

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 87

Introduced by Wickersham, 49; Schimek, 27

Read first time January 7, 1999

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Interlocal Cooperation Act; to amend
2 sections 13-801, 13-803, 13-804, 13-806, 13-808 to
3 13-812, 13-814 to 13-816, 13-818, 13-820, 13-821, 13-824,
4 13-826, 13-2004, 13-2025.01, 47-603, 58-202, 58-219,
5 58-239, 58-503, 60-335, 73-101, and 77-2704.15, Reissue
6 Revised Statutes of Nebraska, and sections 13-520 and
7 79-1028, Revised Statutes Supplement, 1998; to define and
8 redefine terms; to authorize creation of joint public
9 agencies; to provide powers and duties for joint public
10 agencies and the Secretary of State; to harmonize
11 provisions; to provide severability; and to repeal the
12 original sections.

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

1 Section 1. Section 13-520, Revised Statutes Supplement,
2 1998, is amended to read:

3 13-520. The limitations in section 13-519 shall not
4 apply to (1) restricted funds budgeted for capital improvements,
5 (2) restricted funds expended from a qualified sinking fund for
6 acquisition or replacement of tangible personal property with a
7 useful life of five years or more, (3) restricted funds pledged to
8 retire bonded indebtedness, (4) restricted funds budgeted in
9 support of a service which is the subject of an interlocal
10 cooperation agreement or a modification of an existing agreement
11 whether operated by one of the parties to the agreement or an
12 independent joint entity or joint public agency, (5) restricted
13 funds budgeted to pay for repairs to infrastructure damaged by a
14 natural disaster which is declared a disaster emergency pursuant to
15 the Emergency Management Act, or (6) restricted funds budgeted to
16 pay for judgments, except judgments or orders from the Commission
17 of Industrial Relations, obtained against a governmental unit which
18 require or obligate a governmental unit to pay such judgment, to
19 the extent such judgment is not paid by liability insurance
20 coverage of a governmental unit.

21 Sec. 2. Section 13-801, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 13-801. Sections 13-801 to 13-827 and sections 5 to 27
24 and 42 of this act shall be known and may be cited as the
25 Interlocal Cooperation Act.

26 Sec. 3. Section 13-803, Reissue Revised Statutes of
27 Nebraska, is amended to read:

28 13-803. For purposes of the Interlocal Cooperation Act:

1 (1) Board means the board of representatives of a joint
2 public agency or the administrator or joint board of a joint
3 entity;

4 (2) Governing body has the same meaning as in section
5 13-503 and, when referring to state agencies, includes the
6 governing board of a state agency or the Governor;

7 (3) Joint entity shall mean means an entity created by
8 agreement pursuant to section 13-804;

9 ~~(2)~~ (4) Joint public agency means an entity created by
10 agreement pursuant to sections 8 to 27 of this act;

11 (5) Person means a natural person, public authority,
12 private corporation, association, firm, partnership, limited
13 liability company, or business trust of any nature whatsoever
14 organized and existing under the laws of this state or of the
15 United States or any other state thereof. The term does not
16 include a joint public agency or joint entity;

17 (6) Public agency shall mean means any county, city,
18 village, school district, or agency of the state government or of
19 the United States, any drainage district, sanitary and improvement
20 district, or other municipal corporation or political subdivision
21 of this state, and any political subdivision of another state;

22 ~~(3)~~ (7) Public safety services shall mean means public
23 services for the protections of persons or property. Public safety
24 services shall include includes law enforcement, fire protection,
25 and emergency response services;

26 (8) Representative means a member of the board and
27 includes an alternate representative; and

28 ~~(4)~~ (9) State shall mean means a state of the United

1 States and the District of Columbia.

2 Sec. 4. Section 13-804, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 13-804. (1) ~~Any power or powers, privileges, or~~
5 ~~authority exercised or capable of exercise by a public agency of~~
6 ~~this state may be exercised and enjoyed jointly with any other~~
7 ~~public agency of this state and jointly with any public agency of~~
8 ~~any other state or of the United States to the extent that laws of~~
9 ~~such other state or of the United States permit such joint exercise~~
10 ~~or enjoyment. Any agency of state government when acting jointly~~
11 ~~with any public agency may exercise and enjoy all of the powers,~~
12 ~~privileges, and authority conferred by the Interlocal Cooperation~~
13 ~~Act upon a public agency.~~

14 ~~(2)~~ Any two or more public agencies may enter into
15 agreements with one another for joint or cooperative action
16 pursuant to the Interlocal Cooperation Act. Appropriate action by
17 ordinance, resolution, or otherwise pursuant to law of the
18 governing bodies of the participating public agencies shall be
19 necessary before any such agreement may enter into force.

20 ~~(3)~~ (2) Any such agreement shall specify the following:

21 (a) Its duration;

22 (b) The general organization, composition, and nature of
23 any ~~separate legal or administrative~~ joint entity, joint public
24 agency, legal entity, or other entity created by the agreement
25 together with the powers delegated to the entity;

26 (c) Its purpose or purposes;

27 (d) The manner of financing the joint or cooperative
28 undertaking and of establishing and maintaining a budget;

1 (e) The permissible method or methods to be employed in
2 accomplishing the partial or complete termination of the agreement
3 and for disposing of property upon such partial or complete
4 termination;

5 (f) The manner of levying, collecting, and accounting for
6 any tax authorized under sections 13-318 to 13-326 ~~beginning July~~
7 ~~1, 1998~~ and any allocation of tax authority under section 7 of this
8 act; and

9 (g) Any other necessary and proper matters.

10 ~~(4)~~ (3) In the event that the agreement does not
11 establish a separate ~~legal joint entity, joint public agency, legal~~
12 ~~entity, or other~~ entity to conduct the joint or cooperative
13 undertaking, the agreement shall, in addition to items enumerated
14 in subsection ~~(3)~~ (2) of this section, contain the following:

15 (a) Provision for an administrator or a joint board
16 responsible for administering the joint or cooperative undertaking.
17 In the case of a joint board, the participating public agencies
18 ~~party to the agreement~~ shall be represented; and

19 (b) The manner of acquiring, holding, and disposing of
20 real and personal property used in the joint or cooperative
21 undertaking.

22 ~~(5)~~ (4) No agreement made pursuant to the Interlocal
23 Cooperation Act shall relieve any public agency of any obligation
24 or responsibility imposed upon it by law except to the extent of
25 actual and timely performance by a joint ~~board~~ entity, joint public
26 agency, or other legal or administrative entity created by an
27 agreement made pursuant to the act, which performance may be
28 offered in satisfaction of the obligation or responsibility.

1 ~~(6)~~ (5) In the event that an agreement made pursuant to
2 this section creates a joint entity, such joint entity shall be
3 subject to control by its members in accordance with the terms of
4 the agreement, and shall constitute a separate public body
5 corporate and politic of this state, exercising public powers and
6 acting on behalf of the public agencies which are parties to such
7 agreement. A joint entity ~~+~~ ~~and~~ shall have power (a) to sue and be
8 sued, (b) to have a seal and alter the same at pleasure or to
9 dispense with its necessity, (c) to make and execute contracts and
10 other instruments necessary or convenient to the exercise of its
11 powers, and (d) from time to time, to make, amend, and repeal
12 bylaws, rules, and regulations, not inconsistent with the
13 Interlocal Cooperation Act and the agreement providing for its
14 creation, to carry out and effectuate its powers and purposes.

15 ~~(7) No entity created by local public agencies pursuant~~
16 ~~to the Interlocal Cooperation Act shall be considered a state~~
17 ~~agency, and no employee of such an entity shall be considered a~~
18 ~~state employee.~~

19 (6) Participating public agencies may transfer property,
20 other assets, and employees to a joint public agency as provided in
21 the agreement. If employees are transferred any vested employment
22 rights shall be transferred with the employee, and the employee
23 shall be vested with the joint public agency at the time of
24 transfer.

25 Sec. 5. Notwithstanding any restrictions contained in a
26 city charter, any power, privilege, or authority exercised or
27 capable of exercise by a public agency of this state may be
28 exercised and enjoyed jointly with any other public agency of this

1 state and jointly with any public agency of any other state or of
2 the United States to the extent that laws of such other state or of
3 the United States permit such joint exercise or enjoyment. Any
4 agency of state government when acting jointly with any public
5 agency may exercise and enjoy all of the powers, privileges, and
6 authority conferred by the Interlocal Cooperation Act upon a public
7 agency. Changes made by this legislative bill shall not be
8 construed to affect any agreement creating or governing any joint
9 entity formed under the Interlocal Cooperation Act or any power,
10 duty, obligation, or right of any joint entity, or its
11 participants, which is in existence on the effective date of this
12 act. Changes made by this legislative bill are to be construed as
13 supplemental to and not a replacement of, in whole or in part, the
14 Interlocal Cooperation Act as it existed prior to the effective
15 date of this act.

16 Sec. 6. The Legislature may amend or repeal the
17 Interlocal Cooperation Act or any law governing public agencies,
18 and any interlocal agreement which creates a joint entity or joint
19 public agency is subject to the amendment or repeal of a law
20 governing participating public agencies by subsequent acts of the
21 Legislature, the United States, or another state, except that no
22 act of the Legislature may impair any contractual obligation of a
23 joint entity, joint public agency, or any participant thereof,
24 including a contract for bonded indebtedness.

25 Sec. 7. (1) A joint public agency shall have only those
26 powers of taxation as one or more of the participating public
27 agencies has and only as specifically provided in the agreement
28 proposing creation of the joint public agency. Participating

1 public agencies may agree to allow the joint public agency to levy
2 a property tax rate not to exceed a limit as provided in the
3 agreement if the agreement also limits the levy authority of the
4 overlapping participating public agencies collectively to the same
5 amount. The levy authority of a joint public agency shall be
6 allocated by the city or county as provided in section 77-3443 and
7 the agreement may require allocation of levy authority by the city
8 or county.

