

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 498

Introduced by White, 8

Read first time January 17, 2007

Committee: Education

A BILL

- 1 FOR AN ACT relating to revenue and taxation; to adopt the Business
- 2 Partnership in Rural Education Program Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 21 of this act shall be known
2 and may be cited as the Business Partnership in Rural Education
3 Program Act.

4 Sec. 2. The Legislature finds and declares that:

5 (1) The State of Nebraska has previously passed various
6 tax incentive laws which are intended to encourage economic
7 development in Nebraska. However, the economic development
8 contemplated under those laws is not attainable in areas containing
9 school districts with inadequate resources due to the inability
10 of taxpayers that are eligible for the tax incentives to attract
11 talented employees to such locations. Further, those taxpayers that
12 do engage in economic development as a result of these incentives
13 place an increased burden on the school districts, threatening
14 further economic development and increasing the need to provide
15 additional financial support to the school districts;

16 (2) As a means of providing a mechanism for school
17 districts to secure additional sources of financial support for
18 their operational and capital expenditures, many taxpayers, through
19 a partnership with the state, may desire to donate some or all of
20 their Nebraska tax credits as well as cash or property to their
21 school districts;

22 (3) The state has a vested interest in enhancing the
23 Nebraska public school system and also acknowledges that by
24 allowing taxpayers to donate their Nebraska tax credits to school
25 districts, the purposes of the tax incentive laws will be more

1 readily achieved;

2 (4) It is a matter of state public policy and public
3 interest to: (a) Facilitate the improvement of Nebraska school
4 districts and (b) fully ensure that the purposes of the tax
5 incentive laws are achieved. Neither of the foregoing will likely
6 occur if left to the normal regulatory process and the ordinary
7 operations of private enterprise;

8 (5) It is the purpose of the Business Partnership in
9 Rural Education Program Act to create a partnership between the
10 state and participating taxpayers to allow taxpayers to donate some
11 or all of their Nebraska tax credits to their school districts,
12 to allow the donee school district to use those tax credits
13 as security to obtain financial support as contemplated by the
14 act, and to provide state financial assistance as necessary to
15 accomplish these purposes; and

16 (6) The powers conferred by the act are for public uses
17 and public purposes for which public money may be expended.

18 Sec. 3. For purposes of the Business Partnership in Rural
19 Education Program Act:

20 (1) Bonds means any bonds, including refunding bonds,
21 notes, interim certificates, debentures, or other obligations
22 issued pursuant to the act;

23 (2) Donee school district means the school district
24 designated in the program agreement to receive the donated tax
25 credits. Such school district shall be located in a Nebraska

1 city or village with a population of less than thirty thousand
2 inhabitants;

3 (3) Maximum tax credits means the maximum amount of tax
4 credits donated to a donee school district under the program. The
5 maximum tax credits donated to a donee school district under the
6 program shall not exceed ten million dollars over a period of four
7 years;

8 (4) Obligee means any bondholder, agent, or trustee for
9 any bondholder;

10 (5) Person means any individual, firm, partnership,
11 corporation, company, association, joint-stock association, limited
12 liability company, or subchapter S corporation and includes any
13 trustee, receiver, assignee, or similar representative;

14 (6) Program means the Business Partnership in Rural
15 Education Program as established by the act, in which participating
16 taxpayers donate tax credits to school districts, the state agrees
17 to provide financial assistance to the donee school district in
18 an amount equal to the value of the donated tax credits, and the
19 donee school district may pledge the state financial assistance as
20 security to obtain additional financial support;

21 (7) Program agreement means the agreement entered into by
22 the donating taxpayer, the donee school district, and the program
23 review committee;

24 (8) Program application means the application submitted
25 by the taxpayer in accordance with section 4 of this act;

1 (9) Program review committee means a committee acting
2 on behalf of the state under the program and shall consist of
3 the Tax Commissioner, the Commissioner of Education, and the State
4 Treasurer.

