

## LEGISLATIVE BILL 253

Approved by the Governor March 27, 1991

Introduced by Banking, Commerce and Insurance Committee:  
 Landis, 46, Chairperson; Abboud, 12;  
 Conway, 17; Lindsay, 9; Schmit, 23;  
 Wesely, 26

AN ACT relating to finance; to amend sections 58-204 to 58-206, 58-208 to 58-210, 58-211 to 58-213, 58-216 to 58-218, 58-220 to 58-223, 58-225, 58-226, 58-228 to 58-232, 58-234 to 58-239.01, 58-242 to 58-249, 58-252 to 58-257, 58-259 to 58-262, 58-264 to 58-266, and 58-268 to 58-270, Reissue Revised Statutes of Nebraska, 1943, sections 58-201 to 58-203, 58-207, 58-207.01, 58-210.01, 58-214, 58-219, 58-223.01, 58-240, and 58-250, Revised Statutes Supplement, 1990, and Laws 1990, LB 272A, section 4; to restate findings and intent; to define and redefine terms; to change provisions in the Nebraska Investment Finance Authority Act relating to loans to agricultural enterprises, first-time homebuyers, and nonprofit entities; to change provisions relating to bond issues as prescribed; to add and eliminate duties for the executive director and the authority; to eliminate a provision relating to divisions of the authority; to provide for and eliminate provisions relating to reports as prescribed; to provide for funds for loans to low-income persons as prescribed; to change provisions relating to reserves; to change provisions relating to refunding bonds; to provide for notification of pending bond issues as prescribed; to change provisions governing distribution of money appropriated to the Department of Banking and Finance for certain depositors; to harmonize provisions; to repeal the original sections, and also section 58-233, Reissue Revised Statutes of Nebraska, 1943; and to declare an emergency.

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

Section 1. That section 58-201, Revised Statutes Supplement, 1990, be amended to read as

follows:

58-201. Sections 58-201 to 58-272 and section 15 of this act shall be known and may be cited as the Nebraska Investment Finance Authority Act.

Sec. 2. That section 58-202, Revised Statutes Supplement, 1990, be amended to read as follows:

58-202. It is hereby found and declared that:

(1) The Legislature hereby finds and declares that:

(a) The high cost of agricultural loans and the general unavailability of such loans te at favorable rates and terms for farmers, particularly beginning farmers, and other agricultural enterprises have resulted in decreased crop, livestock, and business productivity and prevented farmers and other agricultural enterprises from acquiring modern agricultural equipment and processes. These problems have made it difficult for farmers and other agricultural enterprises to maintain or increase their present number of employees and have decreased the supply of agricultural commodities available to fulfill the needs of the citizens of this state; and

(b) There exists in this state an inadequate supply of and a pressing need for farm credit and agricultural loan financing at interest rates and terms which are consistent with the needs of farmers, particularly beginning farmers, and other agricultural enterprises.

(2) The Legislature hereby finds and declares

that:

(a) From time to time the high rates of interest charged by mortgage lenders seriously restrict existing housing transfers and new housing starts and the resultant reduction in residential construction starts causes a condition of substantial unemployment and underemployment in the construction industry;

(b) Such conditions generally result in and contribute to the creation of slums and blighted areas in the urban and rural areas of this state and a deterioration of the quality of living conditions within this state and necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident prevention, and other public services and facilities; and

(c) There exists in the urban and rural areas of this state an inadequate supply of and a pressing need for sanitary, safe, and uncrowded housing at prices at which persons of low and moderate income low-income and moderate-income persons, particularly first-time

homebuyers, can afford to purchase, construct, or rent; and as a result such persons are forced to occupy insanitary unsanitary, unsafe, and overcrowded housing.

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(3) The Legislature hereby finds and declares that:

(a) Adequate and reliable energy supplies are a basic necessity of life and sufficient energy supplies are essential to supplying adequate food and shelter;

(b) The cost and availability of energy supplies has been and will continue to be a matter of state and national concern;

(c) The increasing cost and decreasing availability of energy supplies for purposes of residential heating will limit the ability of many of Nebraska's citizens to provide the basic necessities of life and will result in a deterioration in living conditions and a threat to the health and welfare of the citizens of this state;

(d) Energy conservation through building modifications, including, but not limited to, insulation, weatherization, and the installation of alternative energy devices, has been shown to be a prudent means of reducing energy consumption costs and the need for additional costly facilities to produce and supply energy;

(e) Because of the high cost of available capital, the purchase of energy conservation devices is not possible for many Nebraskans. The prohibitively high interest rates for private capital create a situation in which the necessary capital cannot be obtained solely from private enterprise sources and there is a need for the stimulation of investment of private capital, thereby encouraging the purchase of energy conservation devices and energy conserving building modifications;

(f) The increased cost per capita of supplying adequate life-sustaining energy needs has reduced the amount of funds, both public and private, available for providing other necessities of life, including food, health care, and safe, sanitary housing; and

(g) The continuing purchase of energy supplies results in the transfer of ever-increasing amounts of capital to out-of-state energy suppliers. ;

(4) The Legislature hereby finds and declares that:

(a) There exist within this state unemployment and underemployment especially in areas of basic economic activity, caused by economic decline and need

for diversification of the economic base, needlessly increasing public expenditures for unemployment compensation and welfare, decreasing the tax base, reducing tax revenue, and resulting in economic and social liabilities to the entire state;

(b) Such unemployment and underemployment cause areas of the state to deteriorate and become substandard and blighted, and such conditions result in making such areas economic or social liabilities harmful to the economic and social well-being of the entire state and the communities in which they exist, needlessly increasing public expenditures, imposing onerous state and municipal burdens, decreasing the tax base, reducing tax revenue, substantially impairing or arresting the sound growth of the state and the municipalities, depreciating general state and community-wide values, and contributing to the spread of disease and crime, which necessitate excessive and disproportionate expenditures of public funds for the preservation of the public health and safety, for crime prevention, correction, prosecution, and punishment, for the treatment of juvenile delinquency, for the maintenance of adequate police, fire, and accident protection, and for other public services and facilities;

(c) There exist within this state conditions resulting from the concentration of population of various counties, cities, and villages which require the construction, maintenance, and operation of adequate hospital and nursing facilities for the care of the public health. Since these conditions cannot be remedied by the ordinary operations of private enterprises and the providing since provision of adequate hospital, nursing, and medical care are public uses, it is in the public interest that adequate hospital and medical facilities and care be provided in order to care for and protect the public health and public welfare;

(d) Creation of basic economic jobs in the private sector and the promotion of health and welfare by the means provided under the Nebraska Investment Finance Authority Act and the resulting reduction of needless public expenditures, expansion of the tax base, provision of hospitals and health care and related facilities, and increase of tax revenue are needed within this state; and

(e) Stimulation of economic development throughout the state and the provision of health care at affordable prices are matters of state policy, public

interest, and statewide concern and within the powers and authority inherent in and reserved to the state in order that the state and its municipalities shall not continue to be endangered by areas which consume an excessive proportion of their revenue, in order that the economic base of the state may be broadened and stabilized thereby providing jobs and necessary tax base, and in order that adequate health care services be provided to all residents of this state. ;

(5) The Legislature hereby finds and declares that:

(a) There is a need within this state for financing to assist municipalities, as defined in section 81-15,149, in providing wastewater treatment facilities. The federal funding provided for wastewater treatment facilities is extremely limited; and and scheduled to be eliminated while the need to provide and improve wastewater treatment facilities is great;

(b) The construction, development, rehabilitation, and improvement of modern and efficient sewer systems and wastewater treatment facilities are essential to protecting and improving the state's water quality, the provision of adequate wastewater treatment facilities is essential to economic growth and development, and new sources of financing for such projects are needed;

(c) The federal government has acted to end the system of federal construction grants for clean water projects and has instead provided for capitalization grants to capitalize state revolving funds for wastewater treatment projects, and the state has created the Wastewater Treatment Facilities Construction Loan Fund within the Wastewater Treatment Facilities Construction Assistance Act. The state is required to provide matching funds for deposit into such fund, and there is a need for financing in excess of the amount which can be provided by the federal money and the state match; and

(d) Additional assistance can be provided to municipalities, as defined in section 81-15,149, to alleviate the problems of water pollution by providing for the issuance of revenue bonds, the proceeds of which shall be deposited into the Wastewater Treatment Facilities Construction Loan Fund. Nothing in this section shall prohibit the provision of loans, including loans made pursuant to the Conservation Corporation Act, to a municipality as defined in section 81-15,149 for the construction, development, rehabilitation, operation, maintenance, and improvement of wastewater

treatment facilities, ; and

(6) The Legislature hereby finds and declares that:

(a) There is a need within this state for financing to assist ~~local~~ public school boards and school districts and private, for-profit, or not-for-profit schools in connection with removal of materials determined to be hazardous to the health and well-being of the residents of the state and that the federal funding provided for such projects is extremely limited and the need and requirement to remove such materials from school buildings is great;

(b) The financing of the removal of such environmental hazards is essential to protecting and improving the facilities in the state which provide educational benefits and services;

(c) The federal government has directed schools to remove such hazardous materials; and

(d) The problems enumerated in this ~~subdivision~~ subsection cannot be remedied through the operation of private enterprise or individual communities or both but may be alleviated through the assistance of the authority to encourage the investment of private capital and assist in the financing of the removal of environmental hazards in educational facilities in this state in order to provide for a clean environment to protect the health and welfare of the citizens and residents of this state.

