

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1175

Introduced by Holdcroft, 36; Sanders, 45.

Read first time January 12, 2024

Committee: Government, Military and Veterans Affairs

- 1 A BILL FOR AN ACT relating to bonds; to amend section 10-126, Reissue
- 2 Revised Statutes of Nebraska; to provide an exception relating to
- 3 redemption; to change a procedure for calling; to eliminate a notice
- 4 requirement; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 10-126, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 10-126 (1) All bonds of indebtedness, issued after September 7,
4 1947, by any county, precinct, city, village, school district, drainage
5 district, or irrigation district or any other municipal corporation or
6 governmental subdivision of the state shall be redeemable at the option
7 of the governmental subdivision or municipal corporation issuing such
8 bonds at any time on or after five years from the date of issuance,
9 except that this provision shall not apply to (a) bonds of public power
10 districts, public power and irrigation districts, metropolitan utilities
11 districts, cities of the metropolitan and primary classes, and housing
12 authorities of any city or village, (b) issues of revenue bonds exceeding
13 one million dollars of cities of the first and second classes and of
14 villages, (c) issues of bonds exceeding ten million dollars of any school
15 district of one thousand or more students in membership as provided in
16 the fall school district membership report pursuant to subsection (4) of
17 section 79-528 immediately preceding the issuance of bonds, ~~or~~ (d) bonds
18 issued by the Board of Regents of the University of Nebraska or the Board
19 of Trustees of the Nebraska State Colleges, or (e) bonds of counties sold
20 to an underwriting firm pursuant to a competitive sale, including the
21 method of sale described in section 10-145. Bonds of a district created
22 under Chapter 31 or 39 shall in addition, after annexation of the
23 district by any municipality, be redeemable at the option of the annexing
24 municipality at any time after annexation of such district if at the time
25 of redemption at least five years have elapsed from date of issuance.
26 Such condition shall be plainly set forth in all bonds of any
27 governmental subdivision of the state or municipal corporation hereafter
28 issued to which it applies.

29 (2) The issuer, except districts organized under Chapter 31 or 39,
30 of any such bonds of indebtedness, when the total amount of bonds at par
31 value authorized as a single issue is five hundred thousand dollars or

1 more, may agree to pay a call premium of not to exceed four percent of
2 the par value for the redemption of such bonds. Districts organized under
3 Chapter 31 or 39 may agree to pay a call premium of not to exceed two
4 percent of the par value of such bonds when a single issue is five
5 hundred thousand dollars or more, and bonds of such districts shall have
6 no other bond redemption call or prepayment restrictions except as
7 provided in this section. Bonds listed in subdivisions (1)(a) through (1)
8 (d) of this section may contain such provisions with respect to their
9 redemption as the public power district, public power and irrigation
10 district, metropolitan utilities district, city, village, housing
11 authority, school district, Board of Regents, or Board of Trustees shall
12 provide.

13 (3) All bonds issued which do not provide a special procedure for
14 calling and prepayments ~~may shall~~ be called by a resolution or ordinance
15 passed by the governing body of the obligor, which resolution or
16 ordinance may condition such call for redemption upon the issuance of
17 refunding bonds of the obligor for such redemption or similar event which
18 produces funds necessary for such prepayment shall designate the bond or
19 bonds to be prepaid by stating the date of the bonds, the purpose for
20 which the bonds were issued, the bond numbers of the bonds so called, and
21 the date set for prepayment. The issuer of any bonds which are required
22 by this section to be issued subject to an option of redemption shall, at
23 least thirty days prior to the date set for prepayment of such bonds,
24 send notice by mail of the call to each holder of the called bonds as
25 shown in its records. A true copy of the resolution shall be filed by the
26 obligor with the paying agent on or before the call date.

27 (4) If the obligor deposits sufficient funds with the paying agent
28 to pay the called bonds and accrued interest to date of call in full on
29 or before the call date, the bonds shall cease to be a liability of the
30 obligor, otherwise the call shall be revoked, and the bonds continue in
31 effect the same as though no call had been made.

1 Sec. 2. Original section 10-126, Reissue Revised Statutes of
2 Nebraska, is repealed.