5 (10) State means the State of Nebraska;

6 (11) State financial assistance means the obligation of
7 the state to pay a donee school district the value of the donated
8 tax credits pursuant to the terms of a program agreement. Such
9 state financial assistance shall be allocated by the state from the
10 General Fund;

11 (12) Tax credits means any unexpired income, sales and
12 use, or personal property tax credits held by a taxpayer pursuant
13 to the various state tax incentive laws, regardless of whether such
14 laws are currently in existence; and

15 (13) Taxpayer means any person that is currently eligible
16 to claim benefits under any previously obtained tax credits.

17 Sec. 4. (1) Any taxpayer desiring to participate in the
18 program shall first file a program application with the program
19 review committee. The program application shall provide:

20 (a) The amount and type of tax credits the taxpayer
21 desires to donate;

22 (b) The name, location, and class of the donee school
23 district;

24 (c) An explanation as to how the economic development in
25 the area in which the donee school district is located has been

1 limited due to the donee school district's inadequate resources;

2 (d) A statement that the donee school district is a donee
3 school district in accordance with the Business Partnership in
4 Rural Education Program Act;

5 (e) Evidence that the taxpayer either (i) within six
6 months prior to the filing of the program application has made or
7 (ii) contemporaneously with the donee school district's pledge of
8 the state financial assistance as contemplated in section 5 of this
9 act, will make a donation in cash or property to the donee school
10 district in an amount equal to seventy-five percent of the value of
11 the tax credits proposed to be donated;

12 (f) A statement regarding whether the state financial
13 assistance associated with the donated tax credits will be used by
14 the donee school district for operational or capital expenses; and

15 (g) Such other information as the program review
16 committee determines is necessary to decide whether the program
17 application should be approved.

18 (2) The address of the program review committee shall be
19 the address of the Department of Revenue.

20 (3) The program review committee shall determine by
21 majority vote no later than sixty days after the date of the
22 filing of the program application whether to approve or disapprove
23 the program application. The program review committee shall only
24 approve a program application if: (a) The donee school district
25 is an eligible donee school district; (b) the program review

1 committee determines that the economic development in the area
2 in which the donee school district is located has been limited
3 and that approval of the program application will result in the
4 improvement of the donee school district in such a manner that will
5 substantially foster and encourage economic development in the area
6 in furtherance of the legislative purposes of the act; and (c) the
7 maximum tax credits previously donated to the donee school district
8 under the program, including those proposed to be donated, has not
9 been exceeded.

10 (4) The program review committee shall review and approve
11 program applications on a priority basis, tied solely to the timing
12 of the program applications's submission. Program applications
13 shall be deemed to be submitted on the date that the program
14 application and all supporting documentation has been received by
15 the program review committee.

16 (5) The program application and all supporting
17 documentation shall be considered public information.

18 (6) Upon approval of the program application, the program
19 review committee, the taxpayer, and the donee school district
20 shall enter into a program agreement regarding each parties' rights
21 and responsibilities in connection with the program. The program
22 agreement shall be executed on behalf of the taxpayer and the donee
23 school district by the person normally or specifically authorized
24 to execute agreements on behalf of each such entity. In the program
25 agreement:

1 (a) The donee school district shall provide the date
2 and method by which it will utilize the donated tax credits to
3 apply for or otherwise obtain financial support and the program
4 review committee shall agree to reasonably assist the donee school
5 district with obtaining such financial support as contemplated by
6 section 5 of this act, including, but not limited to, signing any
7 necessary documentation evidencing the state's commitment to pay
8 the donee school district the state financial assistance;

9 (b) The donee school district shall certify that it will
10 use the financial support obtained by its pledge of the state
11 financial assistance solely for the purposes set forth in the
12 program application and shall also agree to provide the required
13 reports to the program review committee as contemplated by section
14 5 of this act;

