

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 152

FINAL READING

Introduced by Urban Affairs Committee: Crawford, 45, Chairperson; Coash, 27; Ebke, 32; Hansen, 26; Hughes, 44; Krist, 10; McCollister, 20.

Read first time January 09, 2015

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to cities and villages; to authorize cities
2 and villages to borrow from state-chartered or federally chartered
3 financial institutions as prescribed; and to provide a duty for the
4 Revisor of Statutes.

5 Be it enacted by the people of the State of Nebraska,

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

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

12 (a) Financing the purchase of property, construction of
13 improvements, or refinancing of existing indebtedness through traditional
14 bond financing would be impractical;

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

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

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

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

29 (a) For a city of the metropolitan class, city of the primary class,
30 city of the first class, or city of the second class, ten percent of the
31 municipal budget of the city; and

1 (b) For any village, twenty percent of the municipal budget of the
2 village.

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

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

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