

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 224

FINAL READING

Introduced by Albrecht, 17.

Read first time January 14, 2019

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to the Nebraska Educational, Health, and
2 Social Services Finance Authority Act; to amend sections 58-801,
3 58-802, 58-803, 58-804, 58-805, 58-806, 58-807, 58-811, 58-813,
4 58-817, 58-818, 58-820, 58-826, 58-827, 58-832, 58-834, 58-835,
5 58-836, 58-837, 58-838, 58-841, 58-843, 58-844, 58-845, 58-846,
6 58-847, 58-849, 58-850, 58-851, 58-853, 58-854, 58-855, 58-856,
7 58-857, 58-862, 58-863, and 58-866, Revised Statutes Cumulative
8 Supplement, 2018; to rename the act; to provide applicability of the
9 act to cultural institutions; to define and redefine terms; to
10 harmonize provisions; and to repeal the original sections.
11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 58-801, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 58-801 Sections 58-801 to 58-866 and section 8 of this act shall be
4 known and may be cited as the Nebraska Educational, Health, Cultural, and
5 Social Services Finance Authority Act.

6 Sec. 2. Section 58-802, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 58-802 The Legislature finds and declares that:

9 (1) For the benefit of the people of the State of Nebraska, the
10 increase of their commerce, welfare, and prosperity, and the fostering,
11 protection, and improvement of their health and living conditions, it is
12 essential that this and future generations of youth be given the greatest
13 opportunity to learn and to fully develop their intellectual and mental
14 capacities and skills and that there be encouraged, promoted, and
15 supported adequate health, social, cultural, and emergency services for
16 the general welfare of, care of, and assistance to the people of the
17 state;

18 (2) To achieve these ends it is of the utmost importance and in the
19 public interest that private institutions of higher education within the
20 state be provided with appropriate additional means of assisting such
21 youth in achieving the required levels of learning and development of
22 their intellectual and mental capacities and skills, ~~and~~ that private
23 health care institutions and private social services institutions within
24 the state be provided with appropriate additional means of caring for and
25 protecting the public health and welfare, and that private cultural
26 institutions within the state be provided with appropriate additional
27 means of assisting with the preservation and promotion of the cultural
28 and artistic enrichment of the people of this state;

29 (3) It is the purpose of the Nebraska Educational, Health, Cultural,
30 and Social Services Finance Authority Act to provide a measure of
31 assistance and an alternative method of enabling private institutions of

1 higher education, private health care institutions, private cultural
2 institutions, and private social services institutions in the state to
3 finance the acquisition, construction, improvement, equipment, and
4 renovation of needed educational, health care, cultural, and social
5 services facilities and structures and to refund, refinance, or reimburse
6 outstanding indebtedness incurred by them or advances made by them,
7 including advances from an endowment or any other similar fund, for the
8 acquisition, construction, improvement, equipment, or renovation of
9 needed educational, health care, cultural, and social services facilities
10 and structures;

11 (4) The financing and refinancing of educational, health care,
12 cultural, and social services facilities, through means other than the
13 appropriation of public funds to private institutions of higher
14 education, private health care institutions, private cultural
15 institutions, and private social services institutions, as described in
16 the act, is a valid public purpose;

17 (5) The availability of improved access to health profession schools
18 will benefit the people of the State of Nebraska and improve their
19 health, welfare, and living conditions;

20 (6) The establishment of a health education loan program, with the
21 proceeds of bonds to be used for the purchase or making of loans to
22 students or certain former students of health profession schools, will
23 improve the access to such schools and assist such persons in meeting the
24 expenses incurred in availing themselves of health education
25 opportunities; and

26 (7) The establishment of a program to assist private institutions of
27 higher education to provide loans to their full-time students pursuing an
28 academic degree will improve access to higher education and contribute to
29 the health, welfare, and living conditions in Nebraska.

30 Sec. 3. Section 58-803, Revised Statutes Cumulative Supplement,
31 2018, is amended to read:

1 58-803 For purposes of the Nebraska Educational, Health, Cultural,
2 and Social Services Finance Authority Act, unless the context otherwise
3 requires, the definitions found in sections 58-804 to 58-812 and section
4 8 of this act shall apply.

5 Sec. 4. Section 58-804, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 58-804 Authority means the Nebraska Educational, Health, Cultural,
8 and Social Services Finance Authority created by the Nebraska
9 Educational, Health, Cultural, and Social Services Finance Authority Act
10 or any board, body, commission, department, or office succeeding to the
11 principal functions thereof or to whom the powers conferred upon such
12 authority by the act are given by law.

13 Sec. 5. Section 58-805, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 58-805 Bonds means bonds, notes, or other obligations of the
16 authority issued under the Nebraska Educational, Health, Cultural, and
17 Social Services Finance Authority Act, including refunding bonds,
18 notwithstanding that the same may be secured by the full faith and credit
19 of an eligible institution or any other lawfully pledged security of an
20 eligible institution.

21 Sec. 6. Section 58-806, Revised Statutes Cumulative Supplement,
22 2018, is amended to read:

23 58-806 Cost as applied to a project or any portion thereof financed
24 under the Nebraska Educational, Health, Cultural, and Social Services
25 Finance Authority Act means all or any part of the cost of acquisition,
26 construction, improvement, equipment, and renovation of all land,
27 buildings, or structures including the cost of machinery and equipment;
28 finance charges; interest prior to, during, and after completion of such
29 construction for a reasonable period as determined by the authority;
30 reserves for principal and interest; extensions, enlargements, additions,
31 replacements, renovations, and improvements; engineering, financial, and

1 legal services; plans, specifications, studies, surveys, estimates of
2 cost of revenue, administrative expenses, bond issuance costs, and
3 expenses necessary or incidental to determining the feasibility or
4 practicability of constructing the project; and such other expenses as
5 the authority determines may be necessary or incidental to the
6 acquisition, construction, improvement, equipment, and renovation of the
7 project, the financing of such acquisition, construction, improvement,
8 equipment, and renovation, and the placing of the project in operation.

