

LEGISLATIVE BILL 382

Approved by the Governor March 29, 1991

Introduced by Horgan, 4

AN ACT relating to schools and school districts; to amend section 79-520, Reissue Revised Statutes of Nebraska, 1943; to change, transfer, and eliminate provisions relating to borrowing money by school districts; to state effect; and to repeal the original section, and also section 79-1377, Reissue Revised Statutes of Nebraska, 1943.

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

Section 1. That section 79-520, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-520. (1) Class I, II, III, IV, and VI Any class of school districts district may borrow money to the amount of seventy percent of the unexpended balance of total anticipated receipts for the current year and the following year. Total anticipated receipts for the current year and the following year shall mean a sum equal to the total of (a) the anticipated receipts from the current existing levy multiplied by two, plus (b) the anticipated receipts from the United States for the current year and the following year, plus and (c) the anticipated receipts for other sources from the current year and the following year.

Class I, II, III, IV, and VI Any class of school districts district may execute and deliver in evidence thereof their promissory notes which they are hereby authorized and empowered to make and negotiate, bearing a rate of interest set by the board of education, and maturing not more than two years from the date thereof. Such notes, before they are negotiated, shall be presented to the treasurer of the school district and registered by him or her and shall be payable out of the funds collected by such school district in the order of their registry after the payment of prior registered warrants, but prior to the payment of any warrant subsequently registered, except that if both warrants and notes are registered, the total of such registered notes and warrants shall not exceed one hundred percent of the unexpended balance of the total anticipated receipts of such district for the

current year and the following year. For the purpose of making such calculation, such total anticipated receipts shall not include any anticipated receipts against which the school district has borrowed and issued notes pursuant to this section in either the current or the immediately preceding year.

(2) In addition to the provisions of authority granted by subsection (1) of this section, such school districts may accept interest-free or low-interest loans from the federal government and may execute and deliver in evidence thereof their promissory notes maturing not more than twenty years from the date of execution.

(3) In addition to the authority granted by subsections (1) and (2) of this section, any class of school district may enter into loan agreements for the purpose of borrowing money from financial institutions, including banks, in amounts not in excess of seventy percent of the unexpended balance of their current existing levy. As evidence of such borrowing, a school district may execute and deliver one or more written loan agreements but shall not be required to execute and deliver separate promissory notes for each borrowing under such agreements. Money borrowed pursuant to such agreements shall bear interest at such rate or rates and shall become due and be repaid as provided in such agreements. Any such agreement shall provide for repayment in full at least once each fiscal year and shall be for a term not exceeding one year. Any such agreement shall be registered upon books kept by the treasurer of the school district, and money borrowed pursuant to such agreement shall be paid out of funds collected upon the current existing levy prior to the payment of any warrant or note registered subsequent to any such loan agreement. If a school district has any such loan agreement or agreements outstanding and has warrants or notes registered, as described in subsection (1) of this section, the total amount (a) of borrowings pursuant to such loan agreement or agreements and (b) of registered notes and warrants shall not exceed one hundred percent of the unexpended balance of the current existing levy.

Sec. 2. Section 1 of this act shall be independent of and in addition to any other provisions of the laws of the State of Nebraska, and such section shall not be considered amendatory of or limited by any other laws of the State of Nebraska. Nothing in such section shall prohibit or limit the issuance of notes or borrowing by school districts in accordance with any other applicable laws of the State of Nebraska if the

board of education determines to issue such notes or incur borrowings under such laws.

Sec. 3. That original section 79-520, Reissue Revised Statutes of Nebraska, 1943, and also section 79-1377, Reissue Revised Statutes of Nebraska, 1943, are repealed.