

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB424

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: January 31, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 424 would amend Section 85-1738, which relates to the Nebraska Educational Finance Authority. The bill would clarify provisions relating to potential personal liability of members of the NEFA board. It provides that NEFA may purchase liability insurance for members, officers, and employees, and could indemnify any authority member to the same extent that a school district may indemnify its school board members. The proposed changes would make the language almost identical to language found in the Nebraska Investment Finance Authority Act.

Service on boards such as NEFA, which members are appointed by the Governor, is important to the state. Clarifying that liability for decisions made pursuant to such service attaches to board members only for willful dishonesty or intentional violations of the law is an appropriate standard for this board.

Principal Introducer: _____

Senator Scott Lautenbaugh