9 Sec. 7. Section 58-807, Revised Statutes Cumulative Supplement,
10 2018, is amended to read:

11 58-807 Eligible institution means a private institution of higher
12 education, a private health care institution, a private cultural
13 institution, or a private social services institution.

14 Sec. 8. Private cultural institution means any private not-for-
15 profit corporation or institution that (1) has a primary purpose of
16 promoting cultural education or development, such as a museum or related
17 visual arts center, performing arts facility, or facility housing,
18 incubating, developing, or promoting art, music, theater, dance, zoology,
19 botany, natural history, cultural history, or the sciences, (2) is
20 described in section 501(c)(3) of the Internal Revenue Code and is exempt
21 from federal income taxation under section 501(a) of the code, (3) is
22 located within this state and is not owned or controlled by the state or
23 any municipality, district, or other political subdivision, agency, or
24 instrumentality thereof, and (4) does not violate any state or federal
25 law against discrimination.

26 Sec. 9. Section 58-811, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 58-811 (1) Project means any property located within the state that
29 may be used or will be useful in connection with the instruction,
30 feeding, recreation, or housing of students, the provision of health care
31 services to members of the general public, the provision of cultural

1 services to members of the general public, the provision of social
2 services to members of the general public, the conducting of research,
3 administration, or other work of an eligible institution, or any
4 combination of the foregoing. Project includes, but is not limited to, an
5 academic facility, administrative facility, agricultural facility,
6 assembly hall, assisted-living facility, athletic facility, auditorium,
7 campus, communication facility, congregate care housing, emergency
8 services facility, exhibition hall, health care facility, health service
9 institution, hospital, housing for faculty and other staff, instructional
10 facility, laboratory, library, maintenance facility, medical clinic,
11 medical services facility, museum, nursing or skilled nursing services
12 facility, offices, parking area, personal care services facility,
13 physical educational facility, recreational facility, research facility,
14 senior, retirement, or home care services facility, social services
15 facility, stadium, storage facility, student facility, student health
16 facility, student housing, student union, theatre, or utility facility.

17 (2) Project also means and includes the refunding or refinancing of
18 outstanding obligations, mortgages, or advances, including advances from
19 an endowment or similar fund, originally issued, made, or given by the
20 eligible institution to finance the cost of a project or projects, and
21 including the financing of eligible swap termination payments, whenever
22 the authority finds that such refunding or refinancing is in the public
23 interest and either:

24 (a) Alleviates a financial hardship upon the eligible institution;

25 (b) Results in a lesser cost of education, health care, housing,
26 cultural services, or social and related support services to the eligible
27 institution's students, patients, residents, clients, and other general
28 public consumers; or

29 (c) Enables the eligible institution to offer greater security for
30 the financing of a new project or projects or to effect savings in
31 interest costs or more favorable amortization terms.

1 Sec. 10. Section 58-813, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 58-813 There is hereby created a body politic and corporate to be
4 known as the Nebraska Educational, Health, Cultural, and Social Services
5 Finance Authority. The authority is constituted a public instrumentality,
6 and the exercise by the authority of the powers conferred by the Nebraska
7 Educational, Health, Cultural, and Social Services Finance Authority Act
8 shall be deemed and held to be the performance of an essential public
9 function of the state.

10 Sec. 11. Section 58-817, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 58-817 Four members of the authority shall constitute a quorum. The
13 affirmative vote of a majority of all of the members of the authority
14 shall be necessary for any action taken by the authority. A vacancy in
15 the membership of the authority shall not impair the right of a quorum to
16 exercise all the rights and perform all the duties of the authority. Any
17 action taken by the authority under the Nebraska Educational, Health,
18 Cultural, and Social Services Finance Authority Act may be authorized by
19 resolution at any regular or special meeting, and each such resolution
20 shall take effect immediately and need not be published or posted.
21 Members of the authority may participate in a regular or special meeting
22 of the authority by telephone conference call or videoconference as long
23 as the chairperson or vice-chairperson conducts the meeting at a location
24 where the public is able to participate by attendance at that location
25 and the telephone conference call or videoconference otherwise conforms
26 to the requirements of subdivisions (2)(a) through (e) of section
27 84-1411.

28 Sec. 12. Section 58-818, Revised Statutes Cumulative Supplement,
29 2018, is amended to read:

30 58-818 Before the issuance of any bonds under the Nebraska
31 Educational, Health, Cultural, and Social Services Finance Authority Act,

1 the chairperson, vice-chairperson, executive director, and assistant
2 executive director, if any, and any other member of the authority
3 authorized by resolution of the authority to handle funds or sign checks
4 of the authority shall execute a surety bond in such amount as a majority
5 of the members of the authority determine, or alternatively, the
6 chairperson of the authority shall execute a blanket bond effecting such
7 coverage. Each surety bond shall be conditioned upon the faithful
8 performance of the duties of the office or offices covered and shall be
9 executed by a surety company authorized to transact business in this
10 state, and the cost of each such surety bond shall be paid by the
11 authority.

12 Sec. 13. Section 58-820, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 58-820 Notwithstanding any other law to the contrary, it shall not
15 be or constitute a conflict of interest for a trustee, director, officer,
16 or employee of any educational institution, health care institution,
17 cultural institution, social services institution, financial institution,
18 commercial bank or trust company, architecture firm, insurance company,
19 or any firm, person, or corporation to serve as a member of the
20 authority, but such trustee, director, officer, or employee shall abstain
21 from any deliberation or action by the authority when the business
22 affiliation of any such trustee, director, officer, or employee is
23 involved. The executive director may serve less than full time. If the
24 executive director serves less than full time, his or her other
25 employment, if any, shall be reviewed by the members of the authority for
26 potential conflicts of interest and whether such other employment would
27 prevent the executive director from fully discharging his or her duties.
28 No member of the authority may be a representative of a bank, investment
29 banking firm, or other financial institution that underwrites the bonds
30 of the authority.

