

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB654

Hearing Date: Tuesday February 10, 2009
Committee On: Education
Introducer: Harms
One Liner: Provide for borrowing by a school district for special building fund projects

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye:	7	Senators Adams, Ashford, Cornett, Giese, Haar, Howard, Sullivan
Nay:		
Absent:	1	Senator Avery
Present Not Voting:		

Proponents:

Senator John Harms
John Stinner
Don Hague
Bob Hallstrom
John Bonaiuto

Representing:

Introducer
Self
Gering Public Schools
NE Bankers Assn
NASB

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 654 would amend section 79-1070 to enable school districts to enter into loan agreements for the purpose of borrowing funds for renovation and expansion of existing school facilities. Expansion of facilities could not exceed 2,500 square feet. The total amount of such loan agreement would be limited to seventy percent of the anticipated funds generated from the district's current special building fund levy multiplied by ten. A district could enter into such a loan agreement only with unanimous approval of its school board. Districts would be prohibited from entering into more than one such loan agreement concurrently.

As evidence of such borrowing, a school district could execute and deliver one or more written promissory notes but would not be required to execute and deliver separate promissory notes for each borrowing under such loan agreement. Money borrowed pursuant to such loan agreement would bear interest at such rate or rates and would become due and be repaid as provided in the loan agreement. Any such loan agreement would be registered upon books kept by the treasurer of the school district. Money borrowed pursuant to such loan agreement would be paid out of funds collected upon the current existing special building fund levy prior to the payment of any warrant or note registered by the district subsequent to any such loan agreement. If a school district has any such loan agreement outstanding and has warrants or notes registered pursuant to other borrowing authorized by law, the total amount borrowing by the district could not exceed one hundred percent of the total anticipated receipts from the special building fund for the ten years immediately following the date of the loan agreement.

Greg Adams, Chairperson