

AMENDMENTS TO LB 968

1 1. Insert the following new sections:

2 "Section 1. Section 10-126, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 10-126. (1) All bonds of indebtedness, issued after
5 September 7, 1947, by any county, precinct, city, village, school
6 district, drainage district, or irrigation district or any other
7 municipal corporation or governmental subdivision of the state
8 shall be redeemable at the option of the governmental subdivision
9 or municipal corporation issuing such bonds at any time on or after
10 five years from the date of issuance, except this provision shall
11 not apply to (a) bonds of public power districts, public power and
12 irrigation districts, metropolitan utilities districts, cities of
13 the metropolitan and primary classes, and housing authorities of
14 any city or village, (b) and except issues of revenue bonds
15 exceeding one million dollars of cities of the first and second
16 classes and of villages, shall be redeemable at the option of the
17 governmental subdivision or municipal corporation issuing such
18 bonds at any time on or after five years from the date of issuance
19 thereof or (c) issues of bonds exceeding ten million dollars of any
20 school district of one thousand or more students in membership as
21 provided in the fall school district membership report pursuant to
22 subsection (4) of section 79-528 immediately preceding the issuance
23 of bonds. Bonds of ~~districts~~ a district created under Chapter 31
24 or 39 shall in addition, after annexation of the district by any

1 municipality, be redeemable at the option of the annexing
2 municipality at any time after annexation of such district if at
3 the time of redemption at least five years have elapsed from date
4 of issuance. Such condition shall be plainly set forth in all
5 bonds of any governmental subdivision of the state or municipal
6 corporation hereafter issued to which it applies, and such bonds
7 shall not be eligible for registration in the office of the Auditor
8 of Public Accounts unless such condition appears therein.

9 (2) The issuer, except districts organized under Chapter
10 31 or 39, of any such bonds of indebtedness, when the total amount
11 of bonds at par value authorized as a single issue is five hundred
12 thousand dollars or more, may agree to pay a call premium of not to
13 exceed four percent of the par value for the redemption of such
14 bonds. ~~Districts 7 except that districts~~ organized under Chapter
15 31 or 39 may agree to pay a call premium of not to exceed two
16 percent of the par value of such bonds when a single issue is five
17 hundred thousand dollars or more, and bonds of such districts shall
18 have no other bond redemption call or prepayment restrictions
19 except as hereinafter provided in this section. Bonds of public
20 power districts, public power and irrigation districts,
21 metropolitan utilities districts, cities of the metropolitan and
22 primary classes, and housing authorities of any city or village and
23 issues of revenue bonds exceeding one million dollars of cities of
24 the first and second classes and villages listed in subdivisions
25 (1)(a) through (1)(c) of this section may contain such provisions
26 with respect to their redemption as the public power district,
27 public power and irrigation district, metropolitan utilities

1 district, city, village, ~~or~~ housing authority, or school district
2 shall provide.

3 (3) All bonds ~~heretofore or hereafter~~ issued which do not
4 provide a special procedure for calling and prepayments shall be
5 called by a resolution passed by the governing body of the obligor,
6 which resolution shall designate the bond or bonds to be prepaid by
7 stating the date of the bonds, the purpose for which the bonds were
8 issued, the bond numbers of the bonds so called, and the date set
9 for prepayment. The issuer of any bonds which are required by this
10 section to be issued subject to an option of redemption shall, at
11 least thirty days prior to the date set for prepayment of such
12 bonds, send notice by mail of the call to each holder of the called
13 bonds as shown in its records. A true copy of the resolution shall
14 be filed by the obligor with the Auditor of Public Accounts at
15 least thirty days prior to call date, and a copy of the resolution
16 shall also be filed with the paying agent on or before the call
17 date. The Auditor of Public Accounts shall note the call of the
18 bonds on his or her registration records. The original purchaser
19 of any bonds registered in the office of the Auditor of Public
20 Accounts may file with the auditor notice of their purchase
21 identifying the bonds so purchased. The Auditor of Public Accounts
22 shall keep a record of all such filings and send notice by mail of
23 the call of any bonds to the original purchaser of the called bonds
24 as shown by his or her records.

