

E AND R AMENDMENTS TO LB 170

Introduced by Murante, 49, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 Section 1. Section 85-1701, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 ~~85-1701~~ Sections ~~85-1701~~ ~~to~~ ~~85-1763~~ 1 to 66 of this
6 act shall be known and may be cited as the Nebraska Educational,
7 Health, and Social Services Finance Authority Act.

8 Sec. 2. Section 85-1702, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 ~~85-1702~~ The Legislature finds and declares that:

11 (1) For the benefit of the people of the State of
12 Nebraska, the increase of their commerce, welfare, and prosperity,
13 and the fostering, protection, and improvement of their health and
14 living conditions, it is essential that this and future generations
15 of youth be given the greatest opportunity to learn and to fully
16 develop their intellectual and mental capacities and skills and
17 that there be encouraged, promoted, and supported adequate health,
18 social, and emergency services for the care of and assistance to
19 the people of the state;

20 (2) To achieve these ends it is of the utmost importance
21 and in the public interest that private institutions of higher
22 education within the state be provided with appropriate additional
23 means of assisting such youth in achieving the required levels

1 of learning and development of their intellectual and mental
2 capacities and skills and that private health care institutions and
3 private social services institutions within the state be provided
4 with appropriate additional means of caring for and protecting the
5 public health and welfare;

6 (3) It is the purpose of the Nebraska Educational,
7 Health, and Social Services Finance Authority Act to provide
8 a measure of assistance and an alternative method of enabling
9 private institutions of higher education, private health care
10 institutions, and private social services institutions in the state
11 to finance the acquisition, construction, improvement, equipment,
12 and renovation of needed educational, health care, and social
13 services facilities and structures and to refund, refinance, or
14 reimburse outstanding indebtedness incurred by them or advances
15 made by them, including advances from an endowment or any
16 other similar fund, for the acquisition, construction, acquisition,
17 improvement, equipment, or renovation of needed educational, health
18 care, and social services facilities and structures; ~~whether or~~
19 ~~not constructed, acquired, or renovated prior to August 30, 1981;~~

20 (4) The financing and refinancing of educational, health
21 care, and social services facilities, through means other than the
22 appropriation of public funds to private institutions of higher
23 education, private health care institutions, and private social
24 services institutions, as described in the act, is a valid public
25 purpose;

26 (5) The availability of improved access to health
27 profession schools will benefit the people of the State of Nebraska

1 and improve their health, welfare, and living conditions;

2 (6) The establishment of a health education loan program,
3 with the proceeds of bonds to be used for the purchase or making of
4 loans to students or certain former students of health profession
5 schools, will improve the access to such schools and assist such
6 persons in meeting the expenses incurred in availing themselves of
7 health education opportunities; and

8 (7) The establishment of a program to assist private
9 institutions of higher education to provide loans to their
10 full-time students pursuing an academic degree will improve access
11 to higher education and contribute to the health, welfare, and
12 living conditions in Nebraska.

13 Sec. 3. Section 85-1703, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 ~~85-1703~~ For purposes of the Nebraska Educational, Health,
16 and Social Services Finance Authority Act, unless the context
17 otherwise requires, the definitions found in sections ~~85-1704~~ ~~to~~
18 ~~85-1709~~ 4 to 12 of this act shall apply.

19 Sec. 4. Section 85-1704, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 ~~85-1704~~ Authority shall ~~mean~~ means the Nebraska
22 Educational, Health, and Social Services Finance Authority created
23 by the Nebraska Educational, Health, and Social Services Finance
24 Authority Act or any board, body, commission, department, or office
25 succeeding to the principal functions thereof or to whom the powers
26 conferred upon such authority by the act are given by law.

27 Sec. 5. Section 85-1705, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 ~~85-1705~~ Bonds ~~shall mean~~ means bonds, notes, or other
3 obligations of the authority issued under the Nebraska Educational,
4 Health, and Social Services Finance Authority Act, including
5 refunding bonds, notwithstanding that the same may be secured
6 by the full faith and credit of a ~~private~~ an eligible institution
7 ~~of higher education~~ or any other lawfully pledged security of a
8 ~~private an eligible institution. of higher education.~~

9 Sec. 6. Section 85-1706, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 ~~85-1706~~ Cost as applied to a project or any portion
12 thereof financed under the Nebraska Educational, Health,
13 and Social Services Finance Authority Act ~~shall mean~~ means
14 all or any part of the cost of acquisition, construction,
15 improvement, equipment, and ~~acquisition~~ renovation of all land,
16 buildings, or structures including the cost of machinery and
17 equipment; finance charges; interest prior to, during, and after
18 completion of such construction for a reasonable period as
19 determined by the authority; reserves for principal and interest;
20 extensions, enlargements, additions, replacements, renovations,
21 and improvements; engineering, financial, and legal services;
22 plans, specifications, studies, surveys, estimates of cost
23 of revenue, administrative expenses, bond issuance costs, and
24 expenses necessary or incidental to determining the feasibility or
25 practicability of constructing the project; and such other expenses
26 as the authority determines may be necessary or incidental to the
27 acquisition, construction, improvement, equipment, and ~~acquisition~~

1 renovation of the project, the financing of such acquisition,
2 construction, improvement, equipment, and acquisition, renovation,
3 and the placing of the project in operation.

4 Sec. 7. Eligible institution means a private institution
5 of higher education, a private health care institution, or a
6 private social services institution.

7 Sec. 8. Private health care institution means any private
8 not-for-profit corporation or institution that (1) is licensed
9 under the Health Care Facility Licensure Act, (2) is described
10 in section 501(c)(3) of the Internal Revenue Code and is exempt
11 from federal income taxation under section 501(a) of the Internal
12 Revenue Code, (3) is located within this state and is not owned
13 or controlled by the state or any political subdivision, agency,
14 instrumentality, district, or municipality thereof, and (4) does
15 not violate any Nebraska or federal law against discrimination on
16 the basis of race, color, creed, national origin, ancestry, age,
17 gender, or handicap.

18 Sec. 9. Section 85-1707, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 ~~85-1707~~ Private institution of higher education shall
21 ~~mean~~ means a not-for-profit educational institution located within
22 this state which is not owned or controlled by the state or
23 any political subdivision, agency, instrumentality, district, or
24 municipality thereof, which is authorized by law to provide a
25 program of education beyond the high school level, and which:

26 (1) Admits as regular students only individuals having
27 a certificate of graduation from a high school or the recognized

1 equivalent of such a certificate;

2 (2) Provides an educational program for which it awards a
3 bachelor's degree; provides an educational program, admission into
4 which is conditioned upon the prior attainment of a bachelor's
5 degree or its equivalent, for which it awards a postgraduate
6 degree; provides a program of not less than two years in length
7 which is acceptable for full credit toward a bachelor's degree;
8 or offers a two-year program in engineering, mathematics, or
9 the physical or biological sciences which is designed to prepare
10 the student to work as a technician and at a semiprofessional
11 level in engineering, research, medicine, or other technological
12 fields which require the understanding and application of basic
13 engineering, scientific, or mathematical principles or knowledge;

14 (3) Is accredited by a regionally recognized accrediting
15 agency or association or, if not so accredited, is an institution
16 whose credits are accepted, on transfer, by not less than three
17 institutions which are so accredited, for credit on the same basis
18 as if transferred from an institution so accredited; and

19 (4) Has a student admissions policy ~~which~~ that does not
20 violate any other Nebraska or federal law against discrimination on
21 the basis of race, color, creed, national origin, ancestry, age,
22 gender, or handicap.

23 Sec. 10. Private social services institution means any
24 private not-for-profit corporation or institution that (1) provides
25 health, safety, and welfare assistance, including emergency,
26 social, housing, and related support services, to members of the
27 general public in the state, (2) is described in section 501(c)(3)

1 of the Internal Revenue Code and is exempt from federal income
2 taxation under section 501(a) of the Internal Revenue Code, (3)
3 is located within this state and is not owned or controlled by
4 the state or any political subdivision, agency, instrumentality,
5 district, or municipality thereof, and (4) does not violate any
6 Nebraska or federal law against discrimination on the basis of
7 race, color, creed, national origin, ancestry, age, gender, or
8 handicap.

9 Sec. 11. Section 85-1708, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 ~~85-1708~~ (1) Project ~~shall mean~~ means any property located
12 within the state, ~~constructed or acquired before or after August~~
13 ~~30, 1981,~~ that may be used or will be useful in connection with
14 the instruction, feeding, recreation, or housing of students,
15 the provision of health care services to members of the general
16 public, the provision of social services to members of the general
17 public, the conducting of research, administration, or other work
18 of a ~~private~~ an eligible institution, ~~of higher education,~~ or any
19 combination of the foregoing. Project ~~shall include,~~ includes,
20 but is not be limited to, an academic facility, administrative
21 facility, agricultural facility, assembly hall, assisted-living
22 facility, athletic facility, auditorium, campus, communication
23 facility, congregate care housing, emergency services facility,
24 exhibition hall, health care facility, health service institution,
25 hospital, housing for faculty and other staff, instructional
26 facility, laboratory, library, maintenance facility, medical
27 clinic, medical services facility, museum, nursing or skilled

1 nursing services facility, offices, parking area, personal care
2 services facility, physical educational facility, recreational
3 facility, research facility, senior, retirement, or home care
4 services facility, social services facility, stadium, storage
5 facility, student facility, student health facility, student
6 housing, student union, theatre, or utility facility.

