or such unimpaired capital
6 and unimpaired surplus.

7 (e) Loans or extensions of credit secured by a segregated deposit
8 account in the lending bank shall not be subject under this section to
9 any limitation based on such capital and surplus or such unimpaired
10 capital and unimpaired surplus. The director may adopt and promulgate
11 rules and regulations governing the terms and conditions of such security
12 interest and segregated deposit account.

13 (f) For the purpose of determining lending limits, partnerships
14 shall not be treated as separate entities. Each individual shall be
15 charged with his or her personal debt plus the debt of every partnership
16 in which he or she is a partner, except that for purposes of this section
17 (a) an individual shall only be charged with the debt of any limited
18 partnership in which he or she is a partner to the extent that the terms
19 of the limited partnership agreement provide that such individual is to
20 be held liable for the debts or actions of such limited partnership and
21 (b) no individual shall be charged with the debt of any general
22 partnership in which he or she is a partner beyond the extent to which
23 (i) his or her liability for such partnership debt is limited by the
24 terms of a contract or other written agreement between the bank and such
25 individual and (ii) any personal debt of such individual is incurred for
26 the use and benefit of such general partnership.

27 (3) A loan made within lending limits at the initial time the loan
28 was made may be renewed, extended, or serviced without regard to changes
29 in the lending limit of a bank following the initial extension of the
30 loan if (a) the renewal, extension, or servicing of the loan does not
31 result in the extension of funds beyond the initial amount of the loan or

1 (b) the accrued interest on the loan is not added to the original amount
2 of the loan in the process of renewal, extension, or servicing.

3 (4) Any bank may purchase or take an interest in life insurance
4 contracts for any purpose incidental to the business of banking. A bank's
5 purchase of any life insurance contract, as measured by its cash
6 surrender value, from any one life insurance company shall not at any
7 time exceed twenty-five percent of the paid-up capital, surplus, and
8 capital notes and debentures of such bank or fifteen percent of the
9 unimpaired capital and unimpaired surplus of such bank, whichever is
10 greater. A bank's purchase of life insurance contracts, as measured by
11 their cash surrender values, in the aggregate from all life insurance
12 companies shall not at any time exceed thirty-five percent of the paid-up
13 capital, surplus, undivided profits, and capital notes and debentures of
14 such bank. The limitations under this subsection on a bank's purchase of
15 life insurance contracts, in the aggregate from all life insurance
16 companies, shall not apply to any contract purchased prior to April 5,
17 1994.

18 (5) On and after January 21, 2013, the director has the authority to
19 determine the manner and extent to which credit exposure resulting from
20 derivative transactions, repurchase agreements, reverse repurchase
21 agreements, securities lending transactions, and securities borrowing
22 transactions shall be taken into account for purposes of determining
23 compliance with this section. In making such determinations, the director
24 may, but is not required to, act by rule and regulation or order.

25 (6) For purposes of this section:

26 (a) Derivative transaction means any transaction that is a contract,
27 agreement, swap, warrant, note, or option that is based, in whole or in
28 part, on the value of, any interest in, or any quantitative measure or
29 the occurrence of any event relating to, one or more commodities,
30 securities, currencies, interest or other rates, indices, or other
31 assets;

1 (b) Loan includes:

2 (i) All direct and indirect advances of funds to a person made on
3 the basis of any obligation of that person to repay the funds or
4 repayable from specific property pledged by or on behalf of that person;

5 (ii) To the extent specified by rule and regulation or order of the
6 director, any liability of a state bank to advance funds to or on behalf
7 of a person pursuant to a contractual commitment; and

8 (iii) Any credit exposure to a person arising from a derivative
9 transaction, repurchase agreement, reverse repurchase agreement,
10 securities lending transaction, or securities borrowing transaction
11 between the bank and the person; and

12 (c) Unimpaired capital and unimpaired surplus means:

13 (i) For qualifying banks that have elected to use the community bank
14 leverage ratio framework, as set forth under the Capital Adequacy
15 Standards of the appropriate federal banking agency:

16 (A) The bank's tier 1 capital as reported according to the capital
17 guidelines of the appropriate federal banking agency; and

18 (B) The bank's allowance for loan and lease losses or allowance for
19 credit losses, as applicable, as reported in the most recent consolidated
20 report of condition filed under 12 U.S.C. 1817(a)(3), as such section
21 existed on January 1, 2023 ~~2022~~; and

22 (ii) For all other banks:

23 (A) The bank's tier 1 and tier 2 capital included in the bank's
24 risk-based capital under the capital guidelines of the appropriate
25 federal banking agency, based on the bank's most recent consolidated
26 report of condition filed under 12 U.S.C. 1817(a)(3), as such section
27 existed on January 1, 2023 ~~2022~~; and

28 (B) The balance of the bank's allowance for loan and lease losses
29 not included in the bank's tier 2 capital for purposes of the calculation
30 of risk-based capital by the appropriate federal banking agency, based on
31 the bank's most recent consolidated report of condition filed under 12

1 U.S.C. 1817(a)(3), as such section existed on January 1, 2023 ~~2022~~.

2 (7) Notwithstanding the provisions of section 8-1,140, the director
3 may, by order, deny or limit the inclusion of goodwill in the calculation
4 of a bank's unimpaired capital and unimpaired surplus or in the
5 calculation of a bank's paid-up capital and surplus.

6 Sec. 6. Section 8-143.01, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 8-143.01 (1) No bank shall extend credit to any of its executive
9 officers, directors, or principal shareholders or to any related interest
10 of such persons in an amount that, when aggregated with the amount of all
11 other extensions of credit by the bank to that person and to all related
12 interests of that person, exceeds the higher of twenty-five thousand
13 dollars or five percent of the bank's unimpaired capital and unimpaired
14 surplus unless (a) the extension of credit has been approved in advance
15 by a majority vote of the entire board of directors of the bank, a record
16 of which shall be made and kept as a part of the records of such bank,
17 and (b) the interested party has abstained from participating directly or
18 indirectly in such vote.

19 (2) No bank shall extend credit to any of its executive officers,
20 directors, or principal shareholders or to any related interest of such
21 persons in an amount that, when aggregated with the amount of all other
22 extensions of credit by the bank to that person and to all related
23 interests of that person, exceeds five hundred thousand dollars except by
24 complying with the requirements of subdivisions (1)(a) and (b) of this
25 section.

26 (3) No bank shall extend credit to any of its executive officers,
27 and no such executive officer shall borrow from or otherwise become
28 indebted to his or her bank, except in the amounts and for the purposes
29 set forth in subsection (4) of this section.

30 (4) A bank shall be authorized to extend credit to any of its
31 executive officers:

1 (a) In any amount to finance the education of such executive
2 officer's children;

3 (b)(i) In any amount to finance or refinance the purchase,
4 construction, maintenance, or improvement of a residence of such
5 executive officer if the extension of credit is secured by a first lien
6 on the residence and the residence is owned or is expected to be owned
7 after the extension of credit by the executive officer and (ii) in the
8 case of a refinancing, only the amount of the refinancing used to repay
9 the original extension of credit, together with the closing costs of the
10 refinancing, and any additional amount thereof used for any of the
11 purposes enumerated in this subdivision are included within this category
12 of credit;

13 (c) In any amount if the extension of credit is (i) secured by a
14 perfected security interest in bonds, notes, certificates of
15 indebtedness, or treasury bills of the United States or in other such
16 obligations fully guaranteed as to principal and interest by the United
17 States, (ii) secured by unconditional takeout commitments or guarantees
18 of any department, agency, bureau, board, commission, or establishment of
19 the United States or any corporation wholly owned directly or indirectly
20 by the United States, or (iii) secured by a perfected security interest
21 in a segregated deposit account in the lending bank; or

22 (d) For any other purpose not specified in subdivisions (a), (b),
23 and (c) of this subsection if the aggregate amount of such other
24 extensions of credit to such executive officer does not exceed, at any
25 one time, the greater of two and one-half percent of the bank's
26 unimpaired capital and unimpaired surplus or twenty-five thousand
27 dollars, but in no event greater than one hundred thousand dollars or the
28 amount of the bank's lending limit as prescribed in section 8-141,
29 whichever is less.

30 (5)(a) Except as provided in subdivision (b) or (c) of this
31 subsection, any executive officer shall make, on an annual basis, a

1 written report to the board of directors of the bank of which he or she
2 is an executive officer stating the date and amount of all loans or
3 indebtedness on which he or she is a borrower, cosigner, or guarantor,
4 the security therefor, and the purpose for which the proceeds have been
5 or are to be used.

6 (b) Except as provided in subdivision (c) of this subsection, in
7 lieu of the reports required by subdivision (a) of this subsection, the
8 board of directors of a bank may obtain a credit report from a recognized
9 credit agency, on an annual basis, for any or all of its executive
10 officers.

11 (c) Subdivisions (a) and (b) of this subsection do not apply to any
12 executive officer if such officer is excluded by a resolution of the
13 board of directors or by the bylaws of the bank from participating in the
14 major policymaking functions of the bank and does not actually
15 participate in the major policymaking functions of the bank.

16 (6) No bank shall extend credit to any of its executive officers,
17 directors, or principal shareholders or to any related interest of such
18 persons in an amount that, when aggregated with the amount of all other
19 extensions of credit by the bank to that person and to all related
20 interests of that person, exceeds the lending limit of the bank as
21 prescribed in section 8-141.

22 (7)(a) Except as provided in subdivision (b) of this subsection, no
23 bank shall extend credit to any of its executive officers, directors, or
24 principal shareholders or to any related interest of such persons unless
25 the extension of credit (i) is made on substantially the same terms,
26 including interest rates and collateral, as, and following credit-
27 underwriting procedures that are not less stringent than, those
28 prevailing at the time for comparable transactions by the bank with other
29 persons that are not covered by this section and who are not employed by
30 the bank and (ii) does not involve more than the normal risk of repayment
31 or present other unfavorable features.

1 (b) Nothing in subdivision (a) of this subsection shall prohibit any
2 extension of credit made by a bank pursuant to a benefit or compensation
3 program under the provisions of 12 C.F.R. 215.4(a)(2), as such regulation
4 existed on January 1, 2023 ~~2022~~.

5 (8) For purposes of this section:

6 (a) Executive officer means a person who participates or has
7 authority to participate, other than in the capacity of director, in the
8 major policymaking functions of the bank, whether or not the officer has
9 an official title, the title designates such officer as an assistant, or
10 such officer is serving without salary or other compensation. Executive
11 officer includes the chairperson of the board of directors, the
12 president, all vice presidents, the cashier, the corporate secretary, and
13 the treasurer, unless the executive officer is excluded by a resolution
14 of the board of directors or by the bylaws of the bank from
15 participating, other than in the capacity of director, in the major
16 policymaking functions of the bank, and the executive officer does not
17 actually participate in such functions. A manager or assistant manager of
18 a branch of a bank shall not be considered to be an executive officer
19 unless such individual participates or is authorized to participate in
20 the major policymaking functions of the bank; and

21 (b) Unimpaired capital and unimpaired surplus means the sum of:

22 (i) The total equity capital of the bank reported on its most recent
23 consolidated report of condition filed under section 8-166;

24 (ii) Any subordinated notes and debentures approved as an addition
25 to the bank's capital structure by the appropriate federal banking
26 agency; and

27 (iii) Any valuation reserves created by charges to the bank's income
28 reported on its most recent consolidated report of condition filed under
29 section 8-166.

30 (9) Any executive officer, director, or principal shareholder of a
31 bank or any other person who intentionally violates this section or who

1 aids, abets, or assists in a violation of this section is guilty of a
2 Class IV felony.

3 (10) The Director of Banking and Finance may adopt and promulgate
4 rules and regulations to carry out this section, including rules and
5 regulations defining or further defining terms used in this section,
6 consistent with the provisions of 12 U.S.C. 84 and implementing
7 Regulation O as such section and regulation existed on January 1, 2023
8 ~~2022~~.

9 Sec. 7. Section 8-157.01, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 8-157.01 (1) Any establishing financial institution may establish
12 and maintain any number of automatic teller machines at which all banking
13 transactions, defined as receiving deposits of every kind and nature and
14 crediting such to customer accounts, cashing checks and cash withdrawals,
15 transferring funds from checking accounts to savings accounts,
16 transferring funds from savings accounts to checking accounts,
17 transferring funds from either checking accounts and savings accounts to
18 accounts of other customers, transferring payments from customer accounts
19 into accounts maintained by other customers of the financial institution
20 or the financial institution, including preauthorized draft authority,
21 preauthorized loans, and credit transactions, receiving payments payable
22 at the financial institution or otherwise, account balance inquiry, and
23 any other transaction incidental to the business of the financial
24 institution or which will provide a benefit to the financial
25 institution's customers or the general public, may be conducted. Any
26 automatic teller machine owned by a nonfinancial institution third party
27 shall be sponsored by an establishing financial institution. Neither such
28 automatic teller machines nor the transactions conducted thereat shall be
29 construed as the establishment of a branch or as branch banking.

30 (2) Any financial institution may become a user financial
31 institution by agreeing to pay the establishing financial institution the

1 automatic teller machine usage fee. Such agreement shall be implied by
2 the use of such automatic teller machines.

3 (3)(a)(i) All automatic teller machines shall be made available on a
4 nondiscriminating basis for use by Nebraska customers of a user financial
5 institution and (ii) all Nebraska automatic teller machine transactions
6 initiated by Nebraska customers of a user financial institution shall be
7 made on a nondiscriminating basis.

8 (b) It shall not be deemed discrimination if (i) an automatic teller
9 machine does not offer the same transaction services as other automatic
10 teller machines, (ii) there are no automatic teller machine usage fees
11 charged between affiliate financial institutions for the use of automatic
12 teller machines, (iii) the automatic teller machine usage fees of an
13 establishing financial institution that authorizes and directly or
14 indirectly routes Nebraska automatic teller machine transactions to
15 multiple switches, all of which comply with the requirements of
16 subdivision (3)(d) of this section, differ solely based upon the fees
17 established by the switches, (iv) automatic teller machine usage fees
18 differ based upon whether the transaction initiated at an automatic
19 teller machine is subject to a surcharge or provided on a surcharge-free
20 basis, or (v) the automatic teller machines established or sponsored by
21 an establishing financial institution are made available for use by
22 Nebraska customers of any user financial institution which agrees to pay
23 the automatic teller machine usage fee and which conforms to the
24 operating rules and technical standards established by the switch to
25 which a Nebraska automatic teller machine transaction is directly or
26 indirectly routed.

27 (c) The director, upon notice and after a hearing, may terminate or
28 suspend the use of any automatic teller machine if he or she determines
29 that the automatic teller machine is not made available on a
30 nondiscriminating basis or that Nebraska automatic teller machine
31 transactions initiated at such automatic teller machine are not made on a

1 nondiscriminating basis.

2 (d) A switch (i) shall provide to all financial institutions that
3 have a main office or approved branch located in the State of Nebraska
4 and that conform to the operating rules and technical standards
5 established by the switch an equal opportunity to participate in the
6 switch for the use of and access thereto; (ii) shall be capable of
7 operating to accept and route Nebraska automatic teller machine
8 transactions, whether receiving data from an automatic teller machine, an
9 establishing financial institution, or a data processing center; and
10 (iii) shall be capable of being directly or indirectly connected to every
11 data processing center for any automatic teller machine.

12 (e) The director, upon notice and after a hearing, may terminate or
13 suspend the operation of any switch with respect to all Nebraska
14 automatic teller machine transactions if he or she determines that the
15 switch is not being operated in the manner required under subdivision (3)
16 (d) of this section.

17 (f) Subject to the requirement for a financial institution to comply
18 with this subsection, no user financial institution or establishing
19 financial institution shall be required to become a member of any
20 particular switch.

21 (4) Any consumer initiating an electronic funds transfer at an
22 automatic teller machine for which an automatic teller machine surcharge
23 will be imposed shall receive notice in accordance with the provisions of
24 15 U.S.C. 1693b(d)(3)(A) and (B), as such section existed on January 1,
25 2023 ~~2022~~. Such notice shall appear on the screen of the automatic teller
26 machine or appear on a paper notice issued from such machine after the
27 transaction is initiated and before the consumer is irrevocably committed
28 to completing the transaction.

29 (5) A point-of-sale terminal may be established at any point within
30 this state by a financial institution, a group of two or more financial
31 institutions, or a combination of a financial institution or financial

1 institutions and a third party or parties. Such parties may contract with
2 a seller of goods and services or any other third party for the operation
3 of point-of-sale terminals.

4 (6) A seller of goods and services or any other third party on whose
5 premises one or more point-of-sale terminals are established shall not
6 be, solely by virtue of such establishment, a financial institution and
7 shall not be subject to the laws governing, or other requirements imposed
8 on, financial institutions, except for the requirement that it faithfully
9 perform its obligations in connection with any transaction originated at
10 any point-of-sale terminal on its premises.

11 (7) Nothing in this section shall be construed to prohibit nonbank
12 employees from assisting in transactions originated at automatic teller
13 machines or point-of-sale terminals, and such assistance shall not be
14 deemed to be engaging in the business of banking.

15 (8)(a) Annually by September 1, any entity operating as a switch in
16 Nebraska shall file a notice with the department setting forth its name,
17 address, and contact information for an officer authorized to answer
18 inquiries related to its operations in Nebraska.

19 (b) Any entity intending to operate in Nebraska as a switch shall
20 file a notice with the department setting forth its name, address, and
21 contact information for an officer authorized to answer inquiries related
22 to its operations in Nebraska. Such notice shall be filed at least thirty
23 days prior to the date on which the switch commences operations, and
24 thereafter annually by September 1.

25 (9) Nothing in this section prohibits ordinary clearinghouse
26 transactions between financial institutions.

27 (10) Nothing in this section shall prevent any financial institution
28 which has a main chartered office or an approved branch located in the
29 State of Nebraska from participating in a national automatic teller
30 machine program to allow its customers to use automatic teller machines
31 located outside of the State of Nebraska which are established by out-of-

1 state financial institutions or foreign financial institutions or to
2 allow customers of out-of-state financial institutions or foreign
3 financial institutions to use its automatic teller machines. Such
4 participation and any automatic teller machine usage fees charged or
5 received pursuant to the national automatic teller machine program or
6 usage fees charged for the use of its automatic teller machines by
7 customers of out-of-state financial institutions or foreign financial
8 institutions shall not be considered for purposes of determining (a) if
9 an automatic teller machine has been made available or Nebraska automatic
10 teller machine transactions have been made on a nondiscriminating basis
11 for use by Nebraska customers of a user financial institution or (b) if a
12 switch complies with subdivision (3)(d) of this section.

13 (11) An agreement to operate or share an automatic teller machine
14 may not prohibit, limit, or restrict the right of the operator or owner
15 of the automatic teller machine to charge a customer conducting a
16 transaction using an account from a foreign financial institution an
17 access fee or surcharge not otherwise prohibited under state or federal
18 law.

19 (12) Switch fees shall not be subject to this section or be
20 regulated by the department.

21 (13) Nothing in this section shall prevent a group of two or more
22 credit unions, each of which has a main chartered office or an approved
23 branch located in the State of Nebraska, from participating in a credit
24 union service organization organized on or before January 1, 2015, for
25 the purpose of owning automatic teller machines, provided that all
26 participating credit unions have an ownership interest in the credit
27 union service organization and that the credit union service organization
28 has an ownership interest in each of the participating credit unions'
29 automatic teller machines. Such participation and any automatic teller
30 machine usage fees associated with Nebraska automatic teller machine
31 transactions initiated by customers of participating credit unions at

1 such automatic teller machines shall not be considered for purposes of
2 determining if such automatic teller machines have been made available on
3 a nondiscriminating basis or if Nebraska automatic teller machine
4 transactions initiated at such automatic teller machines have been made
5 on a nondiscriminating basis, provided that all Nebraska automatic teller
6 machine transactions initiated by customers of participating credit
7 unions result in the same automatic teller machine usage fees for
8 essentially the same service routed over the same switch.

9 (14) Nebraska automatic teller machine usage fees and any agreements
10 relating to Nebraska automatic teller machine usage fees shall comply
11 with subsection (3) of this section.

12 (15) For purposes of this section:

13 (a) Access means the ability to utilize an automatic teller machine
14 or a point-of-sale terminal to conduct permitted banking transactions or
15 purchase goods and services electronically;

16 (b) Account means a checking account, a savings account, a share
17 account, or any other customer asset account held by a financial
18 institution. Such an account may also include a line of credit which a
19 financial institution has agreed to extend to its customer;

20 (c) Affiliate financial institution means any financial institution
21 which is a subsidiary of the same bank holding company;

22 (d) Automatic teller machine usage fee means any per transaction fee
23 established by a switch or otherwise established on behalf of an
24 establishing financial institution and collected from the user financial
25 institution and paid to the establishing financial institution for the
26 use of the automatic teller machine. An automatic teller machine usage
27 fee shall not include switch fees;

28 (e) Electronic funds transfer means any transfer of funds, other
29 than a transaction originated by check, draft, or similar paper
30 instrument, that is initiated through a point-of-sale terminal, an
31 automatic teller machine, or a personal terminal for the purpose of

1 ordering, instructing, or authorizing a financial institution to debit or
2 credit an account;

3 (f) Essentially the same service means the same Nebraska automatic
4 teller machine transaction offered by an establishing financial
5 institution irrespective of the user financial institution, the Nebraska
6 customer of which initiates the Nebraska automatic teller machine
7 transaction. A Nebraska automatic teller machine transaction that is
8 subject to a surcharge is not essentially the same service as the same
9 banking transaction for which a surcharge is not imposed;

10 (g) Establishing financial institution means any financial
11 institution which has a main chartered office or approved branch located
12 in the State of Nebraska that establishes or sponsors an automatic teller
13 machine or any out-of-state financial institution that establishes or
14 sponsors an automatic teller machine;

15 (h) Financial institution means a bank, savings bank, building and
16 loan association, savings and loan association, or credit union, whether
17 chartered by the department, the United States, or a foreign state
18 agency; any other similar organization which is covered by federal
19 deposit insurance; or a subsidiary of any such entity;

20 (i) Foreign financial institution means a financial institution
21 located outside the United States;

22 (j) Nebraska automatic teller machine transaction means a banking
23 transaction as defined in subsection (1) of this section which is (i)
24 initiated at an automatic teller machine established in whole or in part
25 or sponsored by an establishing financial institution, (ii) for an
26 account of a Nebraska customer of a user financial institution, and (iii)
27 processed through a switch regardless of whether it is routed directly or
28 indirectly from an automatic teller machine;

29 (k) Personal terminal means a personal computer and telephone,
30 wherever located, operated by a customer of a financial institution for
31 the purpose of initiating a transaction affecting an account of the

1 customer;

2 (l) Sponsoring an automatic teller machine means the acceptance of
3 responsibility by an establishing financial institution for compliance
4 with all provisions of law governing automatic teller machines and
5 Nebraska automatic teller machine transactions in connection with an
6 automatic teller machine owned by a nonfinancial institution third party;

7 (m) Switch fee means a fee established by a switch and assessed to a
8 user financial institution or to an establishing financial institution
9 other than an automatic teller machine usage fee; and

10 (n) User financial institution means any financial institution which
11 has a main chartered office or approved branch located in the State of
12 Nebraska which avails itself of and provides its customers with automatic
13 teller machine services.