Sec. 3. That section 58-203, Revised Statutes Supplement, 1990, be amended to read as follows:

58-203. (1) The problems enumerated in section 58-202 cannot alone be remedied through the operation of private enterprise or individual communities or both but may be alleviated through the creation of a quasi-governmental body to:

(a) Encourage the investment of private capital and stimulate the construction of sanitary, safe, and uncrowded housing for low and moderate income low-income and moderate-income persons, particularly first-time homebuyers, through the use of public financing as provided by the Nebraska Investment Finance Authority Act at reasonable interest rates and by coordinating and cooperating with private industry and local communities, which are essential to alleviating the conditions described in section 58-202 and are in the public interest;

(b) Encourage the investment of private capital to provide financing for farmers, particularly beginning farmers, and other agricultural enterprises of

usual and customary size for such farming operations within the community at interest rates lower than those available in conventional farm credit markets; which is essential to alleviating the conditions described in section 58-202 and is in the public interest;

(c) Encourage the investment of private capital and stimulate the creation of basic economic activity, the creation of jobs, the provision of adequate health care, and the expansion of the tax base throughout the state through the use of public financing and by coordinating with private industry and local communities; which are essential to alleviating the conditions described in section 58-202 and are in the public interest; and

(d) Encourage the investment of private capital and assist in the construction, development, rehabilitation, and improvement of wastewater treatment facilities in this state to provide for clean water to protect the health and welfare of the citizens and residents of this state and promote economic well-being; which are essential to alleviating the conditions described in section 58-202 and are in the public interest.

(2) Alleviating the conditions and problems enumerated in section 58-202 through encouragement of private investment by a quasi-governmental body is a public purpose and use for which public money provided by the sale of revenue bonds may be borrowed, expended, advanced, loaned, or granted. Such activities shall not be conducted for profit. Such activities are proper governmental functions and can best be accomplished by the creation of a quasi-governmental body vested with the powers and duties specified in the Nebraska Investment Finance Authority Act. The necessity for the provisions of the act to protect the health, safety, morals, and general welfare of all the people of this state is hereby declared to be a matter of legislative determination. The ~~governmental~~ quasi-governmental body created by the act shall make financing available for new or existing housing to serve those people, particularly first-time homebuyers, whom private industry is unable to serve at current interest rates, shall make financing available for farmers, particularly beginning farmers, who are unable to obtain sufficient credit to finance actual agricultural needs at reasonable rates and terms taking into consideration prevailing rates and terms for similar loans made through conventional farm credit markets in or near the farmer's community; and shall make financing available

for the construction, development, rehabilitation, and improvement of wastewater treatment facilities in this state.

Sec. 4. That section 58-204, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-204. The Legislature finds and declares that the Nebraska Mortgage Finance Fund, the Nebraska Development Finance Fund, and the Agricultural Development Corporation have effectuated and are effectuating their respective public purposes.

Sec. 5. That section 58-205, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-205. The Legislature further finds that the use of a single staff by the Nebraska Mortgage Finance Fund, the Nebraska Development Finance Fund, and the Agricultural Development Corporation has proven to be very efficient and that it would promote an even more efficient operation of the activities of the Nebraska Mortgage Finance Fund, the Nebraska Development Finance Fund, and the Agricultural Development Corporation if such entities if they were consolidated into a single entity with a single governing body.

Sec. 6. That section 58-206, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-206. The Legislature further finds that:

(1) In many instances local communities, citizens of the state, and private enterprise lack the knowledge and technical expertise necessary to take advantage of the public purpose financings offered by the Nebraska Mortgage Finance Fund, the Nebraska Development Finance Fund, the Agricultural Development Corporation, and local industrial development revenue bond options, resulting in less than a full realization of the public purpose benefits of such financings to the state and its citizens;

(2) It is in the interest of the State of Nebraska state and its citizens, as well as local communities, to provide assistance and expertise to enable local communities, citizens, and private enterprise to more fully realize the benefits available to the general public; and

(3) Such assistance and expertise can be provided by a single quasi-governmental entity with a professional staff.

Sec. 7. That section 58-207, Revised Statutes Supplement, 1990, be amended to read as follows:

58-207. For purposes of the Nebraska Investment Finance Authority Act, unless the context otherwise requires, the definitions found in sections ~~58-207~~ 58-207.01 to 58-225 and section 15 of this act shall be used.

Sec. 8. That section 58-207.01, Revised Statutes Supplement, 1990, be amended to read as follows:

58-207.01. Abatement shall include, but not be limited to, any (1) inspection and testing regarding environmental hazards, ~~any~~ (2) maintenance to reduce or eliminate environmental hazards, ~~any~~ (3) removal of environmentally hazardous material or property, ~~any~~ (4) restoration or replacement of material or property, ~~any~~ (5) related architectural and engineering services, and ~~any~~ (6) other action to reduce or eliminate environmental hazards in the school buildings or grounds under the school's control. Abatement ~~;~~ ~~except that abatement~~ shall not include the encapsulation of any material containing more than one percent friable asbestos.

Sec. 9. That section 58-208, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-208. Agriculture or agricultural enterprise shall mean ~~and include~~ the real and personal property constituting farms and ranches.

Sec. 10. That section 58-209, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-209. Authority shall mean the Nebraska Investment Finance Authority, ~~created by section 58-226.~~

Sec. 11. That section 58-209.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-209.01. Blighted area shall mean an area within a city or village ~~(a)~~ (1) which by reason of the presence of a substantial number of deteriorated or deteriorating structures, ~~existence of~~ defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, ~~insanitary~~ unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or ~~the existence of~~ conditions which endanger life or property by fire and other causes, or

any combination of such factors; substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use; and ~~(b)~~ (2) in which there is at least one of the following conditions: ~~(i)~~ (a) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; ~~(ii)~~ (b) the average age of the residential or commercial units in the area is at least forty years; ~~(iii)~~ (c) more than half of the plotted and subdivided property in ~~an~~ the area is unimproved land that has been within the city or village for forty years and has remained unimproved during that time; ~~(iv)~~ (d) the per capita income of the area is lower than the average per capita income of the municipality in which the area is designated; or ~~(v)~~ ~~that~~ (e) the area has had either stable or decreasing population based on the last two decennial censuses. ~~in no event shall a~~ A city of the metropolitan, primary, or first class ~~shall not~~ designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted.

Sec. 12. That section 58-210, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-210. ~~Bonds~~ Bond shall mean any ~~bonds; notes; debentures~~ bond, note, debenture, interim ~~certificates~~ certificate, bond anticipation ~~notes~~ note, or other ~~evidences~~ evidence of financial indebtedness.

Sec. 13. That section 58-210.01, Revised Statutes Supplement, 1990, be amended to read as follows:

58-210.01. Environmental hazard shall mean any contamination of the air, water, or land surface or subsurface caused by any substance adversely affecting human health or safety, if such substance has been declared hazardous by a federal or state statute, rule, or regulation.