7 (2) Project ~~shall~~ also ~~mean~~ means and ~~include~~ includes
8 the refunding or refinancing of outstanding obligations, mortgages,
9 or advances, including advances from an endowment or similar fund,
10 originally issued, made, or given by such ~~private~~ the eligible
11 institution of higher education to finance the cost of a project or
12 projects, and including the financing of eligible swap termination
13 payments, whenever the authority finds that such refunding or
14 refinancing is in the public interest and either:

15 (a) Alleviates a financial hardship upon the ~~private~~
16 eligible institution; of higher education;

17 (b) Results in a lesser cost of education, health care,
18 housing, or social and related support services to its the eligible
19 institution's students, patients, residents, clients, and other
20 general public consumers; or

21 (c) Enables the ~~private~~ eligible institution of higher
22 education to offer greater security for the financing of a new
23 project or projects or to effect savings in interest costs or more
24 favorable amortization terms.

25 Sec. 12. Section 85-1709, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 ~~85-1709~~ Property ~~shall mean~~ means the real estate upon

1 which a project is or will be located, including equipment,
2 machinery, and other similar items necessary or convenient for
3 the operation of the project in the manner for which its use is
4 intended, but not including such items as fuel, supplies, or other
5 items that are customarily deemed to result in a current operation
6 charge. Property ~~shall~~ does not include any property used or to be
7 used primarily for sectarian instruction or study or as a place for
8 devotional activities or religious worship nor any property which
9 is used or to be used primarily in connection with any part of the
10 program of a school or department of divinity for any religious
11 denomination or the training of ministers, priests, rabbis, or
12 other professional persons in the field of religion.

13 Sec. 13. Section 85-1710, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 ~~85-1710~~ There is hereby created a body politic and
16 corporate to be known as the Nebraska Educational, Health, and
17 Social Services Finance Authority. The authority is constituted a
18 public instrumentality, and the exercise by the authority of the
19 powers conferred by the Nebraska Educational, Health, and Social
20 Services Finance Authority Act shall be deemed and held to be the
21 performance of an essential public function of the state.

22 Sec. 14. Section 85-1711, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 ~~85-1711~~ (1) The authority shall consist of seven members,
25 to be appointed by the Governor, who shall be residents of the
26 state, not more than four of whom shall be members of the same
27 political party.

1 (2) Of the seven members:

2 (a) At least one of the members shall be a trustee,
3 director, officer, or employee of one or more private institutions
4 of higher education in the state;-

5 (b) At least one shall be a person having a favorable
6 reputation for skill, knowledge, and experience in the field of
7 finance;-

8 (c) At least one shall be a person experienced in and
9 having a favorable reputation for skill, knowledge, and experience
10 in the educational building construction field;-

11 (d) At least one shall be a person experienced in and
12 having a favorable reputation in the field of public accounting;-

13 (e) After the initial appointment provided for in
14 subdivision (3)(a) of this section is made, at least one shall be
15 a trustee, director, officer, or employee of one or more private
16 health care institutions in the state; and

17 (f) After the initial appointment provided for in
18 subdivision (3)(b) of this section is made, at least one shall be
19 a trustee, director, officer, or employee of one or more private
20 social services institutions in the state.

21 (3) The initial appointments of the members described in
22 subdivisions (2)(e) and (2)(f) of this section shall be made as
23 follows:

24 (a) For the first member whose term expires after the
25 effective date of this act and who is not the sole member described
26 in subdivision (2)(a), (2)(b), (2)(c), or (2)(d) of this section,
27 the Governor shall appoint a successor who meets the qualifications

1 described in subdivision (2)(e) of this section; and

2 (b) For the second member whose term expires after the
3 effective date of this act and who is not the sole member described
4 in subdivision (2)(a), (2)(b), (2)(c), or (2)(d) of this section,
5 the Governor shall appoint a successor who meets the qualifications
6 described in subdivision (2)(f) of this section.

7 (4) The members of the authority first appointed shall
8 serve for terms expiring as follows: One on December 31, 1982;
9 two on December 31, 1983; two on December 31, 1984; and two on
10 December 31, 1985, respectively, the term of each such member to be
11 designated by the Governor. Upon the expiration of the term of any
12 member, his or her successor shall be appointed for a term of four
13 years and until a successor has been appointed and qualified. The
14 Governor shall fill any vacancy for the remainder of the unexpired
15 term. Any member of the authority may be removed by the Governor
16 for misfeasance, malfeasance, or willful neglect of duty or other
17 cause after notice and a public hearing unless such notice and
18 hearing shall be expressly waived in writing by the accused member.
19 Each member shall be eligible for reappointment to a successive
20 term but shall be declared ineligible for three consecutive full
21 terms.

22 Sec. 15. Section 85-1712, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 ~~85-1712~~ The Governor shall designate one of the members
25 representing the private institutions of higher education to
26 convene the organizational meeting of the authority and to
27 serve as its temporary chairperson. At that meeting and annually

1 ~~thereafter,~~ Each year the authority shall elect one of its members
2 as chairperson and another member as vice-chairperson. It may
3 appoint an executive director and assistant executive director, who
4 shall not be members of the authority but who shall serve at the
5 pleasure of the authority. An assistant executive director shall
6 perform the duties of the executive director in the event of the
7 absence or inability to act of the executive director. They shall
8 receive such compensation as shall be fixed by the authority. The
9 authority may receive contributions to fund any of the expenses of
10 the authority from private donors, including any one or more of the
11 private eligible institutions of higher education or an association
12 or any one or more associations representing the private eligible
13 institutions of higher education.

14 Sec. 16. Section 85-1713, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 ~~85-1713~~ The executive director, assistant executive
17 director, or any other person designated by resolution of the
18 authority shall keep records and accounts of all proceedings and
19 financial dealings of the authority, shall be custodian of all
20 books, documents, and papers filed with the authority, the minute
21 book or journal of the authority, and its official seal, and shall
22 be custodian of all funds of the authority. The executive director,
23 assistant executive director, or other designated person may cause
24 copies to be made of all minutes and other records and documents
25 of the authority and may give certificates under the official seal
26 of the authority to the effect that such copies are true copies,
27 and all persons dealing with the authority may rely upon such

1 certificates.

2 Sec. 17. Section 85-1714, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 ~~85-1714~~ Four members of the authority shall constitute a
5 quorum. The affirmative vote of a majority of all of the members
6 of the authority shall be necessary for any action taken by the
7 authority. A vacancy in the membership of the authority shall
8 not impair the right of a quorum to exercise all the rights and
9 perform all the duties of the authority. Any action taken by
10 the authority under the Nebraska Educational, Health, and Social
11 Services Finance Authority Act may be authorized by resolution at
12 any regular or special meeting, and each such resolution shall take
13 effect immediately and need not be published or posted. Members of
14 the authority may participate in a regular or special meeting of
15 the authority by telephone conference call or videoconference as
16 long as the chairperson or vice-chairperson conducts the meeting at
17 a location where the public is able to participate by attendance at
18 that location and the telephone conference call or videoconference
19 otherwise conforms to the requirements of subdivisions (2)(a)
20 through (e) of section 84-1411.

21 Sec. 18. Section 85-1715, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 ~~85-1715~~ Before the issuance of any bonds under the
24 Nebraska Educational, Health, and Social Services Finance Authority
25 Act, the chairperson, vice-chairperson, executive director, and
26 assistant executive director, if any, and any other member of the
27 authority authorized by resolution of the authority to handle funds

1 or sign checks of the authority shall execute a surety bond in such
2 amount as a majority of the members of the authority determine,
3 or alternatively, the chairperson of the authority shall execute
4 a blanket bond effecting such coverage. Each surety bond shall
5 be conditioned upon the faithful performance of the duties of the
6 office or offices covered and shall be executed by a surety company
7 authorized to transact business in this state, and the cost of each
8 such surety bond shall be paid by the authority.

9 Sec. 19. Section 85-1716, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 ~~85-1716~~ The members of the authority shall receive no
12 compensation for the performance of their duties as members, but
13 each such member shall be paid his or her actual and necessary
14 expenses while engaged in the performance of such duties as
15 provided in sections 81-1174 to 81-1177 from any funds legally
16 available therefor.