9 (2) If one or more of the participating public agencies
10 is a municipality, the agreement may allow any local sales and use,
11 occupation, or wheel tax to be extended over the area encompassed
12 by the joint public agency at a rate uniform to that of the city or
13 village for the purpose of providing revenue to finance the
14 services to be provided by the joint public agency. The tax shall
15 not be extended until the procedures governing enactment by the
16 municipality are followed by the joint public agency, including any
17 requirement for a public vote. Unless the proposed tax is to
18 increase the rate or change the use of the local option sales tax
19 within the municipality, the public vote shall be taken only in the
20 area not within the municipality. Any restrictions as to the
21 allowable use of the proceeds of any tax so extended shall apply to
22 the joint public agency which receives the revenue from the tax.
23 If the area to be encompassed by the joint public agency contains
24 more than one municipality, those municipalities shall either be
25 included as a participating public agency or be allowed to vote
26 separately for the purpose of authorizing any use of the local
27 option sales tax by the joint public agency. If the municipality
28 is already utilizing the maximum local option sales tax, the ballot

1 issue shall state that it is to authorize a different purpose for
2 the current local option sales tax. If the municipality is not
3 utilizing the maximum local option sales tax, the ballot issue
4 shall state that it is to authorize an increase in the sales tax
5 for the purposes of the joint public agency. The vote in any
6 municipality may combine the issues of reducing, increasing, or
7 reallocating the local option sales tax for a different purpose and
8 the issue of authorizing the local option sales tax by the joint
9 public agency.

10 (3) If one of the participating public agencies is a
11 county, the agreement may allow any local sales and use tax to be
12 extended over the area encompassed by the joint public agency at a
13 rate uniform to that of the county for the purpose of providing
14 revenue to finance the services to be provided by the joint public
15 agency. The tax shall not be extended until the procedures
16 governing enactment by the county are followed by the joint public
17 agency, including any requirement for a public vote. Any such
18 public vote shall be taken only in the area not within the county.
19 Any restrictions as to the allowable use of the proceeds of any tax
20 so extended shall apply to the joint public agency which receives
21 the revenue from the tax.

22 (4) If the agreement calls for the allocation of property
23 tax levy authority to the joint public agency, the amount of the
24 allocation to the joint public agency and from each participating
25 public agency shall be reported to the Property Tax Administrator.
26 If the agreement calls for allocating sales and use tax authority
27 to the joint public agency, the rate of tax authority allocated to
28 the joint public agency and from each participating public agency

1 shall be reported to the Tax Commissioner.

2 Sec. 8. Any combination of two or more public agencies
3 may create one or more joint public agencies to exercise the powers
4 and authority prescribed by sections 9 to 27 of this act.

5 Sec. 9. (1) The governing body of each public agency
6 participating in the creation of a joint public agency shall adopt
7 a resolution determining that there is a need for a joint public
8 agency and setting forth the names of the proposed participating
9 public agencies. The resolution shall be published in three
10 issues, not less than seven days between issues, in a legal
11 newspaper for each proposed participating public agency or a
12 newspaper having general circulation in the area served by a
13 proposed participating public agency if no legal newspaper exists
14 for the participating public agency and in one or more newspapers
15 of general circulation in the area to be served by the joint public
16 agency. Any such resolution shall not be adopted by a public
17 agency prior to five days after the last publication by the
18 proposed participating public agency. In the case of a state
19 agency, the governing board shall adopt the resolution, or if there
20 is no governing board, the Governor shall issue a proclamation
21 without notice in lieu of a resolution. The resolution may be
22 adopted by a governing body on its own motion upon determining, in
23 its discretion, that a need exists for a joint public agency. In
24 determining whether such a need exists, a governing body may take
25 into consideration the present and future needs of the public
26 agency with respect to the materials, goods, property, and services
27 which a joint public agency may utilize or provide, the adequacy,
28 suitability, and availability of such materials, goods, property,

1 and services to meet the needs of the participating public agency
2 if no joint public agency is formed, and economic or other
3 advantages or efficiencies which may be realized by cooperative
4 action through a joint public agency.

5 (2) Upon issuance of a certificate of creation by the
6 Secretary of State, the Governor in the case of a participating
7 state agency which does not have a governing board, the President
8 of the United States or federal agency head in the case of a
9 federal agency, the mayor or city manager in the case of a city
10 which has not elected to be governed as a village, or the
11 chairperson of the governing body of each participating public
12 agency shall appoint representatives as provided by the agreement
13 for creation of the joint public agency. Representatives, other
14 than representatives appointed by the Governor, the President of
15 the United States, or a federal agency head, must be members of the
16 governing body of the participating public agency which they are
17 appointed to represent. Upon issuance of an amended certificate of
18 creation pursuant to section 12 of this act, a representative shall
19 be appointed by each additional participating public agency as
20 provided in this section. An alternate representative with the
21 same qualifications may be appointed in the same manner as a
22 representative and shall serve and exercise all powers of a
23 representative in the absence of the representative for whom he or
24 she is the alternate. The representatives shall constitute the
25 board in which shall be vested all powers of the joint public
26 agency.

27 Sec. 10. Within thirty days after adoption of the
28 resolutions for creation of a joint public agency by the proposed

1 participating public agencies, the board shall file with the
2 Secretary of State a statement signed by the representatives
3 setting forth (1) the names of all the proposed participating
4 public agencies, (2) a certified copy of each of the resolutions of
5 the participating public agencies determining the need for such a
6 joint public agency, (3) proof of publication as required in
7 subsection (1) of section 8 of this act, (4) a brief description of
8 the nature of the joint public agency's activities, and (5) the
9 name of the joint public agency.

10 Sec. 11. The Secretary of State shall examine the
11 statement and, if he or she finds that the name proposed for the
12 joint public agency is distinguishable from any other entity name
13 registered or on file with the Secretary of State pursuant to
14 Nebraska law and that the statement conforms to the requirements of
15 sections 8 to 27 of this act, the Secretary of State shall record
16 it and issue and record a certificate of creation. The certificate
17 shall state the name of the joint public agency, the fact and date
18 of creation, and the names of the participating public agencies.
19 Upon the issuance of the certificate, the existence of the joint
20 public agency as a public body corporate and politic of this state
21 shall commence. Notice of the issuance of the certificate shall be
22 given to all of the proposed participating public agencies by the
23 Secretary of State and shall be published in one issue in a legal
24 newspaper for each proposed participating public agency or a
25 newspaper having general circulation in the area served by a
26 proposed participating public agency if no legal newspaper exists
27 for the participating public agency and in one or more newspapers
28 of general circulation in the area to be served by the joint public

1 agency.

2 Sec. 12. In any suit, action, or proceeding involving
3 the validity or enforcement of, or relating to, any contract of the
4 joint public agency, the joint public agency shall be conclusively
5 deemed to have been established, except as against the state, in
6 accordance with sections 8 to 27 of this act upon proof of the
7 filing of the certificate of creation by the Secretary of State. A
8 copy of the certificate or amended certificate, duly certified by
9 the Secretary of State, shall be admissible in evidence in any
10 suit, action, or proceeding and shall be conclusive proof of the
11 filing and contents thereof.

12 Sec. 13. After the creation of a joint public agency,
13 any other public agency may become a participating public agency
14 therein upon (1) the adoption of a resolution by the governing body
15 of the public agency setting forth the determination prescribed in
16 section 9 of this act and authorizing the public agency to become a
17 participating public agency after notice as described in subsection
18 (1) of section 9 of this act, (2) application to the joint public
19 agency, and (3) adoption by a majority vote of the representatives,
20 unless the joint public agency's rules of governance require a
21 greater percentage, of a resolution by the board admitting the
22 public agency as a participating public agency. Thereupon the
23 public agency shall become a participating public agency entitled
24 to appoint a representative or representatives in the manner
25 prescribed by sections 9 and 15 of this act and to otherwise
26 participate in the joint public agency to the same extent as if the
27 public agency had participated in the creation of the joint public
28 agency. Upon the filing with the Secretary of State of certified

1 copies of the resolutions described in this section and proof of
2 publication of notice, the Secretary of State shall issue an
3 amended certificate of creation setting forth the names of the
4 participating public agencies, the date of creation, and the name
5 of the joint public agency. Notice shall be given as provided in
6 section 11 of this act.

7 Sec. 14. Each representative shall serve for a term
8 specified in the agreement, not to exceed four years, or until his
9 or her successor has been appointed and has qualified in the same
10 manner as the original appointment. A representative shall be
11 eligible for reappointment upon the expiration of his or her term.
12 A certificate of the appointment or reappointment of any
13 representative or alternate representative shall be issued by the
14 governing body and shall be filed with the clerk or secretary of
15 the public agency for which the representative acts and the joint
16 public agency. The certificate shall be conclusive evidence of the
17 due and proper appointment of the representative. A representative
18 may be removed for any cause at any time by the governing body of
19 the participating public agency for which the representative acts.
20 A representative shall be removed if he or she is no longer a
21 member of the governing body of the public agency which makes the
22 appointment. A vacancy shall be filled for the balance of the
23 unexpired term of a person who is no longer eligible to hold office
24 in the same manner as the original appointment, until the term as
25 representative expires, or until removed by the participating
26 public agency which appointed him or her. A representative shall
27 receive no compensation for his or her services but shall be
28 entitled to actual and necessary expenses incurred in the

1 discharge of his or her official duties, including mileage at the
2 rate provided in section 81-1176.

3 Sec. 15. (1) Each participating public agency shall at
4 all times be entitled to appoint at least one representative. A
5 joint public agency's rules of governance may allow any
6 participating public agency to appoint additional representatives
7 and shall specify the number of representatives to be appointed by
8 each participating public agency. The number of representatives
9 may be increased or decreased from time to time by an amendment to
10 the rules of governance approved by each participating public
11 agency as evidenced by a resolution of the governing body thereof
12 unless the agreement provides for approval by less than all
13 participating public agencies.

14 (2) Each representative shall be entitled to one vote.
15 With the approval of each participating public agency as evidenced
16 by a resolution of the governing body thereof unless the agreement
17 provides for approval by less than all participating public
18 agencies, a joint public agency's rules of governance may allow the
19 representative of any participating public agency to cast more than
20 one vote and shall specify the number of votes such representative
21 may cast.

22 (3) A quorum of the board is required for conducting the
23 business and exercising the powers of the joint public agency and
24 for all other purposes. Unless the rules of governance require a
25 larger quorum, the presence at the meeting of the number of
26 representatives entitled to cast a majority of the total votes
27 which may be cast by all of the representatives constitutes a
28 quorum. Action may be taken upon a vote of a majority of the votes

1 which the representatives present are entitled to cast unless the
2 rules of governance require a larger vote.

3 (4) The manner of scheduling regular meetings and the
4 method of calling special board meetings, including the giving or
5 waiving of notice, shall be as provided in the rules of governance
6 within the constraints of sections 84-1408 to 84-1414.

7 Sec. 16. The board shall elect a chairperson and
8 vice-chairperson from among its members. The joint public agency
9 may employ an executive director. The board shall elect a
10 secretary who shall either be from among the representatives or the
11 executive director. The joint public agency may employ or obtain
12 the services of legal counsel, technical experts, and such other
13 officers, agents, and employees as it may require and shall
14 determine their qualifications, duties, compensation, and term of
15 office. The board may delegate to its officers, agents, or
16 employees such powers and duties as the board deems proper.