Sec. 14. That section 58-211, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-211. Financing agreement shall mean any contractual obligation between the authority and another entity with respect to the financing; which shall

include without limitation refinancing, of a project or projects, and shall include, without limitation, a lease agreement, loan agreement, sale contract, take-or-pay contract, or user agreement. The financing agreement shall provide for payments by such other entity to the authority, in such amounts that the authority shall be able to pay on a timely basis interest on the bonds issued in connection ~~therewith~~ with such agreement, the principal of such bonds, and any redemption prices or premiums with respect thereto. The financing agreement may provide that the obligation to make such payments shall be secured or evidenced in such manner as the authority ~~shall deem~~ deems appropriate to provide adequate security for the authority and the holders of the bonds issued in connection ~~therewith~~ with such agreements. The financing agreement shall also contain provisions with respect to the acquisition, construction, rehabilitation, improvement, or refinancing of a project to effectuate the public purposes of the Nebraska Investment Finance Authority Act and provide that ~~it~~ the agreement is not subject to assumption except under such circumstances as the authority ~~shall determine to be~~ determines are consistent with the public purposes to be carried out.

Sec. 15. First-time homebuyer shall mean a low-income or moderate-income person who has had no present ownership interest in his or her principal residence at any time during the three-year period ending on the date a mortgage loan financed by the authority is received.

Sec. 16. That section 58-212, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-212. Hospital or nursing home shall mean (1) any private nonprofit hospital, nonprofit nursing home, corporation, association, or institution, (2) ~~or~~ any public hospital, public nursing home, or institution authorized by law to provide or operate health facilities in this state, and ~~also shall mean~~ (3) any cooperative hospital service organization which is described in section 501(c) of the Internal Revenue Code of 1954, as amended, or any similar nonprofit corporation, whether or not such corporation is exempt from federal income taxation pursuant to section 501(e) of the Internal Revenue Code of 1954, as amended.

Sec. 17. That section 58-213, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-213. Insurer shall mean (1) an agency,

department, administration, or instrumentality, corporate or otherwise, of or in the Department of Housing and Urban Development, the Farmers Home Administration of the Department of Agriculture, or the Veterans' Administration of the United States of America Department of Veterans Affairs, (2) any private insurance company, or (3) any other public or private agency which insures or guarantees loans, including mortgage loans.

Sec. 18. That section 58-214, Revised Statutes Supplement, 1990, be amended to read as follows:

58-214. Lender shall mean (1) any federal federally chartered or state-chartered bank, federal land bank, production credit association, bank for cooperatives, savings and loan association, building and loan association, or small business investment company, (2) the Wastewater Treatment Facility Construction Loan Fund, or (3) any other institution or fund qualified within the state to originate and or service loans, including, but not limited to, insurance companies, credit unions, and mortgage loan companies.

Sec. 19. That section 58-216, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-216. Low and moderate income persons Low-income or moderate-income person shall mean persons any person irrespective of race, religion, creed, national origin, or sex determined by the authority to require be eligible for such assistance as is made available by the Nebraska Investment Finance Authority Act on account of insufficient personal or family income, taking into consideration without limiting the generality thereof such factors as:

(1) The amount of income of such persons and families person available for housing needs;

(2) Size of family;

(3) Cost and condition of housing available;

(4) Whether such persons are person is elderly, infirm, or disabled; and

(5) The ability of such persons person to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing sanitary, safe, and uncrowded housing; and

(6) Existing federal guidelines or standards for determining low income and moderate income.

Sec. 20. That section 58-217, Reissue Revised Statutes of Nebraska, 1943, be amended to read as

follows:

58-217. Mortgage shall mean a mortgage deed, deed of trust, or other instrument securing a mortgage loan and constituting a lien on ~~the~~ real property held in fee simple or on a leasehold under a lease having a remaining term; at the time such mortgage is acquired; of not less than the term for repayment of the mortgage loan secured by such mortgage; which is improved by residential housing.

Sec. 21. That section 58-218, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-218. Mortgage loan shall mean an interest-bearing obligation which may be secured by a mortgage or such other security as the authority ~~shall~~ deem deems appropriate.

Sec. 22. That section 58-219, Revised Statutes Supplement, 1990, be amended to read as follows:

58-219. Project shall mean one or more of the following:

(1)(a) Rental housing;  
 (b) Residential housing; and  
 (c) Residential energy conservation devices;  
 (2) Agriculture or agricultural enterprise;  
 (3) Any land, building, or other improvement, any real or personal property, or any equipment; and any undivided or other interest in any of the foregoing, whether or not in existence, suitable or used for or in connection with any of the following revenue-producing enterprises or two or more such enterprises engaged or to be engaged in:

(a) In all areas of the state, manufacturing or industrial enterprises, including assembling, fabricating, mixing, processing, warehousing, distributing, or transporting any products of agriculture, forestry, mining, industry, or manufacturing; pollution control facilities; and facilities incident to the development of industrial sites, including land costs and the costs of site improvements ~~thereon~~; such as drainage, water, storm, and sanitary sewers, grading, streets, and other facilities and structures incidental to the use of such sites for manufacturing or industrial enterprises;

(b) In all areas of the state, ~~commercial or~~ service enterprises if (i) such facilities constitute new construction or rehabilitation, including hotels or motels, sports and recreation facilities available for use by members of the general public either as

participants or spectators, and convention or trade show facilities, and (ii) such facilities do not or will not derive a significant portion of their gross receipts from retail sales or utilize a significant portion of their total area for retail sales, and (iii) such facilities are owned or to be owned by a nonprofit entity;

(c) In blighted areas of the state, ~~commercial~~, service, and business enterprises if such facilities constitute new construction, acquisition, or rehabilitation, including, but not limited to, those enterprises specified in subdivision (3)(b) of this section, office buildings, and retail businesses if such facilities are owned or to be owned by a nonprofit entity; and

(d) In all areas of the state, any land, building, or other improvement and all real or personal property, including furniture and equipment, and any undivided or other interest in any such property, whether or not in existence, suitable or used for or in connection with any hospital, nursing home, and any facilities related and subordinate thereto.

Nothing in this subdivision shall be construed to include any rental or residential housing, residential energy conservation device, or agriculture or agricultural enterprise;

(4) Any land, building, or other improvement, any real or personal property, or any equipment, and any undivided or other interest in any of the foregoing, whether or not in existence, used by any business a nonprofit entity as an office building, but only if (a) the principal long-term occupant or occupants thereof initially employ at least fifty people, (b) the office building will be used by the principal long-term occupant or occupants as a national, regional, or divisional office, (c) the principal long-term occupant or occupants are engaged in a multistate operation, and (d) the authority makes the findings specified in subdivision (1) of section 58-251;

(5) Wastewater treatment project which shall include any project or undertaking which involves the construction, development, rehabilitation, and improvement of wastewater treatment facilities and is financed by a loan from or otherwise provided financial assistance by the Wastewater Treatment Facilities Construction Loan Fund; and

(6) Any cost necessary for abatement of an environmental hazard or hazards in school buildings upon a determination by the school that an actual or

potential environmental hazard exists within the school buildings or grounds under its control.

~~Nothing in subdivision (3) of this section shall be construed to include any rental or residential housing, residential energy conservation device, or agriculture or agricultural enterprise.~~

Sec. 23. That section 58-220, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-220. Rental housing shall mean a specific work or improvement within this state undertaken primarily to provide rental dwelling accommodations for ~~low or moderate income~~ low-income or moderate-income persons, ~~including which work or improvement shall include~~ the acquisition, construction, reconstruction, or rehabilitation of land, buildings, and improvements thereto, and such other nonhousing facilities as may be incidental or appurtenant thereto.

Sec. 24. That section 58-221, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-221. Residential energy conservation device shall mean any prudent means of reducing the demands for conventional fuels or increasing the supply or efficiency of these fuels in residential housing and shall include, but not be limited to:

(1) Caulking and weatherstripping of doors and windows;

(2) Furnace efficiency modifications, including:

(a) Replacement burners, furnaces, heat pumps, or boilers, or any combination thereof which, as determined by the Director of the State Energy Office, substantially increases the energy efficiency of the heating system;

(b) ~~Devices~~ Any device for modifying flue openings which will increase the energy efficiency of the heating system; and

(c) ~~Electrical~~ Any electrical or mechanical furnace ignition ~~systems~~ system which ~~replace~~ replaces a standing gas pilot ~~lights~~ light;

(3) ~~Clock thermostats~~ A clock thermostat;

(4) Ceiling, attic, wall, and floor insulation;

(5) Water heater insulation;

(6) Storm windows and doors, multiglazed windows and doors, and heat-absorbed or heat-reflective glazed window and door materials;

(7) ~~Devices~~ Any device which ~~control~~ controls

demand of appliances and ~~aid aids~~ load management;

(8) ~~Devices~~ Any device to utilize solar energy, biomass, or wind power for any residential energy conservation purpose, including heating of water and space heating or cooling; and

(9) ~~Such~~ Any other conservation ~~devices~~ device, renewable energy ~~technologies~~ technology, and specific home ~~improvements~~ improvement necessary to insure the effectiveness of the energy conservation measures as the Director of the State Energy Office by rule or regulation identifies.