17 Sec. 20. Section 85-1717, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 ~~85-1717~~ Notwithstanding any other law to the contrary, it
20 shall not be or constitute a conflict of interest for a trustee,
21 director, officer, or employee of any educational institution,
22 health care institution, social services institution, financial
23 institution, commercial bank or trust company, architecture firm,
24 insurance company, or any firm, person, or corporation to serve as
25 a member of the authority, but such trustee, director, officer,
26 or employee shall abstain from any deliberation or action by
27 the authority when the business affiliation of any such trustee,

1 director, officer, or employee is involved. The executive director
2 may serve less than full time. If the executive director serves
3 less than full time, his or her other employment, if any, shall be
4 reviewed by the members of the authority for potential conflicts
5 of interest and whether such other employment would prevent the
6 executive director from fully discharging his or her duties.
7 No member of the authority may be a representative of a bank,
8 investment banking firm, or other financial institution that
9 underwrites the bonds of the authority.

10 Sec. 21. Section 85-1718, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 ~~85-1718~~ The purpose of the authority shall be to
13 assist ~~private~~ eligible institutions ~~of higher education~~ in the
14 ~~constructing,~~ acquisition, construction, improvement, equipment,
15 renovation, financing, and refinancing of projects and to
16 administer and operate the Nebraska Health Education Assistance
17 Loan Program as provided in sections ~~85-1754 to 85-1759~~ 57 to 62
18 of this act and the Nebraska Student Loan Assistance Program as
19 provided in sections ~~85-1760 to 85-1762.~~ 63 to 65 of this act.

20 Sec. 22. Section 85-1719, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 ~~85-1719~~ The authority shall have perpetual succession
23 as a body politic and corporate and may adopt bylaws for the
24 regulation of its affairs and the conduct of its business.

25 Sec. 23. Section 85-1720, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 ~~85-1720~~ The authority may adopt an official seal and

1 alter the same at its pleasure.

2 Sec. 24. Section 85-1721, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 ~~85-1721~~ The authority may maintain an office at such
5 place or places within Nebraska as it may designate.

6 Sec. 25. Section 85-1722, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 ~~85-1722~~ The authority may sue and be sued in its own
9 name.

10 Sec. 26. Section 85-1723, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 ~~85-1723~~ The authority may determine the location and
13 character of any project to be financed or refinanced under the
14 Nebraska Educational, Health, and Social Services Finance Authority
15 Act and acquire, construct, reconstruct, improve, equip, remodel,
16 renovate, replace, maintain, repair, operate, lease as lessee or
17 lessor, and regulate the same. The authority may also enter into
18 contracts for any or all of such purposes, enter into contracts
19 for the management and operation of a project, and designate a
20 ~~private~~ an eligible institution ~~of higher education~~ as its agent
21 to determine the location and character of a project undertaken
22 by such ~~private~~ eligible institution ~~of higher education~~ under the
23 act and, as the agent of the authority, to acquire, construct,
24 reconstruct, improve, equip, remodel, renovate, replace, maintain,
25 repair, operate, lease as lessee or lessor, and regulate the same
26 and, as the agent of the authority, to enter into contracts for any
27 or all of such purposes, including contracts for the management and

1 operation of such project.

2 Sec. 27. Section 85-1724, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 ~~85-1724~~ The authority may issue bonds of the authority
5 for any of its corporate purposes and fund or refund the same
6 pursuant to the Nebraska Educational, Health, and Social Services
7 Finance Authority Act.

8 Sec. 28. Section 85-1725, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 ~~85-1725~~ The authority may charge and collect rates,
11 rents, fees, and other charges for the use of and for the
12 services furnished or to be furnished by a project or any
13 portion thereof and contract with any person, partnership, limited
14 liability company, association, or corporation or other body public
15 or private, except that the authority shall have no jurisdiction
16 over rates, rents, fees, and charges established by a ~~private~~
17 an eligible institution of higher education for its students,
18 patients, residents, clients, or other consumers other than to
19 require that such rates, rents, fees, and charges by such
20 eligible institution be sufficient to discharge such institution's
21 obligation to the authority.

22 Sec. 29. Section 85-1726, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 ~~85-1726~~ The authority may establish rules and regulations
25 for the use of a project or any portion thereof and designate a
26 ~~private~~ an eligible institution of higher education as its agent to
27 establish rules and regulations for the use of a project undertaken

1 by such ~~private~~ eligible institution ~~of higher education~~.

2 Sec. 30. Section 85-1727, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 ~~85-1727~~ The authority may employ consulting engineers,
5 architects, attorneys, accountants, trustees, construction and
6 finance experts, superintendents, managers, and such other
7 employees and agents as may be necessary in its judgment, and fix
8 their compensation.

9 Sec. 31. Section 85-1728, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 ~~85-1728~~ The authority may receive and accept from any
12 source loans or grants for or in aid of the acquisition,
13 construction, improvement, equipment, or renovation of a project or
14 any portion thereof, and receive and accept from any source loans,
15 grants, aid, or contributions of money, property, labor, or other
16 things of value, to be held, used, and applied only for the purpose
17 for which such loans, grants, aid, or contributions are made.

18 Sec. 32. Section 85-1729, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 ~~85-1729~~ The authority may mortgage all or any portion
21 of any project or any other facilities conveyed to the authority
22 for such purpose and the site or sites thereof, whether presently
23 owned or subsequently acquired, for the benefit of the holders
24 of the bonds of the authority issued to finance such project or
25 any portion thereof or issued to refund or refinance outstanding
26 indebtedness or to reimburse an endowment or any similar fund of
27 a ~~private~~ an eligible institution ~~of higher education~~ as permitted

1 by the Nebraska Educational, Health, and Social Services Finance
2 Authority Act.

3 Sec. 33. Section 85-1730, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 ~~85-1730~~ The authority may make loans to any ~~private~~
6 eligible institution ~~of higher education~~ for the cost of any
7 project or in anticipation of the receipt of tuition or other
8 revenue by the eligible institution in accordance with an agreement
9 between the authority and such ~~private~~ eligible institution, ~~of~~
10 ~~higher education~~, except that (1) no such loan shall exceed the
11 total cost of such project as determined by such ~~private~~ eligible
12 institution ~~of higher education~~ and approved by the authority and
13 (2) any loan made in anticipation of the receipt of tuition or
14 other revenue shall not exceed the anticipated amount of tuition or
15 other revenue to be received by the ~~private~~ eligible institution ~~of~~
16 ~~higher education~~ in the one-year period following the date of such
17 loan.

18 Sec. 34. Section 85-1731, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 ~~85-1731~~ The authority may issue bonds and make loans to a
21 ~~private~~ an eligible institution ~~of higher education~~ and refund
22 or reimburse outstanding obligations, mortgages, or advances,
23 including advances from an endowment or any similar fund, issued,
24 made, or given by such ~~private~~ eligible institution ~~of higher~~
25 ~~education~~, ~~whether before or after August 30, 1981~~, for the
26 cost of a project, including the power to issue bonds and make
27 loans to a ~~private~~ an eligible institution ~~of higher education~~

1 to refinance indebtedness incurred or to reimburse advances made
2 for projects undertaken prior thereto whenever the authority has
3 received a written letter of intent to underwrite, place, or
4 purchase the bonds from a financial institution having the powers
5 of an investment bank, commercial bank, or trust company and finds
6 that such financing or refinancing is in the public interest,
7 and either: (1) Alleviates a financial hardship upon the ~~private~~
8 eligible institution; of higher education, (2) results in a lesser
9 cost of education, health care services, or social services; or
10 (3) enables the ~~private~~ eligible institution of higher education
11 to offer greater security for a loan or loans to finance a new
12 project or projects or to effect savings in interest costs or more
13 favorable amortization terms.

14 Sec. 35. Section 85-1732, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 ~~85-1732~~ The authority may charge to and equitably
17 apportion among participating ~~private~~ eligible institutions ~~of~~
18 ~~higher education~~ its administrative costs and expenses incurred in
19 the exercise of the powers and duties conferred by the Nebraska
20 Educational, Health, and Social Services Finance Authority Act.

21 Sec. 36. Section 85-1733, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 ~~85-1733~~ The authority may do all things necessary or
24 convenient to carry out the purposes of the Nebraska Educational,
25 Health, and Social Services Finance Authority Act.

26 In carrying out the purposes of the act, the authority
27 may undertake a project for two or more ~~private~~ eligible

1 institutions ~~of higher education~~ jointly, or for any combination
2 thereof, and thereupon all other provisions of the act shall
3 apply to and be for the benefit of the authority and such joint
4 participants.