15 (c) The program review committee shall pledge as state
16 financial assistance, the value of the donated tax credits to the
17 donee school district and agree to pay the donee school district
18 such state financial assistance in accordance with section 5 of
19 this act;

20 (d) The taxpayer shall, to the extent not previously
21 completed, commit to a donation to the donee school district in
22 cash or property in an amount equal to seventy-five percent of
23 the value of the donated tax credits. Such donation shall be
24 made no later than the date provided by the donee school district
25 pursuant to subdivision (6) (a) of this section. The taxpayer shall

1 also agree to sign any documentation or file any reports required
2 by the program review committee or the Department of Revenue to
3 effectively relinquish the taxpayer's rights associated with the
4 donated tax credits;

5 (e) The parties shall agree to any other terms that the
6 program review committee determines are appropriate or necessary
7 to carry out the legislative purposes of the act including, but
8 not limited to, terms for a recapture or disallowance of any state
9 financial assistance provided to the donee school district pursuant
10 to the act or other remedy if the donee school district or the
11 taxpayer fails to comply with their obligations and duties under
12 the program agreement; and

13 (f) The parties shall agree that the effective date of
14 the program agreement shall be the date provided by the donee
15 school district pursuant to subdivision (6)(a) of this section and
16 such agreement shall remain in force until the earlier of the
17 following to occur: (i) The state financial assistance to the donee
18 school district has been paid in full; (ii) there is a material
19 breach of the obligations and duties set forth in the program
20 agreement by either the donee school district or the taxpayer;
21 or (iii) in all events, no later than one hundred twenty months
22 from the effective date of the program agreement. The project
23 application shall be considered as part of the project agreement.

24 Sec. 5. (1) In the program agreement, the program review
25 committee shall pledge the value of the donated tax credits to the

1 donee school district and shall agree to pay such amount as state
2 financial assistance in accordance with this section.

3 (2) The donee school district may incur indebtedness
4 and pledge the state financial assistance as security to obtain
5 financial support from third parties in an amount equivalent to the
6 present value of the donated tax credits. Such financial support
7 may be obtained by the donee school district in any reasonable
8 manner, including, but not limited to, the issuance of bonds
9 pursuant to the Business Partnership in Rural Education Program Act
10 or obtaining a conventional loan from any financial institution,
11 including a bank.

12 (3) If the obligations and duties of the donee school
13 district and the taxpayer under the program agreement are
14 satisfied, the program review committee shall pay the donee
15 school district the state financial assistance in equal monthly
16 installments for a period of time not to exceed one hundred
17 twenty months from the effective date of the program agreement.
18 In no event shall the state's financial obligation under the
19 program agreement be owed to any party other than the donee school
20 district.

21 (4) The donee school district shall no later than the
22 thirty-first day of August of each year that the program agreement
23 is in place, provide to the program review committee a report
24 that includes a statement by the donee school district that the
25 state financial assistance is being used in a manner consistent

1 with the program application and that the donee school district is
2 not delinquent in the payment of any outstanding indebtedness that
3 is secured by the state financial assistance, together with any
4 supporting documentation to evidence such statements as required
5 by the program review committee. Upon satisfaction that the report
6 submitted by the donee school district is accurate and complete,
7 the program review committee shall no later than the thirtieth day
8 of September of each year certify to the Tax Commissioner that
9 the portion of the state financial assistance payable to the donee
10 school district for the next calendar year may be transferred from
11 the General Fund to the Business Partnership in Rural Education
12 Program Fund and paid to the donee school district.

13 Sec. 6. The Department of Revenue shall request from the
14 program review committee and the program review committee shall
15 provide the department such information regarding pending program
16 applications, approved program applications and program agreements
17 such that on or before the fifteenth day of October and February
18 of every year and the fifteenth day of April in odd-numbered
19 years, the Department of Revenue may make an estimate of the amount
20 of the state financial assistance obligations under the Business
21 Partnership in Rural Education Program Act. The estimate shall
22 be forwarded to the Legislative Fiscal Analyst and the Nebraska
23 Economic Forecasting Advisory Board and made a part of the advisory
24 forecast required by section 77-27,158.