17 Sec. 17. (1) The board may create an executive committee
18 the composition of which shall be set forth in the joint public
19 agency's rules of governance. The executive committee shall have
20 and exercise the power and authority of the board during intervals
21 between the board's meetings in accordance with the rules of
22 governance, motions, or resolutions creating the executive
23 committee. The terms of office of the members of the executive
24 committee and the method of filling vacancies shall be fixed by the
25 rules of governance.

26 (2) The board may also create one or more committees to
27 which the board may delegate such powers and duties as the board
28 shall specify. In no event shall any committee be empowered to

1 authorize the issuance of bonds. The membership and voting
2 requirements for action by a committee shall be specified by the
3 board.

4 (3) The board shall be subject to sections 84-1408 to
5 84-1414.

6 Sec. 18. A joint public agency shall be dissolved upon
7 the adoption, by the governing bodies of at least one-half of the
8 participating public agencies, of a resolution setting forth the
9 determination that the need for the public agencies to act
10 cooperatively through a joint public agency no longer exists. A
11 joint public agency shall not be dissolved so long as the agency
12 has bonds outstanding, unless provision for full payment of the
13 bonds and interest thereon, by escrow or otherwise, has been made
14 pursuant to the terms of the bonds or the resolution, indenture, or
15 security instrument securing the bonds. If the governing bodies of
16 one or more, but less than a majority, of the participating public
17 agencies adopt such a resolution, such public agencies shall be
18 permitted to withdraw from participation in the joint public
19 agency, but withdrawal shall not affect the obligations of the
20 withdrawing public agency pursuant to any contracts or other
21 agreements with the joint public agency. Withdrawal shall not
22 impair the payment of any outstanding bonds or interest thereon.
23 In the event of the dissolution of a joint public agency, its board
24 shall provide for the disposition, division, or distribution of the
25 joint public agency's assets among the participating public
26 agencies by such means as the board shall determine, in its sole
27 discretion, to be fair and equitable or as provided in the
28 agreement for creation of the joint public agency.

1 Sec. 19. A joint public agency shall constitute a
2 political subdivision and a public body corporate and politic of
3 this state exercising public powers separate from the participating
4 public agencies. A joint public agency shall have the duties,
5 privileges, immunities, rights, liabilities, and disabilities of a
6 political subdivision and a public body corporate and politic
7 exercising powers and acting on behalf of the participating public
8 agencies.

9 Sec. 20. A joint public agency may be sued subject to
10 the Political Subdivisions Tort Claims Act.

11 Sec. 21. The powers of a joint public agency shall
12 include the power:

13 (1) To sue;

14 (2) To have a seal and alter the same at pleasure, or to
15 dispense with the necessity thereof;

16 (3) To make and execute contracts and other instruments
17 necessary or convenient to the exercise of its powers;

18 (4) From time to time, to make, amend, and repeal rules
19 of governance not inconsistent with sections 8 to 27 of this act or
20 the terms of the agreement for its creation to carry out and
21 effectuate its powers and purposes;

22 (5) To adopt and promulgate rules and regulations as
23 authorized for at least one of the participating public agencies
24 and as provided in the agreement;

25 (6) To acquire, own, hold, use, lease, as lessor or
26 lessee, sell, or otherwise dispose of, mortgage, pledge, or grant a
27 security interest in any real or personal property, commodity,
28 product, or service or any interest therein or right thereto as

1 provided by law;

2 (7) To incur debts, liabilities, or obligations,
3 including the borrowing of money and the issuance of bonds, secured
4 or unsecured, pursuant to sections 8 to 27 of this act;

5 (8) To borrow money or accept contributions, grants, or
6 other financial assistance from a public agency and to comply with
7 such conditions and enter into such contracts, covenants,
8 mortgages, trust indentures, leases, or agreements as may be
9 necessary, convenient, or desirable;

10 (9) To fix, maintain, revise, and collect fees, rates,
11 rents, and charges for functions, services, or facilities provided
12 by the joint public agency;

13 (10) Subject to any agreements with holders of
14 outstanding bonds, to invest any funds held in reserve or sinking
15 funds, or any funds not required for immediate disbursement,
16 including the proceeds from the sale of any bonds, in such
17 obligations, securities, and other investments as the board shall
18 deem proper;

19 (11) To join and pay dues to organizations, membership in
20 which is deemed by the board to be beneficial to the accomplishment
21 of the joint public agency's purposes; and

22 (12) To exercise any other powers which are deemed
23 necessary and convenient to carry out sections 8 to 27 of this act.

24 A joint public agency may perform any governmental
25 service, activity, or undertaking which at least one of the
26 participating public agencies is authorized to perform. In
27 exercising its powers under this section to perform any
28 governmental service, activity, or undertaking, a joint public

1 agency shall be subject to the same procedures, regulations, and
2 restrictions as the participating public agency which is granted
3 the power by law to perform the governmental service, activity, or
4 undertaking.

5 Sec. 22. The board may provide its members, its
6 officers, and agents and employees of the joint public agency and
7 participating public agencies, either collectively or individually,
8 with personal liability insurance coverage insuring against any
9 liability and claim arising by reason of any act or omission in any
10 manner relating to the performance, attempted performance, or
11 failure of performance of official duties as a participating public
12 agency, representative, officer, agent, or employee, and may
13 authorize the payment of the premium, cost, and expense of
14 insurance from the general fund of the joint public agency. The
15 agreement may provide that such coverage be the responsibility of
16 one or more of the participating public agencies.

17 Sec. 23. The agreement creating a joint public agency
18 may provide that insurance, retirement, indemnification, and other
19 benefits be provided by one or more participating public agencies.
20 If the agreement so provides, the insurance, retirement,
21 indemnification, or other benefits applicable to the participating
22 public agencies shall include the officers or employees of the
23 joint public agency as provided in the agreement.

24 Sec. 24. A joint public agency may file a petition in
25 the United States Bankruptcy Court under 11 U.S.C. chapter 9 and
26 any acts amendatory thereto and supplementary thereof and may incur
27 and pay the expenses incident to the consummation of a plan of
28 adjustment of debts as contemplated by the petition.

1 Sec. 25. (1) Commencing in 2001 and each odd-numbered
2 year thereafter, each joint public agency shall deliver to the
3 Secretary of State a biennial report on a form prescribed and
4 furnished by the Secretary of State that sets forth:

5 (a) The name of the joint public agency;

6 (b) The street address of its principal office and the
7 name of its manager or executive director, if any, at the office in
8 this state;

9 (c) The names and business or residence addresses of its
10 representatives and principal officers;

11 (d) A brief description of the nature of its activities;
12 and

13 (e) The names of the participating public agencies.

14 (2) The information in the biennial report must be
15 current on the date the biennial report is executed on behalf of
16 the joint public agency.

17 (3) The first biennial report must be delivered to the
18 Secretary of State between January 1 and April 1 of the
19 odd-numbered year following the calendar year in which the joint
20 public agency was authorized to transact business. Subsequent
21 biennial reports must be delivered to the Secretary of State
22 between January 1 and April 1 of the following odd-numbered years.
23 The biennial report is due on April 1 of the odd-numbered year in
24 which it must be delivered to the Secretary of State as required by
25 this section.

26 (4) If a biennial report does not contain the information
27 required by this section, the Secretary of State shall promptly
28 notify the reporting joint public agency in writing and return the

1 report to it for correction. If the report is corrected to contain
2 the information required by this section and delivered to the
3 Secretary of State within thirty days after the effective date of
4 notice, it is deemed to be timely filed.

5 (5) Upon the delivery of the biennial report as provided
6 in this section, the Secretary of State shall charge and collect a
7 fee of twenty dollars. The fee is due on April 1 of the
8 odd-numbered year in which the biennial report must be delivered to
9 the Secretary of State as required by this section.

10 Sec. 26. If all participating public agencies are of the
11 same type, the bidding procedures for that type of public agency
12 apply to the joint public agency. If the participating public
13 agencies are not all of the same type, the bidding requirements set
14 out in the County Purchasing Act apply to the joint public agency.

15 Sec. 27. (1) All money of the joint public agency shall
16 be paid out or expended only by check, draft, warrant, or other
17 instrument in writing, signed by the chairperson and the treasurer,
18 assistant treasurer, or such other officer, employee, or agent of
19 the joint public agency as is authorized by the treasurer to sign
20 in his or her behalf. The authorization by the treasurer shall be
21 in writing and filed with the secretary of the joint public agency.

22 (2) In the event that there is no treasurer's bond that
23 expressly insures the joint public agency against loss resulting
24 from the fraudulent, illegal, negligent, or otherwise wrongful or
25 unauthorized acts or conduct by or on the part of any person
26 authorized to sign checks, drafts, warrants, or other instruments
27 in writing, there shall be procured and filed with the secretary of
28 the joint public agency, together with the written authorization

1 filed with the secretary, a surety bond, effective for protection
2 against the loss, in such form and penal amount and with such
3 corporate surety as shall be approved in writing by the signed
4 endorsement thereon of any two officers of the joint public agency
5 other than the treasurer. The secretary shall report to the board
6 at each meeting any such bonds filed, or any change in the status
7 of any such bonds, since the last previous meeting of the board.

8 Sec. 28. Section 13-806, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 13-806. Any public agency entering into an agreement
11 pursuant to the Interlocal Cooperation Act may appropriate funds
12 and may sell, lease, give, or otherwise supply the ~~administrative~~
13 ~~joint~~ board, joint entity, joint public agency, or other legal or
14 administrative entity created to operate the joint or cooperative
15 undertaking by providing such personnel or services therefor as ~~may~~
16 ~~be within its legal power~~ it may employ or contract to furnish.

17 Sec. 29. Section 13-808, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 13-808. Any joint entity or joint public agency may
20 issue such types of bonds as its ~~governing body~~ board may determine
21 subject only to any agreement with the holders of outstanding
22 bonds, including bonds as to which the principal and interest are
23 payable exclusively from all or a portion of the revenue from one
24 or more projects, from one or more revenue-producing contracts,
25 including securities acquired from any person, or leases made by
26 the joint entity or joint public agency with any person, including
27 any of ~~these~~ the public agencies which are parties to the agreement
28 creating the joint entity or joint public agency, or from its

1 revenue generally or which may be additionally secured by a pledge
2 of any grant, subsidy, or contribution from any person or a pledge
3 of any income or revenue, funds, or money of the joint entity or
4 joint public agency from any source whatsoever or a mortgage or
5 security interest in any real or personal property, commodity,
6 product, or service or interest therein.