5 Sec. 37. Section 85-1734, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 ~~85-1734~~ Notwithstanding any other provision contained
8 in the Nebraska Educational, Health, and Social Services Finance
9 Authority Act, the authority may combine for financing purposes,
10 with the consent of all of the ~~private~~ eligible institutions ~~of~~
11 ~~higher education~~ which are involved, the project or projects and
12 some or all future projects of any ~~private institution or private~~
13 eligible institutions, ~~of higher education~~, but the money set aside
14 in any fund or funds pledged for any series or issue of bonds
15 shall be held for the sole benefit of such series or issue separate
16 and apart from any money pledged for any other series or issue of
17 bonds of the authority. To facilitate the combining of projects,
18 bonds may be issued in series under one or more resolutions or
19 trust ~~agreements~~ indentures and be fully open end, thus providing
20 for the unlimited issuance of additional series, or partially open
21 end, limited as to additional series, all in the discretion of the
22 authority. Notwithstanding any other provision of the act to the
23 contrary, the authority may, in its discretion, permit a ~~private~~ an
24 eligible institution ~~of higher education~~ to substitute one or more
25 projects of equal value, as determined by an independent appraiser
26 satisfactory to the authority, for any project financed under the
27 act on such terms and subject to such conditions as the authority

1 may prescribe.

2 Sec. 38. Section 85-1735, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 ~~85-1735~~ All expenses incurred in carrying out the
5 Nebraska Educational, Health, and Social Services Finance Authority
6 Act shall be payable solely from funds provided under the act,
7 and no liability or obligation shall be incurred by the authority
8 beyond the extent to which money has been provided under the act.

9 Sec. 39. Section 85-1736, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 ~~85-1736~~ The authority is authorized and empowered,
12 directly or by and through a ~~private~~ an eligible institution, ~~of~~
13 ~~higher education,~~ as its agent, to acquire by purchase, gift,
14 or devise, such lands, structures, property, real or personal,
15 rights, rights-of-way, franchises, easements, and other interests
16 in lands, and including existing facilities of a ~~private~~ an
17 eligible institution, ~~of higher education,~~ as it may deem necessary
18 or convenient for the acquisition, ~~construction,~~ ~~acquisition,~~
19 improvement, equipment, renovation, or operation of a project,
20 upon such terms and at such prices as may be considered by it to
21 be reasonable and can be agreed upon between the authority and
22 the owner thereof, and to take title thereto in the name of the
23 authority or in the name of a ~~private~~ an eligible institution ~~of~~
24 ~~higher education~~ as its agent.

25 Sec. 40. Section 85-1737, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 ~~85-1737~~ When the principal of and interest on bonds of

1 the authority issued to finance the cost of a particular project
2 or projects for a ~~private~~ an eligible institution, ~~of higher~~
3 ~~education,~~ including any refunding bonds issued to refund and
4 refinance such bonds, have been fully paid and retired or when
5 adequate provision has been made to fully pay and retire the
6 same, and all other conditions of the ~~bond~~ resolution and any
7 trust indenture authorizing the same have been satisfied and the
8 lien created by such ~~bond~~ resolution or trust indenture has been
9 released in accordance with the provisions thereof, the authority
10 shall promptly do such things and execute such deeds, conveyances,
11 and other instruments, if any, as are necessary and required to
12 convey title to such project or projects to such ~~private~~ eligible
13 institution. ~~of higher education.~~

14 Sec. 41. Section 85-1738, Revised Statutes Cumulative
15 Supplement, 2012, is amended to read:

16 ~~85-1738~~ The authority is hereby authorized to provide by
17 resolution, at one time or from time to time, for the issuance of
18 bonds for the purpose of (1) paying, refinancing, or reimbursing
19 all or any part of the cost of a project, (2) administering and
20 operating the Nebraska Health Education Assistance Loan Program
21 and the Nebraska Student Loan Assistance Program, or (3) making
22 loans to any ~~private~~ eligible institution ~~of higher education~~ in
23 anticipation of the receipt of tuition or other revenue by the
24 eligible institution. Except to the extent payable from payments
25 to be made on securities or federally guaranteed securities as
26 provided in sections ~~85-1741 and 85-1742,~~ 44 and 45 of this act,
27 the principal of and the interest on such bonds shall be payable

1 solely out of the revenue of the authority derived from the project
2 or program to which they relate and from any other facilities or
3 assets pledged or made available therefor by the ~~private~~ eligible
4 ~~institution of higher education~~ for whose benefit such bonds were
5 issued. The bonds of each issue shall be dated, shall bear interest
6 at such rate or rates, including variations of such rates, without
7 regard to any limit contained in any other statute or law of the
8 State of Nebraska, shall mature at such time or times not exceeding
9 forty years from the date thereof, all as may be determined by
10 the authority, and may be made redeemable before maturity, at the
11 option of the authority, at such price or prices, which may be
12 at a premium or discount, and under such terms and conditions as
13 may be fixed by the authority in the authorizing resolution and
14 any trust indenture. Except to the extent required by the Nebraska
15 Educational, Health, and Social Services Finance Authority Act and
16 for bonds issued to fund the Nebraska Student Loan Assistance
17 Program, such bonds are to be paid out of the revenue of the
18 project to which they relate and, in certain instances, the revenue
19 of certain other facilities, and subject to the provisions of
20 ~~sections 85-1741 and 85-1742~~ 44 and 45 of this act with respect to
21 a pledge of securities or government securities, the bonds may be
22 unsecured or secured in the manner and to the extent determined by
23 the authority in its discretion.

24 The authority shall determine the form of the bonds,
25 including any interest coupons to be attached thereto, and shall
26 fix the denomination or denominations of the bonds and the place
27 or places of payment of principal and interest which may be

1 at any bank or trust company within or without the state. The
2 bonds shall be signed in the name of the authority, by its
3 chairperson or vice-chairperson or by a facsimile signature of
4 such person, the official seal of the authority or a facsimile
5 thereof shall be affixed thereto or printed or impressed thereon
6 and attested by the manual or facsimile signature of the executive
7 director or assistant executive director of the authority, except
8 that facsimile signatures of members of the authority shall be
9 sufficient only if the resolution or trust indenture requires
10 that the trustee for such bond issue manually authenticate each
11 bond and the resolution or trust indenture permits the use of
12 facsimile signatures, and any coupons attached thereto to the
13 bonds shall bear the facsimile signature of the executive director
14 or assistant executive director of the authority. The resolution
15 or trust indenture authorizing the bonds may provide that the
16 bonds contain a recital that they are issued under the Nebraska
17 Educational, Health, and Social Services Finance Authority Act, and
18 such recital shall be deemed conclusive evidence of the validity
19 of the bonds and the regularity of the issuance. The provisions of
20 section 10-126 shall not apply to bonds issued by the authority.
21 The provisions of section 10-140 shall apply to bonds issued by the
22 authority. In case any official of the authority whose signature
23 or a facsimile of whose signature appears on any bonds or coupons
24 ceases to be such an official before the delivery of such bonds,
25 such signature or such facsimile shall nevertheless be valid and
26 sufficient for all purposes the same as if he or she had remained
27 an official of the authority until such delivery.

1 All bonds issued under the act shall have and are hereby
2 declared to have all the qualities and incidents of negotiable
3 instruments under the law of the State of Nebraska. The bonds may
4 be issued in coupon or in registered form, or both, and one form
5 may be exchangeable for the other in such manner as the authority
6 may determine. Provision may be made for the registration of any
7 coupon bonds as to principal alone and also as to both principal
8 and interest and for the reconversion into coupon bonds of any
9 bonds registered as to both principal and interest. The bonds may
10 be sold in such manner, either at public or private sale, as the
11 authority may determine.

12 The proceeds of the bonds of each issue shall be used
13 solely for the payment of the costs of the project or program for
14 which such bonds have been issued and shall be disbursed in such
15 manner and under such restrictions, if any, as the authority may
16 provide in the resolution authorizing the issuance of such bonds or
17 in the trust ~~agreement~~ indenture provided for in section ~~85-1740~~
18 43 of this act securing the same. If the proceeds of the bonds of
19 any issue, by error of estimates or otherwise, are less than such
20 costs, additional bonds may in like manner be issued to provide
21 the amount of such deficit and, unless otherwise provided in the
22 resolution authorizing the issuance of such bonds or in the trust
23 ~~agreement~~ indenture securing the same, shall be deemed to be of
24 the same issue and shall be entitled to payment from the same
25 fund without preference or priority of the bonds first issued. If
26 the proceeds of the bonds of any issue exceed the cost of the
27 project or program for which they were issued, the surplus shall be

1 deposited to the credit of the sinking fund for such bonds or shall
2 be applied as may otherwise be permitted by applicable federal
3 income tax laws relating to the tax exemption of interest.

4 Prior to the preparation of definitive bonds, the
5 authority may under like restrictions issue interim receipts
6 or temporary bonds, with or without coupons, exchangeable for
7 definitive bonds when such bonds have been executed and are
8 available for delivery.

9 The authority may also provide for the replacement of any
10 bonds which become mutilated or are destroyed or lost. Bonds may be
11 issued under the act without obtaining the consent of any officer,
12 department, division, commission, board, bureau, or agency of the
13 state and without any other proceedings or conditions other than
14 those proceedings and conditions which are specifically required
15 by the act. The authority may out of any funds available therefor
16 purchase its bonds. The authority may hold, pledge, cancel, or
17 resell such bonds, subject to and in accordance with any agreement
18 with the bondholders.