25 Sec. 7. The Business Partnership in Rural Education

1 Program Fund is created. The fund shall consist of funds payable
2 to a donee school district in accordance with section 5 of this
3 act. Any money in the fund available for investment shall be
4 invested by the state investment officer pursuant to the Nebraska
5 Capital Expansion Act and the Nebraska State Funds Investment Act.
6 A separate account within the fund shall be maintained and managed
7 for the state financial assistance that is to be paid to each donee
8 school district that is a party to a program agreement and full
9 and accurate records of all money received and distributed for each
10 account shall be maintained for the entire term of the program
11 agreement.

12 Sec. 8. The donee school district shall have all the
13 powers necessary or convenient to carry out and effectuate the
14 purposes and provisions of the Business Partnership in Rural
15 Education Program Act, including, but not limited to, the following
16 powers:

17 (1) Borrow money, issue bonds, and provide security for
18 loans or bonds;

19 (2) Enter into any contracts necessary to effectuate the
20 purposes of the act;

21 (3) To invest any funds held in reserves or sinking funds
22 or any funds not required for immediate disbursement in property
23 or securities in which savings banks or other banks may legally
24 invest funds subject to their control. To redeem its bonds at the
25 redemption price established therein or to purchase its bonds at

1 less than redemption price, and such bonds redeemed or purchased
2 shall be canceled;

3 (4) To make such expenditures as may be necessary to
4 carry out the legislative purposes of the act; and

5 (5) To exercise all or any part or combination of powers
6 granted in the act.

7 Sec. 9. The powers conferred by the Business Partnership
8 in Rural Education Program Act shall be in addition and
9 supplemental to the powers conferred by any other law and shall
10 be independent of and in addition to any other provision of the
11 laws of the state with reference to the matters covered thereby
12 and shall be considered as a complete and independent act and not
13 as amendatory of or limited by any other provisions of the laws
14 of the state. The act and all grants of power, authority, rights,
15 or discretion made to a donee school district shall be liberally
16 construed, and all incidental powers necessary to carry into effect
17 the legislative purposes of the act are expressly granted to and
18 conferred upon a donee school district.

19 Sec. 10. Upon resolution, the donee school district shall
20 have the power to issue special obligation bonds in one or more
21 series to obtain financial support as contemplated by the Business
22 Partnership in Rural Education Program Act. In no event shall any
23 such special obligation bonds have a maturity of longer than ten
24 years after the date they are issued. The donee school district
25 may also issue refunding bonds for the purpose of paying, retiring,

1 or otherwise refinancing, or in exchange for any or all of the
2 principal or interest upon bonds previously issued by it. Such
3 special obligation bonds or refunding bonds shall be made payable,
4 both as to principal and interest, from the state financial
5 assistance associated with the donated tax credits pursuant to the
6 act and any other available resources of the donee school district.

7 The donee school district may pledge such state financial
8 assistance and any other available resources to the repayment of
9 such special obligation bonds prior to, simultaneously with, or
10 subsequent to the issuance of such special obligation bonds.

11 Sec. 11. (1) Bonds issued under section 10 of this act
12 shall not be general obligations of the donee school district nor
13 be payable out of any funds or properties other than those set
14 forth in section 10 of this act and such bonds shall so state on
15 their face.

16 (2) No person executing the bonds shall be liable
17 personally on the bonds by reason of the issuance of the bonds.
18 The donee school district shall not be liable on such bonds except
19 to the extent authorized by the Business Partnership in Rural
20 Education Program Act.

21 (3) Bonds of the donee school district are declared to
22 be issued for an essential public and governmental purpose and to
23 be public instrumentalities and, together with interest thereon and
24 income therefrom, shall be exempt from all taxes.