14 Sec. 8. Section 8-183.04, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 8-183.04 (1) Notwithstanding any other provision of the Nebraska
17 Banking Act or any other Nebraska law, a state or federal savings
18 association which was formed and in operation as a mutual savings
19 association as of July 15, 1998, may elect to retain its mutual form of
20 corporate organization upon conversion to a state bank.

21 (2) All references to shareholders or stockholders for state banks
22 shall be deemed to be references to members for such a converted savings
23 association.

24 (3) The amount and type of capital required for such a converted
25 savings association shall be as required for federal mutual savings
26 associations in 12 C.F.R. 5.21, as such regulation existed on January 1,
27 2023 ~~2022~~, except that if at any time the department determines that the
28 capital of such a converted savings association is impaired, the director
29 may require the members to make up the capital impairment.

30 (4) The director may adopt and promulgate rules and regulations
31 governing such converted mutual savings associations. In adopting and

1 promulgating such rules and regulations, the director may consider the
2 provisions of sections 8-301 to 8-384 governing savings associations in
3 mutual form of corporate organization.

4 Sec. 9. Section 8-1,140, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 8-1,140 Notwithstanding any of the other provisions of the Nebraska
7 Banking Act or any other Nebraska statute, any bank incorporated under
8 the laws of this state and organized under the provisions of the act, or
9 under the laws of this state as they existed prior to May 9, 1933, shall
10 directly, or indirectly through a department, a subsidiary, or
11 subsidiaries, have all the rights, powers, privileges, benefits, and
12 immunities which may be exercised as of January 1, 2023 ~~2022~~, by a
13 federally chartered bank doing business in Nebraska, including the
14 exercise of all powers and activities that are permitted for a financial
15 subsidiary of a federally chartered bank. Such rights, powers,
16 privileges, benefits, and immunities shall not relieve such bank from
17 payment of state taxes assessed under any applicable laws of this state.

18 Sec. 10. Section 8-318, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 8-318 (1)(a) Shares of stock in any association, or in any federal
21 savings and loan association incorporated under the provisions of the
22 federal Home Owners' Loan Act, with its principal office and place of
23 business in this state, may be subscribed for, held, transferred,
24 surrendered, withdrawn, and forfeited and payments thereon received and
25 receipted for by any person, regardless of age, in the same manner and
26 with the same binding effect as though such person were of the age of
27 majority, except that a minor or his or her estate shall not be bound on
28 his or her subscription to stock except to the extent of payments
29 actually made thereon.

30 (b) Whenever a share account is accepted by any building and loan
31 association in the name of any person, regardless of age, the deposit may

1 be withdrawn by the shareholder by any of the following methods:

2 (i) Check or other instrument in writing. The check or other
3 instrument in writing constitutes a receipt or acquittance if the check
4 or other instrument in writing is signed by the shareholder and
5 constitutes a valid release in discharge to the building and loan
6 association for all payments so made; or

7 (ii) Electronic means through:

8 (A) Preauthorized direct withdrawal;

9 (B) An automatic teller machine;

10 (C) A debit card;

11 (D) A transfer by telephone;

12 (E) A network, including the Internet; or

13 (F) Any electronic terminal, computer, magnetic tape, or other
14 electronic means.

15 (c) This section shall not be construed to affect the rights,
16 liabilities, or responsibilities of participants in an electronic fund
17 transfer under the federal Electronic Fund Transfer Act, 15 U.S.C. 1693
18 et seq., as it existed on January 1, ~~2023~~ 2022, and shall not affect the
19 legal relationships between a minor and any person other than the
20 building and loan association.

21 (2) All trustees, guardians, personal representatives,
22 administrators, and conservators appointed by the courts of this state
23 may invest and reinvest in, acquire, make withdrawals in whole or in
24 part, hold, transfer, or make new or additional investments in or
25 transfers of shares of stock in any (a) building and loan association
26 organized under the laws of the State of Nebraska or (b) federal savings
27 and loan association incorporated under the provisions of the federal
28 Home Owners' Loan Act, having its principal office and place of business
29 in this state, without an order of approval from any court.

30 (3) Trustees created solely by the terms of a trust instrument may
31 invest in, acquire, hold, and transfer such shares, and make withdrawals,

1 in whole or in part, therefrom, without any order of court, unless
2 expressly limited, restricted, or prohibited therefrom by the terms of
3 such trust instrument.

4 (4) All building and loan associations referred to in this section
5 are qualified to act as trustee or custodian within the provisions of the
6 federal Self-Employed Individuals Tax Retirement Act of 1962, as amended,
7 or under the terms and provisions of section 408(a) of the Internal
8 Revenue Code, if the provisions of such retirement plan require the funds
9 of such trust or custodianship to be invested exclusively in shares or
10 accounts in the association or in other associations. If any such
11 retirement plan, within the judgment of the association, constitutes a
12 qualified plan under the federal Self-Employed Individuals Tax Retirement
13 Act of 1962, or under the terms and provisions of section 408(a) of the
14 Internal Revenue Code, and the regulations promulgated thereunder at the
15 time the trust was established and accepted by the association, is
16 subsequently determined not to be such a qualified plan or subsequently
17 ceases to be such a qualified plan, in whole or in part, the association
18 may continue to act as trustee of any deposits theretofore made under
19 such plan and to dispose of the same in accordance with the directions of
20 the member and beneficiaries thereof. No association, in respect to
21 savings made under this section, shall be required to segregate such
22 savings from other assets of the association. The association shall keep
23 appropriate records showing in proper detail all transactions engaged in
24 under the authority of this section.

25 Sec. 11. Section 8-355, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 8-355 Notwithstanding any of the provisions of Chapter 8, article 3,
28 or any other Nebraska statute, except as provided in section 8-345.02,
29 any association incorporated under the laws of the State of Nebraska and
30 organized under the provisions of such article shall have all the rights,
31 powers, privileges, benefits, and immunities which may be exercised as of

1 January 1, 2023 ~~2022~~, by a federal savings and loan association doing
2 business in Nebraska. Such rights, powers, privileges, benefits, and
3 immunities shall not relieve such association from payment of state taxes
4 assessed under any applicable laws of this state.

5 Sec. 12. Section 8-602, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 8-602 The Director of Banking and Finance shall charge and collect
8 fees for certain services rendered by the Department of Banking and
9 Finance according to the following schedule:

10 (1) For filing and examining articles of incorporation, articles of
11 association, and bylaws, except credit unions, one hundred dollars, and
12 for credit unions, fifty dollars;

13 (2) For filing and examining an amendment to articles of
14 incorporation, articles of association, and bylaws, except credit unions,
15 fifty dollars, and for credit unions, fifteen dollars;

16 (3) For issuing to banks, credit card banks, trust companies, and
17 building and loan associations a charter, authority, or license to do
18 business in this state, a sum which shall be determined on the basis of
19 one dollar and fifty cents for each one thousand dollars of authorized
20 capital, except that the minimum fee in each case shall be two hundred
21 twenty-five dollars;

22 (4) For issuing to digital asset depositories under the Nebraska
23 Financial Innovation Act a charter, ~~an authority, or a license~~ to do
24 business in this state, the sum of fifty thousand dollars;

25 (5) For issuing an executive officer's or loan officer's license,
26 fifty dollars at the time of the initial license, except credit unions
27 for which the fee shall be twenty-five dollars at the time of the initial
28 license;

29 (6) For affixing certificate and seal, five dollars;

30 (7) For making substitution of securities held by it and issuing a
31 receipt, fifteen dollars;

1 (8) For issuing a certificate of approval to a credit union, ten
2 dollars;

3 (9) For investigating the applications required by sections 8-117,
4 8-120, 8-331, and 8-2402 and the documents required by section 8-201, the
5 cost of such examination, investigation, and inspection, including all
6 legal expenses and the cost of any hearing transcript, with a minimum fee
7 under (a) sections 8-117, 8-120, and 8-2402 of two thousand five hundred
8 dollars, (b) section 8-331 of two thousand dollars, and (c) section 8-201
9 of one thousand dollars. The department may require the applicant to
10 procure and give a surety bond in such principal amount as the department
11 may determine and conditioned for the payment of the fees provided in
12 this subdivision;

13 (10) For the handling of pledged securities as provided in sections
14 8-210, ~~and 8-2727,~~ and 8-3022 at the time of the initial deposit of such
15 securities, one dollar and fifty cents for each thousand dollars of
16 securities deposited and a like amount on or before January 15 each year
17 thereafter. The fees shall be paid by the entity pledging the securities;

18 (11) For investigating an application to move its location within
19 the city or village limits of its original license or charter for banks,
20 trust companies, and building and loan associations, two hundred fifty
21 dollars;

22 (12) For investigating an application under subdivision (6) of
23 section 8-115.01, five hundred dollars;

24 (13) For investigating an application for approval to establish or
25 acquire a branch pursuant to section 8-157 or 8-2103 or to establish a
26 mobile branch pursuant to section 8-157, two hundred fifty dollars;

27 (14) For investigating a notice of acquisition of control under
28 subsection (1) of section 8-1502, five hundred dollars;

29 (15) For investigating an application for a cross-industry merger
30 under section 8-1510, five hundred dollars;

31 (16) For investigating an application for a merger of two state

1 banks, a merger of a state bank and a national bank in which the state
2 bank is the surviving entity, or an interstate merger application in
3 which the Nebraska state chartered bank is the resulting bank, five
4 hundred dollars;

5 (17) For investigating an application or a notice to establish a
6 branch trust office, five hundred dollars;

7 (18) For investigating an application or a notice to establish a
8 representative trust office, five hundred dollars;

9 (19) For investigating an application to establish a credit union
10 branch under section 21-1725.01, two hundred fifty dollars;

11 (20) For investigating an applicant under section 8-1513, five
12 thousand dollars;

13 (21) For investigating a request to extend a conditional bank
14 charter under section 8-117, one thousand dollars; and

15 (22) For investigating an application to establish a branch office,
16 for a merger or an acquisition of control, or for a request to extend a
17 conditional charter for a digital asset depository, five hundred dollars.

18 Sec. 13. Section 8-1101, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 8-1101 For purposes of the Securities Act of Nebraska, unless the
21 context otherwise requires:

22 (1) Agent means any individual other than a broker-dealer who
23 represents a broker-dealer or issuer in effecting or attempting to effect
24 sales of securities, but agent does not include an individual who
25 represents (a) an issuer in (i) effecting a transaction in a security
26 exempted by subdivision (6), (7), or (8) of section 8-1110, (ii)
27 effecting certain transactions exempted by section 8-1111, (iii)
28 effecting transactions in a federal covered security as described in
29 section 18(b)(3) of the Securities Act of 1933, or (iv) effecting
30 transactions with existing employees, limited liability company members,
31 partners, or directors of the issuer or any of its subsidiaries if no

1 commission or other remuneration is paid or given directly or indirectly
2 for soliciting any person in this state or (b) a broker-dealer in
3 effecting transactions described in section 15(h)(2) of the Securities
4 Exchange Act of 1934. A partner, limited liability company member,
5 officer, or director of a broker-dealer is an agent only if he or she
6 otherwise comes within this definition;

7 (2) Broker-dealer means any person engaged in the business of
8 effecting transactions in securities for the account of others or for his
9 or her own account. Broker-dealer does not include (a) an issuer-dealer,
10 agent, bank, savings institution, or trust company, (b) an issuer
11 effecting a transaction in its own security exempted by subdivision (5)
12 (a), (b), (c), (d), (e), or (f) of section 8-1110 or which qualifies as a
13 federal covered security pursuant to section 18(b)(1) of the Securities
14 Act of 1933, (c) a person who has no place of business in this state if
15 he or she effects transactions in this state exclusively with or through
16 the issuers of the securities involved in the transactions, other broker-
17 dealers, or banks, savings institutions, credit unions, trust companies,
18 insurance companies, investment companies as defined in the Investment
19 Company Act of 1940, pension or profit-sharing trusts, or other financial
20 institutions or institutional buyers, whether acting for themselves or as
21 trustees, (d) a person who has no place of business in this state if
22 during any period of twelve consecutive months he or she does not direct
23 more than five offers to sell or to buy into this state in any manner to
24 persons other than those specified in subdivision (2)(c) of this section,
25 or (e) a person who is a resident of Canada and who has no office or
26 other physical presence in Nebraska if the following conditions are
27 satisfied: (i) The person must be registered with, or be a member of, a
28 securities self-regulatory organization in Canada or a stock exchange in
29 Canada; (ii) the person must maintain, in good standing, its provisional
30 or territorial registration or membership in a securities self-regulatory
31 organization in Canada, or stock exchange in Canada; (iii) the person

1 effects, or attempts to effect, (A) a transaction with or for a Canadian
2 client who is temporarily present in this state and with whom the
3 Canadian broker-dealer had a bona fide customer relationship before the
4 client entered this state or (B) a transaction with or for a Canadian
5 client in a self-directed tax advantaged retirement plan in Canada of
6 which that client is the holder or contributor; and (iv) the person
7 complies with all provisions of the Securities Act of Nebraska relating
8 to the disclosure of material information in connection with the
9 transaction;

10 (3) Department means the Department of Banking and Finance. Director
11 means the Director of Banking and Finance of the State of Nebraska except
12 as further provided in section 8-1120;

13 (4) Federal covered adviser means a person who is registered under
14 section 203 of the Investment Advisers Act of 1940;

15 (5) Federal covered security means any security described as a
16 covered security under section 18(b) of the Securities Act of 1933 or
17 rules and regulations under the act;

18 (6) Guaranteed means guaranteed as to payment of principal,
19 interest, or dividends;

20 (7) Investment adviser means any person who for compensation engages
21 in the business of advising others, either directly or through
22 publications or writings, as to the value of securities or as to the
23 advisability of investing in, purchasing, or selling securities or who
24 for compensation and as a part of a regular business issues or
25 promulgates analyses or reports concerning securities. Investment adviser
26 also includes financial planners and other persons who, as an integral
27 component of other financially related services, provide the foregoing
28 investment advisory services to others for compensation and as part of a
29 business or who hold themselves out as providing the foregoing investment
30 advisory services to others for compensation. Investment adviser does not
31 include (a) an investment adviser representative, (b) a bank, savings

1 institution, or trust company, (c) a lawyer, accountant, engineer, or
2 teacher whose performance of these services is solely incidental to the
3 practice of his or her profession, (d) a broker-dealer or its agent whose
4 performance of these services is solely incidental to its business as a
5 broker-dealer and who receives no special compensation for them, (e) an
6 issuer-dealer, (f) a publisher of any bona fide newspaper, news column,
7 newsletter, news magazine, or business or financial publication or
8 service, whether communicated in hard copy form, by electronic means, or
9 otherwise which does not consist of the rendering of advice on the basis
10 of the specific investment situation of each client, (g) a person who has
11 no place of business in this state if (i) his or her only clients in this
12 state are other investment advisers, federal covered advisers, broker-
13 dealers, banks, savings institutions, credit unions, trust companies,
14 insurance companies, investment companies as defined in the Investment
15 Company Act of 1940, pension or profit-sharing trusts, or other financial
16 institutions or institutional buyers, whether acting for themselves or as
17 trustees, or (ii) during the preceding twelve-month period, he or she has
18 had five or fewer clients who are residents of this state other than
19 those persons specified in subdivision (g)(i) of this subdivision, (h)
20 any person that is a federal covered adviser or is excluded from the
21 definition of investment adviser under section 202 of the Investment
22 Adviser Act of 1940, or (i) such other persons not within the intent of
23 this subdivision as the director may by rule and regulation or order
24 designate;

25 (8) Investment adviser representative means any partner, limited
26 liability company member, officer, or director or any person occupying a
27 similar status or performing similar functions of a partner, limited
28 liability company member, officer, or director or other individual,
29 except clerical or ministerial personnel, who is employed by or
30 associated with an investment adviser that is registered or required to
31 be registered under the Securities Act of Nebraska or who has a place of

1 business located in this state and is employed by or associated with a
2 federal covered adviser, and who (a) makes any recommendations or
3 otherwise renders advice regarding securities, (b) manages accounts or
4 portfolios of clients, (c) determines which recommendation or advice
5 regarding securities should be given, (d) solicits, offers, or negotiates
6 for the sale of or sells investment advisory services, or (e) supervises
7 employees who perform any of the foregoing;

8 (9) Issuer means any person who issues or proposes to issue any
9 security, except that (a) with respect to certificates of deposit,
10 voting-trust certificates, or collateral-trust certificates or with
11 respect to certificates of interest or shares in an unincorporated
12 investment trust not having a board of directors, or persons performing
13 similar functions, or of the fixed, restricted management, or unit type,
14 the term issuer means the person or persons performing the acts and
15 assuming the duties of depositor or manager pursuant to the provisions of
16 the trust or other agreement or instrument under which the security is
17 issued and (b) with respect to a fractional or pooled interest in a
18 viatical settlement contract, issuer means the person who creates, for
19 the purpose of sale, the fractional or pooled interest. In the case of a
20 viatical settlement contract that is not fractionalized or pooled, issuer
21 means the person effecting a transaction with a purchaser of such
22 contract;

23 (10) Issuer-dealer means (a) any issuer located in the State of
24 Nebraska or (b) any issuer which registered its securities by
25 qualification who proposes to sell to the public of the State of Nebraska
26 the securities that it issues without the benefit of another registered
27 broker-dealer. Such securities shall have been approved for sale in the
28 State of Nebraska pursuant to section 8-1104;

29 (11) Nonissuer means not directly or indirectly for the benefit of
30 the issuer;

31 (12) Person means an individual, a corporation, a partnership, a

1 limited liability company, an association, a joint-stock company, a trust
2 in which the interests of the beneficiaries are evidenced by a security,
3 an unincorporated organization, a government, or a political subdivision
4 of a government;

5 (13) Sale or sell includes every contract of sale of, contract to
6 sell, or disposition of a security or interest in a security for value.
7 Offer or offer to sell includes every attempt or offer to dispose of, or
8 solicitation of an offer to buy, a security or interest in a security for
9 value. Any security given or delivered with or as a bonus on account of
10 any purchase of securities or any other thing is considered to constitute
11 part of the subject of the purchase and to have been offered and sold for
12 value. A purported gift of assessable stock shall be considered to
13 involve an offer and sale. Every sale or offer of a warrant or right to
14 purchase or subscribe to another security of the same or another issuer,
15 as well as every sale or offer of a security which gives the holder a
16 present or future right or privilege to convert into another security of
17 the same or another issuer, shall be considered to include an offer of
18 the other security;

19 (14) Securities Act of 1933, Securities Exchange Act of 1934,
20 Investment Advisers Act of 1940, Investment Company Act of 1940,
21 Commodity Exchange Act, and the federal Interstate Land Sales Full
22 Disclosure Act means the acts as they existed on January 1, 2023 ~~2022~~;

23 (15) Security means any note, stock, treasury stock, bond,
24 debenture, units of beneficial interest in a real estate trust, evidence
25 of indebtedness, certificate of interest or participation in any profit-
26 sharing agreement, collateral-trust certificate, preorganization
27 certificate or subscription, transferable share, investment contract,
28 viatical settlement contract or any fractional or pooled interest in such
29 contract, membership interest in any limited liability company organized
30 under Nebraska law or any other jurisdiction unless otherwise excluded
31 from this definition, voting-trust certificate, certificate of deposit

1 for a security, certificate of interest or participation in an oil, gas,
2 or mining title or lease or in payments out of production under such a
3 title or lease, in general any interest or instrument commonly known as a
4 security, or any certificate of interest or participation in, temporary
5 or interim certificate for, guarantee of, or warrant or right to
6 subscribe to or purchase any of the foregoing. Security does not include
7 any insurance or endowment policy or annuity contract issued by an
8 insurance company. Security also does not include a membership interest
9 in a limited liability company when all of the following exist: (a) The
10 member enters into a written commitment to be engaged actively and
11 directly in the management of the limited liability company; and (b) all
12 members of the limited liability company are actively engaged in the
13 management of the limited liability company. For the limited purposes of
14 determining professional malpractice insurance premiums, a security
15 issued through a transaction that is exempted pursuant to subdivision
16 (23) of section 8-1111 shall not be considered a security;

17 (16) State means any state, territory, or possession of the United
18 States as well as the District of Columbia and Puerto Rico; and

19 (17) Viatical settlement contract means an agreement for the
20 purchase, sale, assignment, transfer, devise, or bequest of all or any
21 portion of the death benefit or ownership of a life insurance policy or
22 contract for consideration which is less than the expected death benefit
23 of the life insurance policy or contract. Viatical settlement contract
24 does not include (a) the assignment, transfer, sale, devise, or bequest
25 of a death benefit of a life insurance policy or contract made by the
26 viator to an insurance company or to a viatical settlement provider or
27 broker licensed pursuant to the Viatical Settlements Act, (b) the
28 assignment of a life insurance policy or contract to a bank, savings
29 bank, savings and loan association, credit union, or other licensed
30 lending institution as collateral for a loan, or (c) the exercise of
31 accelerated benefits pursuant to the terms of a life insurance policy or

1 contract and consistent with applicable law.