31 Sec. 14. Section 58-826, Revised Statutes Cumulative Supplement,

1 2018, is amended to read:

2 58-826 The authority may determine the location and character of any
3 project to be financed or refinanced under the Nebraska Educational,
4 Health, Cultural, and Social Services Finance Authority Act and acquire,
5 construct, reconstruct, improve, equip, remodel, renovate, replace,
6 maintain, repair, operate, lease as lessee or lessor, and regulate the
7 same. The authority may also enter into contracts for any or all of such
8 purposes, enter into contracts for the management and operation of a
9 project, and designate an eligible institution as its agent to determine
10 the location and character of a project undertaken by such eligible
11 institution under the act and, as the agent of the authority, to acquire,
12 construct, reconstruct, improve, equip, remodel, renovate, replace,
13 maintain, repair, operate, lease as lessee or lessor, and regulate the
14 same and, as the agent of the authority, to enter into contracts for any
15 or all of such purposes, including contracts for the management and
16 operation of such project.

17 Sec. 15. Section 58-827, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 58-827 The authority may issue bonds of the authority for any of its
20 corporate purposes and fund or refund the same pursuant to the Nebraska
21 Educational, Health, Cultural, and Social Services Finance Authority Act.

22 Sec. 16. Section 58-832, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 58-832 The authority may mortgage all or any portion of any project
25 or any other facilities conveyed to the authority for such purpose and
26 the site or sites thereof, whether presently owned or subsequently
27 acquired, for the benefit of the holders of the bonds of the authority
28 issued to finance such project or any portion thereof or issued to refund
29 or refinance outstanding indebtedness or to reimburse an endowment or any
30 similar fund of an eligible institution as permitted by the Nebraska
31 Educational, Health, Cultural, and Social Services Finance Authority Act.

1 Sec. 17. Section 58-834, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 58-834 The authority may issue bonds and make loans to an eligible
4 institution and refund or reimburse outstanding obligations, mortgages,
5 or advances, including advances from an endowment or any similar fund,
6 issued, made, or given by such eligible institution for the cost of a
7 project, including the power to issue bonds and make loans to an eligible
8 institution to refinance indebtedness incurred or to reimburse advances
9 made for projects undertaken prior thereto whenever the authority has
10 received a written letter of intent to underwrite, place, or purchase the
11 bonds from a financial institution having the powers of an investment
12 bank, commercial bank, or trust company and finds that such financing or
13 refinancing is in the public interest, and either: (1) Alleviates a
14 financial hardship upon the eligible institution; (2) results in a lesser
15 cost of education, health care services, cultural services, or social
16 services; or (3) enables the eligible institution to offer greater
17 security for a loan or loans to finance a new project or projects or to
18 effect savings in interest costs or more favorable amortization terms.

19 Sec. 18. Section 58-835, Revised Statutes Cumulative Supplement,
20 2018, is amended to read:

21 58-835 The authority may charge to and equitably apportion among
22 participating eligible institutions its administrative costs and expenses
23 incurred in the exercise of the powers and duties conferred by the
24 Nebraska Educational, Health, Cultural, and Social Services Finance
25 Authority Act.

26 Sec. 19. Section 58-836, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 58-836 The authority may do all things necessary or convenient to
29 carry out the purposes of the Nebraska Educational, Health, Cultural, and
30 Social Services Finance Authority Act.

31 In carrying out the purposes of the act, the authority may undertake

1 a project for two or more eligible institutions jointly, or for any
2 combination thereof, and thereupon all other provisions of the act shall
3 apply to and be for the benefit of the authority and such joint
4 participants.

5 Sec. 20. Section 58-837, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 58-837 Notwithstanding any other provision contained in the Nebraska
8 Educational, Health, Cultural, and Social Services Finance Authority Act,
9 the authority may combine for financing purposes, with the consent of all
10 of the eligible institutions which are involved, the project or projects
11 and some or all future projects of any eligible institutions, but the
12 money set aside in any fund or funds pledged for any series or issue of
13 bonds shall be held for the sole benefit of such series or issue separate
14 and apart from any money pledged for any other series or issue of bonds
15 of the authority. To facilitate the combining of projects, bonds may be
16 issued in series under one or more resolutions or trust indentures and be
17 fully open end, thus providing for the unlimited issuance of additional
18 series, or partially open end, limited as to additional series, all in
19 the discretion of the authority. Notwithstanding any other provision of
20 the act to the contrary, the authority may, in its discretion, permit an
21 eligible institution to substitute one or more projects of equal value,
22 as determined by an independent appraiser satisfactory to the authority,
23 for any project financed under the act on such terms and subject to such
24 conditions as the authority may prescribe.

25 Sec. 21. Section 58-838, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 58-838 All expenses incurred in carrying out the Nebraska
28 Educational, Health, Cultural, and Social Services Finance Authority Act
29 shall be payable solely from funds provided under the act, and no
30 liability or obligation shall be incurred by the authority beyond the
31 extent to which money has been provided under the act.