25 (4) The donee school district may issue bond anticipation

1 notes and may issue renewal notes, such notes in any case to
2 mature not later than thirty months from the date of incurring
3 the indebtedness represented in an amount not exceeding in the
4 aggregate at any time outstanding the amount of bonds then or
5 before authorized. Payment of such notes shall be made from any
6 state financial assistance and any other available resources which
7 the donee school district may have available for such purpose or
8 from the proceeds of the sale of bonds of the donee school district
9 or such notes may be exchanged for a like amount of such bonds. The
10 donee school district may pledge such state financial assistance
11 and any other available resources of the donee school district
12 subject to prior pledges, if any, for the payment of such notes and
13 may in addition secure the notes in the same manner as provided for
14 bonds. All notes shall be issued and sold in the same manner as
15 bonds, any donee school district may contract for the future sale
16 of notes on terms and conditions stated in such contracts, and the
17 donee school district may pay such consideration as it deems proper
18 for any commitments to purchase notes and bonds in the future. Such
19 notes shall also be collaterally secured by pledges and deposits
20 with any financial institution, in trust for the payment of such
21 notes, of bonds in an aggregate amount at least equal to the amount
22 of such notes and, in any event, in an amount deemed by the issuing
23 party sufficient to provide for the payment of the notes in full
24 at the maturity of the notes. The donee school district may provide
25 in the collateral agreement that the notes may be exchanged for

1 bonds held as collateral security for the notes or that the trustee
2 may sell the bonds if the notes are not otherwise paid at maturity
3 and apply the proceeds of such sale to the payment of the notes.
4 Such notes shall bear interest at a rate or rates set by the donee
5 school district and shall be sold at such price as will cause the
6 interest cost on the note to not exceed such rate or rates.

7 (5) Any pledge of state financial assistance and any
8 other available resources made by a donee school district for the
9 payment of bonds or notes shall be valid and binding from the
10 time such pledge is made. The state financial assistance and any
11 other available resources so pledged and thereafter received by the
12 donee school district shall immediately be subject to the lien of
13 such pledge without the physical delivery or further act, and the
14 lien of any such pledge shall be valid and binding as against all
15 parties having claims of any kind in tort, contract, or otherwise
16 against the donee school district irrespective of whether such
17 parties have actual notice. Neither the resolution nor any other
18 instrument by which a pledge is created need be recorded.

19 Sec. 12. The bonds may be sold by the donee school
20 district in such manner and for such price as the donee school
21 district determines, at a discount, at par, or at a premium, at
22 private negotiated sale or at public sale after notice published
23 prior to such sale in some newspaper having general circulation in
24 the area in which the donee school district is located, in such
25 other medium of publication as the donee school district deems

1 appropriate, or may be exchanged by the donee school district for
2 other bonds issued by it under the Business Partnership in Rural
3 Education Program Act. Bonds which are issued under this section
4 may be sold by the donee school district to the federal government
5 at private sale at a discount, at par, or at a premium and, if less
6 than all of the authorized principal amount of such bonds is sold
7 by the donee school district to the federal government, the balance
8 or any portion of the balance may be sold by the donee school
9 district at private sale at a discount, at par, or at a premium.

10 Sec. 13. In case any of the authorized employees or board
11 members of the donee school district whose signatures appear on
12 any bonds shall cease to be such authorized employees or board
13 members before the delivery of such bonds, such signatures shall,
14 nevertheless, be valid and sufficient for all purposes, as if
15 such authorized employees or board members had remained in office
16 until the delivery. Any bonds issued pursuant to the provisions of
17 the Business Partnership in Rural Education Program Act are fully
18 negotiable.

19 Sec. 14. In any suit, action, or proceedings involving
20 the validity or enforceability of any bond of a donee school
21 district or the security therefor brought after the lapse of
22 thirty days after the bonds are issued, any such bond reciting
23 in substance that it has been issued by the donee school district
24 pursuant to the Business Partnership in Rural Education Program Act
25 shall be conclusively deemed to have been issued for such purpose.