2 Sec. 14. Section 8-1101.01, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 8-1101.01 For purposes of the Securities Act of Nebraska:

5 (1) Federal rules and regulations adopted under the Investment
6 Advisors Act of 1940 or the Securities Act of 1933 means such rules and
7 regulations as they existed on January 1, 2023 ~~2022~~; and

8 (2) Fair practice or ethical rules or standards promulgated by the
9 Securities and Exchange Commission, the Financial Industry Regulatory
10 Authority, or a self-regulatory organization approved by the Securities
11 and Exchange Commission means such practice, rules, or standards as they
12 existed on January 1, 2023 ~~2022~~.

13 Sec. 15. Section 8-1704, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 8-1704 CFTC rule shall mean any rule, regulation, or order of the
16 Commodity Futures Trading Commission in effect on January 1, 2023 ~~2022~~.

17 Sec. 16. Section 8-1707, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 8-1707 Commodity Exchange Act shall mean the act of Congress known
20 as the Commodity Exchange Act, 7 U.S.C. 1, as amended on January 1, 2023
21 ~~2022~~.

22 Sec. 17. Section 8-2724, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 8-2724 (1) The requirement for a license under the Nebraska Money
25 Transmitters Act does not apply to:

26 (a) The United States or any department, agency, or instrumentality
27 thereof;

28 (b) Any post office of the United States Postal Service;

29 (c) A state or any political subdivision thereof;

30 (d)(i) Banks, credit unions, digital asset depository institutions
31 as defined in section 8-3003, building and loan associations, savings and

1 loan associations, savings banks, or mutual banks organized under the
2 laws of any state or the United States;

3 (ii) Subsidiaries of the institutions listed in subdivision (d)(i)
4 of this subsection;

5 (iii) Bank holding companies which have a banking subsidiary located
6 in Nebraska and whose debt securities have an investment grade rating by
7 a national rating agency; or

8 (iv) Authorized delegates of the institutions and entities listed in
9 subdivision (d)(i), (ii), or (iii) of this subsection, except that
10 authorized delegates that are not banks, credit unions, building and loan
11 associations, savings and loan associations, savings banks, mutual banks,
12 subsidiaries of any of the foregoing, or bank holding companies shall
13 comply with all requirements imposed upon authorized delegates under the
14 act;

15 (e) The provision of electronic transfer of government benefits for
16 any federal, state, or county governmental agency, as defined in Consumer
17 Financial Protection Bureau Regulation E, 12 C.F.R. part 1005, as such
18 regulation existed on January 1, 2023 ~~2022~~, by a contractor for and on
19 behalf of the United States or any department, agency, or instrumentality
20 thereof or any state or any political subdivision thereof;

21 (f) An operator of a payment system only to the extent that the
22 payment system provides processing, clearing, or settlement services
23 between or among persons who are all exempt under this section in
24 connection with wire transfers, credit card transactions, debit card
25 transactions, automated clearinghouse transfers, or similar fund
26 transfers; or

27 (g) A person, firm, corporation, or association licensed in this
28 state and acting within this state within the scope of a license:

29 (i) As a collection agency pursuant to the Collection Agency Act;

30 (ii) As a credit services organization pursuant to the Credit
31 Services Organization Act; or

1 (iii) To engage in the debt management business pursuant to sections
2 69-1201 to 69-1217.

3 (2) An authorized delegate of a licensee or of an exempt entity,
4 acting within the scope of its authority conferred by a written contract
5 as described in section 8-2739, is not required to obtain a license under
6 the Nebraska Money Transmitters Act, except that such an authorized
7 delegate shall comply with the other provisions of the act which apply to
8 money transmission transactions.

9 Sec. 18. Section 8-2903, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 8-2903 (1) When a financial institution, or an employee of a
12 financial institution, reasonably believes, or has received information
13 from the department or a law enforcement agency demonstrating that it is
14 reasonable to believe, that financial exploitation of a vulnerable adult
15 or senior adult may have occurred, may have been attempted, is occurring,
16 or is being attempted, the financial institution may, but is not required
17 to:

18 (a) Delay or refuse a transaction with or involving the vulnerable
19 adult or senior adult;

20 (b) Delay or refuse to permit the withdrawal or disbursement of
21 funds contained in the vulnerable adult's or senior adult's account;

22 (c) Prevent a change in ownership of the vulnerable adult's or
23 senior adult's account;

24 (d) Prevent a transfer of funds from the vulnerable adult's or
25 senior adult's account to an account owned wholly or partially by another
26 person;

27 (e) Refuse to comply with instructions given to the financial
28 institution by an agent or a person acting for or with an agent under a
29 power of attorney signed or purported to have been signed by the
30 vulnerable adult or senior adult; or

31 (f) Prevent the designation or change the designation of

1 beneficiaries to receive any property, benefit, or contract rights for a
2 vulnerable adult or senior adult at death.

3 (2) A financial institution is not required to act under subsection
4 (1) of this section when provided with information alleging that
5 financial exploitation may have occurred, may have been attempted, is
6 occurring, or is being attempted, but may use the financial institution's
7 discretion to determine whether or not to act under subsection (1) of
8 this section based on the information available to the financial
9 institution at the time.

10 (3)(a)(i) A financial institution may notify any third party
11 reasonably associated with a vulnerable adult or senior adult if the
12 financial institution reasonably believes that the financial exploitation
13 of a vulnerable adult or senior adult may have occurred, may have been
14 attempted, is occurring, or is being attempted.

15 (ii) A third party reasonably associated with a vulnerable adult or
16 senior adult includes, but is not limited to, the following: (A) A
17 parent, spouse, adult child, sibling, or other known family member or
18 close associate of a vulnerable adult or senior adult; (B) an authorized
19 contact provided by a vulnerable adult or senior adult to the financial
20 institution; (C) a co-owner, additional authorized signatory, or
21 beneficiary on a vulnerable adult's or a senior adult's account; (D) an
22 attorney in fact, trustee, conservator, guardian, or other fiduciary who
23 has been selected by a vulnerable adult or senior adult, a court, or a
24 third party to manage some or all of the financial affairs of the
25 vulnerable adult or senior adult; and (E) an attorney known to represent
26 or have represented the vulnerable adult or senior adult.

27 (b) A financial institution may choose not to notify any third party
28 reasonably associated with a vulnerable adult or senior adult of
29 suspected financial exploitation of the vulnerable adult or senior adult
30 if the financial institution reasonably believes the third party is, may
31 be, or may have been engaged in the financial exploitation of the

1 vulnerable adult or senior adult or if requested to refrain from making a
2 notification by a law enforcement agency, if such notification could
3 interfere with a law enforcement investigation.

4 (c) Nothing in this subsection shall prevent a financial institution
5 from notifying the department or a law enforcement agency, if the
6 financial institution reasonably believes that the financial exploitation
7 of a vulnerable adult or senior adult may have occurred, may have been
8 attempted, is occurring, or is being attempted.

9 (4) The authority granted the financial institution under subsection
10 (1) of this section expires upon the sooner of: (a) Thirty business days
11 after the date on which the financial institution first acted under
12 subsection (1) of this section; (b) when the financial institution is
13 satisfied that the transaction or act will not result in financial
14 exploitation of the vulnerable adult or senior adult; or (c) upon
15 termination by an order of a court of competent jurisdiction.

16 (5) Unless otherwise directed by order of a court of competent
17 jurisdiction, a financial institution may extend the duration under
18 subsection (4) of this section based on a reasonable belief that the
19 financial exploitation of a vulnerable adult or senior adult may continue
20 to occur or continue to be attempted.

21 (6) A financial institution and its bank holding company, if any,
22 and any employees, agents, officers, and directors of the financial
23 institution and its bank holding company, if any, shall be immune from
24 any civil, criminal, or administrative liability that may otherwise exist
25 (a) for delaying or refusing to execute a transaction, withdrawal, or
26 disbursement, or for not delaying or refusing to execute such
27 transaction, withdrawal, or disbursement under this section and (b) for
28 actions taken in furtherance of determinations made under subsections (1)
29 through (5) of this section.

30 (7)(a) Notwithstanding any other law to the contrary, the refusal by
31 a financial institution to engage in a transaction as authorized under

1 subsection (1) of this section shall not constitute the wrongful dishonor
2 of an item under section 4-402, Uniform Commercial Code.

3 (b) Notwithstanding any other law to the contrary, a reasonable
4 belief that payment of a check will facilitate the financial exploitation
5 of a vulnerable adult or senior adult shall constitute reasonable grounds
6 to doubt the collectability of the item for purposes of the federal Check
7 Clearing for the 21st Century Act, 12 U.S.C. 5001 et seq., the federal
8 Expedited Funds Availability Act, 12 U.S.C. 4001 et seq., and 12 C.F.R.
9 part 229, as such acts and part existed on January 1, 2023 ~~2022~~.

10 Sec. 19. Section 8-3002, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 8-3002 The Legislature finds and declares that:

13 (1) Economic development initiatives demand buy-in and input from
14 community stakeholders across multiple industries. The Legislature should
15 send a strong message that Nebraska wants to bring high-tech jobs and
16 digital asset operations to our state. Nebraska has an incredible
17 opportunity to be a leader in this emerging technology;

18 (2) Nebraska desires to create an entrepreneurial ecosystem where
19 young talent can be paired with private investors in order to create
20 jobs, enhance our quality of life, and prevent the brain drain that is
21 particularly acute in rural Nebraska. If Nebraska does not make
22 intentional and meaningful changes to how it recruits and retains young
23 people, Nebraska will be left behind;

24 (3) The rapid innovation of blockchain and digital ledger
25 technology, including the growing use of virtual currency, digital
26 assets, and other controllable electronic records has complicated the
27 development of blockchain services and products in the marketplace;

28 (4) Blockchain innovators are able and willing to address banking
29 compliance challenges such as federal customer identification, anti-money
30 laundering, and beneficial ownership requirements to comply with
31 regulators' concerns;

1 (5) Compliance with federal and state laws, including, but not
2 limited to, know-your-customer and anti-money-laundering rules and the
3 federal Bank Secrecy Act, is critical to ensuring the future growth and
4 reputation of the blockchain and technology industries as a whole; and

5 (6) Authorizing digital asset depositories in Nebraska will provide
6 a necessary and valuable service to blockchain innovators and customers,
7 emphasize Nebraska's partnership with the technology and financial
8 industries ~~industry~~, safely grow this state's ever-evolving financial
9 sector, and afford more opportunities for Nebraska residents.

10 Sec. 20. Section 8-3003, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 8-3003 For purposes of the Nebraska Financial Innovation Act:

13 (1) Blockchain means a distributed digital record of controllable
14 electronic record transactions;

15 (2) Centralized finance means centralized digital asset exchanges,
16 businesses, or organizations with a valid physical address;

17 (3) Control has the following meaning:

18 (a) A person has control of a controllable electronic record if:

19 (i) The following conditions are met:

20 (A) The controllable electronic record or the system in which it is
21 recorded, if any, gives the person:

22 (I) The power to derive substantially all the benefit from the
23 controllable electronic record;

24 (II) Subject to subdivision (b) of this subdivision, the exclusive
25 power to prevent others from deriving substantially all the benefit from
26 the controllable electronic record; and

27 (III) Subject to subdivision (b) of this subdivision, the exclusive
28 power to transfer control of the controllable electronic record to
29 another person or cause another person to obtain control of a
30 controllable electronic record that derives from the controllable
31 electronic record; and

1 (B) The controllable electronic record, a record attached to or
2 logically associated with the controllable electronic record, or the
3 system in which the controllable electronic record is recorded, if any,
4 enables the person to readily identify itself as having the powers
5 specified in subdivision (a)(i) of this subdivision; or

6 (ii) Another person obtains control of the controllable electronic
7 record on behalf of the person, or having previously obtained control of
8 the controllable electronic record, acknowledges that it has control on
9 behalf of the person.

10 (b) A power specified in subdivisions (3)(a)(i)(A)(II) or (III) of
11 this section can be exclusive, even if:

12 (i) The controllable electronic record or the system in which it is
13 recorded, if any, limits the use to which the controllable electronic
14 record may be put or has protocols that are programmed to result in a
15 transfer of control; and

16 (ii) The person has agreed to share the power with another person.

17 (c) For the purposes of subdivision (3)(a)(i)(B) of this section, a
18 person may be identified in any way, including by name, identifying
19 number, cryptographic key, office, or account number;

20 (4) Controllable electronic borrowing means the act of receiving
21 digital assets or the use of digital assets from a lender in exchange for
22 the payment to the lender of digital assets, interest, fees, or rewards;

23 (5) Controllable electronic record means an electronic record that
24 can be subjected to control. The term has the same meaning as digital
25 asset and does not include electronic chattel paper, electronic
26 documents, investment property, and transferable records under the
27 Uniform Electronic Transactions Act;

28 (6) Controllable electronic record exchange means a business that
29 allows customers to purchase, sell, convert, send, receive, or trade
30 digital assets for other digital assets;

31 (7) Controllable electronic record lending means the act of

1 providing digital assets to a borrower in exchange for digital assets,
2 interest, fees, or rewards;

3 (8) Controllable electronic records staking means the act of
4 pledging a digital asset or token with an expectation of gaining digital
5 assets, interest, fees, or other rewards on such act;

6 (9) Customer means a digital asset depositor or digital asset
7 account holder;

8 (10) Decentralized finance means digital asset exchanges,
9 businesses, or organizations operating independently on blockchains;

10 (11) Department means the Department of Banking and Finance;

11 (12) Digital asset depository means a financial institution that
12 securely holds liquid assets when such assets are in the form of
13 controllable electronic records, either as a corporation organized,
14 chartered, and operated pursuant to the Nebraska Financial Innovation Act
15 as a digital asset depository institution or a financial institution
16 operating a digital asset depository business as a digital asset
17 depository department under a charter granted ~~grant of authority~~ by the
18 director;

19 (13) Digital asset depository department means a financial
20 institution operating a digital asset depository business as a digital
21 asset depository department under a charter granted ~~grant of authority~~ by
22 the director;

23 (14) Digital asset depository institution means a corporation
24 operating a digital asset depository business organized and chartered
25 pursuant to the Nebraska Financial Innovation Act;

26 (15) Director means the Director of Banking and Finance;

27 (16) Financial institution means a bank, savings bank, building and
28 loan association, or savings and loan association, ~~whether~~ chartered by
29 the United States, the department, or a foreign state agency; or a trust
30 company;

31 (17) Fork means a change to the protocol of a blockchain network;

1 (18) Independent node verification network means a shared electronic
2 database where copies of the same information are stored on multiple
3 computers; and

4 (19) Stablecoin means a controllable electronic record
5 ~~cryptocurrency~~ designed to have a stable value that is backed by a
6 reserve asset.

7 Sec. 21. Section 8-3004, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 8-3004 The director shall have the power to issue to corporations
10 desiring to transact business as a digital asset depository institution
11 ~~charters of authority~~ to transact digital asset depository business as
12 defined in the Nebraska Financial Innovation Act. The director shall have
13 general supervision and control over such digital asset depositories.

14 Sec. 22. Section 8-3005, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 8-3005 (1)(a) A digital asset depository may:

17 (i) Make contracts as a corporation under Nebraska law;

18 (ii) Sue and be sued;

19 (iii) Receive notes as permitted by federal law;

20 (iv) Carry on a nonlending digital asset banking business for
21 customers, consistent with subdivision (2)(b) of this section;

22 (v) Provide payment services upon the request of a customer; and

23 (vi) Make an application to become a member bank of the federal
24 reserve system.

25 (b) A digital asset depository shall maintain its main office and
26 the primary office of its chief executive officer in Nebraska.

27 (c) As otherwise authorized by this section, a digital asset
28 depository may conduct business with customers outside this state.

29 (2)(a) A digital asset depository institution, consistent with the
30 Nebraska Financial Innovation Act, shall be organized as a corporation
31 under the Nebraska Model Business Corporation Act to exercise the powers

1 set forth in subsection (1) of this section.

2 (b) A digital asset depository institution shall not accept demand
3 deposits of United States currency or United States currency that may be
4 accessed or withdrawn by check or similar means for payment to third
5 parties and except as otherwise provided in this subsection, a digital
6 asset depository institution shall not make any ~~consumer~~ loans to
7 consumers for personal, property or household purposes, mortgage loans,
8 or commercial loans of any fiat currency including, but not limited to,
9 United States currency, including the provision of temporary credit
10 relating to overdrafts. Notwithstanding this prohibition against fiat
11 currency lending by a digital asset depository institution, a digital
12 asset depository institution may facilitate the provision of digital
13 asset business services resulting from the interaction of customers with
14 centralized finance or decentralized finance platforms including, but not
15 limited to, controllable electronic record exchange, staking,
16 controllable electronic record lending, and controllable electronic
17 record borrowing. A digital asset depository institution may purchase
18 debt obligations specified by subdivision (2)(c) of section 8-3009.

19 (c) ~~A Subject to the laws of the host state,~~ a digital asset
20 depository institution may open a branch in this state or in another
21 state in the manner set forth in section 8-157 or 8-2303. A branch in
22 another state is subject to the laws of the host state. A digital asset
23 depository institution, including any branch of the digital asset
24 depository institution, may only accept digital asset deposits or provide
25 other digital asset business services under the Nebraska Financial
26 Innovation Act to individual customers or a customer that is a legal
27 entity other than a natural person engaged in a bona fide business which
28 is lawful under the laws of Nebraska, the laws of the host state if the
29 entity is headquartered in another state, and federal law.

30 (3) The deposit limitations of subdivision (2)(a)(ii) of section
31 8-157 shall not apply to a digital asset depository.

1 (4) Any United States currency coming into an account established by
2 a customer of a digital asset depository institution shall be held in a
3 financial institution, the deposits of which are insured by the Federal
4 Deposit Insurance Corporation, which maintained a main-chartered office
5 in this state, any branch thereof in this state, or any branch of the
6 financial institution which maintained the main-chartered office in this
7 state prior to becoming a branch of such financial institution.

8 (5) A digital asset depository institution shall establish and
9 maintain programs for compliance with the federal Bank Secrecy Act, in
10 accordance with 12 C.F.R. 208.63, as the act and rule existed on January
11 1, 2023 ~~2022~~.

12 (6) A digital asset depository shall help meet the digital financial
13 needs of the communities in which it operates, consistent with safe and
14 sound operations, and shall maintain and update a public file available
15 to any person on request and on any Internet website or mobile
16 application it maintains containing specific information about its
17 efforts to meet community needs, including:

18 (a) The collection and reporting of data;

19 (b) Its policies and procedures for accepting and responding to
20 consumer complaints; and

21 (c) Its efforts to assist with financial literacy or personal
22 finance programs to increase knowledge and skills of Nebraska students in
23 areas such as digital assets, budgeting, credit, checking and savings
24 accounts, loans, stocks, and insurance.

25 Sec. 23. Section 8-3007, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 8-3007 (1) No customer shall open or maintain an account with a
28 digital asset depository or otherwise receive any services from the
29 digital asset depository unless the customer meets the criteria of this
30 subsection. A customer shall:

31 (a) Make sufficient evidence available to the digital asset

1 depository to enable compliance with anti-money laundering, customer
2 identification, and beneficial ownership requirements, as determined by
3 the federal Bank Secrecy Act guidance and the policies and practices of
4 the institution; and

5 (b) If the customer is a legal entity other than a natural person:

6 (i) Be in good standing with the jurisdiction in the United States
7 in which it is incorporated or organized; and

8 (ii) Be engaged in a business that is lawful and bona fide in
9 Nebraska, in the host state, if applicable, and under federal law
10 consistent with subsection (3) of this section.

11 (2) A customer which meets the criteria of subsection (1) of this
12 section may be issued a digital asset depository account and otherwise
13 receive services from the digital asset depository, contingent on the
14 digital asset depository maintaining availability of sufficient insurance
15 under subsection (5) of section 8-3023.

16 (3) Consistent with subdivisions (1)(a)(iv) and (v) of section
17 8-3005, and in addition to any requirements specified by federal law, a
18 digital asset depository shall require that any potential customer that
19 is a legal entity other than a natural person provide reasonable evidence
20 that the entity is engaged in a business that is lawful and bona fide in
21 Nebraska, in the host state, if applicable, and under federal law or is
22 likely to open a lawful, bona fide business within a federal Bank Secrecy
23 Act compliant timeframe, as the act existed on January 1, 2023 ~~2022~~. For
24 purposes of this subsection, reasonable evidence includes business entity
25 filings, articles of incorporation or organization, bylaws, operating
26 agreements, business plans, promotional materials, financing agreements,
27 or other evidence.