7 Any bonds issued by such joint entity or joint public
8 agency shall be issued on behalf of ~~these~~ the public agencies which
9 are parties to the agreement creating such joint entity or joint
10 public agency and shall be authorized to be issued for the specific
11 purpose or purposes for which the joint entity or joint public
12 agency has been created. Such specific purposes may include, but
13 shall not be limited to, solid waste collection, management, and
14 disposal; waste recycling; sanitary sewage treatment and disposal;
15 correctional facilities; water treatment plants and distribution
16 systems; drainage systems; flood control projects; fire protection
17 services; ground water quality management and control; hospital and
18 other health care services; bridges, roads, and streets; and law
19 enforcement.

20 Sec. 30. Section 13-809, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 13-809. Any joint entity or joint public agency may from
23 time to time issue its bonds in such principal amounts as its
24 ~~governing body shall deem~~ board determines is necessary to provide
25 sufficient funds to carry out any of the joint entity's or joint
26 public agency's purposes and powers, including the establishment or
27 increase of reserves, the payment of interest accrued during
28 construction of a project and for such period thereafter as the

1 ~~governing body board~~ may determine, and the payment of all other
2 costs or expenses of the joint entity or joint public agency
3 incident to and necessary or convenient to carry out its purposes
4 and powers.

5 Sec. 31. Section 13-810, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 13-810. (1) ~~Neither the members of a joint entity's~~
8 ~~governing body nor any~~ The members or representatives of the board
9 and a person executing the bonds shall not be liable personally on
10 such bonds by reason of the issuance thereof.

11 (2) The bonds shall not be a debt of any political
12 subdivision or of this state and neither this state nor any
13 political subdivision shall be liable thereon. Bonds shall be
14 payable only out of any funds or properties of the issuing joint
15 entity or joint public agency. Such limitations shall be plainly
16 stated upon the face of the bonds.

17 Sec. 32. Section 13-811, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 13-811. Bonds shall be authorized by resolution of the
20 ~~issuing joint entity's governing body board~~ and may be issued under
21 a resolution, ~~or under a trust indenture,~~ or other security
22 instrument in one or more series and shall bear such date or dates,
23 mature at such time or times, bear interest at such rate or rates,
24 be in such denomination or denominations, be in such form, either
25 coupon or registered, carry such conversion or registration
26 privileges, have such rank or priority, be executed in such manner,
27 be payable in such medium of payment and at such place or places,
28 and be subject to such terms of redemption, with or without

1 premium, as such resolution, ~~trust~~ indenture, or other security
2 instrument may provide and without limitation by any other law
3 limiting amounts, maturities, or interest rates. Any officer
4 authorized or designated to sign, countersign, execute, or attest
5 any bond or any coupon may utilize a facsimile signature. in lieu
6 of his or her manual signature.

7 Sec. 33. Section 13-812, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 13-812. (1) Except as the ~~issuing joint entity's~~
10 ~~governing body board~~ may otherwise provide, any bond and any
11 interest coupons thereto attached shall be fully negotiable within
12 the meaning of and for all purposes of article 8, Uniform
13 Commercial Code.

14 (2) The bonds may be sold at public or private sale as
15 the ~~issuing joint entity's governing body board~~ may provide and at
16 such price or prices as such ~~governing body board~~ shall determine.

17 Sec. 34. Section 13-814, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 13-814. Any joint entity or joint public agency may in
20 connection with the issuance of its bonds:

21 (1) Covenant as to the use of any or all of its property,
22 real or personal;

23 (2) Redeem the bonds, covenant for their redemption, and
24 provide the terms and conditions thereof;

25 (3) Covenant to charge or seek necessary approvals to
26 charge rates, fees, and charges sufficient to meet operating and
27 maintenance expenses of the joint entity or joint public agency,
28 costs of renewals and replacements to a project, interest and

1 principal payments, whether at maturity or upon sinking-fund
2 redemption, on any outstanding bonds or other indebtedness of the
3 joint entity or joint public agency, and creation and maintenance
4 of any reasonable reserves therefor and to provide for any margins
5 or coverages over and above debt service on the bonds deemed
6 desirable for the marketability or security of the bonds;

7 (4) Covenant and prescribe as to events of default and
8 terms and conditions upon which any or all of its bonds shall
9 become or may be declared due before maturity, as to the terms and
10 conditions upon which such declaration and its consequences may be
11 waived, and as to the consequences of default and the remedies of
12 bondholders;

13 (5) Covenant as to the mortgage or pledge of or the grant
14 of any other security interest in any real or personal property and
15 all or any part of the revenue from any project or projects or any
16 revenue-producing contract or contracts made by the joint entity or
17 joint public agency with any person to secure the payment of bonds,
18 subject to such agreements with the holders of outstanding bonds as
19 may then exist;

20 (6) Covenant as to the custody, collection, securing,
21 investment, and payment of any revenue, assets, money, funds, or
22 property with respect to which the joint entity or joint public
23 agency may have any rights or interest;

24 (7) Covenant as to the purposes to which the proceeds
25 from the sale of any bonds then or thereafter to be issued may be
26 applied and the pledge of such proceeds to secure the payment of
27 the bonds;

28 (8) Covenant as to limitations on the issuance of any

1 additional bonds, the terms upon which additional bonds may be
2 issued and secured, and the refunding of outstanding bonds;

3 (9) Covenant as to the rank or priority of any bonds with
4 respect to any lien or security;

5 (10) Covenant as to the procedure by which the terms of
6 any contract with or for the benefit of the holders of bonds may be
7 amended or abrogated, the amount of bonds the holders of which must
8 consent thereto, and the manner in which such consent may be given;

9 (11) Covenant as to the custody, safekeeping, and
10 insurance of any of its properties or investments and the use and
11 disposition of insurance proceeds;

12 (12) Covenant as to the vesting in a trustee or trustees,
13 within or outside the state, of such properties, rights, powers,
14 and duties in trust as the joint entity or joint public agency may
15 determine;

16 (13) Covenant as to the appointing and providing for the
17 duties and obligations of a paying agent or paying agents or other
18 fiduciaries within or outside the state;

19 (14) Make all other covenants and do any and all such
20 acts and things as may be necessary, convenient, or desirable in
21 order to secure its bonds or in the absolute discretion of the
22 joint entity or joint public agency tend to make the bonds more
23 marketable, notwithstanding that such covenants, acts, or things
24 may not be enumerated in this section; and

25 (15) Execute all instruments necessary or convenient in
26 the exercise of the powers in the Interlocal Cooperation Act
27 granted or in the performance of covenants or duties, which
28 instruments may contain such covenants and provisions as any

1 purchaser of bonds may reasonably require.

2 Sec. 35. Section 13-815, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 13-815. Any joint entity or joint public agency may
5 issue and sell refunding bonds for the purpose of paying or
6 providing for the payment of any of its bonds at or prior to
7 maturity or upon acceleration or redemption. Refunding bonds may
8 be issued at any time prior to or at the maturity or redemption of
9 the refunded bonds as the ~~joint entity's governing body~~ board deems
10 appropriate. The refunding bonds may be issued in principal amount
11 not exceeding an amount sufficient to pay or to provide for the
12 payment of (1) the principal of the bonds being refunded, (2) any
13 redemption premium thereon, (3) interest accrued or to accrue to
14 the first or any subsequent redemption date or dates selected by
15 the ~~joint entity's governing body~~ board in its discretion or to the
16 date or dates of maturity, whichever is determined to be most
17 advantageous or convenient for the joint entity or joint public
18 agency, (4) the expenses of issuing the refunding bonds, including
19 bond discount, and redeeming the bonds being refunded, and (5) such
20 reserves for debt service or other capital or current expenses from
21 the proceeds of such refunding bonds as may be deemed necessary or
22 convenient by the ~~governing body of the issuing joint entity~~ board.
23 A determination by the ~~governing body~~ board that any refinancing is
24 advantageous or necessary to the joint entity or joint public
25 agency, that any of the amounts provided in this section should be
26 included in such refinancing, or that any of the bonds to be
27 refinanced should be called for redemption on the first or any
28 subsequent redemption date or permitted to remain outstanding until

1 their respective dates of maturity shall be conclusive.

2 Sec. 36. Section 13-816, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 13-816. Refunding bonds may be exchanged for and in
5 payment and discharge of any of the outstanding obligations being
6 refunded. The refunding bonds may be exchanged for a like,
7 greater, or smaller principal amount of the bonds being refunded as
8 the ~~issuing joint entity's governing body~~ board may determine in
9 its discretion. The holder or holders of the bonds being refunded
10 need not pay accrued interest on the refunding bonds if and to the
11 extent that interest is due or accrued and unpaid on the bonds
12 being refunded and to be surrendered.

13 Sec. 37. Section 13-818, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 13-818. The issue of refunding bonds, the manner of
16 sale, the maturities, interest rates, form, and other details
17 thereof, the security therefor, the rights of the holders thereof,
18 and the rights, duties, and obligations of the joint entity or
19 joint public agency in respect of the same shall be governed by ~~the~~
20 ~~provisions of~~ the Interlocal Cooperation Act relating to the issue
21 of bonds other than refunding bonds insofar as the same may be
22 applicable.

23 Sec. 38. Section 13-820, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 13-820. The ~~governing body of the joint entity~~ board may
26 provide for the publication of any resolution or other proceeding
27 adopted by it pursuant to the Interlocal Cooperation Act in a
28 newspaper of general circulation published in the political

1 subdivision or county where the principal office or place of
2 business of the joint entity or joint public agency is located or,
3 if no newspaper is so published, in a newspaper qualified to carry
4 legal notices having general circulation in the political
5 subdivision or county.

6 Sec. 39. Section 13-821, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 13-821. In the case of a resolution or other proceeding
9 providing for the issuance of bonds pursuant to the Interlocal
10 Cooperation Act, the ~~governing body of the joint entity~~ board may,
11 either before or after the adoption of such resolution or other
12 proceeding, in lieu of publishing the entire resolution or other
13 proceeding, publish a notice of intention to issue bonds under the
14 act, titled as such, containing:

- 15 (1) The name of the joint entity or joint public agency;
- 16 (2) The purpose of the issue, including a brief
17 description of the project and the name of the political
18 subdivisions to be serviced by the project;
- 19 (3) The principal amount of bonds to be issued;
- 20 (4) The maturity date or dates and amount or amounts
21 maturing on such dates;
- 22 (5) The maximum rate of interest payable on the bonds;
23 and
- 24 (6) The times and place where a copy of the form of the
25 resolution or other proceeding providing for the issuance of the
26 bonds may be examined which shall be at an office of the joint
27 entity or joint public agency, identified in the notice, during
28 regular business hours of the joint entity or joint public agency

1 as described in the notice and for a period of at least thirty days
2 after the publication of the notice.