19 Members of the authority shall not be liable to the
20 state, the authority, or any other person as a result of their
21 activities, whether ministerial or discretionary, as authority
22 members, except for willful dishonesty or intentional violations
23 of law. Members of the authority and any person executing bonds
24 or policies of insurance shall not be liable personally thereon or
25 be subject to any personal liability or accountability by reason
26 of the issuance thereof. The authority may purchase liability
27 insurance for members, officers, and employees and may indemnify

1 any authority member to the same extent that a school district may
2 indemnify a school board member pursuant to section 79-516.

3 Sec. 42. Section 85-1739, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 ~~85-1739~~ Any resolution or resolutions authorizing any
6 bonds or any issue of bonds and any trust indenture securing any
7 bonds or any issue of bonds may contain provisions, which shall
8 be a part of the contract with the holders of the bonds to be
9 authorized, as to (1) pledging or assigning the revenue of the
10 project or loan with respect to which such bonds are to be issued
11 or the revenue of any other property, facilities, or loans, (2)
12 the rentals, fees, loan payments, and other amounts to be charged,
13 the amounts to be raised in each year thereby, and the use and
14 disposition of such amounts, (3) the setting aside of reserves
15 or sinking funds, and the regulation, investment, and disposition
16 thereof, (4) limitations on the use of the project, (5) limitations
17 on the purpose to which or the investments in which the proceeds
18 of sale of any issue of bonds then or thereafter to be issued may
19 be applied and pledging such proceeds to secure the payment of the
20 bonds or any issue of the bonds, (6) limitations on the issuance
21 of additional bonds, the terms upon which additional bonds may be
22 issued and secured, and the refunding of outstanding bonds, (7)
23 the procedure, if any, by which the terms of any contract with
24 bondholders may be amended or abrogated, the amount of bonds the
25 holders of which must consent thereto, and the manner in which
26 such consent may be given, (8) limitations on the amount of money
27 derived from the project or loan to be expended for operating,

1 administrative, or other expenses of the authority, (9) defining
2 the acts or omissions to act which shall constitute a default
3 in the duties of the authority to holders of its obligations and
4 providing the rights and remedies of such holders in the event of a
5 default, (10) the mortgaging of a project and the site thereof or
6 any other property for the purpose of securing the bondholders, and
7 (11) any other matters relating to the bonds which the authority
8 deems desirable.

9 Sec. 43. Section 85-1740, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 ~~85-1740~~ In the discretion of the authority any bonds
12 issued under the Nebraska Educational, Health, and Social Services
13 Finance Authority Act may be secured by a trust agreement
14 indenture, which trust indenture may be in the form of a bond
15 resolution or similar contract, by and between the authority and
16 ~~an incorporated~~ a corporate trustee or trustees which may be any
17 financial institution having the power of a trust company or bank
18 ~~having the powers of a~~ any trust company within or outside the
19 state. Such trust agreement ~~or the resolution~~ indenture providing
20 for the issuance of such bonds may pledge or assign the revenue
21 to be received or proceeds of any contract or contracts pledged
22 and may convey or mortgage the project or any portion thereof. The
23 trust indenture by which a pledge is created or an assignment made
24 shall be filed in the records of the authority.

25 Any pledge or assignment made by the authority pursuant
26 to this section shall be valid and binding from the time that
27 the pledge or assignment is made, and the revenue so pledged and

1 thereafter received by the authority shall immediately be subject
2 to the lien of such pledge or assignment without physical delivery
3 thereof or any further act. The lien of such pledge or assignment
4 shall be valid and binding against all parties having claims of
5 any kind in tort, contract, or otherwise against the authority
6 irrespective of whether such parties have notice thereof.

7 ~~The resolution or any trust agreement by which a pledge~~
8 ~~is created or an assignment made shall be filed or recorded in~~
9 ~~the records of the authority and with the Secretary of State and,~~
10 ~~in the case of a project, in each county in which the project is~~
11 ~~located.~~

12 Such trust agreement or resolution providing for the
13 issuance of such bonds indenture may set forth the rights and
14 remedies of the bondholders and of the trustee or trustees, may
15 restrict the individual right of action by bondholders, and may
16 contain such provisions for protecting and enforcing the rights
17 and remedies of the bondholders and of the trustee or trustees as
18 may be reasonable and proper, not in violation of law, or provided
19 for in the act. Nebraska Educational, Health, and Social Services
20 Finance Authority Act. Any such trust indenture may contain such
21 other provisions as the authority may deem reasonable and proper
22 for the security of the bondholders.

23 Any bank or trust company ~~incorporated under the laws of~~
24 ~~this state~~ which acts as depository of the proceeds of the bonds,
25 any revenue, or other money shall furnish such indemnifying bonds
26 or pledge such securities as may be required by the authority.

27 ~~Any such trust agreement may set forth the rights and~~

1 ~~remedies of the bondholders and of the trustee or trustees and may~~
2 ~~restrict the individual right of action by bondholders. Any such~~
3 ~~trust agreement or resolution may contain such other provisions as~~
4 ~~the authority may deem reasonable and proper for the security of~~
5 ~~the bondholders.~~

6 All expenses incurred in carrying out the provisions of
7 such trust agreement ~~or resolution~~ indenture may be treated as a
8 part of the cost of the operation of a project.

9 Sec. 44. Section 85-1741, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 ~~85-1741~~ In addition to any other methods of financing
12 authorized in the Nebraska Educational, Health, and Social Services
13 Finance Authority Act, the authority may finance the cost of a
14 project or program, refund outstanding indebtedness, or reimburse
15 advances from an endowment or any similar fund of a ~~private~~ an
16 eligible institution ~~of higher education~~ as authorized by section
17 ~~85-1731~~ 34 of this act by issuing its bonds for the purpose of
18 purchasing the securities of a ~~private~~ the eligible institution. ~~of~~
19 ~~higher education~~. Any such securities shall have the same principal
20 amounts, maturities, and interest rates as the bonds being issued,
21 may be secured by a first mortgage lien on or security interest
22 in any real or personal property, subject to such exceptions as
23 the authority may approve and created by a mortgage or security
24 instrument satisfactory to the authority, and may be insured or
25 guaranteed by others. Any such bonds shall be secured by a pledge
26 of such securities under the trust agreement ~~creating~~ indenture
27 securing such bonds, shall be payable solely out of the payments

1 to be made on such securities, and shall not exceed in principal
2 amount the cost of such project or program, the refunding of such
3 indebtedness, or reimbursement of such advances as determined by
4 the ~~private~~ eligible institution ~~of higher education~~ and approved
5 by the authority. In other respects any such bonds shall be subject
6 to the act, including sections ~~85-1738 and 85-1739~~, 41 and 42
7 of this act, and the trust ~~agreement creating~~ indenture securing
8 such bonds may contain any of the provisions set forth in section
9 ~~85-1740~~ 43 of this act as the authority may consider appropriate.

10 If a project is financed pursuant to this section,
11 the title to such project shall remain in the ~~private~~ eligible
12 institution ~~of higher education~~ owning the same, such project,
13 subject to the lien of the mortgage or security interest, if any,
14 securing the securities then being purchased, and there shall be
15 no lease of such facility between the authority and such ~~private~~
16 eligible institution ~~of higher education~~.

17 Section ~~85-1737~~ 40 of this act shall not apply to any
18 project financed pursuant to this section, but the authority shall
19 return the securities purchased through the issuance of bonds
20 pursuant to this section to the ~~private~~ eligible institution ~~of~~
21 ~~higher education~~ issuing such securities when such bonds have been
22 fully paid and retired or when adequate provision has been made
23 to pay and retire such bonds fully and all other conditions of
24 the trust ~~agreement creating~~ indenture securing such bonds have
25 been satisfied and any lien established pursuant to this section
26 has been released in accordance with the provisions of the trust
27 ~~agreement~~. indenture.

1 Sec. 45. Section 85-1742, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 ~~85-1742~~ Notwithstanding any other provision of the
4 Nebraska Educational, Health, and Social Services Finance Authority
5 Act to the contrary, the authority may finance the cost of a
6 project or program, refund outstanding indebtedness, or reimburse
7 advances from any endowment or any similar fund of a ~~private~~ an
8 eligible institution of higher education as authorized by the act,
9 by issuing its bonds pursuant to a plan of financing involving the
10 acquisition of any federally guaranteed security or securities or
11 the acquisition or entering into of commitments to acquire any
12 federally guaranteed security or securities. For purposes of this
13 section, federally guaranteed security ~~shall mean~~ means any direct
14 obligation of or obligation the principal of and interest on which
15 are fully guaranteed or insured by the United States of America or
16 any obligation issued by or the principal of and interest on which
17 are fully guaranteed or insured by any agency or instrumentality of
18 the United States of America, including without limitation any such
19 obligation that is issued pursuant to the National Housing Act, or
20 any successor provision of law, each as amended from time to time.