25 (4) If the obligor deposits sufficient funds with the
26 paying agent to pay the called bonds and accrued interest to date
27 of call in full on or before the call date, the bonds shall cease

1 to be a liability of the obligor, otherwise the call shall be
2 revoked, and the bonds continue in effect the same as though no
3 call had been made.

4 Sec. 3. Section 18-2601, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 18-2601. Sections 18-2601 to 18-2608 and section 9 of
7 this act shall be known and may be cited as the Municipal
8 Infrastructure Redevelopment Fund Act.

9 Sec. 4. Section 18-2602, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 18-2602. The Legislature finds that the municipalities
12 of the state face an urgent need to construct, upgrade, and develop
13 municipal infrastructure facilities. By providing basic public
14 facilities, the municipalities of the state provide the building
15 blocks for economic development. Not only does the investment in
16 infrastructure generate an immediate stream of economic activity,
17 it also lays the groundwork for private investment that will use
18 the facilities so provided. Municipalities in the state currently
19 are in critical need of assistance in providing these facilities.

20 The Legislature determines that it is in the public
21 interest to establish a Municipal Infrastructure Redevelopment Fund
22 to provide funds to municipalities in the state to use to provide
23 infrastructure facilities and to permit municipalities in the state
24 to issue bonds secured by amounts payable from the Municipal
25 Infrastructure Redevelopment Fund and other sources.

26 Sec. 5. Section 18-2603, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 18-2603. For purposes of the Municipal Infrastructure
2 Redevelopment Fund Act:

3 (1) Bond means any evidence of indebtedness, including,
4 but not limited to, bonds, notes including notes issued pending
5 long-term financing arrangements, warrants, debentures, obligations
6 under a loan agreement or a lease-purchase agreement, or any
7 similar instrument or obligation;

8 (2) Fund ~~shall mean~~ means the Municipal Infrastructure
9 Redevelopment Fund;

10 ~~(2)~~ (3) Infrastructure project ~~shall mean~~ means any of
11 the following projects, or any combination thereof, to be owned or
12 operated by a municipality: Solid waste management facilities;
13 wastewater, storm water, and water treatment works and systems,
14 water distribution facilities, and water resources projects,
15 including, but not limited to, pumping stations, transmission
16 lines, and mains and their appurtenances; hazardous waste disposal
17 systems; resource recovery systems; airports; port facilities;
18 buildings and capital equipment used in the ~~operation~~ operations
19 and activities of municipal government and to provide services to
20 the residents of the municipality; convention and tourism
21 facilities; redevelopment projects as defined in section 18-2103;
22 and mass transit and other transportation systems, including
23 parking facilities and excluding public highways and bridges and
24 municipal roads, streets, and bridges;

25 ~~(3)~~ (4) Municipal allocation amount ~~shall mean~~ means, for
26 each municipality, the amount derived by multiplying the amount to
27 be allocated by the fraction determined by dividing the total

1 population of the municipality by the total population of the state
2 living in municipalities, each as determined by the most recent
3 federal census figures certified by the Tax Commissioner as
4 provided in section 77-3,119; and

5 ~~(4)~~ (5) Municipality ~~shall mean~~ means any city of any
6 class or any village in the state.

7 Sec. 6. Section 18-2606, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 18-2606. Money received by a municipality or credited to
10 its account from the fund shall be used for one of the following
11 purposes:

12 (1) To pay for the construction, acquisition, or
13 equipping of infrastructure projects or portions thereof; or

14 (2) To pay principal, interest, premium, and costs of
15 issuance on bonds ~~debt incurred or securities~~ issued by the
16 municipality to finance the construction, acquisition, or equipping
17 of infrastructure projects or portions thereof.

