

Nebraska State Legislature

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Senator Flood's Cryptocurrency Bill Advances to Governor

LINCOLN -- The Nebraska Legislature overwhelmingly passed Senator Mike Flood's priority bill on Thursday to allow Nebraska banks to custody cryptocurrency. Legislative Bill 649 adopts the Nebraska Financial Innovation Act and, if approved by the Governor, will make Nebraska the second state in the Nation to charter a new kind of financial institution—a Digital Asset Bank. The bill was advanced to the Governor's desk on a final vote of 46-2.

"My goal is to grow northeast Nebraska by helping to create high wage, high skill jobs. This bill allows Nebraska to seize the opportunity to be at the front of the line when it comes to innovation in the new information economy. LB 649 is a historic step toward leading the way in fintech by attracting investment and reimagining the way we do business," Sen. Flood said.

This legislation is the product of a collaborative effort between business, academic and community leaders throughout the state. The bill, modeled upon Wyoming legislation, includes first of its kind protection for consumers, uniform commercial code language that allows banks to take a security interest in digital assets and ensures that stable coin deposits are backed by FDIC insurance.

Sen. Flood said, "There's no way this bill would have passed without the significant contributions of the world-class banking industry in Nebraska. The Nebraska Financial Innovation Act will attract cryptocurrency operators that want regulation, structure and accountability to keep consumers safe and build upon the trust that fiat currency banks have earned for over one hundred years.

LB 649 was delivered to the Governor's office yesterday and will be acted upon by Gov. Ricketts by Wednesday, May 26th.

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