1 Sec. 15. In connection with the issuance of bonds and in
2 order to secure the payment of such bonds or obligations, the donee
3 school district, in addition to its other powers, may:

4 (1) Covenant as to the bonds to be issued and as to
5 the issuance of such bonds, in escrow or otherwise, and as to
6 the use and disposition of the proceeds of the bonds, provide for
7 the replacement of lost, destroyed, or mutilated bonds, covenant
8 against extending the time for the payment of its bonds or interest
9 thereon, and covenant for the redemption of the bonds and to
10 provide the terms and conditions of the bonds;

11 (2) Prescribe the procedure, if any, by which the terms
12 of any contract with bondholders may be amended or abrogated, the
13 amount of bonds the holders of which must consent to the amendment
14 or abrogation and the manner in which such consent may be given;

15 (3) Covenant as to the rights, liabilities, powers, and
16 duties arising upon the breach by it of any covenants, conditions,
17 or obligations, and covenant and prescribe as to events of default
18 and terms and conditions upon which any or all of its bonds or
19 obligations shall become or may be declared due before maturity and
20 as to the terms and conditions upon which such declaration and its
21 consequences may be waived;

22 (4) Vest in any obligees of the donee school district the
23 right to enforce the payment of the bonds or any covenants securing
24 or relating to the bonds, provide for the powers and duties of such
25 obligees, and to limit their liabilities, and provide the terms and

1 conditions upon which such obligees may enforce any covenant or
2 rights securing or relating to the bonds; and

3 (5) Exercise all or any part or combination of the powers
4 granted by this section and make such covenants, in addition to
5 those necessary, convenient, or desirable in order to secure its
6 bonds, or, in the absolute discretion of the donee school district,
7 as will tend to make the bonds more marketable.

8 Sec. 16. An obligee of a donee school district shall have
9 the right in addition to all other rights which may be conferred
10 upon such obligee, subject only to any contractual restrictions
11 binding upon such obligee:

12 (1) By mandamus, suit, action, or proceeding at law or
13 in equity to compel the donee school district to perform each and
14 every term, provision, and covenant contained in any contract of
15 the donee school district with or for the benefit of such obligee
16 and to require the carrying out of any or all such covenants and
17 agreements to the donee school district and the fulfillment of
18 all duties imposed upon the donee school district by the program
19 agreement and provisions of the Business Partnership in Rural
20 Education Program Act; and

21 (2) By suit, action, or proceeding in equity to enjoin
22 any acts or things which may be unlawful or the violation of any of
23 the rights of such obligee of the donee school district.

24 Sec. 17. All public officers, municipal corporations,
25 political subdivisions, and public bodies; all banks, trust

1 companies, bankers, savings banks, financial institutions, building
2 and loan associations, savings and loan associations, investment
3 companies, and other person carrying on a banking business;
4 all insurance companies, insurance associations, and other
5 persons carrying on an insurance business; and all executors,
6 administrators, curators, trustees, and other fiduciaries may
7 legally invest any sinking funds, money, or other funds belonging
8 to them or within their control in any bonds or other obligations
9 issued by a donee school district pursuant to the Business
10 Partnership in Rural Education Program Act and such bonds and
11 other obligations shall be authorized security for all public
12 deposits. It is the purpose of this section to authorize any
13 person, political subdivision, and officer, public or private, to
14 use any funds owned or controlled by them for the purchase of
15 any such bonds or other obligations, except that nothing in this
16 section with regard to legal investments shall be construed as
17 relieving any person of any duty of exercising reasonable care in
18 the selection of securities.

19 Sec. 18. (1) Any donee school district may determine its
20 authority to incur indebtedness all as provided in the Business
21 Partnership in Rural Education Program Act and the legality of all
22 proceedings in connection therewith. For this purpose a petition
23 may be filed in the district court in the county in which the donee
24 school district is located against the state and its taxpayers
25 and citizens. Such action shall constitute a bond validation

1 proceeding.

