

AMENDMENTS TO LB152

Introduced by Urban Affairs.

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

3 Section 1. (1) The mayor and the council of any city or board of
4 trustees of any village, in addition to other powers granted by law, may
5 by ordinance provide for direct borrowing from a financial institution
6 for the purposes outlined in this section. Loans made under this section
7 shall not be restricted to a single year and may be repaid in installment
8 payments.

9 (2) The mayor and the council of any city or board of trustees of
10 any village may borrow directly from a financial institution for the
11 purchase of real or personal property or construction of improvements
12 upon a certification in the ordinance authorizing the direct borrowing
13 that:

14 (a) Financing the purchase of property or construction of
15 improvements through traditional bond financing would be impractical;

16 (b) Financing the purchase of property or construction of
17 improvements through traditional bond financing could not be completed
18 within the time restraints facing the city or village; or

19 (c) Financing the purchase of property or construction of
20 improvements through direct borrowing would generate significant taxpayer
21 savings over traditional bond financing.

22 (3) Prior to approving direct borrowing under this section, the
23 council or board of trustees shall include in any public notice required
24 for meetings a clear notation that an ordinance authorizing direct
25 borrowing from a financial institution will appear on the agenda.

26 (4) The total amount of indebtedness from direct borrowing under
27 this section shall not exceed:

1 (a) For a city of the metropolitan class, city of the primary class,
2 city of the first class, or city of the second class, ten percent of the
3 municipal budget of the city; and

4 (b) For any village, twenty percent of the municipal budget of the
5 village.

6 (5) Prior to approving direct borrowing under this section, a
7 municipality shall consider, to the extent possible, proposals from
8 multiple financial institutions.

9 (6) For purposes of this section, financial institution means a
10 state-chartered or federally-chartered bank, savings bank, building and
11 loan association, or savings and loan association.

12 Sec. 2. The Revisor of Statutes shall assign section 1 of this act
13 to Chapter 18.