Sec. 25. That section 58-222, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-222. Residential housing shall mean a specific work or improvement within this state undertaken primarily to provide single-family dwelling accommodations for ~~low and moderate income~~ low-income and moderate-income persons, ~~including which work or improvement shall include~~ the acquisition, construction, reconstruction, or rehabilitation of land, buildings, and improvements thereto, and such other nonhousing facilities as may be incidental or appurtenant thereto, including residential energy conservation devices.

Sec. 26. That section 58-223, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-223. Residential energy conservation loan program shall mean a system by which loans and mortgage loans for residential energy conservation devices are made ~~available to low and moderate income~~ low-income and moderate-income persons pursuant to the Nebraska Investment Finance Authority Act.

Sec. 27. That section 58-223.01, Revised Statutes Supplement, 1990, be amended to read as follows:

58-223.01. School shall mean (1) any ~~local~~ school board or school district and (2) any private, for-profit, or not-for-profit institution, the primary purpose of which is to provide educational instruction if such institution is available for attendance by members of the general public.

Sec. 28. That section 58-225, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-225. Utility shall mean ~~any an~~ any entity which provides electricity or natural gas to retail customers in the state.

Sec. 29. That section 58-226, Reissue Revised

Statutes of Nebraska, 1943, be amended to read as follows:

58-226. (1) There is hereby created, with such duties and powers as are set forth in the Nebraska Investment Finance Authority Act, to carry out the provisions of such act, a body politic and corporate, not a state agency, but an independent instrumentality exercising essential public functions, to be known as the Nebraska Investment Finance Authority. The authority shall have the powers and duties set forth in the Nebraska Investment Finance Authority Act.

(2) The authority shall be composed of nine members as follows:

(a) Three The Director of Agriculture, the Director of Economic Development, and the chairperson of the Nebraska Investment Council who shall be ex officio members; and who shall be-

{i} The Director of Economic Development;

{ii} The chairperson of the Nebraska Investment Council; and

{iii} The Director of Agriculture; and

(b) Six public members who shall be appointed by the Governor, five of whom shall be appointed as follows:

(i) One member shall be experienced in real estate development;

(ii) One member shall be experienced in industrial mortgage credit, commercial credit, agricultural credit, or housing mortgage credit;

(iii) One member shall be experienced in banking or investment banking;

(iv) One member shall be experienced in home building or shall be a licensed real estate broker; and

(v) One member shall be experienced in agricultural production; and

{vi} One member shall be appointed at large.

(3) All members shall be residents of the state. Of the public members, two members shall be appointed from each congressional district. Of the six public members, not more than three shall belong to the same political party. The three ex officio members may each designate a representative to perform their respective duties under the Nebraska Investment Finance Authority Act act. It shall not constitute a conflict of interest for members of the authority to serve on any other public board or commission.

Sec. 30. That section 58-228, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-228. The Director of Economic Development shall be the chairperson of the authority. The members shall elect from among ~~their number~~ the membership a vice-chairperson and such other officers as they may determine. ~~They~~ Members shall receive no compensation for their services but shall receive reimbursement be reimbursed for actual, necessary, and reasonable expenses incurred in the discharge of their official duties as provided in sections 81-1174 to 81-1177. ~~for state employees.~~

Sec. 31. That section 58-229, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-229. The powers of the authority shall be vested in the members, ~~thereof.~~ Five members of the authority shall constitute a quorum, ~~for the transaction of business.~~ The affirmative vote of at least five members shall be necessary for any action to be taken by the authority. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all rights and perform all duties of the authority.

Sec. 32. That section 58-230, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-230. Meetings of the members of the authority shall be held at ~~the call of the chairperson or whenever any five members so request.~~ in any event, the members shall meet at least once every three months to attend to the business of the authority and may be held at the call of the chairperson or whenever any five members so request.

Sec. 33. That section 58-231, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-231. The members of the authority shall appoint an executive director who shall be an employee but not a member of the authority; ~~but not a member thereof;~~ and who shall serve at the pleasure of the members and receive ~~such~~ compensation ~~as shall be fixed~~ by the members. The executive director, ~~who~~ shall serve as the ex officio secretary of the authority, shall administer, manage, and direct the affairs and activities of the authority in accordance with the policies and under the control and direction of the members, ~~and~~ ~~The executive director~~ shall approve all accounts for salaries, allowable expenses of the authority or of any employee or consultant thereof, and expenses incidental to the operation of the authority.

The executive director may, to the extent he or she deems it advisable, establish such divisions within the authority as necessary to carry out the public purposes of the authority. He or she shall perform such other duties as may be directed by the members in carrying out the purposes of the Nebraska Investment Finance Authority Act.

Sec. 34. That section 58-232, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-232. The executive director shall attend the meetings of the members of the authority, ~~shall~~ keep a record of the proceedings of the authority, and ~~shall~~ maintain and be custodian of all books, documents, and papers filed with the authority, of the minute book or journal of the authority, and of its official seal. He or she ~~The executive director~~ may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

Sec. 35. That section 58-234, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-234. The authority may employ legal counsel, technical experts, and such other officers, agents, and employees, permanent or temporary, as it deems necessary to carry out the efficient operation of the authority, and shall determine ~~their~~ qualifications, duties, compensation, and terms of office. The members may delegate to one or more agents or employees of the authority such administrative duties as they deem proper.

Sec. 36. That section 58-235, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-235. Any member or employee of the authority who has, will have, or later acquires an any direct or indirect interest, ~~direct or indirect~~, in any transaction with the authority shall immediately disclose the nature and extent of such interest in writing to the authority as soon as he or she has knowledge of such ~~actual or prospective~~ interest. Such disclosure shall be entered upon the minutes of the authority. Upon such disclosure such member or employee shall not participate in any action by the authority authorizing such transaction. Actions taken when such member or employee reasonably believed that he or she

had no conflict shall not be invalidated because of such conflict. The fact that a member is also an officer or owner of an organization shall not be deemed to be a direct or indirect interest unless (1) such member has an ownership interest of greater than five percent in such organization; or (2) the transaction in question does not involve all similar organizations; but involves only the authority and such organization.

Sec. 37. That section 58-236, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-236. Notwithstanding the provisions of any other law, no officer or employee of this state shall be deemed to have forfeited or shall forfeit his or her office or employment by reason of his or her acceptance of membership in the authority or by reason of his or her providing services to such authority.

Sec. 38. That section 58-237, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-237. Before the issuance of any bonds under the Nebraska Investment Finance Authority Act, each member of the authority shall execute a surety bond in the penal sum of twenty-five thousand dollars. The executive director of the authority shall execute a surety bond in the penal sum of fifty thousand dollars. To the extent that any member of the authority or the executive director of the authority is already covered by a bond required by state law, such member or the executive director need not obtain another bond so long as the bond required by state law is in at least the penal sum specified in this section and covers the member's or executive director's activities for the authority. In lieu of such bonds, the chairperson of the authority may execute a blanket surety bond covering each member, the executive director, and the employees or other officers of the authority. Each surety bond shall be conditioned upon the faithful performance of the duties of the office of the member or executive director and shall be issued by a surety company authorized to transact business in ~~this~~ ~~the~~ state as surety. At all times after the issuance of any surety bonds, each member and executive director shall maintain such surety bonds in full force and effect. All costs of the surety bonds shall be ~~borne~~ paid by the authority.

Sec. 39. That section 58-238, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-238. Members of the authority shall not be liable to the state, ~~to~~ the authority, or ~~to~~ any other person as a result of their activities, whether ministerial or discretionary, as authority members, except for willful dishonesty or intentional violations of law. ~~Neither members~~ Members of the authority ~~nor~~ and any person executing bonds or policies of insurance shall not be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. The authority may purchase liability insurance for members, officers, and employees and may indemnify any authority member to the same extent that a school district may indemnify a school board member pursuant to section 79-4,155.