28 Sec. 24. Section 8-3008, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 8-3008 The terms and conditions of a customer's digital asset
31 depository account at a digital asset depository shall be disclosed at

1 the time the customer contracts for a digital asset business service.
2 Such disclosure shall be full and complete, contain no material
3 misrepresentations, be in readily understandable language, and shall
4 include, as appropriate and to the extent applicable:

5 (1) A schedule of fees and charges the digital asset depository may
6 assess, the manner by which fees and charges will be calculated if they
7 are not set in advance and disclosed, and the timing of the fees and
8 charges;

9 (2) A statement that the customer's digital asset depository account
10 is not protected by the Federal Deposit Insurance Corporation;

11 (3) A statement whether there is support for forked networks of each
12 digital asset;

13 (4) A statement that investment in digital assets is volatile and
14 subject to market loss;

15 (5) A statement that investment in digital assets may result in
16 total loss of value;

17 (6) A statement that legal, legislative, and regulatory changes may
18 ~~impact~~ ~~impair~~ the value of digital assets;

19 (7) A statement that customers should perform research before
20 investing in digital assets;

21 (8) A statement that transfers of digital assets are irrevocable, if
22 applicable;

23 (9) A statement as to how liability for an unauthorized, mistaken,
24 or accidental transfer shall be apportioned;

25 (10) A statement that digital assets are not legal tender in any
26 jurisdiction;

27 (11) A statement that digital assets may be subject to cyber theft
28 or theft and become unrecoverable;

29 (12) A statement about who maintains control, ownership, and access
30 to any private key related to a digital assets customer's digital asset
31 account; and

1 (13) A statement that losing private key information may result in
2 permanent total loss of access to digital assets.

3 Sec. 25. Section 8-3011, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 8-3011 (1) With respect to all digital asset business activities, a
6 digital asset depository shall display and include in all advertising, in
7 all marketing materials, on any Internet website or mobile application it
8 maintains, and at each window or place where it accepts digital asset
9 deposits, (a) a notice conspicuously stating that digital asset deposits
10 and digital asset accounts are not insured by the Federal Deposit
11 Insurance Corporation, if applicable, and (b) the following conspicuous
12 statement: Holdings of digital assets are speculative and involve a
13 substantial degree of risk, including the risk of complete loss. There is
14 no assurance that any digital asset will be viable, liquid, or solvent.
15 Nothing in this communication is intended to imply that any digital asset
16 held in custody by a digital asset depository is low-risk or risk-free.
17 Digital assets held in custody are not guaranteed by a digital asset
18 depository and are not ~~FDIC~~ insured by the Federal Deposit Insurance
19 Corporation.

20 (2) Upon opening a digital asset depository account, ~~and if~~
21 ~~applicable,~~ a digital asset depository shall require each customer to
22 execute a statement acknowledging that all digital asset deposits at the
23 digital asset depository are not insured by the Federal Deposit Insurance
24 Corporation. The digital asset depository shall permanently retain this
25 acknowledgment, whether in electronic form or as a signature card.

26 Sec. 26. Section 8-3012, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 8-3012 (1) Except as otherwise provided by subsection (5) of this
29 section, five or more adult persons, including at least one Nebraska
30 resident, may form a digital asset depository institution. The
31 incorporators shall subscribe the articles of incorporation and transmit

1 them and the bylaws of the digital asset depository to the director as
2 part of an application for a charter under section 8-3015.

3 (2) The articles of incorporation shall include the following
4 information:

5 (a) The corporate name;

6 (b) The object for which the corporation is organized;

7 (c) The term of its existence, which may be perpetual;

8 (d) The place in Nebraska where its main office shall be physically
9 located and its operations conducted;

10 (e) The amount of capital stock and the number of shares;

11 (f) The name and residence of each shareholder subscribing to more
12 than ten percent of the stock and the number of shares owned by that
13 shareholder;

14 (g) The number of directors and the names of those who shall manage
15 the affairs of the corporation for the first year; and

16 (h) A statement that the articles of incorporation are made to
17 enable the incorporators to avail themselves of the advantages of the
18 laws of the state.

19 (3) Copies of all amended articles of incorporation and bylaws shall
20 be filed in the same manner as the original articles of incorporation and
21 bylaws.

22 (4) The incorporators shall solicit capital prior to filing an
23 application for a charter with the director, consistent with section
24 8-3013. In the event an application for a charter is not filed or is
25 denied by the director, all capital shall be promptly returned without
26 loss.

27 (5) Subject to federal and state law, a bank holding company may
28 apply to hold a digital asset depository institution.

29 Sec. 27. Section 8-3013, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 8-3013 (1) The capital stock of each digital asset depository

1 institution chartered under the Nebraska Financial Innovation Act shall
2 be subscribed for as paid-up stock. No digital asset depository
3 institution shall be chartered with capital stock of less than ten
4 million dollars.

5 (2) No digital asset depository institution shall commence business
6 until the full amount of its authorized capital is subscribed and all
7 capital stock is fully paid in. No digital asset depository institution
8 may be chartered without a paid-up surplus fund of at least three years
9 of estimated operating expenses in the amount disclosed pursuant to
10 subsection (2) of section 8-3015 or in another amount required by the
11 director.

12 (3) A digital asset depository institution may acquire additional
13 capital prior to the granting of a charter and shall report this capital
14 as an amendment to its ~~in~~ its charter application.

15 Sec. 28. Section 8-3014, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 8-3014 (1) Any financial institution, having adopted or amended its
18 articles of incorporation to authorize the conduct of a digital asset
19 depository business may be further chartered by the director to transact
20 a digital asset depository business in a digital asset depository
21 department in connection with such financial institution.

22 (2) The director has the authority to issue to financial
23 institutions amendments to their charters ~~of authority~~ to transact a
24 digital asset depository business, ~~and~~ has general supervision and
25 control over such digital asset depository departments of financial
26 institutions, and may require the injection of additional capital.

27 (3) The director, before granting to any financial institution the
28 right to operate a digital asset depository department, shall require
29 such financial institution to make an application for amendment of its
30 charter, setting forth such information as the director may require.

31 (4) A digital asset depository department of a financial institution

1 when chartered under subsection (1) of this section shall be separate and
2 apart from every other department of the financial institution and shall
3 have all of the powers, duties, and obligations of a digital asset
4 depository institution as set forth in the Nebraska Financial Innovation
5 Act.

6 (5) Any financial institution authorized to transact a digital asset
7 depository business in a digital asset depository department pursuant to
8 subsection (1) of this section may conduct such digital asset depository
9 business at the office of any financial institution which is a subsidiary
10 of the same bank holding company as the authorized financial institution.

11 (6) A financial institution may deposit or have on deposit funds of
12 an account controlled by the financial institution's digital asset
13 depository department unless prohibited by applicable law.

14 Sec. 29. Section 8-3015, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 8-3015 (1) No corporation shall act as a digital asset depository
17 without first obtaining ~~authority~~ or a charter to operate from the
18 director under the Nebraska Financial Innovation Act.

19 (2) The incorporators under section 8-3012 shall apply to the
20 director for a charter. The application shall contain the digital asset
21 depository institution's articles of incorporation, bylaws, a detailed
22 business plan, a comprehensive estimate of operating expenses for the
23 first three years of operation, a complete proposal for compliance with
24 the provisions of the Nebraska Financial Innovation Act, evidence of the
25 capital and surplus required under section 8-3013, and any investors or
26 owners holding ten percent or more equity in the digital asset depository
27 institution. The director may prescribe the form of application.

28 (3) A financial institution may apply to the director for a charter
29 ~~authority~~ to operate a digital asset depository business as a department.
30 The application shall contain a detailed business plan, a comprehensive
31 estimate of operating expenses for the first three years of operation,

1 and a complete proposal for compliance with the provisions of the
2 Nebraska Financial Innovation Act. The director may prescribe the form of
3 application.

4 (4) Each application for a charter ~~or authority~~ shall be accompanied
5 by an application fee of fifty thousand dollars.

6 Sec. 30. Section 8-3016, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 8-3016 (1) After a substantially complete application for a digital
9 asset depository institution charter authority or a digital asset
10 depository department institution charter has been submitted, the
11 director shall notify the applicants in writing within thirty calendar
12 days of any deficiency in the required information or that the
13 application has been accepted for filing. When the director is satisfied
14 that all required information has been furnished, the director shall
15 establish a time and place for a public hearing which shall be conducted
16 not less than sixty days, nor more than one hundred twenty days, after
17 notice from the director to the applicants that the application is in
18 order.

19 (2) Within thirty days after receipt of notice of the time and place
20 of the public hearing, the department shall cause notice of filing of the
21 application and the hearing to be published at the applicant's
22 ~~applicants'~~ expense in a newspaper of general circulation within the
23 county where the proposed digital asset depository is to be located.
24 Publication shall be made at least once a week for three consecutive
25 weeks before the hearing, stating the proposed location of the digital
26 asset depository, the names of the applicants for a charter, the nature
27 of the activities to be conducted by the proposed digital asset
28 depository, and other information required by rule and regulation. The
29 director shall electronically send notice of the hearing to state and
30 national banks, federal savings and loan associations, state and federal
31 credit unions, and other financial institutions in the state, federal

1 agencies, and financial industry trade groups.

2 Sec. 31. Section 8-3017, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 8-3017 The hearing required by section 8-3016 ~~for a charter~~
5 ~~application or for authority to operate a digital asset depository~~ shall
6 be conducted under the Administrative Procedure Act and shall comply with
7 the requirements of the act.

8 Sec. 32. Section 8-3018, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 8-3018 Upon receiving an ~~the~~ application for a charter to become a
11 digital asset depository institution, ~~or for a charter authority to~~
12 operate a digital asset depository department, the applicable fee, and
13 other information required by the director, the director shall make a
14 careful investigation and examination of the following:

15 (1) The character, reputation, criminal record, financial standing,
16 and ability of the shareholders owning ten percent or more equity in the
17 applicant;

18 (2) The character, financial responsibility, criminal background,
19 banking or other financial experience, and business qualifications of
20 those proposed as officers and directors;

21 (3) Whether the applicant or any of its officers, directors, or
22 shareholders owning ten percent or more equity in the applicant have ever
23 been convicted of any (i) misdemeanor involving any aspect of a digital
24 asset depository business or any business of a similar nature or (ii)
25 felony;

26 (4) Whether the applicant or any of its officers, directors, or
27 shareholders owning ten percent or more equity in the applicant have ever
28 been permanently or temporarily enjoined by a court of competent
29 jurisdiction from engaging in or continuing any conduct or practice
30 involving any aspect of a digital asset depository business or any
31 business of a similar nature;

1 (5) A criminal history record information check of the applicant,
2 its officers, directors, and shareholders owning ten percent or more
3 equity in the applicant. The direct cost of the criminal history record
4 information check shall be paid by the applicant; and

5 (6) The application for a charter, ~~or for authority to operate a~~
6 ~~digital asset depository,~~ including the adequacy and plausibility of the
7 business plan of the digital asset depository, the benefits to the
8 customers, and whether the applicant has offered a complete proposal for
9 compliance with the Nebraska Financial Innovation Act.

10 Sec. 33. Section 8-3019, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 8-3019 (1) Within ninety days after receipt of the transcript of the
13 public hearing, the director shall render a decision on the application
14 based on the following criteria and requirements:

15 (a) Whether the character, reputation, criminal record, financial
16 standing, and ability of the shareholders owning ten percent or more
17 equity in the applicant are sufficient to afford reasonable promise of a
18 successful operation;

19 (b) That the digital asset depository will be operated by officers
20 of integrity and responsibility;

21 (c) Whether the character, financial responsibility, criminal
22 background, and banking or other financial experience and business
23 qualifications of those proposed as officers and directors are sufficient
24 to afford reasonable promise of a successful operation;

25 (d) The adequacy and plausibility of the business plan of the
26 digital asset depository ~~institution,~~ including the ongoing customer
27 expectations of the digital asset depository ~~institution~~ as determined by
28 the director;

29 (e) Compliance by the digital asset depository institution with the
30 capital and surplus requirements of section 8-3013;

31 (f) Whether the digital asset depository institution is being formed

1 for no other purpose than legitimate objectives authorized by law;

2 (g) That the name of the proposed digital asset depository
3 institution includes the words "digital asset bank" so that it does not
4 resemble the name of any other financial institution transacting business
5 in the state so as to cause confusion;

6 (h) That the digital asset depository will be operated in a safe and
7 sound manner ~~to benefit its customers~~;

8 (i) That the digital asset depository shall help meet the digital
9 financial needs of the communities in which it operates, consistent with
10 safe and sound operations, and shall maintain and update a public file
11 and on any Internet website or mobile application it maintains containing
12 specific information about its efforts to meet community needs,
13 including:

14 (i) The collection and reporting of data;

15 (ii) Its policies and procedures for accepting and responding to
16 consumer complaints; and

17 (iii) Its efforts to assist with financial literacy or personal
18 finance programs to increase knowledge and skills of Nebraska students in
19 areas such as digital assets, budgeting, credit, checking and savings
20 accounts, loans, stocks, and insurance;

21 (j) Whether the applicants have complied with all provisions of
22 state law and are eligible to apply for membership in the federal reserve
23 system; and

24 (k) Any other considerations in addition to statutory requirements
25 submitted by the applicant pursuant to operational order, rules and
26 regulations, or request of the department.

27 (2) The director shall approve an application upon making favorable
28 findings on the criteria set forth in subsection (1) of this section. The
29 ~~If necessary,~~ the director may either conditionally approve an
30 application by specifying conditions relating to the criteria or may deny
31 ~~disapprove~~ the application. The director shall state findings of fact and

1 conclusions of law as part of such decision and . ~~(3) If the director~~
2 ~~approves the application, the director shall issue an order approving,~~
3 ~~conditionally approving, or denying the application.~~

4 Sec. 34. Section 8-3020, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 8-3020 (1) If an application is approved, ~~and a charter shall not be~~
7 ~~issued and or authority is granted by the director under section 8-3019,~~
8 the digital asset depository shall not commence business before
9 satisfaction of all conditions precedent contained in the director's
10 order or conditional order.

11 (2) If an approved digital asset depository fails to commence
12 business in good faith within twelve months after the issuance of a
13 ~~charter or an order of authority to operate by the director,~~ the charter
14 ~~or authority~~ shall expire. The director, for good cause and upon an
15 application filed prior to the expiration of the ~~twelve-month~~ six-month
16 period, may extend the time within which the digital asset depository may
17 open for business.

18 Sec. 35. Section 8-3021, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 8-3021 Any decision of the department or director in approving,
21 conditionally approving, or denying ~~disapproving~~ a charter ~~or authority~~
22 for a digital asset depository is appealable in accordance with the
23 Administrative Procedure Act.

24 Sec. 36. Section 8-3022, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 8-3022 (1) Except as otherwise provided by subsection (2) of this
27 section, a digital asset depository shall, before transacting any
28 business, pledge or furnish a surety bond to the director to cover costs
29 likely to be incurred by the director in a liquidation or conservatorship
30 of the digital asset depository. The amount of the surety bond or pledge
31 of assets under subsection (2) of this section shall be determined by the

1 director in an amount sufficient to defray the costs of a liquidation or
2 conservatorship.

3 (2) In lieu of a bond, a digital asset depository may irrevocably
4 pledge specified assets equivalent to a bond under subsection (1) of this
5 section. Any assets pledged to the director under this subsection shall
6 be held in a state or nationally chartered bank, trust company, federal
7 reserve bank, or savings and loan association having a principal or
8 branch office in this state, excluding affiliated institutions. All costs
9 associated with pledging and holding such assets are the responsibility
10 of the digital asset depository.

11 (3) Assets pledged to the director shall not include money and shall
12 be of the same nature and quality as those required under section 8-210.

13 (4) The digital asset depository shall have the right, with the
14 approval of the director, to substitute other securities for those
15 deposited and shall be required to do so on written order of the director
16 made for good cause shown. The digital asset depository shall pay the
17 fees prescribed in section 8-602 for pledging and substitution of
18 securities. So long as the digital asset depository so depositing shall
19 continue to be solvent and is not in violation of the Nebraska Financial
20 Innovation Act, such digital asset depository shall be permitted to
21 receive the interest or dividends on such deposit.

22 (5) ~~(4)~~ Surety bonds shall run to the State of Nebraska, and shall
23 be approved under the terms and conditions required under section 8-110.

24 (6) ~~(5)~~ The director may by order or rules and regulations establish
25 additional investment guidelines or investment options for purposes of
26 the pledge or surety bond required by this section.

27 (7) ~~(6)~~ In the event of a liquidation or conservatorship of a
28 digital asset depository pursuant to section 8-3027, the director may,
29 without regard to priorities, preferences, or adverse claims, reduce the
30 surety bond or assets pledged under this section to cash as soon as
31 practicable and utilize the cash to defray the costs associated with the

1 liquidation or conservatorship.

2 ~~(8)~~ (7) Income from assets pledged under subsection (2) of this
3 section shall be paid to the digital asset depository no less than
4 annually, unless a liquidation or conservatorship takes place.

5 ~~(9)~~ (8) Upon evidence that the amount of the current surety bond ~~is~~
6 or pledged assets is ~~are~~ insufficient, the director may require a digital
7 asset depository to increase its surety bond or pledged assets by
8 providing not less than thirty days' written notice to the digital asset
9 depository.

10 Sec. 37. Section 8-3023, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 8-3023 (1) The director may call for reports verified under oath
13 from a digital asset depository at any time as necessary to inform the
14 director of the condition of the digital asset depository. Such reports
15 shall be available to the public.

16 (2) All reports required of a digital asset depository by the
17 director and all materials relating to examinations of a digital asset
18 depository shall be subject to the provisions of sections 8-103 and
19 8-108.

20 (3) Every digital asset depository is subject to examination by the
21 department to determine the condition and resources of a digital asset
22 depository, the mode of managing digital asset depository affairs and
23 conducting business, the actions of officers and directors in the
24 investment and disposition of funds, the safety and prudence of digital
25 asset depository management, compliance with the requirements of the
26 Nebraska Financial Innovation Act, and such other matters as the director
27 may require.

28 (4) A digital asset depository shall pay an assessment in a sum to
29 be determined by the director in accordance with section 8-601 and
30 approved by the Governor and the costs of any examination or
31 investigation as provided in sections 8-108 and 8-606.

1 (5) A digital asset depository shall maintain appropriate insurance
2 or a bond covering the operational risks of the digital asset depository,
3 which shall include coverage for directors' and officers' liability,
4 errors and omissions liability, ~~and~~ information technology infrastructure
5 and activities liability, and business operations, as determined by the
6 director.

7 Sec. 38. Section 8-3025, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 8-3025 The director may suspend or revoke the charter ~~or authority~~
10 of a digital asset depository if, after notice and opportunity for a
11 hearing, the director determines that:

12 (1) The digital asset depository has failed or refused to comply
13 with an order issued under section 8-1,136, 8-2504, or 8-2743;

14 (2) The application for a charter ~~or authority~~ contained a
15 materially false statement, misrepresentation, or omission; or

16 (3) An officer, a director, or an agent of the digital asset
17 depository, in connection with an application for a charter ~~or authority~~,
18 an examination, a report, or other document filed with the director,
19 knowingly made a materially false statement, misrepresentation, or
20 omission to the department, the director, or the duly authorized agent of
21 the department or director.

22 Sec. 39. Section 8-3026, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 8-3026 If the charter ~~or authority~~ of a digital asset depository is
25 surrendered, suspended, or revoked, the digital asset depository shall
26 continue to be subject to the provisions of the Nebraska Financial
27 Innovation Act during any liquidation or conservatorship.

28 Sec. 40. Section 8-3028, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 8-3028 (1) A digital asset depository institution may voluntarily
31 dissolve in accordance with this section. Voluntary dissolution shall be

1 accomplished by either liquidating the digital asset depository
2 institution or reorganizing the digital asset depository institution into
3 an appropriate business entity that does not engage in any activity
4 authorized only for a digital asset depository institution. Upon complete
5 liquidation or completion of the reorganization, the director shall
6 revoke the charter ~~or authority~~ of the digital asset depository
7 institution. Thereafter, the corporation or business entity shall not use
8 the words digital asset depository or digital asset bank in its business
9 name or in connection with its ongoing business.

10 (2) A digital asset depository institution may dissolve its charter
11 either by liquidation or reorganization. The board of directors shall
12 file an application for dissolution with the director, accompanied by a
13 filing fee established by an order or the rules and regulations of the
14 director. The application shall include a comprehensive plan for
15 dissolution setting forth the proposed disposition of all assets and
16 liabilities in reasonable detail to effect a liquidation or
17 reorganization, and any other plans required by the director. The plan of
18 dissolution shall provide for the discharge or assumption of all of the
19 known and unknown claims and liabilities of the digital asset depository
20 institution. Additionally, the application for dissolution shall include
21 other evidence, certifications, affidavits, documents, or information as
22 the director may require, including demonstration of how assets and
23 liabilities will be disposed, the timetable for effecting disposition of
24 the assets and liabilities, and a proposal of the digital asset
25 depository institution for addressing any claims that are asserted after
26 dissolution has been completed. The director shall examine the
27 application for compliance with this section, the business entity laws
28 applicable to the required type of dissolution, and applicable orders and
29 rules and regulations. The director may conduct a special examination of
30 the digital asset depository institution, consistent with subsection (3)
31 of section 8-3023, for purposes of evaluating the application.

1 (3) If the director finds that the application is incomplete, the
2 director shall return it for completion not later than sixty days after
3 it is filed. If the application is found to be complete by the director,
4 the director shall approve or ~~deny disapprove~~ the application not later
5 than thirty days after it is filed. If the director approves the
6 application, the digital asset depository institution may proceed with
7 the dissolution pursuant to the plan outlined in the application, subject
8 to any further conditions the director may prescribe. If the digital
9 asset depository institution subsequently determines that the plan of
10 dissolution needs to be amended to complete the dissolution, it shall
11 file an amended plan with the director and obtain approval to proceed
12 under the amended plan. If the director does not approve the application
13 or amended plan, the digital asset depository institution may appeal the
14 decision to the director pursuant to the Administrative Procedure Act.