3 Sec. 40. Section 13-824, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 13-824. (1) All bonds of a joint entity or joint public
6 agency are declared to be issued for an essential public and
7 governmental purpose and, together with interest thereon and income
8 therefrom, shall be exempt from all taxes.

9 (2) The property of a joint entity or joint public
10 agency, including any pro rata share of any property owned by a
11 joint entity or joint public agency in conjunction with any other
12 person, is declared to be public property of a governmental
13 subdivision of the state used for essential public and governmental
14 purposes, and such property and the income of a joint entity or
15 joint public agency shall be exempt from all taxes and assessments
16 of the state or any political subdivision of the state. ~~and shall~~
17 ~~be exempt from all special assessments of any participating~~
18 ~~municipality.~~

19 Sec. 41. Section 13-826, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 13-826. The State of Nebraska does hereby pledge to and
22 agree with the holders of any bonds and with those persons who may
23 enter into contracts with any joint entity, joint public agency, or
24 political subdivision under the Interlocal Cooperation Act that the
25 state will not alter, impair, or limit the rights thereby vested
26 until the bonds, together with applicable interest, are fully met
27 and discharged and such contracts are fully performed. Nothing
28 contained in the Interlocal Cooperation Act shall preclude such

1 alteration, impairment, or limitation if and when adequate
2 provisions are made by law for the protection of the holders of the
3 bonds or persons entering into contracts with any joint entity,
4 joint public agency, or political subdivision. Each joint entity,
5 joint public agency, and political subdivision may include this
6 pledge and undertaking for the state in such bonds or contracts.

7 Sec. 42. A joint entity or joint public agency created
8 by public agencies pursuant to the Interlocal Cooperation Act shall
9 not be considered a state agency, and an employee of such an entity
10 or agency shall not be considered a state employee.

11 Sec. 43. Section 13-2004, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 13-2004. Agency shall mean any combination of two or
14 more municipalities or counties acting together under the
15 Interlocal Cooperation Act, a natural resources district acting
16 alone or together with one or more counties and municipalities
17 under the act, or any joint entity or joint public agency as
18 defined in section 13-803.

19 Sec. 44. Section 13-2025.01, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 13-2025.01. Any joint entity or joint public agency
22 created to fulfill the purposes of the Integrated Solid Waste
23 Management Act pursuant to the Interlocal Cooperation Act shall
24 comply with the Municipal Proprietary Function Act for purposes of
25 reporting its budgets. Proprietary budget statements for the joint
26 entity or joint public agency shall be placed on file with the
27 office of the municipal clerk of each member which is a
28 municipality as required by the Municipal Proprietary Function Act

1 and with the county clerk of each member which is a county.

2 Sec. 45. Section 47-603, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 47-603. For purposes of the Community Correctional
5 Facilities and Programs Act:

6 (1) Community correctional facility or program shall mean
7 a community-based or community-oriented facility or program which
8 (a) is operated either by a unit of local government, the
9 department, or a nongovernmental agency, (b) may be designed to
10 provide residential accommodations for offenders, and (c) provides
11 programs and services to aid offenders in obtaining and holding
12 regular employment, in enrolling in and maintaining academic
13 courses, in participating in vocational training programs, in
14 utilizing the resources of the community to meet their personal and
15 family needs, in obtaining mental health, alcohol, and drug
16 treatment, and in participating in whatever specialized programs
17 exist within the community;

18 (2) Corrections board shall mean the governing body of
19 any unit of local government or a board which may be appointed by
20 the governing body of any unit of local government to carry out the
21 act;

22 (3) Department shall mean the Department of Correctional
23 Services;

24 (4) Director shall mean the Director of Correctional
25 Services;

26 (5) Nongovernmental agency shall mean any person, private
27 nonprofit agency, corporation, association, labor organization, or
28 entity other than the state or a political subdivision;

1 (6) Offender shall mean any person who has been convicted
2 of a felony or misdemeanor but shall not include any person who has
3 been found to be a habitual criminal under section 29-2221, has
4 been convicted of a crime of violence, or has been convicted of the
5 knowing and intentional manufacture, distribution, delivery, or
6 dispensing of a controlled substance in violation of the Uniform
7 Controlled Substances Act; and

8 (7) Unit of local government shall mean a county, city,
9 village, or joint entity or joint public agency established
10 pursuant to the Interlocal Cooperation Act.

11 Sec. 46. Section 58-202, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 58-202. (1) The Legislature hereby finds and declares
14 that:

15 (a) The high cost of agricultural loans and the general
16 unavailability of such loans at favorable rates and terms for
17 farmers, particularly beginning farmers, and other agricultural
18 enterprises have resulted in decreased crop, livestock, and
19 business productivity and prevented farmers and other agricultural
20 enterprises from acquiring modern agricultural equipment and
21 processes. These problems have made it difficult for farmers and
22 other agricultural enterprises to maintain or increase their
23 present number of employees and have decreased the supply of
24 agricultural commodities available to fulfill the needs of the
25 citizens of this state; and

26 (b) There exists in this state an inadequate supply of
27 and a pressing need for farm credit and agricultural loan financing
28 at interest rates and terms which are consistent with the needs of

1 farmers, particularly beginning farmers, and other agricultural
2 enterprises.

3 (2) The Legislature hereby finds and declares that:

4 (a) From time to time the high rates of interest charged
5 by mortgage lenders seriously restrict existing housing transfers
6 and new housing starts and the resultant reduction in residential
7 construction starts causes a condition of substantial unemployment
8 and underemployment in the construction industry;

9 (b) Such conditions generally result in and contribute to
10 the creation of slums and blighted areas in the urban and rural
11 areas of this state and a deterioration of the quality of living
12 conditions within this state and necessitate excessive and
13 disproportionate expenditures of public funds for crime prevention
14 and punishment, public health and safety, fire and accident
15 prevention, and other public services and facilities; and

16 (c) There exists in the urban and rural areas of this
17 state an inadequate supply of and a pressing need for sanitary,
18 safe, and uncrowded housing at prices at which low-income and
19 moderate-income persons, particularly first-time homebuyers, can
20 afford to purchase, construct, or rent and as a result such persons
21 are forced to occupy unsanitary, unsafe, and overcrowded housing.

22 (3) The Legislature hereby finds and declares that:

23 (a) Adequate and reliable energy supplies are a basic
24 necessity of life and sufficient energy supplies are essential to
25 supplying adequate food and shelter;

26 (b) The cost and availability of energy supplies has been
27 and will continue to be a matter of state and national concern;

28 (c) The increasing cost and decreasing availability of

1 energy supplies for purposes of residential heating will limit the
2 ability of many of Nebraska's citizens to provide the basic
3 necessities of life and will result in a deterioration in living
4 conditions and a threat to the health and welfare of the citizens
5 of this state;

6 (d) Energy conservation through building modifications
7 including, but not limited to, insulation, weatherization, and the
8 installation of alternative energy devices has been shown to be a
9 prudent means of reducing energy consumption costs and the need for
10 additional costly facilities to produce and supply energy;

11 (e) Because of the high cost of available capital, the
12 purchase of energy conservation devices is not possible for many
13 Nebraskans. The prohibitively high interest rates for private
14 capital create a situation in which the necessary capital cannot be
15 obtained solely from private enterprise sources and there is a need
16 for the stimulation of investment of private capital, thereby
17 encouraging the purchase of energy conservation devices and energy
18 conserving building modifications;

19 (f) The increased cost per capita of supplying adequate
20 life-sustaining energy needs has reduced the amount of funds, both
21 public and private, available for providing other necessities of
22 life, including food, health care, and safe, sanitary housing; and

23 (g) The continuing purchase of energy supplies results in
24 the transfer of ever-increasing amounts of capital to out-of-state
25 energy suppliers.

26 (4) The Legislature hereby finds and declares that:

27 (a) There exist within this state unemployment and
28 underemployment especially in areas of basic economic activity,

1 caused by economic decline and need for diversification of the
2 economic base, needlessly increasing public expenditures for
3 unemployment compensation and welfare, decreasing the tax base,
4 reducing tax revenue, and resulting in economic and social
5 liabilities to the entire state;

6 (b) Such unemployment and underemployment cause areas of
7 the state to deteriorate and become substandard and blighted and
8 such conditions result in making such areas economic or social
9 liabilities harmful to the economic and social well-being of the
10 entire state and the communities in which they exist, needlessly
11 increasing public expenditures, imposing onerous state and
12 municipal burdens, decreasing the tax base, reducing tax revenue,
13 substantially impairing or arresting the sound growth of the state
14 and the municipalities, depreciating general state and
15 community-wide values, and contributing to the spread of disease
16 and crime which necessitate excessive and disproportionate
17 expenditures of public funds for the preservation of the public
18 health and safety, for crime prevention, correction, prosecution,
19 and punishment, for the treatment of juvenile delinquency, for the
20 maintenance of adequate police, fire, and accident protection, and
21 for other public services and facilities;

22 (c) There exist within this state conditions resulting
23 from the concentration of population of various counties, cities,
24 and villages which require the construction, maintenance, and
25 operation of adequate hospital and nursing facilities for the care
26 of the public health. Since these conditions cannot be remedied by
27 the ordinary operations of private enterprises and since provision
28 of adequate hospital, nursing, and medical care is a public use, it

1 is in the public interest that adequate hospital and medical
2 facilities and care be provided in order to care for and protect
3 the public health and welfare;

4 (d) Creation of basic economic jobs in the private sector
5 and the promotion of health and welfare by the means provided under
6 the Nebraska Investment Finance Authority Act and the resulting
7 reduction of needless public expenditures, expansion of the tax
8 base, provision of hospitals and health care and related
9 facilities, and increase of tax revenue are needed within this
10 state; and

11 (e) Stimulation of economic development throughout the
12 state and the provision of health care at affordable prices are
13 matters of state policy, public interest, and statewide concern and
14 within the powers and authority inherent in and reserved to the
15 state in order that the state and its municipalities shall not
16 continue to be endangered by areas which consume an excessive
17 proportion of their revenue, in order that the economic base of the
18 state may be broadened and stabilized thereby providing jobs and
19 necessary tax base, and in order that adequate health care services
20 be provided to all residents of this state.

