

AMENDMENTS TO LB72

Introduced by Schumacher, 22.

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

3 Section 1. Section 13-402, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 13-402 (1) Any county, city, village, school district, agency of
6 the state government, drainage district, sanitary and improvement
7 district, or other political subdivision of the State of Nebraska is
8 hereby permitted, authorized, and given the power to file a petition in
9 the United States Bankruptcy Court under 11 U.S.C. chapter 9 and any acts
10 amendatory thereto and supplementary thereof and to incur and pay the
11 expenses incident to the consummation of a plan of adjustment of debts as
12 contemplated by such petition.

13 (2)(a) The authority and power to file a petition provided for in
14 subsection (1) of this section shall not apply to any city or village
15 that, at the time of its governing body authorizing the filing of such
16 petition, has its defined benefit retirement plan, if any, with a funded
17 ratio of the actuarial value of assets less than fifty-one and sixty-five
18 hundredths percent for any such petition to be filed during the period
19 between January 1, 2020, and January 1, 2023; fifty-four and forty-one
20 hundredths percent for any such petition to be filed during the period
21 between January 1, 2023, and January 1, 2026; fifty-eight and twenty-one
22 hundredths percent for any such petition to be filed during the period
23 between January 1, 2026, and January 1, 2029; sixty-three and forty-one
24 hundredths percent for any such petition to be filed during the period
25 between January 1, 2029, and January 1, 2032; seventy and seventy-one
26 hundredths percent for any such petition to be filed during the period
27 between January 1, 2032, and January 1, 2035; eighty and sixty-one

1 hundredths percent for any such petition to be filed during the period
2 between January 1, 2035, and January 1, 2038; and ninety percent
3 thereafter.

4 (b) Within ninety days prior to taking action authorizing the filing
5 of such petition, the governing body of any city or village that has a
6 defined benefit retirement plan shall conduct an actuarial valuation to
7 determine the funded ratio of such defined benefit retirement plan. Such
8 determination shall be prima facie evidence in establishing the authority
9 of the city or village to exercise authority under this section.

10 (c)(i) A city or village that does not have a defined benefit
11 retirement plan may by ordinance declare and affirm that its general
12 obligation bonds, whether existing before, after, or at the time of such
13 ordinance, shall, unless otherwise provided in the related authorizing
14 measure, be equally and ratably secured by a statutory lien on all ad
15 valorem taxes levied and to be levied from year to year by such city or
16 village and on all proceeds derived therefrom. The statutory lien
17 authorized hereunder shall be deemed to attach and be continuously
18 perfected from the time the bonds are issued without further action or
19 authorization by the city or village. The statutory lien is valid and
20 binding from the time the bonds are issued without any physical delivery
21 thereof or further act required. No filing need be made under the Uniform
22 Commercial Code or otherwise to perfect the statutory lien on any ad
23 valorem taxes or proceeds derived therefrom in favor of any general
24 obligation bonds. Bonds so secured shall have a first priority lien on
25 such ad valorem taxes so levied and on all proceeds derived therefrom and
26 shall have priority against all parties having claims of contract or tort
27 or otherwise against the city or village, whether or not the parties have
28 notice thereof. The absence of such declaration or affirmation shall not
29 reduce or degrade the priority or secured status of such bonds otherwise
30 existing under law.

31 (ii) For purposes of this subdivision, statutory lien shall have the

1 meaning given to that term under 11 U.S.C 101(53) of the federal
2 Bankruptcy Reform Act of 1994, as it existed on the effective date of
3 this act.

4 (d) An actuary performing actuarial valuations pursuant to this
5 subsection shall be a member of the American Academy of Actuaries and
6 shall meet the academy's qualification standards to render a statement of
7 actuarial opinion.

8 Sec. 2. Original section 13-402, Reissue Revised Statutes of
9 Nebraska, is repealed.