15 (4) Upon completion of all actions required under the plan of
16 dissolution and satisfaction of all conditions prescribed by the
17 director, the digital asset depository institution shall submit a written
18 report of its actions to the director. The report shall contain a
19 certification made under oath that the report is true and correct.
20 Following receipt of the report, the director, no later than sixty days
21 after the filing of the report, shall examine the digital asset
22 depository institution to determine whether the director is satisfied
23 that all required actions have been taken in accordance with the plan of
24 dissolution and any conditions prescribed by the director. If all
25 requirements and conditions have been met, the director shall, within
26 thirty days of the examination, notify the digital asset depository
27 institution in writing that the dissolution has been completed and issue
28 an order of dissolution.

29 (5) Upon receiving an order of dissolution, the digital asset
30 depository institution shall surrender its charter to the director. The
31 digital asset depository institution shall then file articles of

1 dissolution and other documents required by sections 21-2,184 to 21-2,201
2 for a corporation with the Secretary of State. In the case of
3 reorganization, the digital asset depository institution shall file the
4 documents required by the Secretary of State to finalize the
5 reorganization.

6 (6) If the director determines that all required actions under the
7 plan for dissolution, or as otherwise required by the director, have not
8 been completed, the director shall notify the digital asset depository
9 institution, not later than thirty days after this determination, in
10 writing, of what additional actions shall be taken in order for the
11 institution to be eligible for a certificate of dissolution. The director
12 shall establish a reasonable deadline of up to thirty days for the
13 submission of evidence that additional actions have been taken and the
14 director may extend any deadline upon good cause. If the digital asset
15 depository institution fails to file a supplemental report showing that
16 the additional actions have been taken before the deadline, or submits a
17 report that is found not to be satisfactory by the director, the director
18 shall notify the digital asset depository institution in writing that its
19 voluntary dissolution is not approved, and the institution may appeal the
20 decision to the director pursuant to the Administrative Procedure Act.

21 (7) A financial institution operating a digital asset depository
22 department may, upon adoption of a resolution by its board of directors,
23 and upon compliance with the provisions of this section, insofar as
24 determined by the director by order or rule and regulation, surrender its
25 charter for a digital asset depository department for cancellation to the
26 department.

27 Sec. 41. Section 8-3030, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 8-3030 Each officer, director, employee, or agent of a digital asset
30 depository, following written notice from the director, is subject to
31 removal upon order of the director if such officer, director, employee,

1 or agent knowingly, willfully, or negligently:

2 (1) Fails to perform any duty required by the Nebraska Financial
3 Innovation Act or other applicable law;

4 (2) Fails to conform to any order or rules and regulations of the
5 director; or

6 (3) Endangers the interest of a customer or the safety and soundness
7 of the digital asset depository.

8 Sec. 42. Section 10-110, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 10-110 The county clerk shall ascertain from the assessment roll of
11 the county the amount of taxable property in such county and the
12 percentage required to be levied thereon to pay the interest and to
13 create a sinking fund. The county ~~board clerk~~ shall levy such percentage
14 upon the taxable property of the county, and the county clerk shall place
15 the same upon the tax roll of the county in a separate column or columns,
16 designating the purposes for which the taxes are levied. The taxes shall
17 be collected by the county treasurer in the same manner that other taxes
18 are collected.

19 Sec. 43. Section 10-402, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 10-402 The proposition of the question must be accompanied by a
22 provision to levy a tax annually for the payment of the interest on said
23 ~~bonds as it becomes due~~; Provided, an additional amount shall be levied
24 and collected to pay the principal of said bonds ~~when it shall become~~
25 ~~due.~~

26 Sec. 44. Section 10-403, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 10-403 The proposition shall state the rate of interest such bond
29 shall draw, ~~and when the principal and interest shall be made payable.~~

30 Sec. 45. Section 10-405, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 10-405 It shall be the duty of the proper officers of such county or
2 city to cause to be annually levied, collected and paid to the holders of
3 such bonds a special tax on all taxable property within said county or
4 city sufficient to pay the annual interest and ~~as the same becomes due.~~
5 ~~When the principal of said bonds becomes due such officers shall in like~~
6 ~~manner levy and collect an additional amount sufficient to pay the same~~
7 ~~as it becomes due;~~ Provided, not more than twenty percent of the
8 principal of said bonds shall be collected in any one year.

9 Sec. 46. Section 10-507, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 10-507 The county board of any county issuing bonds under the
12 provisions of sections 10-501 to 10-509 shall levy a tax annually for the
13 payment of the interest on said bonds ~~as it becomes due;~~ Provided, an
14 additional amount shall be levied and collected sufficient to pay the
15 principal of such bonds at maturity; and provided, not more than twenty
16 percent of the principal of said bonds shall be levied and collected in
17 any one year.

18 Sec. 47. Section 10-711, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 10-711 It shall be the duty of the county board in each county to
21 levy annually upon all the taxable property in each school district in
22 such county a tax sufficient to pay the interest that will accrue or is
23 accruing upon any bonds that have been or will be issued by such school
24 district and to provide a sinking fund for the final redemption of the
25 same. Such levy shall be made with the annual levy of the county and the
26 taxes collected with other taxes and when collected shall be paid over to
27 the county treasurer of the county in which the administrative office of
28 such school district is located and shall remain in the hands of such
29 county treasurer as a specific fund for the payment of the interest upon
30 such bonds and for the final payment of the same at maturity. At the
31 request of the school board of any district, the county board shall omit

1 making a levy to pay the principal of the bonds when no bonds will be due
2 within fifteen years thereafter.

3 Sec. 48. Section 10-804, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 10-804 The proposition, when submitted, shall state the amount
6 necessary to be raised each year for the payment of the interest on said
7 bonds, and for the payment of the principal thereof at maturity. When
8 such bonds shall have been issued or authorized to be issued, the proper
9 officers of such county shall cause to be annually levied and collected a
10 special tax upon all taxable property of such county to raise the annual
11 amount designated in said proposition, and to pay the interest and
12 principal of said bonds ~~as the same become due and payable~~.

13 Sec. 49. Section 13-509, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 13-509 (1) On or before August 20 of each year, the county assessor
16 shall certify to each governing body or board empowered to levy or
17 certify a tax levy the current taxable value of the taxable real and
18 personal property subject to the applicable levy. The certification shall
19 be provided to the governing body or board (a) by mail if requested by
20 the governing body or board, (b) electronically, or (c) by listing such
21 certification on the county assessor's website.

22 (2) Current taxable value for real property shall mean the value
23 established by the county assessor and equalized by the county board of
24 equalization and the Tax Equalization and Review Commission. Current
25 taxable value for tangible personal property shall mean the net book
26 value reported by the taxpayer and certified by the county assessor.

27 (3) If a political subdivision annexes property since the last time
28 taxable values were certified under subsection (1) of this section, the
29 governing body of such political subdivision shall file and record a
30 certified copy of the annexation ordinance, petition, or resolution in
31 the office of the register of deeds or, if none, the county clerk and the

1 county assessor of the county in which the annexed property is located.
2 The annexation ordinance, petition, or resolution shall include a full
3 legal description of the annexed property. If the register of deeds or
4 county clerk receives and records such ordinance, petition, or resolution
5 prior to July 1 or, for annexations by a city of the metropolitan class,
6 prior to August 1, the valuation of the real and personal property
7 annexed shall be considered in the taxable valuation of the annexing
8 political subdivision for the current year. If the register of deeds or
9 county clerk receives and records such ordinance, petition, or resolution
10 on or after July 1 or, for annexations by a city of the metropolitan
11 class, on or after August 1, the valuation of the real and personal
12 property annexed shall be considered in the taxable valuation of the
13 annexing political subdivision for the following year.

14 (4) If the legal voters of a political subdivision have approved a
15 bond since the last time taxable values were certified under subsection
16 (1) of this section, the governing body of such political subdivision
17 shall file a copy of the bond language approved by the legal voters of
18 the political subdivision and a full legal description of the property
19 subject to the bond with the county assessor of the county or counties in
20 which such political subdivision is located. If the county assessor
21 receives such copy and full legal description prior to July 1 or, for
22 bonds of a city of the metropolitan class, prior to August 1, the
23 valuation of the real and personal property subject to the bond shall be
24 included in the value certified by the county assessor pursuant to
25 subsection (1) of this section for the current year. If the county
26 assessor receives such copy and full legal description on or after July 1
27 or, for bonds of a city of the metropolitan class, on or after August 1,
28 the valuation of the real and personal property subject to the bond shall
29 be included in the value certified by the county assessor pursuant to
30 subsection (1) of this section for the following year.

31 Sec. 50. Section 21-17,115, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 21-17,115 Notwithstanding any of the other provisions of the Credit
3 Union Act or any other Nebraska statute, any credit union incorporated
4 under the laws of the State of Nebraska and organized under the
5 provisions of the act shall have all the rights, powers, privileges,
6 benefits, and immunities which may be exercised as of January 1, 2023
7 ~~2022~~, by a federal credit union doing business in Nebraska on the
8 condition that such rights, powers, privileges, benefits, and immunities
9 shall not relieve such credit union from payment of state taxes assessed
10 under any applicable laws of this state.

11 Sec. 51. Section 44-319.02, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 44-319.02 Every domestic insurer hereafter organized to transact the
14 business of insurance in this state shall deposit and continually
15 maintain with the Department of Insurance eligible securities for the
16 benefit of all of its policyholders or policyholders and creditors in the
17 United States in the amount of one hundred thousand dollars.

18 Sec. 52. Section 44-319.03, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 44-319.03 Every domestic assessment association hereafter organized
21 to transact the business of insurance in this state, except (1) health
22 and accident assessment associations and (2) assessment associations
23 organized primarily to write insurance coverage on farm properties
24 against the perils of fire, lightning, windstorm, and hail, shall deposit
25 with the Department of Insurance eligible securities for the benefit of
26 all of its policyholders or policyholders and creditors in the United
27 States equal to one-fifth of the minimum surplus funds required of
28 domestic mutual insurance companies licensed to write the same kind or
29 kinds of insurance.

30 Sec. 53. Section 44-319.06, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 44-319.06 No foreign insurer or assessment association now or
2 hereafter authorized to do business in this state shall henceforth
3 transact such business unless it shall deposit and continually maintain
4 with the Department of Insurance or with the proper official of some one
5 state of the United States designated by law to accept such deposit,
6 eligible securities in the amount of not less than one hundred thousand
7 dollars for the benefit of all of its policyholders or policyholders and
8 creditors in the United States.

9 Sec. 54. Section 44-785, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 44-785 (1) Notwithstanding section 44-3,131, (a) any individual or
12 group sickness and accident insurance policy or subscriber contract
13 delivered, issued for delivery, or renewed in this state and any
14 hospital, medical, or surgical expense-incurred policy, except for
15 policies that provide coverage for a specified disease or other limited-
16 benefit coverage, and (b) any self-funded employee benefit plan to the
17 extent not preempted by federal law shall include coverage for screening
18 mammography, digital breast tomosynthesis, bilateral whole breast
19 ultrasound, and diagnostic magnetic resonance imaging as follows:

20 (i) For a woman ~~women~~ who is ~~are~~ thirty-five years of age and older
21 but younger than forty years of age, one base-line mammogram between
22 thirty-five and forty years of age;

23 (ii) For a woman ~~women~~ who is under ~~are~~ forty years of age and who,
24 based on the National Comprehensive Cancer Network Guidelines for Breast
25 Cancer Screening and Diagnosis version 1.2022 and the recommendation of
26 the woman's health care provider, has an increased risk of breast cancer
27 due to (A) a family or personal history of breast cancer or prior
28 atypical breast biopsy, (B) positive genetic testing, or (C)
29 heterogeneous or dense breast tissue based on a breast imaging, at least
30 one mammogram each year and additional mammograms if necessary; ~~older but~~
31 ~~younger than fifty years of age, one mammogram every two years or more~~

1 frequently based on the patient's physician's recommendation; and

2 (iii) For a woman ~~women~~ who is forty ~~are fifty~~ years of age or
3 older, one mammogram every year; -

4 (iv) For a woman who, based on the National Comprehensive Cancer
5 Network Guidelines for Breast Cancer Screening and Diagnosis version
6 1.2022 and the recommendation of the woman's health care provider, has an
7 increased risk for breast cancer due to (A) a family or personal history
8 of breast cancer or prior atypical breast biopsy, (B) positive genetic
9 testing, or (C) heterogeneous or dense breast tissue based on a breast
10 imaging, one digital breast tomosynthesis each year;

11 (v) For a woman who, based on the National Comprehensive Cancer
12 Network Guidelines for Breast Cancer Screening and Diagnosis version
13 1.2022 and the recommendation of the woman's health care provider, has an
14 increased risk for breast cancer due to (A) a family or personal history
15 of breast cancer or prior atypical breast biopsy, (B) positive genetic
16 testing, or (C) heterogeneous or dense breast tissue based on a breast
17 imaging, one bilateral whole breast ultrasound each year;

18 (vi) For a woman who, based on the National Comprehensive Cancer
19 Network Guidelines for Breast Cancer Screening and Diagnosis version
20 1.2022 and the recommendation of the woman's health care provider, has an
21 increased risk for breast cancer due to (A) a family or personal history
22 of breast cancer or prior atypical breast biopsy, (B) positive genetic
23 testing, or (C) a history of chest radiation, one diagnostic magnetic
24 resonance imaging each year; and

25 (vii) For a woman who, based on national standard risk models or the
26 National Comprehensive Cancer Network Guidelines for Breast Cancer
27 Screening and Diagnosis, has an increased risk of breast cancer and
28 heterogeneous or dense breast tissue, one diagnostic magnetic resonance
29 imaging each year.

30 (2)(a) Except as provided in subdivision (b) of this subsection,
31 this section prohibits the application of deductible, coinsurance,

1 copayment, or other cost-sharing requirements contained in the policy or
2 health benefit plan for such services.

3 (b) ~~(2)~~ This section does not prevent application of deductible or
4 copayment provisions contained in the policy or health benefit plan for
5 diagnostic magnetic resonance imaging for a woman based on heterogeneous
6 or dense breast tissue.

7 (c) This section does not ~~or~~ require that coverage under an
8 individual or group policy or health benefit plan be extended to any
9 other procedures. The coverage provided by this section shall not be less
10 favorable than for other radiological examinations. ~~This section does not~~
11 ~~apply if the covered individuals are provided an ongoing screening~~
12 ~~mammography program which at a minimum meets the requirements of this~~
13 ~~section as a separate benefit.~~

14 (3) For purposes of this section, screening mammography shall mean
15 radiological examination of the breast of asymptomatic women for the
16 early detection of breast cancer, which examination shall include (a) a
17 cranio-caudal and a medial lateral oblique view of each breast and (b) a
18 licensed radiologist's interpretation of the results of the procedure.
19 Screening mammography shall not include diagnostic mammography,
20 additional projections required for lesion definition, breast ultrasound,
21 or any breast interventional procedure. Screening mammography shall be
22 performed by a mammogram supplier who meets the standards of the federal
23 Mammography Quality Standards Act of 1992.

24 Sec. 55. Section 44-7,102, Revised Statutes Cumulative Supplement,
25 2022, is amended to read:

26 44-7,102 (1) Notwithstanding section 44-3,131, (a) any individual or
27 group sickness and accident insurance policy, certificate, or subscriber
28 contract delivered, issued for delivery, or renewed in this state and any
29 hospital, medical, or surgical expense-incurred policy, except for short-
30 term major medical policies of six months or less duration and policies
31 that provide coverage for a specified disease or other limited-benefit

1 coverage, and (b) any self-funded employee benefit plan to the extent not
2 preempted by federal law shall include screening coverage for a
3 colorectal cancer examination and laboratory tests for cancer for any
4 nonsymptomatic person forty-five years of age or older covered under such
5 policy, certificate, contract, or plan. Such screening coverage shall
6 include a maximum of one stool-based preventive screening test as
7 approved by the United States Preventive Services Task Force screening
8 ~~fecal occult blood test~~ annually and a flexible sigmoidoscopy every five
9 years, a colonoscopy every ten years, or a barium enema every five to ten
10 years, or any combination, or the most reliable, medically recognized
11 screening test available. The screenings selected shall be as deemed
12 appropriate by a health care provider and the patient.

13 (2) On or after December 31, 2023, no policy, certificate, or
14 contract, delivered, issued for delivery, or renewed in this state, or
15 any self-funded employee benefit plan, to the extent not preempted by
16 federal law, shall impose a deductible, coinsurance, or any other cost
17 sharing requirements for screening colonoscopies as recommended by the
18 United States Preventive Services Task Force, including those performed
19 as a result of a positive noncolonoscopy stool-based preventive screening
20 test ~~This section does not prevent application of deductible or copayment~~
21 ~~provisions contained in the policy, certificate, contract, or employee~~
22 ~~benefit plan or require that such coverage be extended to any other~~
23 ~~procedures.~~

24 Sec. 56. Section 44-1993, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 44-1993 (1) A title insurer shall not accept title insurance
27 business from a title insurance agent unless there is in force a written
28 contract between the parties which sets forth the responsibilities of
29 each party and, when both parties share responsibility for a particular
30 function, specifies the division of responsibilities.

31 (2) For each title insurance agent under contract with a title

1 insurer, the title insurer shall have on file a statement of financial
2 condition of each title insurance agent as of the end of the previous
3 calendar year setting forth an income statement of title insurance
4 business done during the preceding year and a balance sheet showing the
5 condition of its affairs as of the prior December 31 certified by the
6 title insurance agent as being a true and accurate representation of the
7 title insurance agent's financial condition. Attorneys actively engaged
8 in the practice of law, other than that related to title insurance
9 business, are exempt from the requirements of this subsection.

10 (3) A title insurer shall, at least annually, conduct ~~a~~ an onsite
11 review of the underwriting, claims, and escrow practices of the title
12 insurance agent which shall include a review of the title insurance
13 agent's title insurance policy form inventory and processing operations.
14 If the title insurance agent does not maintain separate financial
15 institution or trust accounts for each title insurer it represents, the
16 title insurer shall verify that the funds held on its behalf are
17 reasonably ascertainable from the books of account and records of the
18 title insurance agent.

19 (4) Within thirty days after executing or terminating a contract
20 with a title insurance agent, a title insurer shall provide written
21 notification of the appointment or termination and the reason for
22 termination to the director. Notices of appointment of a title insurance
23 agent shall be made on a form prescribed or approved by the director.

24 (5) A title insurer shall maintain an inventory of all title
25 insurance policy forms or title insurance policy numbers allocated to
26 each title insurance agent.

27 (6) A title insurer shall have on file proof that each title
28 insurance agent is licensed by this state.

29 (7) A title insurer shall establish the underwriting guidelines and,
30 when applicable, limitations on title claims settlement authority to be
31 incorporated into contracts with its title insurance agents.

1 (8)(a) A title insurer is liable for the defalcation, conversion, or
2 misappropriation by a title insurance agent appointed by or under written
3 contract with such title insurer of escrow, settlement, closing, or
4 security deposit funds handled by such title insurance agent in
5 contemplation of or in conjunction with the issuance of a title insurance
6 commitment or title insurance policy by such title insurer. However, if
7 no such title insurance commitment or title insurance policy was issued,
8 each title insurer which appointed or maintained a written contract with
9 such title insurance agent at the time of the discovery of the
10 defalcation, conversion, or misappropriation shares in the liability for
11 the defalcation, conversion, or misappropriation in the same proportion
12 that the premium remitted to the title insurer by such title insurance
13 agent during the twelve-month period immediately preceding the date of
14 the discovery of the defalcation, conversion, or misappropriation bears
15 to the total premium remitted to all title insurers by such title
16 insurance agent during the twelve-month period immediately preceding the
17 date of the discovery of the defalcation, conversion, or
18 misappropriation.

19 (b) For purposes of this subsection, title insurance agent includes
20 (i) a person with whom a title insurer maintains a title insurance agency
21 agreement and (ii) an employer or employee of a title insurance agent or
22 of a person with whom a title insurer maintains a title insurance agency
23 agreement.

24 Sec. 57. Section 44-2824, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 44-2824 (1) To be qualified under the Nebraska Hospital-Medical
27 Liability Act, a health care provider or such health care provider's
28 employer, employee, partner, or limited liability company member shall:

29 (a) File with the director proof of financial responsibility,
30 pursuant to section 44-2827 or 44-2827.01, in the amount of eight hundred
31 thousand ~~five hundred thousand~~ dollars for each occurrence. ~~An In the~~

1 ~~case of physicians or certified registered nurse anesthetists and their~~
2 ~~employers, employees, partners, or limited liability company members an~~
3 aggregate liability amount of three ~~one~~ million dollars for all
4 occurrences or claims made in any policy year or risk-loss trust year for
5 each named insured shall be provided. ~~In the case of hospitals and their~~
6 ~~employees, an aggregate liability amount of three million dollars for all~~
7 ~~occurrences or claims made in any policy year or risk-loss trust year~~
8 ~~shall be provided.~~ Such policy may be written on either an occurrence or
9 a claims-made basis. Any risk-loss trust shall be established and
10 maintained only on an occurrence basis. Such qualification shall remain
11 effective only as long as insurance coverage or risk-loss trust coverage
12 as required remains effective; and

13 (b) Pay the surcharge and any special surcharge levied on all health
14 care providers pursuant to sections 44-2829 to 44-2831.

15 (2) Subject to the requirements in subsections (1) and (4) of this
16 section, the qualification of a health care provider shall be either on
17 an occurrence or claims-made basis and shall be the same as the insurance
18 coverage provided by the insured's policy.

19 (3) The director shall have authority to permit qualification of
20 health care providers who have retired or ceased doing business if such
21 health care providers have primary insurance coverage under subsection
22 (1) of this section.

23 (4) A health care provider who is not qualified under the act at the
24 time of the alleged occurrence giving rise to a claim shall not, for
25 purposes of that claim, qualify under the act notwithstanding subsequent
26 filing of proof of financial responsibility and payment of a required
27 surcharge.