1 Sec. 22. Section 58-841, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 58-841 The authority is hereby authorized to provide by resolution,
4 at one time or from time to time, for the issuance of bonds for the
5 purpose of (1) paying, refinancing, or reimbursing all or any part of the
6 cost of a project, (2) administering and operating the Nebraska Health
7 Education Assistance Loan Program and the Nebraska Student Loan
8 Assistance Program, or (3) making loans to any eligible institution in
9 anticipation of the receipt of tuition or other revenue by the eligible
10 institution. Except to the extent payable from payments to be made on
11 securities or federally guaranteed securities as provided in sections
12 58-844 and 58-845, the principal of and the interest on such bonds shall
13 be payable solely out of the revenue of the authority derived from the
14 project or program to which they relate and from any other facilities or
15 assets pledged or made available therefor by the eligible institution for
16 whose benefit such bonds were issued. The bonds of each issue shall be
17 dated, shall bear interest at such rate or rates, including variations of
18 such rates, without regard to any limit contained in any other statute or
19 law of the State of Nebraska, shall mature at such time or times not
20 exceeding forty years from the date thereof, all as may be determined by
21 the authority, and may be made redeemable before maturity, at the option
22 of the authority, at such price or prices, which may be at a premium or
23 discount, and under such terms and conditions as may be fixed by the
24 authority in the authorizing resolution and any trust indenture. Except
25 to the extent required by the Nebraska Educational, Health, Cultural, and
26 Social Services Finance Authority Act and for bonds issued to fund the
27 Nebraska Student Loan Assistance Program, such bonds are to be paid out
28 of the revenue of the project to which they relate and, in certain
29 instances, the revenue of certain other facilities, and subject to the
30 provisions of sections 58-844 and 58-845 with respect to a pledge of
31 securities or government securities, the bonds may be unsecured or

1 secured in the manner and to the extent determined by the authority in
2 its discretion.

3 The authority shall determine the form of the bonds, including any
4 interest coupons to be attached thereto, and shall fix the denomination
5 or denominations of the bonds and the place or places of payment of
6 principal and interest which may be at any bank or trust company within
7 or without the state. The bonds shall be signed in the name of the
8 authority, by its chairperson or vice-chairperson or by a facsimile
9 signature of such person, the official seal of the authority or a
10 facsimile thereof shall be affixed thereto or printed or impressed
11 thereon and attested by the manual or facsimile signature of the
12 executive director or assistant executive director of the authority,
13 except that facsimile signatures of members of the authority shall be
14 sufficient only if the resolution or trust indenture requires that the
15 trustee for such bond issue manually authenticate each bond and the
16 resolution or trust indenture permits the use of facsimile signatures,
17 and any coupons attached to the bonds shall bear the facsimile signature
18 of the executive director or assistant executive director of the
19 authority. The resolution or trust indenture authorizing the bonds may
20 provide that the bonds contain a recital that they are issued under the
21 Nebraska Educational, Health, Cultural, and Social Services Finance
22 Authority Act, and such recital shall be deemed conclusive evidence of
23 the validity of the bonds and the regularity of the issuance. The
24 provisions of section 10-126 shall not apply to bonds issued by the
25 authority. The provisions of section 10-140 shall apply to bonds issued
26 by the authority. In case any official of the authority whose signature
27 or a facsimile of whose signature appears on any bonds or coupons ceases
28 to be such an official before the delivery of such bonds, such signature
29 or such facsimile shall nevertheless be valid and sufficient for all
30 purposes the same as if he or she had remained an official of the
31 authority until such delivery.

1 All bonds issued under the act shall have and are hereby declared to
2 have all the qualities and incidents of negotiable instruments under the
3 law of the State of Nebraska. The bonds may be issued in coupon or in
4 registered form, or both, and one form may be exchangeable for the other
5 in such manner as the authority may determine. Provision may be made for
6 the registration of any coupon bonds as to principal alone and also as to
7 both principal and interest and for the reconversion into coupon bonds of
8 any bonds registered as to both principal and interest. The bonds may be
9 sold in such manner, either at public or private sale, as the authority
10 may determine.

11 The proceeds of the bonds of each issue shall be used solely for the
12 payment of the costs of the project or program for which such bonds have
13 been issued and shall be disbursed in such manner and under such
14 restrictions, if any, as the authority may provide in the resolution
15 authorizing the issuance of such bonds or in the trust indenture provided
16 for in section 58-843 securing the same. If the proceeds of the bonds of
17 any issue, by error of estimates or otherwise, are less than such costs,
18 additional bonds may in like manner be issued to provide the amount of
19 such deficit and, unless otherwise provided in the resolution authorizing
20 the issuance of such bonds or in the trust indenture securing the same,
21 shall be deemed to be of the same issue and shall be entitled to payment
22 from the same fund without preference or priority of the bonds first
23 issued. If the proceeds of the bonds of any issue exceed the cost of the
24 project or program for which they were issued, the surplus shall be
25 deposited to the credit of the sinking fund for such bonds or shall be
26 applied as may otherwise be permitted by applicable federal income tax
27 laws relating to the tax exemption of interest.

28 Prior to the preparation of definitive bonds, the authority may
29 under like restrictions issue interim receipts or temporary bonds, with
30 or without coupons, exchangeable for definitive bonds when such bonds
31 have been executed and are available for delivery.

1 The authority may also provide for the replacement of any bonds
2 which become mutilated or are destroyed or lost. Bonds may be issued
3 under the act without obtaining the consent of any officer, department,
4 division, commission, board, bureau, or agency of the state and without
5 any other proceedings or conditions other than those proceedings and
6 conditions which are specifically required by the act. The authority may
7 out of any funds available therefor purchase its bonds. The authority may
8 hold, pledge, cancel, or resell such bonds, subject to and in accordance
9 with any agreement with the bondholders.

10 Members of the authority shall not be liable to the state, the
11 authority, or any other person as a result of their activities, whether
12 ministerial or discretionary, as authority members, except for willful
13 dishonesty or intentional violations of law. Members of the authority and
14 any person executing bonds or policies of insurance shall not be liable
15 personally thereon or be subject to any personal liability or
16 accountability by reason of the issuance thereof. The authority may
17 purchase liability insurance for members, officers, and employees and may
18 indemnify any authority member to the same extent that a school district
19 may indemnify a school board member pursuant to section 79-516.