Sec. 40. That section 58-239, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-239. The authority is hereby granted all powers necessary or appropriate to carry out and effectuate its public and corporate purposes including; ~~7 but not limited to; the following:~~

(1) To have perpetual succession as a body politic and corporate and an independent instrumentality exercising essential public functions;

(2) To adopt, amend, and repeal bylaws, rules, and regulations; not inconsistent with the Nebraska Investment Finance Authority Act, to regulate its affairs, to carry into effect the powers and purposes of the authority, and to conduct its business;

(3) To sue and be sued in its own name;

(4) To have an official seal and alter it at will;

(5) To maintain an office at such place or places within the state as it may designate;

(6) To make and execute contracts and all other instruments as necessary or convenient for the performance of its duties and the exercise of its powers and functions under the Nebraska Investment Finance Authority Act ~~act~~;

(7) To employ architects, engineers, attorneys, inspectors, accountants, building contractors, financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment and to fix their compensation;

(8) To ~~procure~~ obtain insurance against any loss in connection with its bonds, property, and other assets in such amounts and from such insurers as it ~~may deem~~ deems advisable;

(9) To borrow money and issue bonds as

provided by the **Nebraska Investment Finance Authority Act act**;

(10) To receive and accept from any source aid or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of the **Nebraska Investment Finance Authority Act act** subject to the conditions upon which the grants or contributions are made including, ~~but not limited to~~, gifts or grants from any department, agency, or instrumentality of the United States for any purpose consistent with the **Nebraska Investment Finance Authority Act act**;

(11) To enter into agreements with any department, agency, or instrumentality of the United States or this state and with lenders for the purpose of carrying out projects authorized under the **Nebraska Investment Finance Authority Act act**;

(12) To enter into contracts or agreements with lenders for the servicing and processing of mortgages or loans pursuant to the **Nebraska Investment Finance Authority Act act**;

(13) To provide technical assistance to local public bodies and to ~~profit for-profit~~ and nonprofit entities in the areas of housing for ~~low and moderate income~~ low-income and moderate-income persons, agricultural enterprises, and community or economic development, to distribute data and information concerning the needs of the state in these areas, and, at the discretion of the authority, to charge reasonable fees for such assistance;

(14) To the extent permitted under its contract with the holders of bonds of the authority, to consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest or any other term of any contract, loan, loan note, loan note commitment, mortgage, mortgage loan, mortgage loan commitment, lease, or agreement of any kind to which the authority is a party;

(15) To the extent permitted under its contract with the holders of bonds of the authority, to enter into contracts with any lender containing provisions enabling it to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges when, by reason of other income or payment by any department, agency, or instrumentality of the United States of America or of ~~this the~~ state, the reduction can be made without jeopardizing the economic stability of the project being financed;

(16) To acquire, ~~whether~~ by construction,

purchase, devise, gift, or lease, or any one or more of such methods; one or more projects which shall be located within this state, except that the authority shall not have the power to acquire any projects or parts of such projects by condemnation;

(17) To lease to others any or all of its projects for such rentals and upon such terms and conditions as the authority may deem advisable and as shall not ~~are not~~ in conflict with the Nebraska Investment Finance Authority Act act;

(18) To issue bonds for the purpose of paying the cost of financing any project or projects and to secure the payment of such bonds as provided in the Nebraska Investment Finance Authority Act act;

(19) To issue bonds for the purpose of financing the costs of construction of ethanol production facilities;

(20) To sell and convey any real or personal property and make such order respecting the same as may be deemed it deems conducive to the best interest of the authority;

(21) To make and undertake commitments to make loans to lenders under the terms and conditions requiring the proceeds of the loans to be used by such lenders to make loans for projects. Loan commitments or actual loans shall be originated through and serviced by any bank, trust company, savings and loan association, mortgage banker, or other financial institution authorized to transact business in this the state;

(22) To invest in, purchase, make commitments to invest in or purchase, and take assignments or make commitments to take assignments of loans made by lenders for the construction, rehabilitation, or purchase of projects. No loan shall be eligible for investment in, purchase, or assignment by the authority if the loan was made more than one year prior to the date of investment, purchase, or assignment by the authority; and

(23) To enter into financing agreements with others with respect to one or more projects to provide financing for such projects upon such terms and conditions as the authority may deem deems advisable to effectuate the public purposes of the Nebraska Investment Finance Authority Act act, which projects shall be located within the state. The authority shall not have the power to operate any project referred to in this section as a business or in any manner except as the lessor or seller of such project.

Sec. 41. That section 58-239.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read

as follows:

58-239.01. (1) The authority may use an amount not to exceed ten million dollars to construct ethanol production and distribution facilities.

(2) The Ethanol Authority and Development Board may disburse money in the Ethanol Authority and Development Cash Fund to the authority for the purpose of securing any bonds sold to raise money to make the purchases prescribed in this section.

(3) The authority shall adopt ~~and promulgate~~ rules and regulations necessary to carry out the purposes of this section.

Sec. 42. That section 58-240, Revised Statutes Supplement, 1990, be amended to read as follows:

58-240. The authority shall: ~~have the following duties:~~

(1) ~~To invest~~ Invest any funds not needed for immediate disbursement, including any funds held in reserve, in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States, obligations issued by agencies of the United States, any obligations of the United States or agencies thereof, obligations of this state, or any obligations or securities which may from time to time be legally purchased by governmental subdivisions of this state pursuant to subsection (1) of section 77-2341, except that any funds pledged to secure a bond issue shall be invested in the manner permitted by the indenture securing such bonds;

(2) ~~To collect~~ Collect fees and charges the authority determines to be reasonable in connection with its loans, advances, insurance, commitments, and servicing;

(3) ~~To cooperate~~ Cooperate with and exchange services, personnel, and information with any federal, state, or local governmental agency;

(4) ~~To insure that at least one-third of any funds made available for projects as defined in subdivision (3) of section 58-219 be provided to small businesses. For purposes of this subdivision small business shall mean a business which employs ten employees or less;~~

(5) ~~To sell~~ Sell, at public or private sale, with or without public bidding, any mortgage or other obligation held by the authority; and

(6) ~~To do~~ (5) Do any act necessary or convenient to the exercise of the powers granted by the Nebraska Investment Finance Authority Act or reasonably

implied from such act.

Sec. 43. That section 58-242, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-242. Prior to exercising any of the powers authorized by the Nebraska Investment Finance Authority Act, regarding agricultural projects as defined in subdivision (2) of section 58-219, the authority shall require:

(1) ~~That the lender certify and agree that the loan is or will at the time of making be in all respects a prudent investment;~~

~~(2) That no loan will be made to any person with a net worth of more than three hundred thousand dollars;~~

~~(3) (2) That the lender certify and agree that it will use the proceeds of such loan, investment, sale, or assignment within a reasonable period of time to make loans or purchase loans to provide agricultural enterprises or, if such lender has made a commitment to make loans to provide agricultural enterprises on the basis of a commitment from the authority to purchase such loans, such lender will make such loans and sell the same to the authority within a reasonable period of time;~~

~~(4) (3) That the lender certify that the borrower is an individual who is actively engaged in or who will become actively engaged in an agricultural enterprise after he or she receives the loan; or that the borrower is a firm, partnership, corporation, or other entity, with all owners, partners, or stockholders thereof being natural persons who are actively engaged in or who will be actively engaged in an agricultural enterprise after the loan is received; and~~

~~(5) (4) That the aggregate amount of the loan received by a borrower shall not exceed five hundred thousand dollars, except that the aggregate amount of the loan received by the borrower from the proceeds of any bonds issued on or after the effective date of this act shall not exceed two hundred fifty thousand dollars. In computing such amount a loan received by an individual shall be aggregated with those loans received by his or her spouse and children and a loan received by a firm, partnership, or corporation shall be aggregated with those loans received by each owner, partner, or stockholder thereof; and~~

~~(5) That the recipient of the loan be identified in the minutes of the authority prior to or at the time of adoption by the authority of the~~

resolution authorizing the issuance of the bonds which will provide for financing of the loan.

