

**ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015**  
**COMMITTEE STATEMENT**  
**LB152**

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**Hearing Date:** Tuesday January 20, 2015  
**Committee On:** Urban Affairs  
**Introducer:** Urban Affairs  
**One Liner:** Authorize cities and villages to borrow from state-chartered or federally chartered financial institutions as prescribed

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Coash, Crawford, Ebke, Hansen, Hughes, Krist, McCollister  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**

Lynn Rex

Jack Cheloha

**Representing:**

League of Nebraska Municipalities, City of Lincoln, Independent Bankers Association, Nebraska Bankers Association  
City of Omaha

**Opponents:**

Mary Jane Truemper

**Representing:**

Self/taxpayers

**Neutral:**

**Representing:**

**Summary of purpose and/or changes:**

LB 152 would authorize municipalities to borrow directly from state-chartered or federally-chartered banks, savings banks, building and loan associations, and savings and loan associations. Such borrowing could only be utilized for the purchase of real or personal property or construction of improvements.

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**Explanation of amendments:**

The committee amendment AM 656 replaces the bill.

AM 656 limits the ability of municipalities to borrow directly from financial institutions to cases where: 1) financing the purchase of property or construction of improvements through traditional bond financing would be impractical; 2) financing the purchase of property or construction of improvements through traditional bond financing could not be completed within the time restraints facing the municipality; or 3) financing the purchase of property or construction of improvements through direct borrowing would generate significant taxpayer savings over traditional bond financing.

AM 656 also adds additional notice requirements for direct borrowing from a financial institution and caps the total amount of indebtedness from direct borrowing from financial institutions to ten percent of the municipal budget for a city or twenty percent of the municipal budget for a village.

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Sue Crawford, Chairperson