20 Sec. 23. Section 58-843, Revised Statutes Cumulative Supplement,
21 2018, is amended to read:

22 58-843 In the discretion of the authority any bonds issued under the
23 Nebraska Educational, Health, Cultural, and Social Services Finance
24 Authority Act may be secured by a trust indenture, which trust indenture
25 may be in the form of a bond resolution or similar contract, by and
26 between the authority and a corporate trustee or trustees which may be
27 any financial institution having the power of a trust company or any
28 trust company within or outside the state. Such trust indenture providing
29 for the issuance of such bonds may pledge or assign the revenue to be
30 received or proceeds of any contract or contracts pledged and may convey
31 or mortgage the project or any portion thereof. The trust indenture by

1 which a pledge is created or an assignment made shall be filed in the
2 records of the authority.

3 Any pledge or assignment made by the authority pursuant to this
4 section shall be valid and binding from the time that the pledge or
5 assignment is made, and the revenue so pledged and thereafter received by
6 the authority shall immediately be subject to the lien of such pledge or
7 assignment without physical delivery thereof or any further act. The lien
8 of such pledge or assignment shall be valid and binding against all
9 parties having claims of any kind in tort, contract, or otherwise against
10 the authority irrespective of whether such parties have notice thereof.

11 Such trust indenture may set forth the rights and remedies of the
12 bondholders and of the trustee or trustees, may restrict the individual
13 right of action by bondholders, and may contain such provisions for
14 protecting and enforcing the rights and remedies of the bondholders and
15 of the trustee or trustees as may be reasonable and proper, not in
16 violation of law, or provided for in the Nebraska Educational, Health,
17 Cultural, and Social Services Finance Authority Act. Any such trust
18 indenture may contain such other provisions as the authority may deem
19 reasonable and proper for the security of the bondholders.

20 Any bank or trust company which acts as depository of the proceeds
21 of the bonds, any revenue, or other money shall furnish such indemnifying
22 bonds or pledge such securities as may be required by the authority.

23 All expenses incurred in carrying out the provisions of such trust
24 indenture may be treated as a part of the cost of the operation of a
25 project.

26 Sec. 24. Section 58-844, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 58-844 In addition to any other methods of financing authorized in
29 the Nebraska Educational, Health, Cultural, and Social Services Finance
30 Authority Act, the authority may finance the cost of a project or
31 program, refund outstanding indebtedness, or reimburse advances from an

1 endowment or any similar fund of an eligible institution as authorized by
2 section 58-834 by issuing its bonds for the purpose of purchasing the
3 securities of the eligible institution. Any such securities shall have
4 the same principal amounts, maturities, and interest rates as the bonds
5 being issued, may be secured by a first mortgage lien on or security
6 interest in any real or personal property, subject to such exceptions as
7 the authority may approve and created by a mortgage or security
8 instrument satisfactory to the authority, and may be insured or
9 guaranteed by others. Any such bonds shall be secured by a pledge of such
10 securities under the trust indenture securing such bonds, shall be
11 payable solely out of the payments to be made on such securities, and
12 shall not exceed in principal amount the cost of such project or program,
13 the refunding of such indebtedness, or reimbursement of such advances as
14 determined by the eligible institution and approved by the authority. In
15 other respects any such bonds shall be subject to the act, including
16 sections 58-841 and 58-842, and the trust indenture securing such bonds
17 may contain any of the provisions set forth in section 58-843 as the
18 authority may consider appropriate.

19 If a project is financed pursuant to this section, the title to such
20 project shall remain in the eligible institution owning such project,
21 subject to the lien of the mortgage or security interest, if any,
22 securing the securities then being purchased, and there shall be no lease
23 of such facility between the authority and such eligible institution.

24 Section 58-840 shall not apply to any project financed pursuant to
25 this section, but the authority shall return the securities purchased
26 through the issuance of bonds pursuant to this section to the eligible
27 institution issuing such securities when such bonds have been fully paid
28 and retired or when adequate provision has been made to pay and retire
29 such bonds fully and all other conditions of the trust indenture securing
30 such bonds have been satisfied and any lien established pursuant to this
31 section has been released in accordance with the provisions of the trust

1 indenture.

2 Sec. 25. Section 58-845, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 58-845 Notwithstanding any other provision of the Nebraska
5 Educational, Health, Cultural, and Social Services Finance Authority Act
6 to the contrary, the authority may finance the cost of a project or
7 program, refund outstanding indebtedness, or reimburse advances from any
8 endowment or any similar fund of an eligible institution as authorized by
9 the act, by issuing its bonds pursuant to a plan of financing involving
10 the acquisition of any federally guaranteed security or securities or the
11 acquisition or entering into of commitments to acquire any federally
12 guaranteed security or securities. For purposes of this section,
13 federally guaranteed security means any direct obligation of or
14 obligation the principal of and interest on which are fully guaranteed or
15 insured by the United States of America or any obligation issued by or
16 the principal of and interest on which are fully guaranteed or insured by
17 any agency or instrumentality of the United States of America, including
18 without limitation any such obligation that is issued pursuant to the
19 National Housing Act, or any successor provision of law, each as amended
20 from time to time.

21 In furtherance of the powers granted in this section, the authority
22 may acquire or enter into commitments to acquire any federally guaranteed
23 security and pledge or otherwise use any such federally guaranteed
24 security in such manner as the authority deems in its best interest to
25 secure or otherwise provide a source of repayment of any of its bonds
26 issued to finance or refinance a project or program or may enter into any
27 appropriate agreement with any eligible institution whereby the authority
28 may make a loan to any such eligible institution for the purpose of
29 acquiring or entering into commitments to acquire any federally
30 guaranteed security.