Sec. 44. That section 58-243, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-243. Prior to exercising any of the powers conferred by the Nebraska Investment Finance Authority Act regarding agricultural projects as defined in subdivision (2) of section 58-219, the authority may, but ~~shall need not; be obligated to:~~

(1) Require that the loan involved be insured by a loan insurer or be guaranteed by a loan guarantor;

(2) Require any type of security that it deems reasonable and necessary; or

(3) Authorize the reservation of funds by lenders in such amount and subject to such conditions as the authority considers reasonable and necessary.

Sec. 45. That section 58-244, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-244. Prior to ~~carrying out exercising~~ any of the powers granted under the Nebraska Investment Finance Authority Act regarding agricultural projects as defined in subdivision (2) of section 58-219, the authority shall adopt ~~and promulgate~~ rules and regulations governing its activities authorized under the Nebraska Investment Finance Authority Act act, including; ~~but not limited to;~~ rules and regulations relating to any or all of the following:

(1) Procedures for the submission of requests or invitations and proposals for making loans to lenders and the investment in, purchase, assignment, and sale of loans;

(2) The reinvestment by lenders of the proceeds; or an equivalent amount from any loan to lenders or the investment in or purchase by the authority or the assignment or sale of loans to the authority; in loans to provide for financing agricultural enterprises;

(3) The number and location of agricultural projects; location of the projects; and other characteristics of agricultural enterprises, including, to the extent reasonably possible, assurance that the agricultural enterprises to be financed by an issue of bonds or series of issues will improve employment conditions or otherwise enhance the welfare of persons in the agricultural sector, as determined by the authority, to be financed directly or indirectly by the authority pursuant to the Nebraska Investment Finance

**Authority Act act:**

(4) Rates, fees, charges, and other terms and conditions of originating or servicing loans in order to protect against realization of an excessive financial return or benefit by the originator or servicer;

(5) The type and amount of collateral or security to be provided to insure repayment of loans made by the authority;

(6) The type of collateral, payment bonds, performance bonds, or other security to be provided for any construction loans made by a lender; ~~for construction loans;~~

(7) The nature and amount of fees to be charged by the authority to provide for expenses and reserves of the authority;

(8) Standards and requirements for the allocation of available money among lenders and the determination of the maturities, terms, conditions, and interest rates for loans made, purchased, sold, assigned, or committed pursuant to the Nebraska Investment Finance Authority Act act;

(9) Commitment requirements for agricultural financing by lenders involving money provided directly or indirectly by the authority; and

(10) ~~Qualifications, in addition to those set out in section 58-242 which will insure that only those borrowers who are unable to obtain credit from the conventional farm credit markets or other sources will receive loans under the Nebraska Investment Finance Authority Act; and~~

~~(11) Any other matters related to the duties or exercise of the authority's powers or duties under the Nebraska Investment Finance Authority Act act.~~

Sec. 46. That section 58-245, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-245. (1) For each loan made, purchased, sold, assigned, or committed for use in agricultural projects as defined in subdivision (2) of section 58-219 pursuant to the provisions of the Nebraska Investment Finance Authority Act, the authority shall prepare an individual written report which includes the following information:

{1} (a) The name and description of the lender;

{2} (b) The name of the loan guarantor or loan insurer, when applicable;

{3} (c) The amount and purpose of the loan;

{4} (d) A description of the agricultural

enterprise for which the loan is to be used, including the county in which ~~it~~ the enterprise is located;

~~(5)~~ (e) The rate of interest applicable to the loan and the current interest rate in the conventional farm credit market for that locality;

~~(6)~~ (f) The maturity date of the loan;

~~(7)~~ (g) All conditions attaching to the loan;

~~(8)~~ (h) The amount and description of fees associated with servicing and processing the loan;

~~(9)~~ (i) Whether the borrower is an individual farmer, a farm partnership, a farm corporation, or ~~either another farm~~ entity;

~~(10)~~ (j) The age of the borrower or, if the borrower is a farm partnership, a farm corporation, or ~~either another farm~~ entity, the ages of all of the owners, partners, or stockholders; and

~~(11)~~ (k) A statement of the gross farm sales, total assets, total liabilities, and net worth of each borrower.

(2) The authority shall also prepare, following the close of each fiscal year, a report which summarizes the individual loan reports required by subsection (1) of this section setting forth the following information regarding loans made during the immediately preceding fiscal year:

(a) The number of loans;

(b) The average principal amount of such loans;

(c) The average interest rate savings with respect to such loans;

(d) The average age of the borrowers;

(e) The average net worth of the borrowers;

and  
(f) A comparison of the items listed in subdivisions (a) through (e) of this subsection to the information included in the summary report for the prior year. ~~and~~

(12) A description of the efforts made by the borrower to obtain credit elsewhere-

Sec. 47. That section 58-246, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-246. The reports required pursuant to section 58-245 shall be public information. No such report shall reveal the name of any individual borrower. The authority shall, following the close of each fiscal year, deliver to the Governor and to the Clerk of the Legislature, a set of the individual reporting forms from the preceding year together with the report

required pursuant to subsection (2) of section 58-245. Any member of the Legislature shall receive a copy of such reports by making a request to the chairperson of the authority.

Sec. 48. That section 58-247, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-247. Prior to exercising any of the powers conferred by the Nebraska Investment Finance Authority Act, regarding housing projects as defined in subdivision (1) of section 58-219, the authority may: ~~7 but is not obligated to-~~

(1) Require that the mortgage or mortgage loan involved be insured by a mortgage insurer;

(2) Require any type of security that it deems reasonable and necessary; or

(3) Authorize the reservation of funds by mortgage lenders in such amount and subject to such conditions as the authority considers reasonable and necessary under the Nebraska Investment Finance Authority Act act.

Sec. 49. That section 58-248, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-248. Prior to ~~carrying out exercising~~ any of the powers granted under the Nebraska Investment Finance Authority Act, regarding housing projects as defined in subdivision (1) of section 58-219, the authority shall adopt ~~and promulgate~~ rules and regulations governing its activities authorized under the Nebraska Investment Finance Authority Act act, including rules and regulations relating to any or all of the following:

(1) Procedures for the submission of requests or invitations and proposals for making loans to mortgage lenders and the investment in, purchase, assignment, and sale of mortgages or mortgage loans;

(2) The reinvestment by mortgage lenders of the proceeds, or an equivalent amount, from any loan to mortgage lenders or the investment in or purchase by the authority or the assignment or sale of mortgages or mortgage loans to the authority, in mortgages or mortgage loans to provide residential housing for ~~low or moderate income low-income or moderate-income~~ persons, particularly first-time homebuyers;

(3) The number of dwelling units, location of the units, and other characteristics of residential housing, including, to the extent reasonably possible, assurance that the residential housing to be financed by

an issue of bonds or series of issues will be an adequate mixture of ~~low and moderate income~~ low-income and moderate-income residential housing benefitting particularly first-time homebuyers, as determined by the authority, to be financed directly or indirectly by the authority pursuant to the Nebraska Investment Finance Authority Act act;

(4) Rates, fees, charges, and other terms and conditions of originating or servicing loans, mortgages, or mortgage loans in order to protect against realization of an excessive financial return or benefit by the originator or servicer;

(5) The type and amount of collateral or security to be provided to assure repayment of loans made by the authority;

(6) The type of collateral, payment bonds, performance bonds, or other security to be provided for any mortgage loans made by a mortgage lender for construction loans;

(7) The nature and amount of fees to be charged by the authority to provide for expenses and reserves of the authority;

(8) Standards and requirements for the allocation of available money among mortgage lenders and the determination of the maturities, terms, conditions, and interest rates for loans, mortgages, or mortgage loans made, purchased, sold, assigned, or committed pursuant to the Nebraska Investment Finance Authority Act act;

(9) Commitment requirements for residential housing financing for ~~low and moderate income~~ low-income and moderate-income persons by mortgage lenders involving money provided directly or indirectly by the authority;

(10) The procedures, standards, commitment requirements, and other matters necessary to offer an effective residential energy conservation loan program; or

(11) Any other matters related to the duties or exercise of the authority's powers or duties under the Nebraska Investment Finance Authority Act act.

Sec. 50. That section 58-249, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-249. The purpose of this section is to make loans available for single-family housing to people who due to low income would not otherwise qualify for loans under the normal lending practices of the lender and the authority.

By July 1, 1984 In connection with any issuance of bonds in an aggregate principal amount of fifty million dollars or more for purposes of financing residential housing, the authority shall establish within such bond issue a fund of at least one million dollars to guarantee or subsidize finance mortgages for low-income people persons at an interest rate below the interest rate which otherwise applies to mortgages financed from such bond issue.