18 Sec. 7. Section 18-2607, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 18-2607. Each municipality shall be permitted to pledge
21 the amounts on deposit or to be deposited in its account of the
22 fund, as and when appropriated by the Legislature, to the holders
23 of any bonds ~~debt incurred or securities~~ issued by the municipality
24 to finance the construction, acquisition, or equipping of
25 infrastructure projects as long as the lien of such pledge does not
26 attach until funds are actually deposited into the municipality's
27 account, and in no event shall such a pledge be construed as an

1 obligation of the Legislature to appropriate such funds. Any such
2 pledge shall be valid and binding from the time when the pledge is
3 made. The money so pledged and thereafter received by the
4 municipality or deposited into its respective account shall
5 immediately be subject to the lien of such pledge without any
6 physical delivery thereof or further act, and the lien of any such
7 pledge shall be valid and binding as against all parties having
8 claims of any kind in tort, contract, or otherwise against the
9 municipality, irrespective of whether the parties have notice
10 thereof. Neither the resolution nor any other instrument by which
11 a pledge is created need be recorded.

12 Sec. 8. Section 18-2608, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 18-2608. No ~~securities bonds~~ issued by any municipality
15 ~~and pledging which pledges~~ funds to be deposited in its account of
16 the fund shall constitute a debt, liability, or general obligation
17 of this state or a pledge of the faith and credit of this state but
18 shall be payable, to the extent payable from state revenue, solely
19 from amounts credited to the accounts of the fund as provided by
20 the Municipal Infrastructure Redevelopment Fund Act, as and when
21 appropriated by the Legislature. Each ~~security bond~~ issued by any
22 municipality ~~and pledging which pledges~~ funds to be deposited in
23 its account of the fund shall contain on the face thereof a
24 statement that neither the faith and credit nor the taxing power of
25 this state is pledged to the payment of the principal of or the
26 interest on such security.

27 Sec. 9. Any municipality may by ordinance issue bonds in

1 one or more series for the construction or acquisition of an
2 infrastructure project or any portion thereof and pay the principal
3 of and interest on any such bonds by pledging funds received from
4 the Municipal Infrastructure Redevelopment Fund. Such bonds shall
5 have a final maturity not later than August 1, 2009, and the
6 aggregate debt service payments and related expenses with respect
7 to all series of such bonds for any twelve-month period during
8 which such bonds are outstanding shall not exceed the anticipated
9 receipts from the fund by such municipality. For purposes of this
10 section, anticipated receipts means the amount received by the
11 municipality from the fund for the twelve-month period immediately
12 preceding the date of issuance of such bonds.

13 Any municipality which has or may issue bonds under this
14 section may dedicate a portion of its property tax levy authority
15 as provided in section 77-3442 to meet debt service obligations
16 under the bonds, but only to the extent the receipts from the fund
17 pledged to the payment of such bonds and any other money made
18 available and used for that purpose are insufficient to pay the
19 principal of and interest on such bonds as they mature.

20 Sec. 27. Section 77-3,119, Revised Statutes Supplement,
21 1998, is amended to read:

22 77-3,119. (1) The Tax Commissioner shall certify the
23 population of cities and villages to be used for purposes of
24 calculations made pursuant to subdivision ~~(3)~~ (4) of section
25 18-2603, subdivisions (3)(a) and (b) of section 35-1205,
26 subdivision (1) of section 39-2517, and sections 39-2513 and
27 77-27,137.01. The Tax Commissioner shall transmit copies of such

1 certification to all interested parties upon request.

2 (2) The Tax Commissioner shall certify the population of
3 each city and village based upon the most recent federal census.
4 The Tax Commissioner shall determine the most recent federal census
5 for each city and village by using the most recent federal census
6 figures available from (a) the most recent federal decennial
7 census, (b) the most recent federal census update or recount
8 certified by the United States Bureau of the Census, or (c) the
9 most recent federal census figure of the city or village plus the
10 population of territory annexed as calculated in sections 18-1753
11 and 18-1754.

12 (3) The Tax Commissioner may adopt and promulgate rules
13 and regulations to carry out this section.".

14 2. Correct the operative date section and repealer so
15 that the sections added by this amendment become operative on their
16 effective date with the emergency clause.

17 3. Renumber the remaining sections and correct internal
18 references accordingly.