31 Any agreement entered into pursuant to this section may contain such

1 provisions as are deemed necessary or desirable by the authority for the
2 security or protection of the authority or the holders of such bonds,
3 except that the authority, prior to making any such acquisition,
4 commitment, or loan, shall first determine and enter into an agreement
5 with any such eligible institution or any other appropriate institution
6 or corporation to require that the proceeds derived from the acquisition
7 of any such federally guaranteed security will be used, directly or
8 indirectly, for the purpose of financing or refinancing a project or
9 program.

10 Any bonds issued pursuant to this section shall not exceed in
11 principal amount the cost of financing or refinancing such project or
12 program as determined by the participating eligible institution and
13 approved by the authority, except that such costs may include, without
14 limitation, all costs and expenses necessary or incidental to the
15 acquisition of or commitment to acquire any federally guaranteed security
16 and to the issuance and obtaining of any insurance or guarantee of any
17 obligation issued or incurred in connection with any federally guaranteed
18 security. In other respects any such bonds shall be subject to the
19 Nebraska Educational, Health, Cultural, and Social Services Finance
20 Authority Act, including sections 58-841 and 58-842, and the trust
21 indenture securing such bonds may contain such of the provisions set
22 forth in section 58-843 as the authority may deem appropriate.

23 If a project is financed or refinanced pursuant to this section, the
24 title to such project shall remain in the participating eligible
25 institution owning the project, subject to the lien of any mortgage or
26 security interest securing, directly or indirectly, the federally
27 guaranteed securities then being purchased or to be purchased, and there
28 shall be no lease of such facility between the authority and such
29 eligible institution.

30 Section 58-840 shall not apply to any project financed pursuant to
31 this section, but the authority shall return the securities purchased

1 through the issuance of bonds pursuant to this section to the issuer of
2 such securities when such securities have been fully paid, when such
3 bonds have been fully paid and retired, or when adequate provision, not
4 involving the application of such securities, has been made to pay and
5 retire such bonds fully, all other conditions of the trust indenture
6 securing such bonds have been satisfied, and the lien on such bonds has
7 been released in accordance with the Nebraska Educational, Health,
8 Cultural, and Social Services Finance Authority Act.

9 Sec. 26. Section 58-846, Revised Statutes Cumulative Supplement,
10 2018, is amended to read:

11 58-846 The authority is hereby authorized to provide by resolution
12 for the issuance of refunding bonds for the purpose of refunding any
13 bonds then outstanding which have been issued by it under the Nebraska
14 Educational, Health, Cultural, and Social Services Finance Authority Act,
15 including the payment of any redemption premium thereon and any interest
16 accrued or to accrue to the date of maturity or earlier redemption of
17 such bonds, and, in the case of a project and if deemed advisable by the
18 authority, for the additional purposes of acquiring, constructing,
19 improving, equipping, and renovating improvements, extensions, or
20 enlargements of the project in connection with which the bonds to be
21 refunded were issued and of paying any expenses which the authority
22 determines may be necessary or incidental to the issuance of such
23 refunding bonds and the acquiring, constructing, improving, equipping,
24 and renovating of such improvements, extensions, or enlargements. Such
25 refunding bonds shall be payable solely out of the revenue of the
26 project, including any such improvements, extensions, or enlargements
27 thereto, or program to which the bonds being refunded relate or as
28 otherwise described in sections 58-841, 58-844, 58-845, 58-860, and
29 58-861. The issuance of such bonds, the maturities and other details
30 thereof, the rights of the holders thereof, the rights, duties, and
31 obligations of the authority with respect to such bonds, and the manner

1 of sale thereof shall be governed by the act insofar as applicable.

2 The proceeds of any such bonds issued for the purpose of refunding
3 outstanding bonds may, in the discretion of the authority, be applied to
4 the purchase or retirement at maturity or earlier redemption of such
5 outstanding bonds either on their earliest or any subsequent redemption
6 date, upon the purchase of such bonds, or at the maturity of such bonds
7 and may, pending such application, be placed in escrow to be applied to
8 such purchase, retirement at maturity, or earlier redemption.

9 Any such escrowed proceeds, pending such use, may be invested and
10 reinvested in direct obligations of the United States of America or
11 obligations the timely payment of principal and interest on which is
12 fully guaranteed by the United States of America, maturing at such time
13 or times as shall be appropriate to assure the prompt payment of the
14 principal of and interest and redemption premium, if any, on the
15 outstanding bonds to be so refunded. The interest, income, and profits,
16 if any, earned or realized on any such investment may also be applied to
17 the payment of the outstanding bonds to be so refunded. Only after the
18 terms of the escrow have been fully satisfied and carried out may any
19 balance of such proceeds, interest, income, or profits earned or realized
20 on the investments thereof be returned to the eligible institution for
21 whose benefit the refunded bonds were issued for use by it in any lawful
22 manner.

23 All such bonds shall be subject to the act in the same manner and to
24 the same extent as other revenue bonds issued pursuant to the act.

25 Sec. 27. Section 58-847, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 58-847 Bonds issued pursuant to the Nebraska Educational, Health,
28 Cultural, and Social Services Finance Authority Act shall not be deemed
29 to constitute a debt of the state or of any political subdivision thereof
30 or a pledge of the faith and credit of the state or of any such political
31 subdivision, but such bonds shall be a limited obligation of the

1 authority payable solely from the funds, securities, or government
2 securities pledged for their payment as authorized in the act unless such
3 bonds are refunded by refunding bonds issued under the act, which
4 refunding bonds shall be payable solely from funds, securities, or
5 government securities pledged for their payment as authorized in the act.
6 All such revenue bonds shall contain on the face thereof a statement to
7 the effect that the bonds, as to both principal and interest, are not an
8 obligation of the State of Nebraska or of any political subdivision
9 thereof but are limited obligations of the authority payable solely from
10 revenue, securities, or government securities, as the case may be,
11 pledged for their payment. All expenses incurred in carrying out the act
12 shall be payable solely from funds provided under the authority of the
13 act, and nothing contained in the act shall be construed to authorize the
14 authority to incur indebtedness or liability on behalf of or payable by
15 the state or any political subdivision thereof.

