

# **One Hundred Fourth Legislature - First Session - 2015**

## **Introducer's Statement of Intent**

### **LB67**

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**Chairperson: Senator Jim Scheer**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: March 03, 2015**

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

LB67 is designed to enhance access to capital markets for governmental units by providing that general obligation bonds, notes, and other financing obligations of governmental units have a statutory lien on bond pledged revenue sources, as defined in the legislation.

LB67 is a response to an element of uncertainty which has emerged nationally with regard to the priority of certain financial obligations of insolvent public entities that seek the protection of the U. S. Bankruptcy courts. Although it is reasonably believed the holders of the bonds of Nebraska public entities would receive priority for payment in the bankruptcy courts, and although the probability of the insolvency of a Nebraska public entity is extremely low, prudent policy would have the Legislature proactively affirm the payment priority of such bonds and thereby assure their priority, integrity, and marketability.

**Principal Introducer:** \_\_\_\_\_

**Senator Paul Schumacher**