

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 747**

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.