21 (5) The Legislature hereby finds and declares that:

22 (a) There is a need within this state for financing to
23 assist municipalities, as defined in section 81-15,149, in
24 providing wastewater treatment facilities and safe drinking water
25 facilities. The federal funding provided for wastewater treatment
26 facilities is extremely limited while the need to provide and
27 improve wastewater treatment facilities and safe drinking water
28 facilities is great;

1 (b) The construction, development, rehabilitation, and
2 improvement of modern and efficient sewer systems and wastewater
3 treatment facilities are essential to protecting and improving the
4 state's water quality, the provision of adequate wastewater
5 treatment facilities and safe drinking water facilities is
6 essential to economic growth and development, and new sources of
7 financing for such projects are needed;

8 (c) The federal government has acted to end the system of
9 federal construction grants for clean water projects and has
10 instead provided for capitalization grants to capitalize state
11 revolving funds for wastewater treatment projects and will soon
12 expand that to include safe drinking water facilities, and the
13 state has created or is expected to create appropriate funds or
14 accounts for such purpose. The state is required or expected to be
15 required to provide matching funds for deposit into such funds or
16 accounts, and there is a need for financing in excess of the amount
17 which can be provided by the federal money and the state match; and

18 (d) Additional assistance can be provided to
19 municipalities as defined in section 81-15,149 to alleviate the
20 problems of water pollution or the provision of safe drinking water
21 by providing for the issuance of revenue bonds, the proceeds of
22 which shall be deposited into the Wastewater Treatment Facilities
23 Construction Loan Fund or the comparable state fund to finance safe
24 drinking water facilities. Nothing in this section shall prohibit
25 the provision of loans, including loans made pursuant to the
26 Conservation Corporation Act, to a municipality as defined in
27 section 81-15,149 for the construction, development,
28 rehabilitation, operation, maintenance, and improvement of

1 wastewater treatment facilities or safe drinking water facilities.

2 (6) The Legislature hereby finds and declares that:

3 (a) There is a need within this state for financing to
4 assist public school boards and school districts and private
5 for-profit or not-for-profit schools in connection with removal of
6 materials determined to be hazardous to the health and well-being
7 of the residents of the state and the reduction or elimination of
8 accessibility barriers and that the federal funding provided for
9 such projects is extremely limited and the need and requirement to
10 remove such materials and to reduce or eliminate accessibility
11 barriers from school buildings is great;

12 (b) The financing of the removal of such environmental
13 hazards and the reduction or elimination of accessibility barriers
14 is essential to protecting and improving the facilities in the
15 state which provide educational benefits and services;

16 (c) The federal government has directed schools to remove
17 such hazardous materials and to reduce or eliminate accessibility
18 barriers; and

19 (d) The problems enumerated in this subsection cannot be
20 remedied through the operation of private enterprise or individual
21 communities or both but may be alleviated through the assistance of
22 the authority to encourage the investment of private capital and
23 assist in the financing of the removal of environmental hazards and
24 the reduction or elimination of accessibility barriers in
25 educational facilities in this state in order to provide for a
26 clean, safe, and accessible environment to protect the health and
27 welfare of the citizens and residents of this state.

28 (7) The Legislature hereby finds and declares that:

1 (a) The rapidly rising volume of waste deposited by
2 society threatens the capacity of existing and future landfills.
3 The nature of waste disposal means that unknown quantities of
4 potentially toxic and hazardous materials are being buried and pose
5 a constant threat to the ground water supply. In addition, the
6 nature of the waste and the disposal methods utilized allow the
7 waste to remain basically inert for decades, if not centuries,
8 without decomposition;

9 (b) Wastes filling Nebraska's landfills may at best
10 represent a potential resource, but without proper management
11 wastes are hazards to the environment and to the public health and
12 welfare;

13 (c) The growing concern with ground water protection and
14 the desire to avoid financial risks inherent in ground water
15 contamination have caused many smaller landfills to close in favor
16 of using higher-volume facilities. Larger operations allow for
17 better ground water protection at a relatively lower and more
18 manageable cost;

19 (d) The reduction of solid waste at the source and the
20 recycling of reusable waste materials will reduce the flow of waste
21 to landfills and increase the supply of reusable materials for the
22 use of the public;

23 (e) There is a need within this state for financing to
24 assist counties, cities, villages, joint entities and joint public
25 agencies created under the Interlocal Cooperation Act, and private
26 persons with the construction and operation of new solid waste
27 disposal areas or facilities and with the closure, monitoring, and
28 remediation of existing solid waste disposal areas and facilities;

1 (f) Financing the construction and operation of new solid
2 waste disposal areas and facilities and financing the closure,
3 monitoring, and remediation of existing and former solid waste
4 disposal areas and facilities in the state is essential to protect
5 the environment and the public health and welfare;

6 (g) The federal government has directed that effective
7 October 1, 1993, all solid waste disposal areas and facilities
8 shall be upgraded to meet stringent siting, design, construction,
9 operation, closure, monitoring, and remediation requirements; and

10 (h) The problems enumerated in this subsection cannot be
11 remedied through the operation of private enterprise or individual
12 communities or both but may be alleviated through the assistance of
13 the authority to encourage the investment of private capital and to
14 assist in the financing of solid waste disposal areas and
15 facilities and in the removal of environmental hazards in solid
16 waste disposal areas and facilities in this state in order to
17 provide for a clean environment to protect the health and welfare
18 of the citizens and residents of this state.

19 Sec. 47. Section 58-219, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 58-219. Project shall mean one or more of the following:

22 (1)(a) Rental housing;

23 (b) Residential housing; and

24 (c) Residential energy conservation devices;

25 (2) Agriculture or agricultural enterprise;

26 (3) Any land, building, or other improvement, any real or
27 personal property, or any equipment and any undivided or other
28 interest in any of the foregoing, whether or not in existence,

1 suitable or used for or in connection with any of the following
2 revenue-producing enterprises or two or more such enterprises
3 engaged or to be engaged in:

4 (a) In all areas of the state, manufacturing or
5 industrial enterprises, including assembling, fabricating, mixing,
6 processing, warehousing, distributing, or transporting any products
7 of agriculture, forestry, mining, industry, or manufacturing;
8 pollution control facilities; and facilities incident to the
9 development of industrial sites, including land costs and the costs
10 of site improvements such as drainage, water, storm, and sanitary
11 sewers, grading, streets, and other facilities and structures
12 incidental to the use of such sites for manufacturing or industrial
13 enterprises;

14 (b) In all areas of the state, service enterprises if (i)
15 such facilities constitute new construction or rehabilitation,
16 including hotels or motels, sports and recreation facilities
17 available for use by members of the general public either as
18 participants or spectators, and convention or trade show
19 facilities, (ii) such facilities do not or will not derive a
20 significant portion of their gross receipts from retail sales or
21 utilize a significant portion of their total area for retail sales,
22 and (iii) such facilities are owned or to be owned by a nonprofit
23 entity;

24 (c) In blighted areas of the state, service and business
25 enterprises if such facilities constitute new construction,
26 acquisition, or rehabilitation, including, but not limited to,
27 those enterprises specified in subdivision (3)(b) of this section,
28 office buildings, and retail businesses if such facilities are

1 owned or to be owned by a nonprofit entity; and

2 (d) In all areas of the state, any land, building, or
3 other improvement and all real or personal property, including
4 furniture and equipment, and any undivided or other interest in any
5 such property, whether or not in existence, suitable or used for or
6 in connection with any hospital, nursing home, and facilities
7 related and subordinate thereto.

8 Nothing in this subdivision shall be construed to include
9 any rental or residential housing, residential energy conservation
10 device, or agriculture or agricultural enterprise;

11 (4) Any land, building, or other improvement, any real or
12 personal property, or any equipment and any undivided or other
13 interest in any of the foregoing, whether or not in existence, used
14 by a nonprofit entity as an office building, but only if (a) the
15 principal long-term occupant or occupants thereof initially employ
16 at least fifty people, (b) the office building will be used by the
17 principal long-term occupant or occupants as a national, regional,
18 or divisional office, (c) the principal long-term occupant or
19 occupants are engaged in a multistate operation, and (d) the
20 authority makes the findings specified in subdivision (1) of
21 section 58-251;

22 (5) Wastewater treatment or safe drinking water project
23 which shall include any project or undertaking which involves the
24 construction, development, rehabilitation, and improvement of
25 wastewater treatment facilities or safe drinking water facilities
26 and is financed by a loan from or otherwise provided financial
27 assistance by the Wastewater Treatment Facilities Construction Loan
28 Fund or any comparable state fund providing money for the financing

1 of safe drinking water facilities;

2 (6) Any cost necessary for abatement of an environmental
3 hazard or hazards in school buildings or on school grounds upon a
4 determination by the school that an actual or potential
5 environmental hazard exists in the school buildings or on the
6 school grounds under its control;

7 (7) Any accessibility barrier elimination project costs
8 necessary for accessibility barrier elimination in school buildings
9 or on school grounds upon a determination by the school that an
10 actual or potential accessibility barrier exists in the school
11 buildings or on the school grounds under its control;

12 (8) Solid waste disposal project which shall include
13 land, buildings, equipment, and improvements consisting of all or
14 part of an area or a facility for the disposal of solid waste,
15 including recycling of waste materials, either publicly or
16 privately owned or operated, and any project or program undertaken
17 by a county, city, village, or joint entity or joint public agency
18 created pursuant to the Interlocal Cooperation Act for closure,
19 monitoring, or remediation of an existing solid waste disposal area
20 or facility and any undivided or other interest in any of the
21 foregoing; and

22 (9) Any affordable housing infrastructure which shall
23 include streets, sewers, storm drains, water, electrical and other
24 utilities, sidewalks, public parks, public playgrounds, public
25 swimming pools, public recreational facilities, and other community
26 facilities, easements, and similar use rights thereof, as well as
27 improvements preparatory to the development of housing units.

