

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 747

FINAL READING

Introduced by Aguilar, 35.

Read first time January 09, 2008

Committee: Government, Military and Veterans Affairs

A BILL

1 FOR AN ACT relating to energy; to amend sections 66-1065 and
2 79-10,105, Reissue Revised Statutes of Nebraska; to
3 change provisions relating to energy financing contracts;
4 to harmonize provisions; and to repeal the original
5 sections.

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

1 Section 1. Section 66-1065, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 66-1065 (1) Any energy financing contract entered into by
4 a governmental unit shall:

5 (a) Detail the responsibilities of a Nebraska-licensed
6 professional engineer in the design, installation, and
7 commissioning of the energy conservation measures selected
8 by the governmental unit. Any design shall conform to all statutes
9 of the State of Nebraska pertaining to engineering design and
10 public health, safety, and welfare;

11 (b) Set forth the calculated energy cost savings during
12 the contract period attributable to the energy conservation
13 measures to be installed by the energy service company. Operational
14 savings may be included in the total savings amount, not
15 guaranteed, but approved by the governmental unit;

16 (c) Estimate the useful life of each of the selected
17 energy conservation measures;

18 (d) Provide that, except for obligations on termination
19 of the contract prior to its expiration, payments on the contract
20 are to be made over time, within a period not to exceed ~~fifteen~~
21 thirty years after the date of the installation of the energy
22 conservation measures provided for under the contract;

23 (e) Provide that the calculated savings for each year of
24 the contract period will meet or exceed all payments to be made
25 during each year of the contract;

1 (f) Disclose the effective interest rate being charged by
2 the energy service company; and

3 (g) In the case of a guaranteed savings contract, set
4 forth the method by which savings will be calculated and a method
5 of resolving any dispute in the amount of the savings. The energy
6 service company shall have total responsibility for the savings
7 guarantee for each guaranteed savings contract.

8 (2) An energy service company entering into an energy
9 financing contract shall provide a performance bond to the
10 governmental unit in an amount equal to one hundred percent of
11 the total cost of the contract to assure the company's faithful
12 performance. The energy service company shall also supply a
13 guarantee bond equal to one hundred percent of the guaranteed
14 energy savings for the entire term of the contract. For purposes
15 of this section, total cost means all costs associated with the
16 design, installation, modification, commissioning, maintenance, and
17 financing of all energy conservation measures contemplated under
18 the contract.

19 Sec. 2. Section 79-10,105, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-10,105 The school board or board of education of any
22 public school district may enter into a lease or lease-purchase
23 agreement for the exclusive use of its individual jurisdiction for
24 such buildings or equipment as the board determines necessary. Such
25 lease or lease-purchase agreements may not exceed a period of seven

1 years, except that lease-purchase agreements entered into as part
2 of an energy financing contract pursuant to section 66-1065 may not
3 exceed a period of ~~fifteen~~ thirty years. All payments pursuant to
4 such leases shall be made from current building funds or general
5 funds. No school district shall directly or indirectly issue bonds
6 to fund any such lease-purchase plan for a capital construction
7 project exceeding twenty-five thousand dollars in costs unless it
8 first obtains a favorable vote of the legal voters pursuant to
9 Chapter 10, article 7. This section does not prevent the school
10 board or board of education of any public school district from
11 refinancing a lease or lease-purchase agreement without a vote
12 of the legal voters for the purpose of lowering finance costs
13 regardless of whether such agreement was entered into prior to July
14 9, 1988.

15 Sec. 3. Original sections 66-1065 and 79-10,105, Reissue
16 Revised Statutes of Nebraska, are repealed.