16 Sec. 28. Section 58-849, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 58-849 All money received by the authority, whether as proceeds from
19 the sale of bonds, from revenue, or otherwise, shall be deemed to be
20 trust funds to be held and applied solely as provided in the Nebraska
21 Educational, Health, Cultural, and Social Services Finance Authority Act
22 but, prior to the time when needed for use, may be invested in direct and
23 general obligations of or obligations fully and unconditionally
24 guaranteed by the United States of America, obligations issued by
25 agencies of the United States of America, any obligations of the United
26 States of America or agencies thereof, obligations of this state, or any
27 obligations or securities which may from time to time be legally
28 purchased by governmental subdivisions of this state pursuant to
29 subsection (1) of section 77-2341, except that any funds pledged to
30 secure a bond issue shall be invested in the manner permitted by the
31 resolution or trust indenture securing such bonds. Such funds shall be

1 deposited as soon as practical in a separate account or accounts in banks
2 or trust companies organized under the laws of this state or in national
3 banking associations. The money in such accounts shall be paid out on
4 checks signed by the executive director or other officers or employees of
5 the authority as the authority authorizes. All deposits of money shall,
6 if required by the authority, be secured in such a manner as the
7 authority determines to be prudent, and all banks or trust companies may
8 give security for the deposits, except to the extent provided otherwise
9 in the resolution authorizing the issuance of the related bonds or in the
10 trust indenture securing such bonds. The resolution authorizing the
11 issuance of such bonds or the trust indenture securing such bonds shall
12 provide that any officer to whom or any bank or trust company to which
13 such money is entrusted shall act as trustee of such money and shall hold
14 and apply the same for the purposes of the Nebraska Educational, Health,
15 Cultural, and Social Services Finance Authority Act, subject to the act,
16 and of the authorizing resolution or trust indenture.

17 Sec. 29. Section 58-850, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 58-850 Any holder of bonds or of any of the coupons appertaining
20 thereto issued under the Nebraska Educational, Health, Cultural, and
21 Social Services Finance Authority Act and the trustee under any trust
22 indenture, except to the extent the rights given in the act may be
23 restricted by the resolution or trust indenture, may, either at law or in
24 equity, by suit, action, mandamus, or other proceedings, protect and
25 enforce any and all rights under the laws of the state, the act, or such
26 trust indenture or resolution authorizing the issuance of such bonds and
27 may enforce and compel the performance of all duties required by the act
28 or by such trust indenture or resolution to be performed by the authority
29 or by any officer, employee, or agent thereof, including the fixing,
30 charging, and collecting of rates, rents, loan payments, fees, and
31 charges authorized in the act and required by the provisions of such

1 resolution or trust indenture to be fixed, established, and collected.

2 Such rights shall include the right to compel the performance of all
3 duties of the authority required by the act or the resolution or trust
4 indenture to enjoin unlawful activities and, in the event of default with
5 respect to the payment of any principal of and premium, if any, and
6 interest on any bond or in the performance of any covenant or agreement
7 on the part of the authority in the resolution or trust indenture, to
8 apply to a court having jurisdiction of the cause to appoint a receiver
9 to administer and operate a project, the revenue of which is pledged to
10 the payment of the principal of and premium, if any, and interest on such
11 bonds, with full power to pay and to provide for payment of the principal
12 of and premium, if any, and interest on such bonds, and with such powers,
13 subject to the direction of the court, as are permitted by law and are
14 accorded receivers in general equity cases, excluding any power to pledge
15 additional revenue of the authority to the payment of such principal,
16 premium, and interest, and to foreclose the mortgage on the project in
17 the same manner as the foreclosure of a mortgage on real estate of
18 private corporations.

19 Sec. 30. Section 58-851, Revised Statutes Cumulative Supplement,
20 2018, is amended to read:

21 58-851 The Nebraska Educational, Health, Cultural, and Social
22 Services Finance Authority Act, being necessary for the welfare of the
23 state and its inhabitants, shall be liberally construed to effect the
24 purposes thereof.

25 Sec. 31. Section 58-853, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 58-853 The exercise of the powers granted by the Nebraska
28 Educational, Health, Cultural, and Social Services Finance Authority Act
29 shall be in all respects for the benefit of the people of the state, for
30 the increase of their commerce, welfare, and prosperity, for the
31 fostering, encouragement, protection, and improvement of their health and

1 living conditions, and for the development of their intellectual and
2 mental capacities and skills, and as the operation, maintenance,
3 financing, or refinancing of a project or program by the authority or its
4 agent will constitute the performance of essential governmental functions
5 and serve a public purpose, neither the authority nor its agent shall be
6 required to pay any taxes or assessments, upon or with respect to a
7 project or any property acquired or used by the authority or its agent
8 under the act, upon the income therefrom, or upon any other amounts
9 received by the authority in respect thereof, including payments of
10 principal of or premium or interest on or in respect of any securities
11 purchased pursuant to section 58-844 or any government securities
12 involved in a plan of financing pursuant to section 58-845. The bonds
13 issued under the act, the interest thereon, the proceeds received by a
14 holder from the sale of such bonds to the extent of the holder's cost of
15 acquisition, or proceeds received upon redemption prior to maturity,
16 proceeds received at maturity, and the receipt of such interest and
17 proceeds shall be exempt from taxation in the State of Nebraska for all
18 purposes except the state inheritance tax.