21 In furtherance of the powers granted in this section,
22 the authority may acquire or enter into commitments to acquire any
23 federally guaranteed security and pledge or otherwise use any such
24 federally guaranteed security in such manner as the authority deems
25 in its best interest to secure or otherwise provide a source of
26 repayment of any of its bonds issued to finance or refinance a
27 project or program or may enter into any appropriate agreement with

1 any ~~private~~ eligible institution of ~~higher education~~ whereby the
2 authority may make a loan to any such ~~private~~ eligible institution
3 of ~~higher education~~ for the purpose of acquiring or entering into
4 commitments to acquire any federally guaranteed security.

5 Any agreement entered into pursuant to this section may
6 contain such provisions as are deemed necessary or desirable by
7 the authority for the security or protection of the authority
8 or the holders of such bonds, except that the authority, prior
9 to making any such acquisition, commitment, or loan, shall first
10 determine and enter into an agreement with any such ~~private~~
11 eligible institution of ~~higher education~~ or any other appropriate
12 institution or corporation to require that the proceeds derived
13 from the acquisition of any such federally guaranteed security will
14 be used, directly or indirectly, for the purpose of financing or
15 refinancing a project or program.

16 Any bonds issued pursuant to this section shall not
17 exceed in principal amount the cost of financing or refinancing
18 such project or program as determined by the participating ~~private~~
19 eligible institution of ~~higher education~~ and approved by the
20 authority, except that such costs may include, without limitation,
21 all costs and expenses necessary or incidental to the acquisition
22 of or commitment to acquire any federally guaranteed security and
23 to the issuance and obtaining of any insurance or guarantee of
24 any obligation issued or incurred in connection with any federally
25 guaranteed security. In other respects any such bonds shall be
26 subject to the ~~act,~~ Nebraska Educational, Health, and Social
27 Services Finance Authority Act, including sections ~~85-1738~~ and

1 ~~85-1739~~, 41 and 42 of this act, and the trust agreement creating
2 indenture securing such bonds may contain such of the provisions
3 set forth in section ~~85-1740~~ 43 of this act as the authority may
4 deem appropriate.

5 If a project is financed or refinanced pursuant to
6 this section, the title to such project shall remain in the
7 participating ~~private~~ eligible institution ~~of higher education~~
8 owning the ~~same~~, project, subject to the lien of any mortgage or
9 security interest securing, directly or indirectly, the federally
10 guaranteed securities then being purchased or to be purchased, and
11 there shall be no lease of such facility between the authority and
12 such eligible institution.

13 Section ~~85-1737~~ 40 of this act shall not apply to any
14 project financed pursuant to this section, but the authority shall
15 return the securities purchased through the issuance of bonds
16 pursuant to this section to the issuer of such securities when
17 such securities have been fully paid, when such bonds have been
18 fully paid and retired, or when adequate provision, not involving
19 the application of such securities, has been made to pay and
20 retire such bonds fully, all other conditions of the ~~resolution~~,
21 trust agreement, ~~or~~ indenture ~~creating~~ securing such bonds have
22 been satisfied, and the lien on such bonds has been released in
23 accordance with the ~~act~~. Nebraska Educational, Health, and Social
24 Services Finance Authority Act.

25 Sec. 46. Section 85-1743, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 ~~85-1743~~ The authority is hereby authorized to provide by

1 resolution for the issuance of refunding bonds for the purpose
2 of refunding any bonds then outstanding which have been issued
3 by it under the Nebraska Educational, Health, and Social Services
4 Finance Authority Act, including the payment of any redemption
5 premium thereon and any interest accrued or to accrue to the
6 date of maturity or earlier redemption of such bonds, and, in
7 the case of a project and if deemed advisable by the authority,
8 for the additional purposes of acquiring, constructing, improving,
9 equipping, and ~~acquiring~~ renovating improvements, extensions, or
10 enlargements of the project in connection with which the bonds
11 to be refunded were issued and of paying any expenses which
12 the authority determines may be necessary or incidental to
13 the issuance of such refunding bonds and the ~~construction and~~
14 ~~acquisition~~ acquiring, constructing, improving, equipping, and
15 renovating of such improvements, extensions, or enlargements.
16 Such refunding bonds shall be payable solely out of the revenue
17 of the project, including any such improvements, extensions, or
18 enlargements thereto, or program to which the bonds being refunded
19 relate or as otherwise described in sections ~~85-1738, 85-1741,~~
20 ~~85-1742, 85-1757, and 85-1758.~~ 41, 44, 45, 60, and 61 of this
21 act. The issuance of such bonds, the maturities and other details
22 thereof, the rights of the holders thereof, the rights, duties,
23 and obligations of the authority with respect to such bonds, and
24 the manner of sale thereof shall be governed by the act insofar as
25 applicable.

26 The proceeds of any such bonds issued for the purpose
27 of refunding outstanding bonds may, in the discretion of the

1 authority, be applied to the purchase or retirement at maturity
2 or earlier redemption of such outstanding bonds either on their
3 earliest or any subsequent redemption date, upon the purchase of
4 such bonds, or at the maturity of such bonds and may, pending such
5 application, be placed in escrow to be applied to such purchase,
6 retirement at maturity, or earlier redemption.

7 Any such escrowed proceeds, pending such use, may be
8 invested and reinvested in direct obligations of the United States
9 of America or obligations the timely payment of principal and
10 interest on which is fully guaranteed by the United States of
11 America, maturing at such time or times as shall be appropriate
12 to assure the prompt payment of the principal of and interest
13 and redemption premium, if any, on the outstanding bonds to be
14 so refunded. The interest, income, and profits, if any, earned or
15 realized on any such investment may also be applied to the payment
16 of the outstanding bonds to be so refunded. Only after the terms
17 of the escrow have been fully satisfied and carried out may any
18 balance of such proceeds, interest, income, or profits earned or
19 realized on the investments thereof be returned to the ~~private~~
20 eligible institution ~~of higher education~~ for whose benefit the
21 refunded bonds were issued for use by it in any lawful manner.

22 All such bonds shall be subject to the act in the
23 same manner and to the same extent as other revenue bonds issued
24 pursuant to the act.

25 Sec. 47. Section 85-1744, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 ~~85-1744~~ Bonds issued pursuant to the Nebraska

1 Educational, Health, and Social Services Finance Authority Act
2 shall not be deemed to constitute a debt of the state or of any
3 political subdivision thereof or a pledge of the faith and credit
4 of the state or of any such political subdivision, but such bonds
5 shall be a limited obligation of the authority payable solely from
6 the funds, securities, or government securities pledged for their
7 payment as authorized in the act unless such bonds are refunded by
8 refunding bonds issued under the act, which refunding bonds shall
9 be payable solely from funds, securities, or government securities
10 pledged for their payment as authorized in the act. All such
11 revenue bonds shall contain on the face thereof a statement to
12 the effect that the bonds, as to both principal and interest, are
13 not an obligation of the State of Nebraska or of any political
14 subdivision thereof but are limited obligations of the authority
15 payable solely from revenue, securities, or government securities,
16 as the case may be, pledged for their payment. All expenses
17 incurred in carrying out the act shall be payable solely from funds
18 provided under the authority of the act, and nothing contained in
19 the act shall be construed to authorize the authority to incur
20 indebtedness or liability on behalf of or payable by the state or
21 any political subdivision thereof.

22 Sec. 48. Section 85-1745, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 ~~85-1745~~ Except for projects financed or refinanced
25 pursuant to sections ~~85-1741 and 85-1742~~, 44 and 45 of this act,
26 the authority shall fix, revise, charge, and collect rents or
27 loan payments for the use of or payment for each project and

1 contract with any ~~private~~ eligible institution ~~of higher education~~
2 in respect thereof. Each lease or loan agreement entered into by
3 the authority with a ~~private~~ an eligible institution ~~of higher~~
4 ~~education~~ shall provide that the rents or loan payments payable
5 by the ~~private~~ eligible institution ~~of higher education~~ shall be
6 sufficient at all times (1) to pay ~~its~~ the eligible institution's
7 share of the administrative costs and expenses of the authority,
8 (2) to pay the authority's cost, if any, of maintaining, repairing,
9 and operating the project and each and every portion thereof, (3)
10 to pay the principal of, the premium, if any, and the interest
11 on outstanding bonds of the authority issued with respect to such
12 project as the same shall become due and payable, and (4) to
13 create and maintain reserves which may be provided for in the ~~bond~~
14 resolution or trust ~~agreement~~ indenture relating to such bonds of
15 the authority.

