

LEGISLATIVE BILL 523

Approved by the Governor May 4, 1971

Introduced by Irving F. Wiltse, 1st District; Calvin F. Carsten, 2nd District

AN ACT relating to banks; to provide that banks may suspend business during an emergency and for other reasons; to provide for powers of the Director of Banking and officers of banks; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. As used in this act, unless the context otherwise requires:

(1) Director shall mean the Director of Banking;

(2) Bank shall mean commercial banks, or any office or facility thereof, and, to the extent that the provisions of this act are not inconsistent with and do not infringe upon paramount federal law, national banks;

(3) Officers shall mean the person or persons designated by the board of directors, board of trustees, or other governing body of a bank, to act for such bank to carry out the provisions of this act or, in the absence of any such designation or of such officer or officers, the president or any other officer in charge of such bank or of such office or offices;

(4) Office shall mean any place at which a bank transacts its business or conducts operations related to its business; and

(5) Emergency shall mean any condition or occurrence which may interfere physically with the conduct of normal business operations at one or more or all of the offices of a bank, or which poses an imminent or existing threat to the safety or security of persons or property, or both, including but not limited to fire, flood, earthquake, hurricanes, wind, rain, snow storms, labor disputes and strikes, power failures, transportation failures, interruption of communication facilities, shortages of fuel, housing, food, transportation or labor, robbery or attempted robbery, actual or threatened enemy attack, epidemics or other catastrophes, riots, civil commotions, and other acts of lawlessness or violence, actual or threatened.

Sec. 2. Whenever the director is of the opinion that an emergency exists, or is impending, in this state or in any part of this state, he may, by proclamation, authorize any bank located in such affected area to close any or all of its offices. In addition, if the director is of the opinion that an emergency exists, or is impending, which affects, or may affect, a particular bank, or a particular office thereof, but not banks located in the area generally, he may authorize the particular bank or office so affected to close. Any office so closed shall remain closed until the director proclaims that the emergency has ended, or until such time as the officers of the bank determine that one or more offices, theretofore closed because of the emergency, should reopen, whichever occurs first, and, in either event, for such further time thereafter as may reasonably be required to reopen.

Sec. 3. Whenever the officers of a bank are of the opinion that an emergency exists, or is impending, which affects, or may affect, one or more or all of a bank's offices, they shall have the authority, in the reasonable and proper exercise of their discretion, to determine not to open any one or more or all of such offices on any business or banking day or, if having opened, to close any one or more or all of such offices during the continuation of such emergency, even if the director has not issued and does not issue a proclamation of emergency. Any such closed office may remain closed until such time as the officers determine that the emergency has ended, and for such further time thereafter as may reasonably be required to reopen; Provided, in no case shall such office remain closed for more than forty-eight consecutive hours, excluding other legal holidays, without requesting the approval of the director.

Sec. 4. The officers of a bank may close any one or all of the bank's offices on any day, designated by proclamation of the President of the United States or the Governor, as a day or days of mourning, rejoicing, or other special observance.

Sec. 5. A bank closing an office pursuant to the authority granted under section 3 of this act shall give as prompt notice of its action as conditions will permit and by any means available, to the director, or in the case of a national bank, to the comptroller of the currency.

Sec. 6. Any day on which a bank, or any one or more of its offices, is closed during all or any part of

its normal banking hours pursuant to the authorization granted under this act shall be, with respect to such bank or, if not all of its offices are closed, with respect to any office or offices which are closed, a legal holiday for all purposes with respect to any banking business of any character. No liability, or loss of rights of any kind, on the part of any bank, or director, officer, or employee thereof, shall accrue or result by virtue of any closing authorized by this act.

The provisions of this act shall be construed and applied as being in addition to, and not in substitution for or limitation of, any other law of this state or of the United States authorizing the closing of a bank or excusing delay by a bank in the performance of its duties and obligations because of emergencies or conditions beyond its control or otherwise.

Sec. 7. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.