19 Sec. 32. Section 58-854, Revised Statutes Cumulative Supplement,
20 2018, is amended to read:

21 58-854 The State of Nebraska does hereby pledge to and agree with
22 the holders of any obligations issued under the Nebraska Educational,
23 Health, Cultural, and Social Services Finance Authority Act and with
24 those parties who may enter into contracts with the authority pursuant to
25 the act that the state will not limit or alter the rights vested in the
26 authority until such obligations, together with the interest thereon, are
27 fully met and discharged and such contracts are fully performed on the
28 part of the authority, except that nothing contained in this section
29 shall preclude such limitation or alteration if and when adequate
30 provision is made by law for the protection of the holders of such
31 obligations of the authority or those entering into such contracts with

1 the authority.

2 Sec. 33. Section 58-855, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 58-855 The Nebraska Educational, Health, Cultural, and Social
5 Services Finance Authority Act shall be deemed to provide a complete,
6 additional, and alternative method for doing the things authorized in the
7 act and shall be regarded as supplemental and additional to powers
8 conferred by other laws. The issuance of bonds and refunding bonds under
9 the act need not comply with the requirements of any other law applicable
10 to the issuance of bonds, and the acquisition, construction, improvement,
11 equipment, and renovation of a project pursuant to the act by the
12 authority need not comply with the requirements of any competitive
13 bidding law or other restriction imposed on the procedure for award of
14 contracts for the acquisition, construction, improvement, equipment, and
15 renovation of a project or the lease, sale, or disposition of property of
16 the authority, except that if the prospective lessee so requests in
17 writing, the authority shall call for construction bids in such manner as
18 shall be determined by the authority with the approval of such lessee.
19 Except as otherwise expressly provided in the act, none of the powers
20 granted to the authority under the act shall be subject to the
21 supervision of or regulation by or require the approval or consent of any
22 municipality, ~~political subdivision~~, commission, board, body, bureau,
23 official, or other political subdivision or agency of ~~or~~ the state.

24 Sec. 34. Section 58-856, Revised Statutes Cumulative Supplement,
25 2018, is amended to read:

26 58-856 To the extent that the Nebraska Educational, Health,
27 Cultural, and Social Services Finance Authority Act is inconsistent with
28 the provisions of any general statute or special act or parts thereof,
29 the Nebraska Educational, Health, Cultural, and Social Services Finance
30 Authority Act shall be deemed controlling.

31 Sec. 35. Section 58-857, Revised Statutes Cumulative Supplement,

1 2018, is amended to read:

2 58-857 There is hereby established, in accordance with Public Law
3 94-484, the Nebraska Health Education Assistance Loan Program, to be
4 financed by the authority in the manner provided in the Nebraska
5 Educational, Health, Cultural, and Social Services Finance Authority Act.

6 Sec. 36. Section 58-862, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 58-862 There is hereby created a separate fund, to be known as the
9 Nebraska Health Education Loan Repayment Fund, which shall consist of all
10 revenue generated in connection with loans funded pursuant to the
11 Nebraska Educational, Health, Cultural, and Social Services Finance
12 Authority Act. The authority may pledge revenue received or to be
13 received by the fund to secure bonds, notes, or other obligations issued
14 pursuant to the act. The authority may create such subfunds or accounts
15 within the fund as it deems necessary or advisable.

16 Sec. 37. Section 58-863, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 58-863 There is hereby established the Nebraska Student Loan
19 Assistance Program to be financed by the authority in the manner provided
20 in the Nebraska Educational, Health, Cultural, and Social Services
21 Finance Authority Act.

22 Sec. 38. Section 58-866, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 58-866 (1) It is the intent of the Legislature that the changes made
25 by Laws 1993, LB 465, in the name of the Nebraska Educational Facilities
26 Authority Act to the Nebraska Educational Finance Authority Act and in
27 the name of the Nebraska Educational Facilities Authority to the Nebraska
28 Educational Finance Authority shall not affect or alter any rights,
29 privileges, or obligations existing immediately prior to September 9,
30 1993.

31 (2) It is the intent of the Legislature that the changes made by

1 Laws 2013, LB170, in the name of the Nebraska Educational Finance
2 Authority Act to the Nebraska Educational, Health, and Social Services
3 Finance Authority Act and in the name of the Nebraska Educational Finance
4 Authority to the Nebraska Educational, Health, and Social Services
5 Finance Authority shall not affect or alter any rights, privileges, or
6 obligations existing immediately prior to September 6, 2013.

7 (3) It is the intent of the Legislature that the changes made by
8 this legislative bill in the name of the Nebraska Educational, Health,
9 and Social Services Finance Authority Act to the Nebraska Educational,
10 Health, Cultural, and Social Services Finance Authority Act and in the
11 name of the Nebraska Educational, Health, and Social Services Finance
12 Authority to the Nebraska Educational, Health, Cultural, and Social
13 Services Finance Authority shall not affect or alter any rights,
14 privileges, or obligations existing immediately prior to the effective
15 date of this act.

16 Sec. 39. Original sections 58-801, 58-802, 58-803, 58-804, 58-805,
17 58-806, 58-807, 58-811, 58-813, 58-817, 58-818, 58-820, 58-826, 58-827,
18 58-832, 58-834, 58-835, 58-836, 58-837, 58-838, 58-841, 58-843, 58-844,
19 58-845, 58-846, 58-847, 58-849, 58-850, 58-851, 58-853, 58-854, 58-855,
20 58-856, 58-857, 58-862, 58-863, and 58-866, Revised Statutes Cumulative
21 Supplement, 2018, are repealed.