2 (2) The petition shall set out the donee school
3 district's authority for incurring the indebtedness and for all the
4 other essential proceedings had or taken in connection therewith,
5 the amount of the indebtedness issued or to be issued, and the
6 interest they are to bear.

7 (3) The court shall issue an order, directed against
8 the state and its taxpayers and citizens, requiring the state
9 through the Attorney General to appear at a designated time and
10 place within the county where the petition is filed and show why
11 the petition should not be granted and the proceedings and bonds
12 validated. A copy of the petition and order shall be served on
13 the Attorney General at least twenty days before the time fixed
14 for hearing. The Attorney General shall examine the petition and
15 if it appears or there is reason to believe that it is defective,
16 insufficient, or untrue or if in the opinion of the Attorney
17 General the issuance of the indebtedness in question has not
18 been duly authorized, defense shall be made by the donee school
19 district. The Attorney General shall have access, for the purposes
20 of such action, to all records and proceedings of the donee school
21 district, and any agent, employee, or board member having charge,
22 possession, or control of any of the books, papers, or records of
23 the donee school district shall exhibit them for examination on
24 demand of the Attorney General and shall furnish, without cost,
25 duly authenticated copies which pertain to the proceedings for the

1 issuance of the indebtedness or which may affect their legality.

2 (4) At the hearing the court shall determine all
3 questions of law and fact and make such orders as will enable it to
4 properly try and determine the action and render a final judgment
5 with the least possible delay. Any bondholder may intervene in such
6 proceeding.

7 (5) The Attorney General, a donee school district or any
8 bondholder may appeal such order in the normal manner and time for
9 appeals from the district court prescribed by law and applicable
10 court rules.

11 (6) If the judgment validates such indebtedness and
12 proceedings and no appeal is taken within the time prescribed, or
13 if taken and the judgment is affirmed, such judgment is forever
14 conclusive as to all matters adjudicated against the plaintiff and
15 all persons affected by the action, including all taxpayers and
16 citizens.

17 (7) If any judgment extends into more than one county it
18 shall be recorded in each such county.

19 (8) The court costs shall be paid by the donee school
20 district filing the petition except as the court otherwise
21 determines is equitable.

22 (9) No judge shall be disqualified in any validation
23 action because he or she is a landowner or taxpayer of any city or
24 village affected.

25 Sec. 19. (1) Bonds or certificates, when validated under

1 section 18 of this act, shall have stamped or written on the bond
 2 or certificate, by the proper board members of such donee school
 3 district issuing them, a statement in substantially the following
 4 form: This bond is one of a series of bonds which were validated
 5 by judgment of the District Court for County,
 6 rendered on (date).

7 (2) A certified copy of the judgment or decree shall be
 8 received as evidence in any court in this state.

9 Sec. 20. The Business Partnership in Rural Education
 10 Program Act shall be full authority for the exercise of the powers
 11 of the act granted to any donee school district, and no action,
 12 proceeding, or election shall be required prior to authorize the
 13 exercise of any of the powers granted in the act, any provision of
 14 law to the contrary notwithstanding.

15 No proceedings for the issuance of bonds of a donee
 16 school district are required other than those relative to the terms
 17 and conditions for the issuance, payment, redemption, registration,
 18 sale, or delivery of bonds of school districts, public bodies,
 19 corporations, or political subdivisions of this state shall not be
 20 applicable to bonds issued by a donee school district pursuant to
 21 the act.

22 Insofar as the provisions of the act are inconsistent
 23 with the provisions of any other law or of any applicable city or
 24 village charter the provisions of the act shall be controlling.

25 Sec. 21. There shall be no program applications filed on

1 or after four years from the effective date of this act without
2 further authorization of the Legislature, except that all program
3 applications and program agreements pending, approved, or entered
4 into before such date shall continue in full force and effect.