Sec. 51. That section 58-250, Revised Statutes Supplement, 1990, be amended to read as follows:

58-250. Prior to ~~carrying out~~ exercising any of the powers granted under the Nebraska Investment Finance Authority Act relating to development projects as defined in subdivisions (3) and (5) of section 58-219, the authority shall adopt ~~and promulgate~~ rules and regulations governing its activities authorized under such act, including rules and regulations relating to any or all of the following:

(1) The type and amount of collateral or security to be provided to insure repayment of loans made by the authority;

(2) The type of collateral, payment bonds, performance bonds, or other security to be provided for any mortgage or loan made for projects;

(3) The nature and amount of fees to be charged by the authority to provide for expenses and reserves of the authority;

(4) Standards and requirements for determination of the maturities, terms, conditions, and interest rates for loans or mortgages made, purchased, sold, assigned, or committed; and

(5) Any other matters related to the duties or exercise of the authority's powers or duties under the Nebraska Investment Finance Authority Act act.

Sec. 52. That section 58-252, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-252. The authority ~~shall have the power to~~ may borrow money and ~~to~~ issue from time to time its bonds in such principal amounts as the authority determines ~~shall be~~ necessary to provide sufficient funds to carry out its purposes which include:

(1) Carrying out the additional powers of the Nebraska Investment Finance Authority Act;

(2) The payment of interest on bonds issued under the Nebraska investment Finance Authority Act act;

(3) The establishment of reserves to secure

the bonds in an amount not to exceed twenty-five percent of the aggregate principal amount of the particular issue of bonds; and

(4) All other expenditures of the authority incident to, and necessary, and convenient to carry out its purposes and powers.

Sec. 53. That section 58-253, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-253. The authority ~~shall have the power to~~ may issue from time to time bonds to renew or to pay bonds, including the interest on such bonds, and whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and whether or not the project as originally financed with the bonds would at the time of the refunding qualify as a project, and to issue bonds partly to refund outstanding bonds and partly for any other of its corporate purposes. The refunding bonds may be sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded or exchanged for the bonds to be refunded.

Sec. 54. That section 58-254, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-254. Except as may Unless otherwise be expressly provided by the authority, every issue of its bonds shall be general obligations of the authority payable solely out of any revenue or money of the authority, subject only to any agreements with the holders of particular bonds pledging any particular money or revenue. The bonds may be additionally secured by a pledge of any grant or contribution from the federal government or any corporation, association, institution, or person or a pledge of any money, income, or revenue of the authority from any source.

Sec. 55. That section 58-255, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-255. No bonds issued by the authority under the Nebraska Investment Finance Authority Act shall constitute a debt, liability, or general obligation of this state, or a pledge of the faith and credit of this state, but shall be payable solely as provided by section 58-254. Each bond issued under the Nebraska Investment Finance Authority Act act shall contain on the face ~~thereof of such bond~~ a statement that neither the faith and credit nor the taxing power of this state is pledged to the payment of the principal

of or the interest on such bond.

Sec. 56. That section 58-256, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-256. The authority shall authorize the bonds shall be authorized by a resolution. The bonds of the authority, shall bear such date or dates, and shall mature at such time or times as such resolution may provide provides, except that no bond other than bonds issued to finance rental housing projects or residential housing shall mature more than thirty years from the date of its issue, as the resolution shall provide provides. In no case shall any bond mature more than fifty years from the date of issue. The bonds shall bear interest at such rate or rates, including variations of such rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, including redemption prior to maturity, as such resolution may provide provides, except that facsimile signatures of all members of the authority shall be sufficient only if the resolution requires that the trustee for such bond issue manually authenticate each bond and the resolution permits the use of facsimile signatures. The resolution authorizing the bonds may provide that the bonds contain a recital that they are issued under the Nebraska Investment Finance Authority Act, and such recital shall be deemed conclusive evidence of the validity of the bonds and the regularity of the issuance. The provisions of section 10-126 shall not apply to bonds issued by the authority. Bonds of the authority may be sold by the authority at a public or private sale and at such price or prices as the authority shall determine.

The authority may bring an action for declaratory judgment to determine the validity of any issuance or proposed issuance of its bonds under the Nebraska Investment Finance Authority Act act and the legality and validity of all proceedings previously taken or proposed in a resolution of the authority to be taken for the authorization, issuance, sale, and delivery of such bonds and for the payment of the principal thereof of and interest thereon on such bonds.

Sec. 57. That section 58-257, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-257. Any resolution authorizing the

issuance of bonds may contain provisions, which provisions shall be a part of the contract or contracts with the holders of such bonds, as to:

(1) Pledging all or any part of the revenue of the authority to secure the payment of the bonds, subject to such agreements with bondholders as may then exist;

(2) Pledging all or any part of the assets of the authority, including financing agreements, mortgages, and obligations securing the same, to secure the payment of the bonds, subject to such agreements with bondholders as may then exist;

(3) The use and disposition of the gross income from financing agreements, mortgages, or loans owned by the authority and payment of the principal of mortgages or loans owned by the authority;

(4) The setting aside of reserves or sinking funds and the regulation and disposition thereof;

(5) Limitations on the purposes to which the proceeds from the sale of bonds may be applied and pledging the proceeds to secure the payment of the bonds;

(6) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds;

(7) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which the consent may be given;

(8) Limitations on the amount of money to be expended by the authority for operating expenses of the authority;

(9) Vesting in a trustee or trustees such property, rights, powers, and duties in trust as the authority may determine, and limiting or abrogating the right of bondholders to appoint a trustee, or limiting the rights, powers, and duties of the trustees;

(10) Defining the acts or omissions to act which shall constitute a default and the obligations or duties of the authority to the holders of the bonds, and providing for the rights and remedies of the holders of the bonds in the event of default, including as a matter of right the appointment of a receiver, except that the rights and remedies shall not be inconsistent with the general laws of this state and other provisions of the Nebraska Investment Finance Authority Act; and

(11) Any other matter, of like or different

character, which in any manner affects the security or protection of the holders of the bonds.

Sec. 58. That section 58-259, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-259. ~~The authority, subject~~ Subject to such agreements with bondholders as may then exist, ~~shall have the power the authority may,~~ out of any funds available therefor, ~~to~~ purchase bonds of the authority which shall thereupon be canceled at any reasonable price which, if the bonds are then redeemable, shall not exceed the redemption price then applicable plus accrued interest to the next interest payment on such bonds.

Sec. 59. That section 58-260, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-260. The bonds may be secured by a trust indenture, which trust indenture may be in the form of a bond resolution or similar contract, by and between the authority and a corporate trustee which may be any financial institution having the power of a trust company or any trust company within or ~~without~~ outside the state. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the exercise of its powers and the custody, safekeeping, and application of all money. The authority may provide by the trust indenture for the payment of the proceeds of the bonds and the revenue to the trustee under the trust indenture or other depository, and for the method of disbursement of such proceeds, with such safeguards and restrictions as the authority may determine. All expenses incurred in carrying out the trust indenture may be treated as a part of the operating expenses of the authority. If the bonds ~~shall be~~ are secured by a trust indenture, the bondholders shall have no authority to appoint a separate trustee to represent them.

Sec. 60. That section 58-261, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-261. ~~Whether or not the bonds are in the form and character of negotiable instruments, such~~ The bonds are hereby made negotiable instruments, ~~whether or not in the form of negotiable instruments,~~ subject only to provisions of the bonds relating to registration.

Sec. 61. That section 58-262, Reissue Revised Statutes of Nebraska, 1943, be amended to read as

follows:

58-262. In the event that any of the members or officers of the authority ~~shall~~ cease to be members or officers of the authority prior to the delivery of any bonds or coupons signed by them, their signatures or facsimiles thereof shall nevertheless be valid and sufficient for all purposes, ~~the same~~ as if such members or officers had remained in office until such delivery.

Sec. 62. That section 58-264, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-264. All money of the authority, except as otherwise authorized or provided in the Nebraska Investment Finance Authority Act, shall be deposited as soon as practical in a separate account or accounts in banks or trust companies organized under the laws of this state or in national banking associations. The money in such accounts shall be paid out on checks signed by the executive director or other officers or employees of the authority as the authority ~~shall authorize~~ authorizes. All deposits of money shall, if required by the authority, be secured in such a manner as the authority determines to be prudent, and all banks or trust companies ~~are authorized to~~ may give security for the deposits.