28 (5) Qualification of a health care provider under the Nebraska
29 Hospital-Medical Liability Act shall continue only as long as the health
30 care provider meets the requirements for qualification. A health care
31 provider who has once qualified under the act and who fails to renew or

1 continue his or her qualification in the manner provided by law and by
2 the rules and regulations of the Department of Insurance shall cease to
3 be qualified under the act.

4 Sec. 58. Section 44-2825, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 44-2825 (1) The total amount recoverable under the Nebraska
7 Hospital-Medical Liability Act from any and all health care providers and
8 the Excess Liability Fund for any occurrence resulting in any injury or
9 death of a patient may not exceed (a) five hundred thousand dollars for
10 any occurrence on or before December 31, 1984, (b) one million dollars
11 for any occurrence after December 31, 1984, and on or before December 31,
12 1992, (c) one million two hundred fifty thousand dollars for any
13 occurrence after December 31, 1992, and on or before December 31, 2003,
14 (d) one million seven hundred fifty thousand dollars for any occurrence
15 after December 31, 2003, and on or before December 31, 2014, and (e) two
16 million two hundred fifty thousand dollars for any occurrence after
17 December 31, 2014.

18 (2) A health care provider qualified under the act shall not be
19 liable to any patient or his or her representative who is covered by the
20 act for an amount in excess of eight hundred thousand ~~five hundred~~
21 ~~thousand~~ dollars for all claims or causes of action arising from any
22 occurrence during the period that the act is effective with reference to
23 such patient.

24 (3) Subject to the overall limits from all sources as provided in
25 subsection (1) of this section, any amount due from a judgment or
26 settlement which is in excess of the total liability of all liable health
27 care providers shall be paid from the Excess Liability Fund pursuant to
28 sections 44-2831 to 44-2833.

29 (4) Nothing in the Nebraska Hospital-Medical Liability Act shall be
30 construed to require the Excess Liability Fund to provide coverage for
31 the first eight hundred thousand dollars per occurrence or to provide a

1 defense for or on behalf of a qualified health care provider after the
2 provider's annual aggregate limit of liability amount set forth in
3 sections 44-2824 and 44-2827 has been exhausted. A qualified health care
4 provider's purchase of coverage with an aggregate limit of liability
5 higher than required by sections 44-2824 and 44-2827 shall not affect a
6 payment obligation under the Excess Liability Fund required pursuant to
7 this section.

8 Sec. 59. Section 44-2827, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 44-2827 Financial responsibility of a health care provider may be
11 established only by filing with the director proof that the health care
12 provider is insured pursuant to sections 44-2837 to 44-2839 or by a
13 policy of professional liability insurance in a company authorized to do
14 business in Nebraska. Such insurance shall be in the amount of eight
15 hundred thousand ~~five hundred thousand~~ dollars per occurrence, ~~and, in~~
16 ~~cases involving physicians or certified registered nurse anesthetists,~~
17 ~~but not with respect to hospitals,~~ an aggregate liability of at least one
18 million dollars for all occurrences or claims made in any policy year
19 shall be provided. In the case of hospitals and their employees, an
20 aggregate liability amount of three million dollars for all occurrences
21 or claims made in any policy year shall be provided. The filing shall
22 state the premium charged for the policy of insurance.

23 Sec. 60. Section 44-2831.01, Reissue Revised Statutes of Nebraska,
24 is amended to read:

25 44-2831.01 (1) Any health care provider who has furnished proof of
26 financial responsibility prior to January 1, 2025 ~~2005~~, under sections
27 44-2824 and 44-2827 shall be qualified under section 44-2824 for the
28 remainder of the policy year or risk-loss trust year.

29 (2) The increases in coverage requirements made by Laws 2004, LB
30 998, in sections 44-2824 and 44-2827 shall apply to policies issued or
31 renewed and risk-loss trust years that ~~which~~ commence after January 1,

1 2005, and before January 1, 2025.

2 (3) The changes made to sections 44-2825, 44-2832, and 44-2833 by
3 Laws 2004, LB 998, apply commencing with policies issued or renewed and
4 risk-loss trust years that which commence after January 1, 2005, and
5 before January 1, 2025.

6 (4) The increases in coverage requirements made by this legislative
7 bill in sections 44-2824 and 44-2827 shall apply to policies issued or
8 renewed and risk-loss trust years that commence on or after January 1,
9 2025.

10 (5) The changes made to sections 44-2825, 44-2832, and 44-2833 by
11 this legislative bill apply commencing with policies issued or renewed
12 and risk-loss trust years that commence on or after January 1, 2025.

13 Sec. 61. Section 44-2832, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 44-2832 (1) The Director of Administrative Services shall issue a
16 warrant drawn on the fund in the amount of each claim submitted by the
17 director. All claims against the fund shall be made on a voucher or other
18 appropriate request by the director after he or she has received:

19 (a) A certified copy of a final judgment in excess of eight hundred
20 thousand five hundred thousand dollars against a health care provider and
21 in excess of the amount recoverable from all health care providers;

22 (b) A certified copy of a court-approved settlement in excess of
23 eight hundred thousand five hundred thousand dollars against a health
24 care provider and in excess of the amount recoverable from all health
25 care providers; or

26 (c) In case of claims based on primary insurance issued by the risk
27 manager under sections 44-2837 to 44-2839, a certified copy of a final
28 judgment or court-approved settlement requiring payment from the fund.

29 (2) The amount paid from the fund for excess liability when added to
30 the payments by all health care providers may not exceed the maximum
31 amount recoverable pursuant to subsection (1) of section 44-2825. The

1 amount paid from the fund on account of a primary insurance policy issued
2 by the risk manager to a health care provider under sections 44-2837 to
3 44-2839 may not exceed eight hundred thousand ~~five hundred thousand~~
4 dollars for any one occurrence covered by such policy under any
5 circumstances.

6 Sec. 62. Section 44-2833, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 44-2833 (1) If the insurer of a health care provider shall agree to
9 settle its liability on a claim against its insured by payment of its
10 policy limits of eight hundred thousand ~~five hundred thousand~~ dollars and
11 the claimant shall demand an amount in excess thereof for a complete and
12 final release and if no other health care provider is involved, the
13 procedures prescribed in this section shall be followed.

14 (2) A motion shall be filed by the claimant with the court in which
15 the action is pending against the health care provider or, if no action
16 is pending, the claimant shall file a complaint in one of the district
17 courts of the State of Nebraska, seeking approval of an agreed
18 settlement, if any, or demanding payment of damages from the Excess
19 Liability Fund.

20 (3) A copy of such motion or complaint shall be served on the
21 director, the health care provider, and the health care provider's
22 insurer and shall contain sufficient information to inform the parties
23 concerning the nature of the claim and the additional amount demanded.
24 The health care provider and his or her insurer shall have a right to
25 intervene and participate in the proceedings.

26 (4) The director, with the consent of the health care provider, may
27 agree to a settlement with the claimant from the Excess Liability Fund.
28 Either the director or the health care provider may file written
29 objections to the payment of the amount demanded. The agreement or
30 objections to the payment demanded shall be filed within twenty days
31 after the motion or complaint is filed.

1 (5) After the motion or complaint, agreement, and objections, if
2 any, have been filed, the judge shall set the matter for trial as soon as
3 practicable. The court shall give notice of the trial to the claimant,
4 the health care provider, and the director.

5 (6) At the trial, the director, the claimant, and the health care
6 provider may introduce relevant evidence to enable the court to determine
7 whether or not the settlement should be approved if it has been submitted
8 on agreement without objections. If the director, the health care
9 provider, and the claimant shall be unable to agree on the amount, if
10 any, to be paid out of the Excess Liability Fund, the amount of
11 claimant's damages, if any, in excess of the eight hundred thousand five
12 ~~hundred thousand~~ dollars already paid by the insurer of the health care
13 provider shall be determined at trial.

14 (7) The court shall determine the amount for which the fund is
15 liable and render a finding and judgment accordingly. In approving a
16 settlement or determining the amount, if any, to be paid from the Excess
17 Liability Fund in such a case, the court shall consider the liability of
18 the health care provider as admitted and established by evidence.

19 (8) Any settlement approved by the court may not be appealed. Any
20 judgment of the court fixing damages recoverable in any such contested
21 proceeding shall be appealable pursuant to the rules governing appeals in
22 any other civil case.

23 Sec. 63. Section 44-3308, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 44-3308 (1) An insurer whose purposes according to its articles of
26 incorporation are restricted to transacting legal expense insurance and
27 business reasonably related thereto shall deposit with the director
28 securities eligible for deposit by an insurance company, which shall have
29 at all times a market value of not less than one hundred fifty thousand
30 dollars, or as provided by subsection (7) of this section. A deposit
31 under this section shall be held to assure the faithful performance of

1 the insurer's obligations to its policyholders or policyholders and
2 creditors.

3 (2) In lieu of any deposit of securities required under subsection
4 (1) of this section, the insurer may file with the director a surety bond
5 in the amount of one hundred fifty thousand dollars, or as provided by
6 subsection (7) of this section. The bond shall be one issued by an
7 insurance company authorized to do business in the State of Nebraska. The
8 bond shall be for the same purposes as the deposit in lieu of which it is
9 filed, and it shall be subject to the director's approval. No such bond
10 shall be canceled or subject to cancellation unless at least thirty days'
11 advance notice thereof, in writing, is filed with the director.

12 (3) Securities or bond posted by the insurer pursuant to subsection
13 (1) or (2) of this section shall be for the benefit of and subject to
14 action thereon in the event of insolvency of the insurer by any person or
15 persons sustaining an actionable injury due to the failure of the insurer
16 to faithfully perform its obligations to its policyholders or
17 policyholders and creditors.

18 (4) The State of Nebraska shall be responsible for the safekeeping
19 of all securities deposited with the director under this section. The
20 securities shall not, on account of being in this state, be subject to
21 taxation.

22 (5) The depositing insurer shall, during its solvency, have the
23 right to exchange or substitute other securities of a like quality and
24 value for securities on deposit, to receive the interest and other income
25 accruing on such securities, and to inspect the deposit at all reasonable
26 times.

27 (6) The deposit or bond shall be maintained unimpaired as long as
28 the insurer continues in business in this state. Whenever the insurer
29 ceases to do business and furnishes to the director proof satisfactory to
30 the director that the insurer adequately provided for all of its
31 obligations to its policyholders, creditors, or contract holders in this

1 state, the director shall release the deposited securities to the parties
2 entitled thereto, on presentation of the director's receipts for such
3 securities, or shall release any bond filed with it in lieu of such
4 deposit.

5 (7) The director may reduce the minimum market value of securities
6 required under subsection (1) of this section or the amount of the surety
7 bond required under subsection (2) of this section if he or she finds
8 that the reduction is justified by:

9 (a) The terms and number of existing contracts with subscribers;

10 (b) Support by financially sound public or private organizations or
11 agencies;

12 (c) Agreements with lawyers or paralegal personnel for the providing
13 of legal services;

14 (d) Agreements with other persons for insuring the payment of the
15 cost of legal services or the provision for alternative coverage in the
16 event the insurer is unable to perform its obligations; or

17 (e) Other reliable financial guarantees.

18 (8) No part of the securities or bond to be filed under this section
19 shall be supplied directly or indirectly by dues payments made for the
20 purpose of meeting requirements to practice a profession.

21 Sec. 64. Section 44-4054, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 44-4054 (1) Unless denied licensure pursuant to section 44-4059, a
24 person who has met the requirements of sections 44-4052 and 44-4053 shall
25 be issued an insurance producer license. An insurance producer may
26 receive qualification for a license in one or more of the following lines
27 of authority:

28 (a) Life insurance coverage on human lives, including benefits of
29 endowment and annuities, and may include benefits in the event of death
30 or dismemberment by accident and benefits for disability income;

31 (b) Accident and health or sickness, insurance coverage for

1 sickness, bodily injury, or accidental death and may include benefits for
2 disability income;

3 (c) Property insurance coverage for the direct or consequential loss
4 or damage to property of every kind;

5 (d) Casualty insurance coverage against legal liability, including
6 that for death, injury, or disability or damage to real or personal
7 property;

8 (e) Variable life and variable annuity products, insurance coverage
9 provided under variable life insurance contracts, and variable annuities;

10 (f) Limited line credit insurance;

11 (g) Limited line pre-need funeral insurance;

12 (h) Personal lines property and casualty insurance coverage sold to
13 individuals and families for primarily noncommercial purposes; and

14 (i) Any other line of insurance permitted under Nebraska laws,
15 rules, or regulations.

16 (2) An insurance producer license shall remain in effect unless
17 revoked or suspended if the fee set forth in section 44-4064 is paid and
18 education requirements for resident individual producers are met by the
19 due date.

20 (3) All business entity licenses issued under the Insurance
21 Producers Licensing Act shall expire on April 30 of each even-numbered
22 year, and all producers licenses shall expire on the last day of the
23 month of the producer's birthday in the first year after issuance in
24 which his or her age is divisible by two. Such producer licenses may be
25 renewed within the ninety-day period before their expiration dates.
26 Business entity and producer licenses also may be renewed within the
27 thirty-day period after their expiration dates upon payment of a late
28 renewal fee as established by the director pursuant to section 44-4064 in
29 addition to the applicable fee otherwise required for renewal of business
30 entity and producer licenses as established by the director pursuant to
31 such section. All business entity and producer licenses renewed within

1 the thirty-day period after their expiration dates pursuant to this
2 subsection shall be deemed to have been renewed before their expiration
3 dates.

4 (4) The director may establish procedures for renewal of licenses by
5 rule and regulation adopted and promulgated pursuant to the
6 Administrative Procedure Act.

7 (5) An individual insurance producer who allows his or her license
8 to lapse may, within twelve months from the due date of the renewal fee,
9 reinstate the same license without the necessity of passing a written
10 examination. Producer licenses reinstated pursuant to this subsection
11 shall be issued only after payment of a reinstatement fee as established
12 by the director pursuant to section 44-4064 in addition to the applicable
13 fee otherwise required for renewal of producer licenses as established by
14 the director pursuant to such section.

15 (6) The director may grant a licensed insurance producer who is
16 unable to comply with license renewal procedures due to military service
17 or some other extenuating circumstance, including, but not limited to, a
18 long-term medical disability, a waiver of those procedures. The director
19 may grant a producer a waiver of any examination requirement or any other
20 fine, fee, or sanction imposed for failure to comply with renewal
21 procedures.

22 (7) The license shall contain the licensee's name, address, and
23 personal identification number, the date of issuance, the lines of
24 authority, the expiration date, and any other information the director
25 deems necessary.

26 (8) Licensees shall inform the director by any means acceptable to
27 the director of a change of legal name or address within thirty days
28 after the change. Any person failing to provide such notification shall
29 be subject to a fine by the director of not more than five hundred
30 dollars per violation, suspension of the person's license until the
31 change of address is reported to the director, or both.

1 (9) The director may contract with nongovernmental entities,
2 including the National Association of Insurance Commissioners or any
3 affiliates or subsidiaries that the National Association of Insurance
4 Commissioners oversees, to perform any ministerial functions, including
5 the collection of fees, related to producer licensing that the director
6 may deem appropriate.

7 Sec. 65. Section 44-5140, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 44-5140 (1) An insurer may invest in the preferred stock of any
10 corporation which:

11 ~~(a) Has retained earnings of not less than one million dollars;~~

12 (a) ~~(b)~~ Has earned and paid regular dividends at the regular
13 prescribed rate each year upon its preferred stock, if any is or has been
14 outstanding, for not less than five years immediately preceding the
15 purchase of such preferred stock or during such part of such five-year
16 period as it has had preferred stock outstanding; and

17 (b) ~~(c)~~ Has had no material defaults in principal payments of or
18 interest on any obligations of such corporation and its subsidiaries
19 having a priority equal to or higher than those purchased during the
20 period of five years immediately preceding the date of acquisition or, if
21 outstanding for less than five years, at any time since such obligations
22 were issued.

23 The earnings of and the regular dividends paid by all predecessor,
24 merged, consolidated, or purchased corporations may be included through
25 the use of consolidated or pro forma statements.

26 (2) Except as authorized under the Insurance Holding Company System
27 Act, an insurer shall not own more than five percent of the total issued
28 shares of stock of any corporation other than an insurer.

29 (3) A life insurer's investments authorized under this section shall
30 not exceed the greater of twenty-five percent of its admitted assets or
31 one hundred percent of its policyholders surplus, nor shall a life

1 insurer's investments authorized under this section that are not rated
2 P-1 or P-2 by the Securities Valuation Office exceed ten percent of its
3 admitted assets.

4 Sec. 66. Section 44-5141, Revised Statutes Cumulative Supplement,
5 2022, is amended to read:

6 44-5141 (1) An insurer may invest in the common stock or rights to
7 purchase or sell common stock of any corporation ~~which has retained~~
8 ~~earnings of not less than one million dollars, except that an investment~~
9 ~~may be made in any corporation having a majority of its operations in~~
10 ~~this state which has retained earnings of not less than two hundred fifty~~
11 ~~thousand dollars. The earnings of all predecessor, merged, consolidated,~~
12 ~~or purchased corporations shall be included through the use of~~
13 ~~consolidated or pro forma statements.~~

14 (2)(a) An insurer may invest in equity interests or rights to
15 purchase or sell equity interests in business entities other than general
16 partnerships unless the general partnership is wholly owned by the
17 insurer.

18 (b) A life insurer shall not invest under this subsection in any
19 investment which the life insurer may invest in under section 44-5140 or
20 44-5144 or subsection (1) of this section.

21 (3) A life insurer's investments authorized under this section shall
22 not exceed the greater of one hundred percent of its policyholders
23 surplus or twenty percent of its admitted assets.

24 Sec. 67. Section 45-191.01, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 45-191.01 (1) Prior to a borrower signing a loan brokerage
27 agreement, the loan broker shall give the borrower a written disclosure
28 statement. The cover sheet of the disclosure statement shall have
29 printed, in at least ten-point boldface capital letters, the title
30 DISCLOSURES REQUIRED BY NEBRASKA LAW. The following statement, printed in
31 at least ten-point type, shall appear under the title:

1 THE STATE OF NEBRASKA HAS NOT REVIEWED AND DOES NOT APPROVE,
2 RECOMMEND, ENDORSE, OR SPONSOR ANY LOAN BROKERAGE AGREEMENT. THE
3 INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT HAS NOT BEEN VERIFIED
4 BY THE STATE. IF YOU HAVE QUESTIONS, SEEK LEGAL ADVICE BEFORE YOU SIGN A
5 LOAN BROKERAGE AGREEMENT.

6 Only the title and the statement shall appear on the cover sheet.

7 (2) The body of the disclosure statement shall contain the following
8 information:

9 (a) The name, street address, and telephone number of the loan
10 broker, the names under which the loan broker does, has done, or intends
11 to do business, the name and street address of any parent or affiliated
12 company, and the electronic mail and Internet address of the loan broker,
13 ~~if any~~;

14 (b) A statement as to whether the loan broker does business as an
15 individual, a partnership, a corporation, or another organizational form,
16 including identification of the state of incorporation or formation;

17 (c) How long the loan broker has done business;

18 (d) The number of loan brokerage agreements the loan broker has
19 entered into in the previous twelve months;

20 (e) The number of loans the loan broker has obtained for borrowers
21 in the previous twelve months;

22 (f) A description of the services the loan broker agrees to perform
23 for the borrower;

24 (g) The conditions under which the borrower is obligated to pay the
25 loan broker. This disclosure shall be in boldface type;

26 (h) The names, titles, and principal occupations for the past five
27 years of all officers, directors, or persons occupying similar positions
28 responsible for the loan broker's business activities;

29 (i) A statement whether the loan broker or any person identified in
30 subdivision (h) of this subsection:

31 (i) Has been convicted of a felony or misdemeanor or pleaded nolo

1 contendere to a felony or misdemeanor charge if such felony or
2 misdemeanor involved fraud, embezzlement, fraudulent conversion, or
3 misappropriation of property;

4 (ii) Has been held liable in a civil action by final judgment or
5 consented to the entry of a stipulated judgment if the civil action
6 alleged fraud, embezzlement, fraudulent conversion, or misappropriation
7 of property or the use of untrue or misleading representations in an
8 attempt to sell or dispose of real or personal property or the use of
9 unfair, unlawful, or deceptive business practices; or

10 (iii) Is subject to any currently effective injunction or
11 restrictive order relating to business activity as the result of an
12 action brought by a public agency or department including, but not
13 limited to, action affecting any vocational license; and

14 (j) Any other information the director requires.

15 Sec. 68. Section 45-191.04, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 45-191.04 (1) A loan brokerage agreement shall be in writing and
18 shall be signed by the loan broker and the borrower. The loan broker
19 shall furnish the borrower a copy of such signed loan brokerage agreement
20 at the time the borrower signs it.

21 (2) The borrower has the right to cancel a loan brokerage agreement
22 for any reason at any time within five business days after the date the
23 parties sign the agreement. The loan brokerage agreement shall set forth
24 the borrower's right to cancel and the procedures to be followed when an
25 agreement is canceled.

26 (3) A loan brokerage agreement shall set forth in at least ten-point
27 type, or handwriting of at least equivalent size, the following:

28 (a) The terms and conditions of payment;

29 (b) A full and detailed description of the acts or services the loan
30 broker will undertake to perform for the borrower;

31 (c) The loan broker's principal business address, telephone number,

1 and electronic mail and Internet address, ~~if any,~~ and the name, address,
2 telephone number, and electronic mail and Internet address, if any, of
3 its agent in the State of Nebraska authorized to receive service of
4 process;

5 (d) The business form of the loan broker, whether a corporation,
6 partnership, limited liability company, or otherwise; and

7 (e) The following notice of the borrower's right to cancel the loan
8 brokerage agreement pursuant to this section:

9 "You have five business days in which you may cancel this agreement
10 for any reason by mailing or delivering written notice to the loan
11 broker. The five business days shall expire on (last
12 date to mail or deliver notice), and notice of cancellation should be
13 mailed to (loan broker's name
14 and business street address). If you choose to mail your notice, it must
15 be placed in the United States mail properly addressed, first-class
16 postage prepaid, and postmarked before midnight of the above date. If you
17 choose to deliver your notice to the loan broker directly, it must be
18 delivered to the loan broker by the end of the normal business day on the
19 above date. Within five business days after receipt of the notice of
20 cancellation, the loan broker shall return to you all sums paid by you to
21 the loan broker pursuant to this agreement."