16 With respect to projects financed pursuant to sections
17 ~~85-1741 and 85-1742,~~ 44 and 45 of this act, the authority shall
18 require the ~~private~~ eligible institution ~~of higher education~~
19 involved to enter into loan or other financing agreements
20 obligating such eligible institution to make payments sufficient to
21 accomplish the purposes described in this section.

22 Sec. 49. Section 85-1746, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 ~~85-1746~~ All money received by the authority, whether as
25 proceeds from the sale of bonds, from revenue, or otherwise, shall
26 be deemed to be trust funds to be held and applied solely as
27 provided in the Nebraska Educational, Health, and Social Services

1 Finance Authority Act but, prior to the time when needed for use,
2 may be invested ~~to the extent and in the manner provided for~~
3 ~~the investment of public funds of the state under the laws then~~
4 ~~in effect.~~ in direct and general obligations of or obligations
5 fully and unconditionally guaranteed by the United States of
6 America, obligations issued by agencies of the United States
7 of America, any obligations of the United States of America or
8 agencies thereof, obligations of this state, or any obligations
9 or securities which may from time to time be legally purchased
10 by governmental subdivisions of this state pursuant to subsection
11 (1) of section 77-2341, except that any funds pledged to secure
12 a bond issue shall be invested in the manner permitted by the
13 resolution or trust indenture securing such bonds. Such funds shall
14 be deposited, held, and secured in accordance with the general laws
15 of the state relating to the handling of public funds, as soon
16 as practical in a separate account or accounts in banks or trust
17 companies organized under the laws of this state or in national
18 banking associations. The money in such accounts shall be paid
19 out on checks signed by the executive director or other officers
20 or employees of the authority as the authority authorizes. All
21 deposits of money shall, if required by the authority, be secured
22 in such a manner as the authority determines to be prudent, and all
23 banks or trust companies may give security for the deposits, except
24 to the extent provided otherwise in the resolution authorizing the
25 issuance of the related bonds or in the trust agreement indenture
26 securing such bonds. The resolution authorizing the issuance of
27 such bonds or the trust agreement indenture securing such bonds

1 shall provide that any officer to whom or any bank or trust company
2 to which such money is entrusted shall act as trustee of such money
3 and shall hold and apply the same for the purposes of the ~~act,~~
4 Nebraska Educational, Health, and Social Services Finance Authority
5 Act, subject to the act, and of the authorizing resolution or trust
6 ~~agreement.~~ indenture.

7 Sec. 50. Section 85-1747, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 ~~85-1747~~ Any holder of bonds or of any of the coupons
10 appertaining thereto issued under the Nebraska Educational, Health,
11 and Social Services Finance Authority Act and the trustee under
12 any trust ~~agreement,~~ indenture, except to the extent the rights
13 given in the act may be restricted by the ~~authorizing~~ resolution
14 or trust ~~agreement,~~ indenture, may, either at law or in equity, by
15 suit, action, mandamus, or other proceedings, protect and enforce
16 any and all rights under the laws of the state, the act, or such
17 trust ~~agreement~~ indenture or resolution authorizing the issuance
18 of such bonds and may enforce and compel the performance of all
19 duties required by the act or by such trust ~~agreement~~ indenture
20 or resolution to be performed by the authority or by any officer,
21 employee, or agent thereof, including the fixing, charging, and
22 collecting of rates, rents, loan payments, fees, and charges
23 authorized in the act and required by the provisions of such
24 resolution or trust ~~agreement~~ indenture to be fixed, established,
25 and collected.

26 Such rights shall include the right to compel the
27 performance of all duties of the authority required by the act

1 or the ~~bond~~ resolution or trust ~~agreement~~ indenture to enjoin
2 unlawful activities and, in the event of default with respect to
3 the payment of any principal of and premium, if any, and interest
4 on any bond or in the performance of any covenant or agreement
5 on the part of the authority in the ~~bond resolution~~ or trust
6 indenture, to apply to a court having jurisdiction of the cause
7 to appoint a receiver to administer and operate a project, the
8 revenue of which is pledged to the payment of the principal of and
9 premium, if any, and interest on such bonds, with full power to
10 pay and to provide for payment of the principal of and premium,
11 if any, and interest on such bonds, and with such powers, subject
12 to the direction of the court, as are permitted by law and are
13 accorded receivers in general equity cases, excluding any power to
14 pledge additional revenue of the authority to the payment of such
15 principal, premium, and interest, and to foreclose the mortgage on
16 the project in the same manner as the foreclosure of a mortgage on
17 real estate of private corporations.

18 Sec. 51. Section 85-1748, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 ~~85-1748~~ The Nebraska Educational, Health, and Social
21 Services Finance Authority Act, being necessary for the welfare
22 of the state and its inhabitants, shall be liberally construed to
23 effect the purposes thereof.

24 Sec. 52. Section 85-1749, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 ~~85-1749~~ All final actions of the authority shall be
27 recorded in a journal, and the journal and all instruments and

1 documents relating thereto shall be kept on file at the office of
2 the authority and shall be open to the inspection of the public at
3 all reasonable times.

4 Sec. 53. Section 85-1750, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 ~~85-1750~~ The exercise of the powers granted by the
7 Nebraska Educational, Health, and Social Services Finance Authority
8 Act shall be in all respects for the benefit of the people of the
9 state, for the increase of their commerce, welfare, and prosperity,
10 for the fostering, encouragement, protection, and improvement of
11 their health and living conditions, and for the development of
12 their intellectual and mental capacities and skills, and as the
13 operation, maintenance, financing, or refinancing of a project
14 or program by the authority or its agent will constitute the
15 performance of essential governmental functions and serve a public
16 purpose, neither the authority nor its agent shall be required to
17 pay any taxes or assessments, upon or with respect to a project
18 or any property acquired or used by the authority or its agent
19 under the act, upon the income therefrom, or upon any other amounts
20 received by the authority in respect thereof, including payments
21 of principal of or premium or interest on or in respect of any
22 securities purchased pursuant to section ~~85-1741~~ 44 of this act
23 or any government securities involved in a plan of financing
24 pursuant to section ~~85-1742~~. 45 of this act. The bonds issued
25 under the act, the interest thereon, the proceeds received by a
26 holder from the sale of such bonds to the extent of the holder's
27 cost of acquisition, or proceeds received upon redemption prior to

1 maturity, proceeds received at maturity, and the receipt of such
2 interest and proceeds shall be exempt from taxation in the State of
3 Nebraska for all purposes except the state inheritance tax.

4 Sec. 54. Section 85-1751, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 ~~85-1751~~ The State of Nebraska does hereby pledge to and
7 agree with the holders of any obligations issued under the Nebraska
8 Educational, Health, and Social Services Finance Authority Act and
9 with those parties who may enter into contracts with the authority
10 pursuant to the act that the state will not limit or alter the
11 rights vested in the authority until such obligations, together
12 with the interest thereon, are fully met and discharged and
13 such contracts are fully performed on the part of the authority,
14 except that nothing contained in this section shall preclude such
15 limitation or alteration if and when adequate provision is made by
16 law for the protection of the holders of such obligations of the
17 authority or those entering into such contracts with the authority.

18 Sec. 55. Section 85-1752, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 ~~85-1752~~ The Nebraska Educational, Health, and Social
21 Services Finance Authority Act shall be deemed to provide a
22 complete, additional, and alternative method for doing the things
23 authorized in the act and shall be regarded as supplemental and
24 additional to powers conferred by other laws. The issuance of
25 bonds and refunding bonds under the act need not comply with
26 the requirements of any other law applicable to the issuance of
27 bonds, and the acquisition, construction, improvement, equipment,

1 and ~~acquisition~~ renovation of a project pursuant to the act by the
2 authority need not comply with the requirements of any competitive
3 bidding law or other restriction imposed on the procedure for
4 award of contracts for the acquisition, construction, improvement,
5 equipment, and renovation and ~~equipping~~ of a project or the lease,
6 sale, or disposition of property of the authority, except that
7 if the prospective lessee so requests in writing, the authority
8 shall call for construction bids in such manner as shall be
9 determined by the authority with the approval of such lessee.
10 Except as otherwise expressly provided in the act, none of the
11 powers granted to the authority under the act shall be subject
12 to the supervision of or regulation by or require the approval
13 or consent of any municipality, political subdivision, commission,
14 board, body, bureau, official, or agency or the state.

15 Sec. 56. Section 85-1753, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 ~~85-1753~~ To the extent that the Nebraska Educational,
18 Health, and Social Services Finance Authority Act is inconsistent
19 with the provisions of any general statute or special act or parts
20 thereof, the Nebraska Educational, Health, and Social Services
21 Finance Authority Act shall be deemed controlling.