28 Sec. 48. Section 58-239, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 58-239. The authority is hereby granted all powers
3 necessary or appropriate to carry out and effectuate its public and
4 corporate purposes including:

5 (1) To have perpetual succession as a body politic and
6 corporate and an independent instrumentality exercising essential
7 public functions;

8 (2) To adopt, amend, and repeal bylaws, rules, and
9 regulations not inconsistent with the Nebraska Investment Finance
10 Authority Act, to regulate its affairs, to carry into effect the
11 powers and purposes of the authority, and to conduct its business;

12 (3) To sue and be sued in its own name;

13 (4) To have an official seal and alter it at will;

14 (5) To maintain an office at such place or places within
15 the state as it may designate;

16 (6) To make and execute contracts and all other
17 instruments as necessary or convenient for the performance of its
18 duties and the exercise of its powers and functions under the act;

19 (7) To employ architects, engineers, attorneys,
20 inspectors, accountants, building contractors, financial experts,
21 and such other advisors, consultants, and agents as may be
22 necessary in its judgment and to fix their compensation;

23 (8) To obtain insurance against any loss in connection
24 with its bonds, property, and other assets in such amounts and from
25 such insurers as it deems advisable;

26 (9) To borrow money and issue bonds as provided by the
27 act;

28 (10) To receive and accept from any source aid or

1 contributions of money, property, labor, or other things of value
2 to be held, used, and applied to carry out the purposes of the act
3 subject to the conditions upon which the grants or contributions
4 are made including gifts or grants from any department, agency, or
5 instrumentality of the United States, and to make grants, for any
6 purpose consistent with the act;

7 (11) To enter into agreements with any department,
8 agency, or instrumentality of the United States or this state and
9 with lenders for the purpose of carrying out projects authorized
10 under the act;

11 (12) To enter into contracts or agreements with lenders
12 for the servicing and processing of mortgages or loans pursuant to
13 the act;

14 (13) To provide technical assistance to local public
15 bodies and to for-profit and nonprofit entities in the areas of
16 housing for low-income and moderate-income persons, agricultural
17 enterprises, and community or economic development, to distribute
18 data and information concerning the needs of the state in these
19 areas, and, at the discretion of the authority, to charge
20 reasonable fees for such assistance;

21 (14) To the extent permitted under its contract with the
22 holders of bonds of the authority, to consent to any modification
23 with respect to the rate of interest, time, and payment of any
24 installment of principal or interest or any other term of any
25 contract, loan, loan note, loan note commitment, mortgage, mortgage
26 loan, mortgage loan commitment, lease, or agreement of any kind to
27 which the authority is a party;

28 (15) To the extent permitted under its contract with the

1 holders of bonds of the authority, to enter into contracts with any
2 lender containing provisions enabling it to reduce the rental or
3 carrying charges to persons unable to pay the regular schedule of
4 charges when, by reason of other income or payment by any
5 department, agency, or instrumentality of the United States of
6 America or of the state, the reduction can be made without
7 jeopardizing the economic stability of the project being financed;

8 (16) To acquire by construction, purchase, devise, gift,
9 or lease or any one or more of such methods one or more projects
10 located within this state, except that the authority shall not
11 acquire any projects or parts of such projects by condemnation;

12 (17) To lease to others any or all of its projects for
13 such rentals and upon such terms and conditions as the authority
14 may deem advisable and as are not in conflict with the act;

15 (18) To issue bonds for the purpose of paying the cost of
16 financing any project or projects and to secure the payment of such
17 bonds as provided in the act;

18 (19) To sell and convey any real or personal property and
19 make such order respecting the same as it deems conducive to the
20 best interest of the authority;

21 (20) To make and undertake commitments to make loans to
22 lenders under the terms and conditions requiring the proceeds of
23 the loans to be used by such lenders to make loans for projects.
24 Loan commitments or actual loans shall be originated through and
25 serviced by any bank, trust company, savings and loan association,
26 mortgage banker, or other financial institution authorized to
27 transact business in the state;

28 (21) To invest in, purchase, make commitments to invest

1 in or purchase, and take assignments or make commitments to take
2 assignments of loans made by lenders for the construction,
3 rehabilitation, or purchase of projects;

4 (22) To enter into financing agreements with others with
5 respect to projects to provide financing for such projects upon
6 such terms and conditions as the authority deems advisable to
7 effectuate the public purposes of the act, which projects shall be
8 located within the state. The authority shall not operate any
9 project referred to in this section as a business or in any manner
10 except as the lessor or seller of such project;

11 (23) To enter into financing agreements with any
12 corporation, partnership, limited liability company, or individual
13 or with any county, city, village, or joint entity or joint public
14 agency created pursuant to the Interlocal Cooperation Act for
15 purposes of financing any solid waste disposal project;

16 (24) To enter into agreements with or purchase or
17 guaranty obligations of political subdivisions of the state,
18 including authorities, agencies, commissions, districts, and
19 instrumentalities thereof, to provide financing for affordable
20 housing infrastructure; and

21 (25) In lieu of providing direct financing as authorized
22 by the Nebraska Investment Finance Authority Act, to guaranty debt
23 obligations of any project owner to whom, and for such purposes as,
24 the authority could otherwise provide direct financing, and the
25 authority may establish a fund or account and limit its obligation
26 on such guaranties to money in such fund or account. Any such
27 guaranty shall contain a statement similar to that required by
28 section 58-255 for bonds issued by the authority.

1 Sec. 49. Section 58-503, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 58-503. For purposes of the Nebraska Redevelopment Act,
4 the following definitions apply:

5 (1) Any term not otherwise defined has the same meaning
6 as used in the Interlocal Cooperation Act;

7 (2) Area application means the area application in
8 section 58-504;

9 (3) Area of operation means and includes the area within
10 the corporate limits of the public body;

11 (4) Base year means the year immediately preceding the
12 year during which the project application was submitted;

13 (5) Base-year employee means any individual who was
14 employed in Nebraska and subject to the Nebraska income tax on
15 compensation received from the company or its predecessors during
16 the base year and who is employed at the redevelopment project;

17 (6) Blighted and substandard area means an area either
18 within a city or cities or up to ten miles outside of the area of
19 operation of a city or cities of the metropolitan or primary class,
20 up to six miles outside of the area of operation of a city or
21 cities of the first class, and up to three miles outside of the
22 area of operation of a city or cities of the second class or
23 village or villages, or any combination thereof, in which by reason
24 of (a) the existence of significant areas of unimproved or
25 insufficiently developed land, (b) the lack of a significant number
26 of new and growing business enterprises, (c) the lack of sufficient
27 economic growth, (d) the dilapidation, deterioration, age, or
28 obsolescence of buildings and improvements, (e) the lack of a

1 state, regional, or local redevelopment plan or program, (f) the
2 existence of significant conditions which prevent or do not promote
3 economic growth within such area, (g) the lack of medical and
4 health care facilities, (h) the lack of utilities and other
5 government services infrastructure, or (i) any combination of such
6 factors, there exists (i) insufficient safe, sanitary, and
7 available housing for low-income and moderate-income families and
8 persons, including, but not limited to, persons displaced by
9 clearing of slums or blighted areas or by other public programs,
10 (ii) job growth at less than the United States or midwest average
11 job growth rates, (iii) average wages at less than the United
12 States or midwest average wage levels, (iv) a net emigration of
13 population, (v) population growth that is less than that of the
14 United States or the midwest, (vi) the failure to utilize
15 substantial land areas at their highest and best uses in comparison
16 to other areas within such city or cities, (vii) an abundance of
17 property that is not on the tax rolls at levels at least equal to
18 industrial and residential valuation levels, or (viii) any
19 combination of such results;

20 (7) Board means a board consisting of the Governor, the
21 State Treasurer, and the chairperson of the Nebraska Investment
22 Council;

23 (8) Bonds means any bonds, including refunding bonds,
24 notes, interim certificates, debentures, or other obligations
25 issued pursuant to the Nebraska Redevelopment Act;

26 (9) City means any city or incorporated village of this
27 state;

28 (10) Company means any person subject to the sales and

1 use taxes and either an income tax imposed by the Nebraska Revenue
2 Act of 1967 or a franchise tax under sections 77-3801 to 77-3807,
3 any corporation, partnership, limited liability company, or joint
4 venture that is or would otherwise be a member of the same unitary
5 group, if incorporated, which is, or whose partners, members, or
6 owners are, subject to such taxes, and any other partnership,
7 limited liability company, subchapter S corporation, or joint
8 venture when the partners, owners, shareholders, or members are
9 subject to such taxes;

10 (11) Contracting public body means the city or joint
11 entity that enters into the project agreement with the company;

12 (12) Designated blighted and substandard area means an
13 area that is a blighted and substandard area which the board
14 designates as such under the Nebraska Redevelopment Act. Such area
15 may include the area of operation of more than one taxing body;

16 (13) Employee means a person employed at the
17 redevelopment project;

18 (14) Equivalent employees means the number of employees
19 computed by dividing the total hours paid in a year by the product
20 of forty times the number of weeks in a year;

21 (15) Governing body means the city council, board of
22 trustees, other legislative body, or person or persons charged with
23 governing the taxing body or contracting public body;

24 (16) Investment means the value of qualified property
25 incorporated into or used at the project after the date of the
26 application. For qualified property owned by the company, the
27 value is the original cost of the property. For qualified property
28 rented by the company, the value is the average net annual rent

1 multiplied by the number of years of the lease for which the
2 company was originally bound, not to exceed ten years or the end of
3 the third year after the entitlement period, whichever is earlier.
4 The rental of land included in and incidental to the leasing of a
5 building is not excluded from the computation;

6 (17) Joint entity means ~~an~~ a joint entity or joint public
7 agency created, ~~whether before, on, or after February 1, 1995,~~ by
8 agreement pursuant to the Interlocal Cooperation Act, but
9 consisting only of two or more cities. Such joint entity shall
10 have all of the powers set forth in the Nebraska Redevelopment Act
11 and the Interlocal Cooperation Act;

12 (18) Number of new employees means the excess of the
13 number of equivalent employees employed at the redevelopment
14 project during a year over the number of equivalent employees
15 during the base year;

16 (19) Obligee means any bondholder, agent, or trustee for
17 any bondholder, or lessor demising to any public body property used
18 in connection with a redevelopment project or any assignee or
19 assignees of such lessor's interest or any part thereof;

20 (20) Person means any individual, firm, partnership,
21 corporation, company, association, joint-stock association, limited
22 liability company, subchapter S corporation, or body politic and
23 includes any trustee, receiver, assignee, or similar
24 representative;

25 (21) Personal property has the same meaning as in section
26 77-104;

27 (22) Project agreement means the project agreement
28 provided for in the Nebraska Redevelopment Act between the company

1 and the applicable contracting public body;

2 (23) Project application means the project application in
3 section 58-505;

4 (24) Project area means the area described in the project
5 application. Such area may include the area of operation of more
6 than one taxing body;

7 (25) Public body means any Nebraska county, city, school
8 district, or contracting public body;

9 (26) Qualified business means any business engaged in the
10 activities listed in subdivisions (a) through (e) of this
11 subdivision or in the storage, warehousing, distribution,
12 transportation, or sale of tangible personal property. Qualified
13 business does not include any business activity in which eighty
14 percent or more of the total sales are sales to the ultimate
15 consumer of food prepared for immediate consumption or are sales to
16 the ultimate consumer of tangible personal property which is not
17 assembled, fabricated, manufactured, or processed by the company or
18 used by the purchaser in any of the following activities:

