

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB377

Hearing Date: Monday February 02, 2009
Committee On: Banking, Commerce and Insurance
Introducer: Pankonin
One Liner: Adopt the Nebraska Governmental Unit Credit Facility Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Christensen, Gloor, Langemeier, McCoy, Pahls, Pankonin,
Pirsch, Utter

Nay:

Absent:

Present Not Voting:

Proponents:

Senator Dave Pankonin
T. Parker Schenken
Mark Woita
Gary Krumland
Robert Hallstrom

Representing:

Introducer
League of NE Municipalities
Federal Home Loan Bank of Topeka
League of NE Municipalities
NE Bankers Association

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

OVERVIEW

LB 377 (Pankonin) would enact six new sections to be known as the Nebraska Governmental Unit Credit Facility Act to provide that any governmental unit (as defined) in the State of Nebraska may obtain credit support for its bonds by entering into or obtaining a credit facility (as defined) for any of its bonds from any United States governmental enterprise (as defined) or from any bank providing a credit facility confirmed or supported by a credit facility provided by a United States governmental enterprise. The bill would provide that a credit facility may be obtained without complying with the restrictions or requirements of any other law of the State of Nebraska or without complying with the restrictions or requirements of home rule charters.

SUMMARY

The bill would provide, section by section as follows:

Section 1 would enact a new section to provide for a named act: the Nebraska Governmental Unit Credit Facility Act.

Section 2 would enact a new section to provide for legislative findings.

Section 3 would enact a new section to provide for definitions for purposes of the Nebraska Governmental Unit Credit Facility Act: "authorizing statute," "bank," "bond," "credit facility" (any agreement or instrument providing for a guarantee

or arrangement providing assurance for payment of principal or interest or both principal and interest on any bond issued by a governmental unit, including a letter of credit, contract of guarantee, contract of insurance, or stand-by purchase contract), "governmental unit," "measure," "terms and conditions," and "United States governmental enterprise" (an agency or instrumentality of the United States Government, including the Federal Home Loan Banks, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation).

Section 4 would enact a new section to provide that any governmental unit in the State of Nebraska may obtain credit support for its bonds by entering into or obtaining a credit facility for any of its bonds from any United States governmental enterprise or from a bank providing a credit facility which is confirmed or otherwise supported by a credit facility provided by a United States governmental enterprise.

Section 5 would enact a new section to provide that a credit facility may provide for payment of amounts owing by the governmental unit from any resources of the governmental unit, including taxes and other revenue.

Section 6 would enact a new section to provide that a credit facility may be obtained under the act for any purpose authorized in the act even though other laws of the State of Nebraska or provisions of home rule charters may provide for the obtaining of a credit facility for the same or similar purposes, and that a credit facility may be obtained under the act without complying with the restrictions or requirements of any other law of the State of Nebraska, or without complying with restrictions or requirements of home rule charters.

Section 7 would provide for severability.

Section 8 would provide for the emergency clause.

The bill carries the emergency clause.

Rich Pahls, Chairperson