22 Sec. 57. Section 85-1754, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 ~~85-1754~~ There is hereby established, in accordance with
25 Public Law 94-484, the Nebraska Health Education Assistance Loan
26 Program, to be financed by the authority in the manner provided
27 in the Nebraska Educational, Health, and Social Services Finance

1 Authority Act.

2 Sec. 58. Section 85-1755, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 ~~85-1755~~ The authority may:

5 (1) Make loans;

6 (2) Participate in the financing of loans;

7 (3) Purchase or participate in the purchase of loans;

8 (4) Sell or participate in the sale of loans;

9 (5) Collect and pay reasonable fees and charges in
10 connection with the exercise of the powers provided in subdivisions

11 (1) through (4) of this section;

12 (6) Do all things necessary and convenient to carry out
13 the purposes of sections ~~85-1754~~ ~~to~~ ~~85-1759~~ 57 to 62 of this
14 act in connection with the administering and servicing of loans,
15 including contracting with any person, firm, or other body, public
16 or private;

17 (7) Enter into any agreements necessary to effect the
18 guarantee, insuring, administering, or servicing of loans;

19 (8) Adopt and promulgate rules and regulations governing
20 and establish standards for participation in the program created by
21 section ~~85-1754~~, 57 of this act, and establish other administrative
22 procedures consistent with Public Law 94-484; and

23 (9) Exercise all powers incidental to or necessary for
24 the performance of the powers authorized by this section.

25 Sec. 59. Section 85-1756, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 ~~85-1756~~ Any loan made, purchased, or caused to be made

1 or purchased pursuant to section ~~85-1755~~ 58 of this act may be
2 funded with the proceeds of bonds, notes, or other obligations of
3 the authority issued pursuant to sections ~~85-1754 to 85-1759~~. 57
4 to 62 of this act. The resolution or trust agreement ~~or~~ indenture
5 creating such bonds, notes, or other obligations may contain any of
6 the provisions specified in section ~~85-1740~~ 43 of this act as the
7 authority shall deem appropriate and any other provisions, not in
8 violation of law, as the authority shall deem reasonable and proper
9 for the security of the holders of such bonds, notes, or other
10 obligations.

11 The proceeds of any such bonds, notes, or other
12 obligations may be used and applied by the authority to make
13 loans, to purchase loans, to cause loans to be made or purchased,
14 to pay financing costs, including, but not limited to, legal,
15 underwriting, investment banking, accounting, rating agency,
16 printing, and other similar costs, to fund any reserve funds deemed
17 necessary or advisable by the authority, to pay interest on such
18 bonds, notes, or other obligations for any period deemed necessary
19 or advisable by the authority, and to pay all other necessary and
20 incidental costs and expenses.

21 Sec. 60. Section 85-1757, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 ~~85-1757~~ Notwithstanding section ~~85-1738~~, 41 of this act,
24 all bonds, notes, or other obligations issued by the authority
25 for the Nebraska Health Education Assistance Loan Program shall
26 be payable out of the revenue generated in connection with loans
27 funded under sections ~~85-1754 to 85-1759~~, 57 to 62 of this act,

1 or from reserves or other money available for such purpose as
2 may be designated in the resolution of the authority under which
3 the bonds, notes, or other obligations are issued or as may be
4 designated in a trust indenture authorized by the authority.

5 Sec. 61. Section 85-1758, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 ~~85-1758~~ Notwithstanding section ~~85-1740~~, 43 of this act,
8 the principal of and interest on any bonds issued by the authority
9 for the Nebraska Health Education Assistance Loan Program shall
10 be secured by a pledge of the revenue and other money out of
11 which such principal and interest shall be made payable and may be
12 secured by a trust indenture, mortgage, or deed of trust, including
13 an assignment of a loan or contract right of the authority pursuant
14 to a loan, covering all or any part of a loan from which the
15 revenue or receipts so pledged may be derived.

16 Sec. 62. Section 85-1759, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 ~~85-1759~~ There is hereby created a separate fund, to be
19 known as the Nebraska Health Education Loan Repayment Fund, which
20 shall consist of all revenue generated in connection with loans
21 funded pursuant to the Nebraska Educational, Health, and Social
22 Services Finance Authority Act. The authority may pledge revenue
23 received or to be received by the fund to secure bonds, notes,
24 or other obligations issued pursuant to the act. The authority
25 may create such subfunds or accounts within the fund as it deems
26 necessary or advisable.

27 Sec. 63. Section 85-1760, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 ~~85-1760~~ There is hereby established the Nebraska Student
3 Loan Assistance Program to be financed by the authority in the
4 manner provided in the Nebraska Educational, Health, and Social
5 Services Finance Authority Act.

6 Sec. 64. Section 85-1761, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 ~~85-1761~~ The authority may:

9 (1) Make loans to private institutions of higher
10 education to assist such institutions in providing loans to their
11 full-time students to assist them in financing the cost of their
12 education while taking courses leading to an academic degree;

13 (2) Participate in the financing of such loans;

14 (3) Sell or participate in the sale of such loans;

15 (4) Collect and pay reasonable fees and charges in
16 connection with the exercise of the powers provided in subdivisions
17 (1) through (3) of this section;

18 (5) Do all things necessary and convenient to carry
19 out the purposes of this section and section ~~85-1762~~ 65 of this
20 act in connection with the administering of such loans, including
21 contracting with any person, firm, or other body, public or
22 private;

23 (6) Enter into any agreements necessary to effect the
24 guarantee, insuring, or administering of such loans;

25 (7) Adopt and promulgate rules and regulations governing
26 and establish standards for participation in the Nebraska Student
27 Loan Assistance Program; and

1 (8) Exercise all powers incidental to or necessary for
2 the performance of the powers authorized by this section.

3 Sec. 65. Section 85-1762, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 ~~85-1762~~ Any loan made or caused to be made or purchased
6 pursuant to section ~~85-1761~~ 64 of this act may be funded with the
7 proceeds of bonds, notes, or other obligations of the authority
8 issued pursuant to this section and sections ~~85-1738~~, ~~85-1743~~,
9 ~~85-1760~~, and ~~85-1761~~. 41, 46, 63, and 64 of this act. The
10 resolution or trust agreement ~~or~~ indenture creating such bonds,
11 notes, or other obligations may contain any of the provisions
12 specified in section ~~85-1740~~ 43 of this act as the authority deems
13 appropriate and any other provisions, not in violation of law, as
14 the authority deems reasonable and proper for the security of the
15 holders of such bonds, notes, or other obligations.

16 The proceeds of any such bonds, notes, or other
17 obligations may be used and applied by the authority to make loans
18 to such institutions and cause loans to be made by the institutions
19 to their qualified students, to pay financing costs, including
20 legal, underwriting, investment banking, accounting, rating agency,
21 printing, and other similar costs, to fund any reserve funds deemed
22 necessary or advisable by the authority, to pay interest on such
23 bonds, notes, or other obligations for any period deemed necessary
24 or advisable by the authority, and to pay all other necessary and
25 incidental costs and expenses.

26 Sec. 66. Section 85-1763, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 ~~85-1763~~ (1) It is the intent of the Legislature that the
2 changes made by Laws 1993, LB 465, in the name of the Nebraska
3 Educational Facilities Authority Act to the Nebraska Educational
4 Finance Authority Act and in the name of the Nebraska Educational
5 Facilities Authority to the Nebraska Educational Finance Authority
6 shall not affect or alter any rights, privileges, or obligations
7 existing immediately prior to September 9, 1993.

8 (2) It is the intent of the Legislature that the changes
9 made by this legislative bill in the name of the Nebraska
10 Educational Finance Authority Act to the Nebraska Educational,
11 Health, and Social Services Finance Authority Act and in the name
12 of the Nebraska Educational Finance Authority to the Nebraska
13 Educational, Health, and Social Services Finance Authority shall
14 not affect or alter any rights, privileges, or obligations existing
15 immediately prior to the effective date of this act.

16 Sec. 67. Original sections 85-1701, 85-1702, 85-1703,
17 85-1704, 85-1705, 85-1706, 85-1707, 85-1708, 85-1709, 85-1710,
18 85-1711, 85-1712, 85-1713, 85-1714, 85-1715, 85-1716, 85-1717,
19 85-1718, 85-1719, 85-1720, 85-1721, 85-1722, 85-1723, 85-1724,
20 85-1725, 85-1726, 85-1727, 85-1728, 85-1729, 85-1730, 85-1731,
21 85-1732, 85-1733, 85-1734, 85-1735, 85-1736, 85-1737, 85-1739,
22 85-1740, 85-1741, 85-1742, 85-1743, 85-1744, 85-1745, 85-1746,
23 85-1747, 85-1748, 85-1749, 85-1750, 85-1751, 85-1752, 85-1753,
24 85-1754, 85-1755, 85-1756, 85-1757, 85-1758, 85-1759, 85-1760,
25 85-1761, 85-1762, and 85-1763, Reissue Revised Statutes of
26 Nebraska, and section 85-1738, Revised Statutes Cumulative
27 Supplement, 2012, are repealed.

1 2. On page 1, lines 15 and 16, strike "to change the
2 act"; and in line 16 after "provide" insert "for".