Sec. 63. That section 58-265, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-265. Notwithstanding the provisions of section 58-264, the authority ~~shall have the power to~~ may contract with the holders of any of its bonds as to the custody, collection, securing, investment, and payment of any money of the authority and of any money held in trust or otherwise for the payment of bonds, and ~~to~~ may carry out such contract. Money held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of money may be secured in the same manner as money of the authority, and all banks and trust companies ~~are authorized to~~ may give security for the deposits.

Sec. 64. That section 58-266, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-266. The state ~~does hereby pledge~~ pledges to and ~~agree~~ agrees with the holder of any bonds issued under the Nebraska Investment Finance Authority Act that the state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the holders of the bonds or in any way impair

the rights or remedies of the holders until the bonds, together with the interest on such bonds, with interest on any unpaid installments of interest, and with all costs and expenses in connection with any action or proceeding by or on behalf of the holders, are fully met and discharged. The authority ~~is authorized to~~ may include this pledge and agreement of the state in any agreement with the holders of the bonds.

Sec. 65. That section 58-268, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-268. All property acquired or held by the authority under the Nebraska Investment Finance Authority Act is declared to be public property used for public and governmental purposes, and all the property, income from such property, bonds issued under such act, interest payable on such bonds, and income derived from such bonds, shall at all times be exempt from all taxes imposed by ~~this the~~ the state, or any county, city, or other political subdivision of ~~this the~~ the state. The authority may, in the resolution authorizing the issuance of any series of bonds, elect to have the income on such bonds be subject to personal income taxation imposed by ~~this the~~ the state. If the authority is dissolved, the ownership of any assets remaining after all indebtedness and other obligations of the authority have been discharged shall pass to the state. ~~The authority is hereby allocated the entire state allocation provided in the federal Mortgage Subsidy Bond Tax Act of 1980.~~ Notwithstanding that title to a project may be in the authority, such ~~projects project~~ project shall be subject to taxation to the same extent, in the same manner, and under the same procedures as privately owned property in similar circumstances, if such ~~projects are project is~~ project is leased to or held by private interests.

Sec. 66. That section 58-269, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-269. The bonds issued by and under the authority of the Nebraska Investment Finance Authority Act by the authority are declared to be legal investments in which all public officers or public bodies of this state, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations, and other persons carrying on insurance business, all banks, bankers, banking associations, trust companies, savings associations, ~~including~~ savings and loan associations, building and loan associations, investment companies, and other

persons carrying on a banking business, all administrators, guardians, executors, trustees, personal representatives, and other fiduciaries, and all other persons who are now or may later be authorized to invest in bonds or in other obligations of this state may invest funds, including capital, in their control or belonging to them. Such bonds are also hereby made securities which may be deposited with and received by all public officers and bodies of this state, any agency or political subdivision of this state, and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of this state is now or may be later authorized by law.

Sec. 67. That section 58-270, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

58-270. (1) The authority shall, following the close of each fiscal year, submit ~~an annual~~ a report of its activities for the preceding year to the Governor and the Clerk of the Legislature of this state. Each member of the Legislature shall receive a copy of such report by making a request for it to the chairperson of the authority. Each report shall set forth a complete operating and financial statement for the authority during the fiscal year it covers. ~~Such report shall include a showing of the distribution of agricultural borrowers according to personal net worth, family net worth, and gross farm sales.~~ An independent certified public accountant shall at least once in each year audit the books and accounts of the authority.

(2) ~~No later than two weeks after December 31, 1986, the authority shall file a report with the Governor, the Clerk of the Legislature, and the Banking, Commerce and Insurance Committee of the Legislature specifying the office buildings financed under the Nebraska Investment Finance Authority Act, the number of jobs created or retained thereby, and the tax base increased thereby, for the purpose of assisting the Governor and the Legislature in determining whether subdivision (4) of section 58-219 continues to effectuate a valid and proper public purpose. At least fourteen days prior to taking any final action to authorize the issuance of bonds to provide financing for projects, the beneficiaries or borrowers of which are not specifically identified, the authority shall notify the Governor, the Clerk of the Legislature, and any news media requesting notification of such proposed issuance of bonds. Such notice shall include:~~

(a) The public purposes to be effectuated and

the needs to be addressed through the issuance of the bonds;

(b) The manner in which such need was identified;

(c) The anticipated principal amount of the bond issue and the anticipated date of issuance of the bonds;

(d) The anticipated size of any reserve funds;  
and

(e) The professionals involved in connection with the issuance of the bonds.

(3) Within thirty days following the issuance of bonds subject to subsection (2) of this section, the authority shall notify the Governor and the Clerk of the Legislature of:

(a) The final principal amount of the bonds;

(b) The net interest cost of the bonds;

(c) The costs of issuance paid and to whom

paid;

(d) The total amount of any reserve funds;

(e) The net interest cost to the beneficiaries or borrowers; and

(f) The amount of funds available for loans.

(4) With respect to bonds subject to subsection (2) of this section, until ninety-five percent of the proceeds of such bonds to be made available for loans are so used or a corresponding amount of such bonds are redeemed, the authority shall, no less often than quarterly after the issuance of such bonds, report to the Governor and the Clerk of the Legislature the status of the use of the proceeds of such issue of bonds.

Once the notice required pursuant to subsection (2) of this section is filed, nothing in this section shall require the authority to amend or supplement the notice prior to the issuance of the bonds.

(5) The notice and reporting requirements contained in this section shall be deemed satisfied upon good faith compliance by the authority. The failure to comply with any part of this section shall not affect the validity of any bonds issued by the authority.

Sec. 68. That Laws 1990, LB 272A, section 4, be amended to read as follows:

Sec. 4. The ~~department~~ Department of Banking and Finance shall, from money appropriated to it from time to time, distribute to depositors sums of money to be applied to the payment of deposits up to thirty thousand dollars. To be qualified for such a

distribution, a depositor shall be the owner of a deposit. The department may use successor companies or receivers of companies in receivership to facilitate payments to depositors. The department shall adopt and promulgate rules and regulations to assist depositors to establish that they are qualified and for effecting an efficient distribution of funds to honor the guaranty of deposits by the Nebraska Depository Institution Guaranty Corporation. To ensure fair and equitable distribution of the money appropriated and that all depositors will recover the guaranteed portions unrecovered loss of their guaranteed deposits at approximately the same time, the distributions shall be allocated so that, at any one point in time, all depositors shall be reasonably assured of recovering the same percentage of the guaranteed portions of their unrecovered loss of guaranteed deposits. 7 taking into consideration all sources of recovery, including prior distributions of the assets of the guaranty corporation and the funds appropriated by the state, as well as both prior and anticipated future distributions of funds obtained from the liquidation of assets by successor companies and receivers. The presumed size of future distributions resulting from such asset liquidations shall be based upon estimates made by qualified professional appraisers as to the amounts that can be realized from the liquidation of the salable assets held by the successor companies and receivers. Successor companies and receivers shall be subject to the supervision of the department in order to ensure that the appropriations to the department are distributed fairly and in equal proportions among all depositors. If the appropriation received by the department for fiscal year 1989-90 is insufficient to satisfy the thirty-thousand-dollar guaranty of each and every deposit, although the Ninety-first Legislature cannot bind future legislatures, it is the intent of the Legislature that future legislatures shall make additional appropriations from time to time until the thirty-thousand-dollar guaranty has been discharged with regard to each and every deposit.

Sec. 69. That original sections 58-204 to 58-206, 58-208 to 58-210, 58-211 to 58-213, 58-216 to 58-218, 58-220 to 58-223, 58-225, 58-226, 58-228 to 58-232, 58-234 to 58-239.01, 58-242 to 58-249, 58-252 to 58-257, 58-259 to 58-262, 58-264 to 58-266, and 58-268 to 58-270, Reissue Revised Statutes of Nebraska, 1943, sections 58-201 to 58-203, 58-207, 58-207.01, 58-210.01, 58-214, 58-219, 58-223.01, 58-240, and 58-250, Revised

Statutes Supplement, 1990, and Laws 1990, LB 272A, section 4, and also section 58-233, Reissue Revised Statutes of Nebraska, 1943, are repealed.

Sec. 70. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.