19 (a) The conducting of research, development, or testing
20 for scientific, agricultural, animal husbandry, food product, or
21 industrial purposes;

22 (b) The performance of data processing,
23 telecommunication, insurance, or financial services. Financial
24 services, for purposes of this subdivision, only includes financial
25 services provided by any financial institution subject to tax under
26 sections 77-3801 to 77-3807 or any person or entity licensed by the
27 Department of Banking and Finance or the federal Securities and
28 Exchange Commission;

1 (c) The assembly, fabrication, manufacture, or processing
2 of tangible personal property;

3 (d) The administrative management of any activities,
4 including headquarter facilities, relating to such activity; or

5 (e) Any combination of the activities listed in this
6 subdivision;

7 (27) Qualified property means any tangible property of
8 the type subject to depreciation, amortization, or other recovery
9 under the Internal Revenue Code or the components of such property
10 that will be located and used at the redevelopment project.
11 Qualified property does not include aircraft, barges, motor
12 vehicles, railroad rolling stock, or watercraft or property that is
13 rented by the company that is party to the project agreement to
14 another person;

15 (28) Real property has the same meaning as in section
16 77-103;

17 (29) Redevelopment period means a period of ten years
18 beginning with the year after which the required increases in
19 employment and investment were met or exceeded and the next nine
20 years;

21 (30) Redevelopment project means a project described in
22 the Nebraska Redevelopment Act, approved as described in the act;

23 (31) Redevelopment project valuation means the valuation
24 for assessment of the taxable real property and taxable personal
25 property in the project area of a redevelopment project last
26 certified for the year prior to the effective date of the project
27 agreement;

28 (32) Taxing body means any Nebraska city, village,

1 municipality, county, township, board, commission, authority,
2 district, or other political subdivision or public body of the
3 state having the power to levy ad valorem taxes; and

4 (33) Year means the taxable year of the company.

5 The changes made in this section by Laws 1997, LB 264,
6 apply to investments made or employment on or after January 1,
7 1997, and for all agreements in effect on or after January 1, 1997.

8 Sec. 50. Section 60-335, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 60-335. No registration fee shall be charged for any
11 motor vehicle owned or leased and used by any city or village of
12 this state, any rural fire protection district, the Civil Air
13 Patrol, any public school district, any county, the state, the
14 United States Government, any joint entity or joint public agency
15 formed pursuant to the Interlocal Cooperation Act or the Integrated
16 Solid Waste Management Act, or any municipal public body or
17 authority used in operating a public passenger transportation
18 system. Any motor vehicle owned or leased and used by this state
19 or any political subdivision as set forth in this section and
20 exempt from a distinct marking as provided in section 81-1021 may
21 carry number plates the same design and size as provided in
22 subsection (3) of section 60-311 or undercover license plates
23 issued under section 60-304.

24 Sec. 51. Section 73-101, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 73-101. Whenever the State of Nebraska, or any
27 department or any agency thereof, any county board, county clerk,
28 county highway superintendent, the mayor and city council or

1 commissioner of any municipality, any joint entity or joint public
2 agency formed pursuant to the Interlocal Cooperation Act, or the
3 officers of any school district, township or other governmental
4 subdivision, shall advertise for bids in pursuance of any statutes
5 of the State of Nebraska, on any road contract work or any public
6 improvements work, or for supplies, construction, repairs and
7 improvements, and in all other cases where bids for supplies or
8 work, of any character whatsoever, are received for the various
9 departments and agencies of the state, and other subdivisions and
10 agencies ~~above~~ enumerated in this section, they shall fix not only
11 the day upon which such bids shall be returned, received, or
12 opened, as provided by other statutes, but shall also fix the hour
13 at which such bids shall close, or be received or opened, and they
14 shall also provide that such bids shall be immediately and
15 simultaneously opened in the presence of the bidders, or
16 representatives of the bidders, when the hour is reached for the
17 bids to close. If ~~PROVIDED~~, that where bids are being opened on
18 more than one contract, the officials having in charge the opening
19 of such bids may, if they deem it advisable, award each contract as
20 the bids are opened.

21 Sec. 52. Section 77-2704.15, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 77-2704.15. (1) Sales and use taxes shall not be imposed
24 on the gross receipts from the sale, lease, or rental of and the
25 storage, use, or other consumption in this state of purchases by
26 the state, including public educational institutions recognized or
27 established under the provisions of Chapter 85, or by any county,
28 township, city, village, rural or suburban fire protection

1 district, or joint entity or joint public agency formed to fulfill
2 the purposes described in the Integrated Solid Waste Management Act
3 by any combination of two or more counties, townships, cities, or
4 villages pursuant to the Interlocal Cooperation Act or the
5 Integrated Solid Waste Management Act, except for purchases for use
6 in the business of furnishing gas, water, electricity, or heat, or
7 by any irrigation or reclamation district, the irrigation division
8 of any public power and irrigation district, or public schools
9 established under Chapter 79.

10 (2) The appointment of purchasing agents shall be
11 recognized for the purpose of altering the status of the
12 construction contractor as the ultimate consumer of property which
13 is physically annexed to the structure and which subsequently
14 belongs to the state or the governmental unit. The appointment of
15 purchasing agents shall be in writing and occur prior to having any
16 property annexed to real estate in the construction, improvement,
17 or repair. The contractor who has been appointed as a purchasing
18 agent may apply for a refund of or use as a credit against a future
19 use tax liability the tax paid on inventory items annexed to real
20 estate in the construction, improvement, or repair of a project for
21 the state or a governmental unit.

22 (3) Any governmental unit listed in subsection (1) of
23 this section, except the state, which enters into a contract of
24 construction, improvement, or repair upon property annexed to real
25 estate without first issuing a purchasing agent authorization to a
26 contractor or repairperson prior to property being annexed to real
27 estate in the project may apply to the Tax Commissioner for a
28 refund of any sales and use tax paid by the contractor or

1 repairperson on the property physically annexed to real estate in
2 the construction, improvement, or repair.

3 Sec. 53. Section 79-1028, Revised Statutes Supplement,
4 1998, is amended to read:

5 79-1028. (1) A Class II, III, IV, V, or VI school
6 district may exceed the local system's allowable growth rate for
7 (a) expenditures in support of a service which is the subject of an
8 interlocal cooperation agreement or a modification of an existing
9 agreement whether operated by one of the parties to the agreement
10 or an independent joint entity or joint public agency, (b)
11 expenditures to pay for repairs to infrastructure damaged by a
12 natural disaster which is declared a disaster emergency pursuant to
13 the Emergency Management Act, (c) expenditures to pay for
14 judgments, except judgments or orders from the Commission of
15 Industrial Relations, obtained against a school district which
16 require or obligate a school district to pay such judgment, to the
17 extent such judgment is not paid by liability insurance coverage of
18 a school district, (d) expenditures to pay for sums agreed to be
19 paid by a school district to certificated employees in exchange for
20 a voluntary termination of employment, or (e) expenditures to pay
21 for lease-purchase contracts approved on or after July 1, 1997, and
22 before July 1, 1998, to the extent the lease payments are not
23 budgeted expenditures for fiscal year 1997-98.

24 (2) A Class II, III, IV, V, or VI district may exceed its
25 applicable allowable growth rate by a specific dollar amount if the
26 district projects an increase in formula students in the district
27 over the current school year greater than twenty-five students or
28 greater than those listed in the schedule provided in this

1 subsection, whichever is less. Districts shall project increases
 2 in formula students on forms prescribed by the department. The
 3 state board shall approve, deny, or modify the projected increases.

4	Average daily	Projected increase
5	membership of	of formula students
6	district	by percentage
7	0 - 50	10
8	50.01 - 250	5
9	250.01 - 1,000	3
10	1,000.01 and over	1

11 The department shall compute the district's estimated
 12 allowable budget per pupil using the budgeted general fund
 13 expenditures found on the budget statement for the current school
 14 year divided by the number of formula students in the current
 15 school year and multiplied by the district's applicable allowable
 16 growth rate. The resulting allowable budget per pupil shall be
 17 multiplied by the projected formula students to arrive at the
 18 estimated budget needs for the ensuing year. The department shall
 19 allow the district to increase its general fund budget of
 20 expenditures for the ensuing school year by the amount necessary to
 21 fund the estimated budget needs of the district as computed
 22 pursuant to this subsection. On or before July 1, 1998, and on or
 23 before December 1, 1998, and each December 1 thereafter, the
 24 department shall make needed revisions in the applicable allowable
 25 growth rate of districts which have been allowed additional growth
 26 pursuant to this subsection to reflect the actual formula students
 27 of such district and shall certify such revisions to each district.

28 (3) A Class II, III, IV, V, or VI district may exceed its

1 applicable allowable growth rate by a specific dollar amount if
2 construction, expansion, or alteration of district buildings will
3 cause an increase in building operation and maintenance costs of at
4 least five percent. The department shall document the projected
5 increase in building operation and maintenance costs and may allow
6 a Class II, III, IV, V, or VI district to exceed the local system's
7 applicable allowable growth percentage by the amount necessary to
8 fund such increased costs. The department shall compute the actual
9 increased costs for the school year and shall, if needed, modify
10 the local system's applicable allowable growth rate for the ensuing
11 school year.

12 (4) A Class II, III, IV, V, or VI district may exceed its
13 applicable allowable growth rate by a specific dollar amount if the
14 district demonstrates to the satisfaction of the state board that
15 it will exceed its applicable allowable growth rate as a result of
16 costs pursuant to the Retirement Incentive Plan authorized in
17 section 79-855 or the Staff Development Assistance authorized in
18 section 79-856. The department shall compute the amount by which
19 the increased cost of such program or programs exceeds the
20 district's applicable allowable growth rate and shall allow the
21 district to increase its general fund expenditures by such amount
22 for that fiscal year.

23 Sec. 54. If any section in this act or any part of any
24 section is declared invalid or unconstitutional, the declaration
25 shall not affect the validity or constitutionality of the remaining
26 portions.

27 Sec. 55. Original sections 13-801, 13-803, 13-804,
28 13-806, 13-808 to 13-812, 13-814 to 13-816, 13-818, 13-820, 13-821,

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1 13-824, 13-826, 13-2004, 13-2025.01, 47-603, 58-202, 58-219,
2 58-239, 58-503, 60-335, 73-101, and 77-2704.15, Reissue Revised
3 Statutes of Nebraska, and sections 13-520 and 79-1028, Revised
4 Statutes Supplement, 1998, are repealed.