22 The notice shall be set forth immediately above the place at which
23 the borrower signs the loan brokerage agreement.

24 Sec. 69. Section 45-735, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 45-735 (1) A mortgage loan originator shall be an employee or
27 independent agent of a single licensed mortgage banker, registrant, or
28 installment loan company that shall directly supervise, control, and
29 maintain responsibility for the acts and omissions of the mortgage loan
30 originator.

31 (2)(a) ~~(2)~~ A mortgage loan originator shall not engage in mortgage

1 loan origination activities at any location that is not a main office
2 location of a licensed mortgage banker, registrant, or installment loan
3 company or a branch office of a licensed mortgage banker or registrant.
4 The licensed mortgage banker, registrant, or installment loan company
5 shall designate the location or locations at which each mortgage loan
6 originator is originating residential mortgage loans.

7 (b) The department may adopt and promulgate rules, regulations, and
8 orders to authorize and regulate the use of remote work arrangements
9 conducted outside of a main office location or branch office by employees
10 or agents, including mortgage loan originators, of licensed mortgage
11 bankers, registrants, or installment loan companies.

12 (3) Any licensed mortgage banker, registrant, or installment loan
13 company who engages an independent agent as a mortgage loan originator
14 shall maintain a written agency contract with such mortgage loan
15 originator. Such written agency contract shall provide that the mortgage
16 loan originator is originating loans exclusively for the licensed
17 mortgage banker, registrant, or installment loan company.

18 (4) A licensed mortgage banker, registrant, or installment loan
19 company that has hired a licensed mortgage loan originator as an employee
20 or entered into an independent agent agreement with such licensed
21 mortgage loan originator shall provide notification to the department as
22 soon as reasonably possible after entering into such relationship, along
23 with a fee of fifty dollars. The employing entity shall not allow the
24 mortgage loan originator to conduct such activity in this state prior to
25 such notification to the department and confirmation that the department
26 has received notice of the termination of the mortgage loan originator's
27 prior employment.

28 (5) A licensed mortgage banker, registrant, or installment loan
29 company shall notify the department no later than ten days after the
30 termination, whether voluntary or involuntary, of a mortgage loan
31 originator unless the mortgage loan originator has previously notified

1 the department of the termination.

2 Sec. 70. Section 45-1002, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 45-1002 (1) For purposes of the Nebraska Installment Loan Act:

5 (a) Applicant means a person applying for a license under the act;

6 (b) Breach of security of the system means unauthorized acquisition
7 of data that compromises the security, confidentiality, or integrity of
8 the information maintained by the Nationwide Mortgage Licensing System
9 and Registry, its affiliates, or its subsidiaries;

10 (c) Consumer means an individual who is a resident of Nebraska and
11 who seeks to obtain, obtains, or has obtained a loan that is to be used
12 primarily for personal, family, or household purposes;

13 (d) ~~(e)~~ Department means the Department of Banking and Finance;

14 (e) ~~(d)~~ Debt cancellation contract means a loan term or contractual
15 arrangement modifying loan terms under which a financial institution or
16 licensee agrees to cancel all or part of a borrower's obligation to repay
17 an extension of credit from the financial institution or licensee upon
18 the occurrence of a specified event. The debt cancellation contract may
19 be separate from or a part of other loan documents. The term debt
20 cancellation contract does not include loan payment deferral arrangements
21 in which the triggering event is the borrower's unilateral election to
22 defer repayment or the financial institution's or licensee's unilateral
23 decision to allow a deferral of repayment;

24 (f) ~~(e)~~ Debt suspension contract means a loan term or contractual
25 arrangement modifying loan terms under which a financial institution or
26 licensee agrees to suspend all or part of a borrower's obligation to
27 repay an extension of credit from the financial institution or licensee
28 upon the occurrence of a specified event. The debt suspension contract
29 may be separate from or a part of other loan documents. The term debt
30 suspension contract does not include loan payment deferral arrangements
31 in which the triggering event is the borrower's unilateral election to

1 defer repayment or the financial institution's or licensee's unilateral
2 decision to allow a deferral of repayment;

3 (g) ~~(f)~~ Director means the Director of Banking and Finance;

4 (h) ~~(g)~~ Financial institution has the same meaning as in section
5 8-101.03;

6 (i) ~~(h)~~ Guaranteed asset protection waiver means a waiver that is
7 offered, sold, or provided in accordance with the Guaranteed Asset
8 Protection Waiver Act;

9 (j) ~~(i)~~ Licensee means any person who obtains a license under the
10 Nebraska Installment Loan Act;

11 (k) Loan means a loan or any extension of credit to a consumer
12 originated or made with an interest rate greater than the maximum
13 interest rate allowed under section 45-101.03 and a principal balance of
14 less than twenty-five thousand dollars;

15 (l)(i) ~~(j)(i)~~ Mortgage loan originator means an individual who for
16 compensation or gain (A) takes a residential mortgage loan application or
17 (B) offers or negotiates terms of a residential mortgage loan.

18 (ii) Mortgage loan originator does not include (A) any individual
19 who is not otherwise described in subdivision (i)(A) of this subdivision
20 and who performs purely administrative or clerical tasks on behalf of a
21 person who is described in subdivision (i) of this subdivision, (B) a
22 person or entity that only performs real estate brokerage activities and
23 is licensed or registered in accordance with applicable state law, unless
24 the person or entity is compensated by a lender, a mortgage broker, or
25 other mortgage loan originator or by any agent of such lender, mortgage
26 broker, or other mortgage loan originator, or (C) a person or entity
27 solely involved in extensions of credit relating to time-share programs
28 as defined in section 76-1702;

29 (m) ~~(k)~~ Nationwide Mortgage Licensing System and Registry means a
30 licensing system developed and maintained by the Conference of State Bank
31 Supervisors and the American Association of Residential Mortgage

1 Regulators for the licensing and registration of mortgage loan
2 originators, mortgage bankers, installment loan companies, and other
3 state-regulated financial services entities and industries;

4 (n) (1) Person means individual, partnership, limited liability
5 company, association, financial institution, trust, corporation, and any
6 other legal entity; and

7 (o) (m) Real property means an owner-occupied single-family, two-
8 family, three-family, or four-family dwelling which is located in this
9 state, which is occupied, used, or intended to be occupied or used for
10 residential purposes, and which is, or is intended to be, permanently
11 affixed to the land.

12 (2) Except as provided in subsection (3) of section 45-1017 and
13 subsection (4) of section 45-1019, no revenue arising under the Nebraska
14 Installment Loan Act shall inure to any school fund of the State of
15 Nebraska or any of its governmental subdivisions.

16 ~~(3) Loan, when used in the Nebraska Installment Loan Act, does not~~
17 ~~include any loan made by a person who is not a licensee on which the~~
18 ~~interest does not exceed the maximum rate permitted by section 45-101.03.~~

19 (3) (4) Nothing in the Nebraska Installment Loan Act applies to any
20 loan made by a person who is not a licensee if the interest on the loan
21 does not exceed the maximum rate permitted by section 45-101.03.

22 Sec. 71. Section 45-1003, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 45-1003 No financial institution is eligible for a license or to
25 make loans under the Nebraska Installment Loan Act.

26 A license shall be required for any person that is not a financial
27 institution who, at or after the time a loan is made by a financial
28 institution, markets, owns in whole or in part, holds, acquires,
29 services, or otherwise participates in such loan.

30 Sec. 72. Section 45-1006, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 45-1006 (1) When an application for an original installment loan
2 license has been accepted by the director as substantially complete,
3 notice of the filing of the application shall be published by the
4 department three successive weeks in a legal newspaper published in or of
5 general circulation in the county where the applicant proposes to operate
6 the business of lending money. A public hearing shall be held on each
7 application except as provided in subsection (2) of this section. The
8 date for hearing shall not be less than thirty days after the last
9 publication. Written protest against the issuance of the license may be
10 filed with the department by any person not less than five days before
11 the date set for hearing. The director, in his or her discretion, may
12 grant a continuance. The costs of the hearing shall be paid by the
13 applicant. The director may deny any application for license after
14 hearing. The director shall, in his or her discretion, make examination
15 and inspection concerning the propriety of the issuance of a license to
16 any applicant. The cost of such examination and inspection shall be paid
17 by the applicant.

18 (2) The director may waive the hearing requirements of subsection
19 (1) of this section if (a) the applicant (i) does not originate loans
20 under the Nebraska Installment Loan Act or (ii) has held, and operated
21 under, a license to engage in the business of lending money in Nebraska
22 pursuant to the Nebraska Installment Loan Act for at least one calendar
23 year immediately prior to the filing of the application, (b) no written
24 protest against the issuance of the license has been filed with the
25 department within fifteen days after publication of a notice of the
26 filing of the application one time in a newspaper of general circulation
27 in the county where the applicant proposes to operate the business of
28 lending money, and (c) in the judgment of the director, the experience,
29 character, and general fitness of the applicant warrant the belief that
30 the applicant will comply with the Nebraska Installment Loan Act.

31 (3) The expense of any publication made pursuant to this section

1 shall be paid by the applicant.

2 Sec. 73. Section 59-1722, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 59-1722 (1) Any transaction involving the sale of a franchise as
5 defined in 16 C.F.R. 436.1(h), as such regulation existed on January 1,
6 2023 ~~2022~~, shall be exempt from the Seller-Assisted Marketing Plan Act,
7 except that such transactions shall be subject to subdivision (1)(d) of
8 section 59-1757, those provisions regulating or prescribing the use of
9 the phrase buy-back or secured investment or similar phrases as set forth
10 in sections 59-1726 to 59-1728 and 59-1751, and all sections which
11 provide for their enforcement. The exemption shall only apply if:

12 (a) The franchise is offered and sold in compliance with the
13 requirements of 16 C.F.R. part 436, Disclosure Requirements and
14 Prohibitions Concerning Franchising, as such part existed on January 1,
15 2023 ~~2022~~;

16 (b) Before placing any advertisement in a Nebraska-based
17 publication, offering for sale to any prospective purchaser in Nebraska,
18 or making any representations in connection with such offer or sale to
19 any prospective purchaser in Nebraska, the seller files a notice with the
20 Department of Banking and Finance which contains (i) the name, address,
21 and telephone number of the seller and the name under which the seller
22 intends to do business and (ii) a brief description of the plan offered
23 by the seller; and

24 (c) The seller pays a filing fee of one hundred dollars.

25 (2) The department may request a copy of the disclosure document
26 upon receipt of a written complaint or inquiry regarding the seller or
27 upon a reasonable belief that a violation of the Seller-Assisted
28 Marketing Plan Act has occurred or may occur. The seller shall provide
29 such copy within ten business days of receipt of the request.

30 (3) All funds collected by the department under this section shall
31 be remitted to the State Treasurer for credit to the Securities Act Cash

1 Fund.

2 (4) The Director of Banking and Finance may by order deny or revoke
3 an exemption specified in this section with respect to a particular
4 offering of one or more business opportunities if the director finds that
5 such an order is in the public interest or is necessary for the
6 protection of purchasers. An order shall not be entered without
7 appropriate prior notice to all interested parties, an opportunity for
8 hearing, and written findings of fact and conclusions of law. If the
9 public interest or the protection of purchasers so requires, the director
10 may by order summarily deny or revoke an exemption specified in this
11 section pending final determination of any proceedings under this
12 section. An order under this section shall not operate retroactively.

13 Sec. 74. Section 69-2103, Revised Statutes Cumulative Supplement,
14 2022, is amended to read:

15 69-2103 For purposes of the Consumer Rental Purchase Agreement Act:

16 (1) Advertisement means a commercial message in any medium that
17 aids, promotes, or assists directly or indirectly a consumer rental
18 purchase agreement but does not include in-store merchandising aids such
19 as window signs and ceiling banners;

20 (2) Cash price means the price at which the lessor would have sold
21 the property to the consumer for cash on the date of the consumer rental
22 purchase agreement for the property;

23 (3) Consumer means a natural person who rents property under a
24 consumer rental purchase agreement;

25 (4) Consumer rental purchase agreement means an agreement which is
26 for the use of property by a consumer primarily for personal, family, or
27 household purposes, which is for an initial period of four months or
28 less, whether or not there is any obligation beyond the initial period,
29 which is automatically renewable with each payment, and which permits the
30 consumer to become the owner of the property. A consumer rental purchase
31 agreement in compliance with the act shall not be construed to be a lease

1 or agreement which constitutes a credit sale as defined in 12 C.F.R.
2 1026.2(a)(16), as such regulation existed on January 1, 2023 ~~2022~~, and 15
3 U.S.C. 1602(h), as such section existed on January 1, 2023 ~~2022~~, or a
4 lease which constitutes a consumer lease as defined in 12 C.F.R. 1013.2,
5 as such regulation existed on January 1, 2023 ~~2022~~. Consumer rental
6 purchase agreement does not include:

7 (a) Any lease for agricultural, business, or commercial purposes;

8 (b) Any lease made to an organization;

9 (c) A lease or agreement which constitutes an installment sale or
10 installment contract as defined in section 45-335;

11 (d) A security interest as defined in subdivision (35) of section
12 1-201, Uniform Commercial Code; and

13 (e) A home solicitation sale as defined in section 69-1601;

14 (5) Consummation means the occurrence of an event which causes a
15 consumer to become contractually obligated on a consumer rental purchase
16 agreement;

17 (6) Department means the Department of Banking and Finance;

18 (7) Lease payment means a payment to be made by the consumer for the
19 right of possession and use of the property for a specific lease period
20 but does not include taxes imposed on such payment;

21 (8) Lease period means a week, month, or other specific period of
22 time, during which the consumer has the right to possess and use the
23 property after paying the lease payment and applicable taxes for such
24 period;

25 (9) Lessor means a person who in the ordinary course of business
26 operates a commercial outlet which regularly leases, offers to lease, or
27 arranges for the leasing of property under a consumer rental purchase
28 agreement;

29 (10) Property means any property that is not real property under the
30 laws of this state when made available for a consumer rental purchase
31 agreement; and

1 (11) Total of payments to acquire ownership means the total of all
2 charges imposed by the lessor and payable by the consumer as a condition
3 of acquiring ownership of the property. Total of payments to acquire
4 ownership includes lease payments and any initial nonrefundable
5 administrative fee or required delivery charge but does not include
6 taxes, late charges, reinstatement fees, or charges for optional products
7 or services.

8 Sec. 75. Section 69-2104, Revised Statutes Cumulative Supplement,
9 2022, is amended to read:

10 69-2104 (1) Before entering into any consumer rental purchase
11 agreement, the lessor shall disclose to the consumer the following items
12 as applicable:

13 (a) A brief description of the leased property sufficient to
14 identify the property to the consumer and lessor;

15 (b) The number, amount, and timing of all payments included in the
16 total of payments to acquire ownership;

17 (c) The total of payments to acquire ownership;

18 (d) A statement that the consumer will not own the property until
19 the consumer has paid the total of payments to acquire ownership plus
20 applicable taxes;

21 (e) A statement that the total of payments to acquire ownership does
22 not include other charges such as taxes, late charges, reinstatement
23 fees, or charges for optional products or services the consumer may have
24 elected to purchase and that the consumer should see the rental purchase
25 agreement for an explanation of these charges;

26 (f) A statement that the consumer is responsible for the fair market
27 value, remaining rent, early purchase option amount, or cost of repair of
28 the property, whichever is less, if it is lost, stolen, damaged, or
29 destroyed;

30 (g) A statement indicating whether the property is new or used. A
31 statement that indicates that new property is used shall not be a

1 violation of the Consumer Rental Purchase Agreement Act;

2 (h) A statement of the cash price of the property. When the
3 agreement involves a lease for two or more items, a statement of the
4 aggregate cash price of all items shall satisfy the requirement of this
5 subdivision;

6 (i) The total amount of the initial payments required to be paid
7 before consummation of the agreement or delivery of the property,
8 whichever occurs later, and an itemization of the components of the
9 initial payment, including any initial nonrefundable administrative fee
10 or delivery charge, lease payment, taxes, or fee or charge for optional
11 products or services;

12 (j) A statement clearly summarizing the terms of the consumer's
13 options to purchase, including a statement that at any time after the
14 first periodic payment is made the consumer may acquire ownership of the
15 property by tendering an amount which may not exceed fifty-five percent
16 of the difference between the total of payments to acquire ownership and
17 the total of lease payments the consumer has paid on the property at that
18 time;

19 (k) A statement identifying the party responsible for maintaining or
20 servicing the property while it is being leased, together with a
21 description of that responsibility and a statement that if any part of a
22 manufacturer's warranty covers the leased property at the time the
23 consumer acquires ownership of the property, such warranty shall be
24 transferred to the consumer if allowed by the terms of the warranty; and

25 (1) The date of the transaction and the names of the lessor and the
26 consumer.

27 (2) With respect to matters specifically governed by the federal
28 Consumer Credit Protection Act, 15 U.S.C. 1601 et seq., as such act
29 existed on January 1, 2023 ~~2022~~, compliance with such act shall satisfy
30 the requirements of this section.

31 (3) Subsection (1) of this section shall not apply to a lessor who

1 complies with the disclosure requirements of the federal Consumer Credit
2 Protection Act, 15 U.S.C. 1667a, as such section existed on January 1,
3 2023 ~~2022~~, with respect to a consumer rental purchase agreement entered
4 into with a consumer.

5 Sec. 76. Section 69-2112, Revised Statutes Cumulative Supplement,
6 2022, is amended to read:

7 69-2112 (1) Any advertisement for a consumer rental purchase
8 agreement which refers to or states the amount of any payment or the
9 right to acquire ownership for any specific item shall also state clearly
10 and conspicuously the following if applicable:

11 (a) That the transaction advertised is a consumer rental purchase
12 agreement;

13 (b) The total of payments to acquire ownership; and

14 (c) That the consumer acquires no ownership rights until the total
15 of payments to acquire ownership is paid.

16 (2) Any owner or employee of any medium in which an advertisement
17 appears or through which it is disseminated shall not be liable under
18 this section.

19 (3) Subsection (1) of this section shall not apply to an
20 advertisement which does not refer to a specific item of property, which
21 does not refer to or state the amount of any payment, or which is
22 published in the yellow pages of a telephone directory or any similar
23 directory of business.

24 (4) With respect to matters specifically governed by the federal
25 Consumer Credit Protection Act, 15 U.S.C. 1601 et seq., as such act
26 existed on January 1, 2023 ~~2022~~, compliance with such act shall satisfy
27 the requirements of this section.

28 Sec. 77. Section 76-1007, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 76-1007 (1) The trustee or the attorney for the trustee shall give
31 written notice of the time and place of sale particularly describing the

1 property to be sold by publication of such notice, at least five times,
2 once a week for five consecutive weeks, the last publication to be at
3 least ten days but not more than thirty days prior to the sale, in some
4 newspaper having a general circulation in each county in which the
5 property to be sold, or some part thereof, is situated.

6 (2) The sale shall be held at the time and place designated in the
7 notice of sale which shall be between the hours of nine a.m. and five
8 p.m. and at (a) the premises, (b) or at the courthouse of the county in
9 which the property to be sold, or some part thereof, is situated, or (c)
10 a public building wherein one or more county offices are located within
11 the county in which the property to be sold, or some part thereof, is
12 situated.

13 (3) The notice of sale shall be sufficient if made in substantially
14 the following form:

15 Notice of Trustee's Sale

16 The following described property will be sold at public auction to
17 the highest bidder at the door of the county courthouse
18 in, County of, Nebraska, on,
19 20.... .

20 (Name of Trustee)

21 Sec. 78. Section 4A-108, Uniform Commercial Code, Revised Statutes
22 Cumulative Supplement, 2022, is amended to read:

23 4A-108 Relationship to federal Electronic Fund Transfer Act.

24 (a) Except as provided in subsection (b), this article does not
25 apply to a funds transfer any part of which is governed by the federal
26 Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq., as such act existed
27 on January 1, 2023 ~~2022~~.

28 (b) This article applies to a funds transfer that is a remittance
29 transfer as defined in the federal Electronic Fund Transfer Act, 15
30 U.S.C. 1693o-1, as such section existed on January 1, 2023 ~~2022~~, unless
31 the remittance transfer is an electronic fund transfer as defined in the

1 federal Electronic Fund Transfer Act, 15 U.S.C. 1693a, as such section
2 existed on January 1, 2023 ~~2022~~.

3 (c) In a funds transfer to which this article applies, in the event
4 of an inconsistency between an applicable provision of this article and
5 an applicable provision of the federal Electronic Fund Transfer Act, the
6 provision of the federal Electronic Fund Transfer Act governs to the
7 extent of the inconsistency.

8 Sec. 79. (1) Except as provided in subsection (3) of this section,
9 beginning January 1, 2024, and notwithstanding section 44-3,131, (a) any
10 individual or group sickness and accident insurance policy or subscriber
11 contract delivered, issued for delivery, or renewed in this state and any
12 hospital, medical, or surgical expense-incurred policy, except for
13 policies that provide coverage for a specified disease or other limited-
14 benefit coverage, and (b) any self-funded employee benefit plan to the
15 extent not preempted by federal law, which provides reimbursement for
16 prescription insulin drugs shall limit the total amount that a covered
17 individual is required to pay for each covered prescription insulin drug
18 on the policy's, contract's, or plan's lowest brand or generic tier to a
19 maximum of thirty-five dollars per thirty-day supply of insulin,
20 regardless of the amount needed.

21 (2) Nothing in this section prevents a policy, contract, or plan
22 from reducing the total amount that a covered individual is required to
23 pay for each covered prescription insulin drug to an amount less than the
24 maximum specified in subsection (1) of this section.

25 (3) If, due to a national shortage of an insulin drug, a covered
26 individual cannot access a covered prescription insulin drug on the
27 lowest brand or generic tier of the policy, contract, or plan, the
28 policy, contract, or plan shall ensure access to an insulin drug at a
29 maximum of thirty-five dollars per thirty-day supply, until such time
30 that the national shortage ends to prevent disruptions in patient access
31 to insulin.

1 (4) For purposes of this section, prescription insulin drug means a
2 prescription drug that contains insulin and is used to treat diabetes.

3 Sec. 80. (1) For purposes of this section:

4 (a) Health benefit plan means a policy, a contract, a certificate,
5 or an agreement entered into, offered by, or issued by an insurer to
6 provide, deliver, arrange for, pay for, or reimburse any of the costs of
7 healthcare services, including a vision or dental benefit plan, except
8 that health benefit plan shall not include any coverage pursuant to a
9 liability insurance policy, including medical payments insurance issued
10 as a supplement to a liability insurance policy, or a workers'
11 compensation insurance policy; and

12 (b) Plan sponsor means:

13 (i) In the case of a health benefit plan established or maintained
14 by a single employer, the employer;

15 (ii) In the case of a health benefit plan established or maintained
16 by an employee organization, the employee organization; or

17 (iii) In the case of a health benefit plan established or maintained
18 by two or more employers or jointly by one or more employers and one or
19 more employee organizations, the association, committee, joint board of
20 trustees, or other similar group of representatives of the parties who
21 establish or maintain the benefit plan.

22 (2) The plan sponsor of a health benefit plan may, on behalf of
23 covered persons in the plan, provide the consent to the delivery of all
24 communications related to the plan by electronic means and to the
25 electronic delivery of any health insurance identification card if,
26 before consenting on behalf of a covered person, a plan sponsor:

27 (a) Confirms that the covered person routinely uses electronic
28 communications during the normal course of employment;

29 (b) Provides the covered person an opportunity to opt out of
30 delivery by electronic means; and

31 (c) Follows all federal and state laws relating to the electronic

1 delivery of such information or documents.

2 Sec. 81. Sections 81 to 90 of this act shall be known and may be
3 cited as the Insurance Regulatory Sandbox Act.

4 Sec. 82. The purpose of the Insurance Regulatory Sandbox Act is to
5 create a regulatory sandbox program under the Department of Insurance
6 which allows a participant to temporarily test innovative insurance
7 products or services on a limited basis without otherwise being licensed
8 or authorized to act under the laws of the state.

9 Sec. 83. For purposes of the Insurance Regulatory Sandbox Act:

10 (1) Applicable agency means a department or agency of the state that
11 by law regulates certain types of insurance-related business activity in
12 the state and persons engaged in such insurance-related business
13 activity. This includes the issuance of licenses or any other types of
14 authorization which the department determines would otherwise regulate a
15 sandbox participant;

16 (2) Applicant means an individual or entity that is applying to
17 participate in the regulatory sandbox;

18 (3) Consumer means a person that purchases or otherwise enters into
19 a transaction agreement to receive an innovative insurance product or
20 service that is being tested by a sandbox participant;

21 (4) Department means the Department of Insurance;

22 (5) Innovation means the use or incorporation of a new or emerging
23 technology or a new use of existing technology, including blockchain
24 technology, to address a problem, provide a benefit, or otherwise offer a
25 product, service, business model, or delivery mechanism that is not known
26 by the department to have a comparable widespread offering in the state;

27 (6) Innovative insurance product or service means an insurance
28 product or service that includes an innovation;

29 (7) Insurance product or service means an insurance-related product
30 or service that requires state licensure, registration, or other
31 authorization as regulated by state law, including any insurance-specific

1 business model, delivery mechanism, or element that requires a license,
2 registration, or other authorization;

3 (8) Regulatory sandbox means the program created in section 84 of
4 this act which allows a person to temporarily test an innovative
5 insurance product or service on a limited basis without otherwise being
6 licensed or authorized to act under the laws of the state;

7 (9) Sandbox participant means a person whose application to
8 participate in the regulatory sandbox is approved in accordance with the
9 Insurance Regulatory Sandbox Act; and

10 (10) Test means to provide an innovative insurance product or
11 service in accordance with the Insurance Regulatory Sandbox Act.

12 Sec. 84. (1) The department shall create and administer a
13 regulatory sandbox program that enables a person to obtain limited access
14 to the market in the state to test an innovative insurance product or
15 service without obtaining a license or without regard to other provisions
16 of Chapter 44 or rules and regulations adopted and promulgated by the
17 department which may be applicable, as determined by the department.

18 (2) In administering the regulatory sandbox, the department:

19 (a) Shall consult with each applicable agency;

20 (b) May enter into agreements with or follow the best practices of
21 the Consumer Financial Protection Bureau or other states that are
22 administering similar programs; and

23 (c) May not approve participation in the regulatory sandbox by an
24 applicant or any other participant who has been convicted of, or pled
25 guilty or nolo contendere to, a serious crime:

26 (i) Involving theft, fraud, or dishonesty; or

27 (ii) That bears a substantial relationship to the applicant's or
28 participant's ability to safely or competently participate in the
29 regulatory sandbox.

30 (3) An applicant for the regulatory sandbox shall submit an
31 application to the department in a form and manner prescribed by the

1 department. The application shall:

2 (a) Include a nonrefundable application fee of two hundred fifty
3 dollars;

4 (b) Demonstrate the applicant is subject to the jurisdiction of the
5 state;

6 (c) Demonstrate the applicant has established a physical or virtual
7 location that is adequately accessible to the department from which
8 testing will be developed and performed and where all required records,
9 documents, and data will be maintained;

10 (d) Contain relevant personal and contact information for the
11 application, including legal names, addresses, telephone numbers, email
12 addresses, website addresses, and other information required by the
13 department;

14 (e) Disclose any criminal conviction of the applicant or officers,
15 directors, or other participating personnel, if any;

16 (f) Demonstrate that the applicant has the necessary personnel,
17 financial and technical expertise, access to capital, and developed plans
18 to test, monitor, and assess the innovative insurance product or service;

19 (g) Contain a description of the innovative insurance product or
20 service to be tested, including statements regarding the following:

21 (i) How the innovative insurance product or service is subject to
22 licensing or other authorization requirements outside of the regulatory
23 sandbox, including a specific list of all state laws, regulations, and
24 licensing or other requirements that the applicant is seeking to have
25 waived during the testing period;

26 (ii) How the innovative insurance product or service would benefit
27 consumers;

28 (iii) How the innovative insurance product or service is different
29 from other insurance products or services available in the state;

30 (iv) What risks may confront consumers that use or purchase the
31 innovative insurance product or service;

1 (v) How participating in the regulatory sandbox would enable a
2 successful test of the innovative insurance product or service;

3 (vi) A description of how the applicant will perform ongoing duties
4 after the test; and

5 (vii) How the applicant will end the test and protect consumers if
6 the test fails, including providing evidence of sufficient liability
7 coverage and financial reserves to protect consumers and to protect
8 against insolvency by the applicant; and

9 (h) Provide any other required information as determined by the
10 department.

11 (4) An applicant shall file a separate application for each
12 innovative insurance product or service the applicant wants to test.

13 (5) The following items shall not be waived as part of any
14 applicant's participation in the regulatory sandbox:

15 (a) Laws and regulations not under the jurisdiction of the Director
16 of Insurance;

17 (b) Any law or regulation required for the department to maintain
18 accreditation by the National Association of Insurance Commissioners;

19 (c) Laws regarding minimum paid-in capital or surplus required to be
20 possessed or maintained by an insurer or product reserving laws;

21 (d) The Unfair Insurance Trade Practices Act and the Unfair
22 Insurance Claims Settlement Practices Act;

23 (e) Any requirement for insurance producers to be licensed; and

24 (f) The application of any taxes or fees.

25 (6) After an application is filed and before approving the
26 application, the department may seek any additional information from the
27 applicant that the department determines is necessary.

28 (7) Subject to subsection (8) of this section, not later than ninety
29 days after the day on which a complete application is received by the
30 department, the department shall inform the applicant as to whether the
31 application is approved for entry into the regulatory sandbox.

1 (8) The department and an applicant may mutually agree to extend the
2 ninety-day timeline described in subsection (7) of this section.

3 (9) In reviewing an application under this section, the department
4 shall consult with, and get approval from, each applicable agency before
5 admitting an applicant into the regulatory sandbox. The consultation with
6 an applicable agency may include seeking information about:

7 (a) Whether the applicable agency has previously issued a license or
8 other authorization to the applicant;

9 (b) Whether the applicable agency has previously investigated,
10 sanctioned, or pursued legal action against the applicant;

11 (c) Whether the applicant could obtain a license or other
12 authorization from the applicable agency after exiting the regulatory
13 sandbox; and

14 (d) Whether certain licensure or other regulations should not be
15 waived even if the applicant is accepted into the regulatory sandbox.

16 (10) In reviewing an application under this section, the department
17 shall also consider whether a competitor to the applicant is or has been
18 a sandbox participant and weigh that as a factor in determining whether
19 to allow the applicant to also become a sandbox participant.

20 (11) If the department and each applicable agency approve admitting
21 an applicant into the regulatory sandbox, an applicant may become a
22 sandbox participant. Applicants that become sandbox participants shall
23 incur a participation fee set by the department. The participation fee
24 shall be commensurate with the costs incurred by the department in
25 administering the applicant's participation in the regulatory sandbox.
26 Participation fees shall be dependent on factors such as the size of the
27 applicant and the number of customers the applicant may have, but shall
28 be set at a reasonable amount to encourage participation in the
29 regulatory sandbox.

30 (12) The department may enter into agreements with other states that
31 have enacted laws that are substantially similar to the Insurance

1 Regulatory Sandbox Act in order to advance the purposes of the act and to
2 facilitate the consideration of applications for participation in the
3 regulatory sandbox from persons that have satisfied the requirements of
4 this section and received approval for participation in similar programs
5 in other states.

6 (13) The department may deny any application submitted under this
7 section, for any reason, at the department's discretion.

8 (14) If the department denies an application submitted under this
9 section, the department shall provide to the applicant a written
10 description of the reasons for the denial.

11 (15) Documents, materials, and other information in the possession
12 or control of the Director of Insurance that are obtained by, created by,
13 or disclosed to the director or any other person under the Insurance
14 Regulatory Sandbox Act are recognized by this state as being proprietary
15 and to contain trade secrets. All such documents, materials, and other
16 information shall be confidential by law and privileged, shall not be a
17 public record subject to disclosure by the director pursuant to sections
18 84-712 to 84-712.09, shall not be subject to subpoena, and shall not be
19 subject to discovery or admissible in evidence in any private civil
20 action. The director may use the documents, materials, and other
21 information in the furtherance of any regulatory or legal action brought
22 as a part of the director's official duties. The director shall not
23 otherwise make the documents, materials, and other information public
24 without the prior written consent of the applicant. In order to assist in
25 the performance of the director's regulatory duties, the director:

26 (a) May, upon request, share documents, materials, and other
27 information that are obtained by, created by, or disclosed to the
28 director or any other person under the Insurance Regulatory Sandbox Act,
29 including the confidential and privileged documents, materials, and other
30 information subject to this subsection, with other state, federal, and
31 international financial regulatory agencies, including members of any

1 supervisory college under section 44-2137.01, with the National
2 Association of Insurance Commissioners, and with any third-party
3 consultants designated by the director, if the recipient agrees in
4 writing to maintain the confidentiality and privileged status of the
5 documents, materials, and other information and has verified in writing
6 the legal authority to maintain confidentiality; and

7 (b) May receive documents, materials, and other information,
8 including otherwise confidential and privileged documents, materials, and
9 other information, from regulatory officials of other foreign or domestic
10 jurisdictions that have enacted laws substantially similar to the
11 Insurance Regulatory Sandbox Act, including members of any supervisory
12 college under section 44-2137.01 and from the National Association of
13 Insurance Commissioners, and shall maintain as confidential or privileged
14 any documents, materials, or other information received with notice or
15 the understanding that it is confidential or privileged under the laws of
16 the jurisdiction that is the source of the document, material, or other
17 information.

18 (16) The department shall not accept any applications for the
19 regulatory sandbox after June 30, 2034.

20 Sec. 85. (1) If the department approves an application under
21 section 84 of this act, the sandbox participant has twelve months after
22 the day on which the application was approved to test the innovative
23 insurance product or service described in the sandbox participant's
24 application.

25 (2) A sandbox participant testing an innovative insurance product or
26 service within the regulatory sandbox is subject to the following:

27 (a) Consumers shall be residents of this state;

28 (b) The department may, on a case-by-case basis, specify the maximum
29 number of consumers that may enter into an agreement with the sandbox
30 participant to use the innovative insurance product or service; and

31 (c) The department may, on a case-by-case basis, specify the maximum

1 number of innovative insurance products or services that may be offered
2 by a sandbox participant during the test of such product or service.

3 (3) If a sandbox participant is accepted into the regulatory
4 sandbox, the department shall notify other businesses in the industry
5 that a regulatory waiver was granted in order to afford other businesses
6 the opportunity to apply for the same regulatory waiver if they so
7 choose.

8 (4) This section does not restrict a sandbox participant who holds a
9 license or other authorization in another jurisdiction from acting in
10 accordance with that license or other authorization.

11 (5) A sandbox participant is deemed to possess an appropriate
12 license under the laws of the state for the purposes of any provision of
13 federal law requiring state licensure or authorization.

14 (6) A sandbox participant that is testing an innovative insurance
15 product or service is not subject to state laws, regulations, licensing
16 requirements, or authorization requirements that were identified by the
17 sandbox participant's application and have been waived in writing by the
18 department.

19 (7) Notwithstanding any other provision of the Insurance Regulatory
20 Sandbox Act, a sandbox participant does not have immunity related to any
21 criminal offense committed during the sandbox participant's participation
22 in the regulatory sandbox.

23 (8) By written notice, the department may end a sandbox
24 participant's participation in the regulatory sandbox at any time and for
25 any reason, including if the department determines a sandbox participant
26 is not operating in good faith to bring an innovative insurance product
27 or service to market.

28 (9) The department and the department's employees are not liable for
29 any business losses or the recouping of application expenses related to
30 the regulatory sandbox, including for:

31 (a) Denying an applicant's application to participate in the

1 regulatory sandbox for any reason; or

2 (b) Ending a sandbox participant's participation in the regulatory
3 sandbox at any time and for any reason.

4 (10) No guaranty association in the state may be held liable for
5 business losses or liabilities incurred as a result of activities
6 undertaken by a sandbox participant while participating in the regulatory
7 sandbox.

8 Sec. 86. (1) Prior to the sale of an innovative insurance product
9 or service to a consumer, the sandbox participant shall disclose the
10 following to the consumer in a clear and conspicuous format in English
11 and Spanish:

12 (a) The name and contact information of the sandbox participant;

13 (b) That the innovative insurance product or service is authorized
14 pursuant to the Insurance Regulatory Sandbox Act for a temporary period
15 of one year with a possible extension of one additional year, but for no
16 more than two years;

17 (c) Any risk to the consumer associated with the purchase of the
18 innovative insurance product or service;

19 (d) That neither the State of Nebraska nor the Department of
20 Insurance recommends the innovative insurance product or service and that
21 neither the state nor the department is subject to any liability for
22 losses or damages caused by such product or service;

23 (e) That the consumer may contact the Department of Insurance to
24 file a complaint regarding the innovative insurance product or service.
25 Contact information for the Department of Insurance shall also be
26 provided;

27 (f) That state insurance insolvency guaranty funds are not available
28 for the innovative insurance product or service; and

29 (g) Any other statements or additional disclosures that may be
30 required by the Department of Insurance.

31 (2) The disclosures required by subsection (1) of this section shall

1 be provided to consumers through a written disclosure statement. Sandbox
2 participants shall keep a signed copy of the disclosure statement on file
3 and be able to produce the statement for the department upon request.

4 (3) Sandbox participants shall also note on any websites, social
5 media postings, advertisements, and promotional materials of any kind all
6 potential risks for consumers associated with the purchase of the
7 innovative insurance product or service.

8 Sec. 87. (1) At least thirty days before the end of the twelve-
9 month regulatory sandbox testing period, a sandbox participant shall:

10 (a) Notify the department that the sandbox participant will exit the
11 regulatory sandbox, discontinue the sandbox participant's test, and stop
12 offering any innovative insurance product or service in the regulatory
13 sandbox within sixty days after the day on which the twelve-month testing
14 period ends; or

15 (b) Seek an extension in accordance with section 88 of this act.

16 (2) Subject to subsection (3) of this section, if the department
17 does not receive notification as required by subsection (1) of this
18 section, the regulatory sandbox testing period ends at the end of the
19 twelve-month testing period and the sandbox participant shall immediately
20 stop offering each innovative insurance product or service being tested.

21 (3) If a test includes offering an innovative insurance product or
22 service that requires ongoing duties, the sandbox participant shall
23 continue to fulfill those duties or arrange for another person to fulfill
24 those duties after the date on which the sandbox participant exits the
25 regulatory sandbox.

26 Sec. 88. (1) Not later than thirty days before the end of the
27 twelve-month regulatory sandbox testing period, a sandbox participant may
28 request an extension of the regulatory sandbox testing period for the
29 purpose of obtaining a license or other authorization.

30 (2) The department shall grant or deny a request for an extension by
31 the end of the twelve-month regulatory sandbox testing period.

1 (3) The department may grant one extension in accordance with this
2 section for not more than twelve months after the end of the regulatory
3 sandbox testing period.

4 (4) A sandbox participant that obtains an extension in accordance
5 with this section shall provide the department with a written report
6 every three months that provides an update on efforts to obtain a license
7 or other authorization required by law, including any applications
8 submitted for licensure or other authorization, rejected applications, or
9 issued licenses or other authorizations.

10 Sec. 89. (1) A sandbox participant shall retain records, documents,
11 and data produced in the ordinary course of business regarding an
12 innovative insurance product or service tested in the regulatory sandbox.

13 (2) If an innovative insurance product or service fails before the
14 end of a testing period, the sandbox participant shall notify the
15 department and report on actions taken by the sandbox participant to
16 ensure consumers have not been harmed as a result of the failure.

17 (3) The department shall establish quarterly reporting requirements
18 for a sandbox participant, including information about any customer
19 complaints.

20 (4) The department may request records, documents, and data from a
21 sandbox participant and, upon the department's request, a sandbox
22 participant shall make such records, documents, and data available for
23 inspection by the department.

24 (5) If the department determines that a sandbox participant has
25 engaged in, is engaging in, or is about to engage in any practice or
26 transaction that is in violation of Chapter 44, the department may remove
27 a sandbox participant from the regulatory sandbox. If the department
28 determines that the practice or transaction is in violation of state or
29 federal criminal law, the department shall remove the sandbox participant
30 from the regulatory sandbox.

31 (6) The department shall provide a written report upon request by a

1 member of the Legislature that provides information regarding each
2 sandbox participant and that provides recommendations regarding the
3 effectiveness of the Insurance Regulatory Sandbox Act.

4 Sec. 90. The department may adopt and promulgate rules and
5 regulations to carry out the Insurance Regulatory Sandbox Act.

6 Sec. 91. Sections 42, 43, 44, 45, 46, 47, 48, 49, 51, 52, 53, 55,
7 56, 63, 65, 66, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, and 93 of
8 this act become operative three calendar months after the adjournment of
9 this legislative session. Sections 54 and 94 of this act become operative
10 on January 1, 2024. Sections 64 and 95 of this act become operative on
11 April 30, 2024. Sections 57, 58, 59, 60, 61, 62, and 96 of this act
12 become operative on January 1, 2025. The other sections of this act
13 become operative on their effective date.

14 Sec. 92. Original sections 8-101.03, 8-102, 8-115, 8-135, 8-141,
15 8-143.01, 8-157.01, 8-183.04, 8-1,140, 8-318, 8-355, 8-602, 8-1101,
16 8-1101.01, 8-1704, 8-1707, 8-2724, 8-2903, 8-3002, 8-3003, 8-3004,
17 8-3005, 8-3007, 8-3008, 8-3011, 8-3012, 8-3013, 8-3014, 8-3015, 8-3016,
18 8-3017, 8-3018, 8-3019, 8-3020, 8-3021, 8-3022, 8-3023, 8-3025, 8-3026,
19 8-3028, 8-3030, 21-17,115, 45-191.01, 45-191.04, 45-735, 45-1002,
20 45-1003, 45-1006, and 76-1007, Reissue Revised Statutes of Nebraska,
21 sections 59-1722, 69-2103, 69-2104, and 69-2112, Revised Statutes
22 Cumulative Supplement, 2022, and section 4A-108, Uniform Commercial Code,
23 Revised Statutes Cumulative Supplement, 2022, are repealed.

24 Sec. 93. Original sections 10-110, 10-402, 10-403, 10-405, 10-507,
25 10-711, 10-804, 13-509, 44-319.02, 44-319.03, 44-319.06, 44-1993,
26 44-3308, and 44-5140, Reissue Revised Statutes of Nebraska, and sections
27 44-7,102 and 44-5141, Revised Statutes Cumulative Supplement, 2022, are
28 repealed.

29 Sec. 94. Original section 44-785, Reissue Revised Statutes of
30 Nebraska, is repealed.

31 Sec. 95. Original section 44-4054, Reissue Revised Statutes of

1 Nebraska, is repealed.

2 Sec. 96. Original sections 44-2824, 44-2825, 44-2827, 44-2831.01,
3 44-2832, and 44-2833, Reissue Revised Statutes of Nebraska, are repealed.

4 Sec. 97. Since an emergency exists, this act takes effect when
5 passed and approved according to law.