



Ninety-Eighth Legislature - First Session - 2003  
**Introducer's Statement of Intent**  
**LB 310**

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**Chairperson:** DiAnna R. Schimek  
**Committee:** Government, Military and Veterans Affairs  
**Date of Hearing:** February 28, 2003

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The purpose of LB 310 is to enact the Public Facilities Construction and Finance Act to allow local governmental units which cooperate with other governmental units to issue bonds to finance joint projects which may be serviced by property taxes, regardless of other statutory restrictions on the issuance of debt. LB 310 is the same as LB 784 introduced this session by Senator Janssen with one exception. In addition to the provisions of LB 310, LB 784 would also allow the issuance of bonds for information technology for libraries operated by counties, municipalities, school districts, educational service units, and community colleges. LB 784 and LB 310 both would allow the issuance of bonds for public buildings and related improvements to real estate, recreational facilities and related improvements, flood control and storm water drainage projects, and street and road construction and improvement projects.

LB 310 originated from the Nebraska Commission on Local Government Innovation and Restructuring created in 1996 with passage of LB 693. LB 693 was passed at the same time as LB 1114 in 1996 which established levy limits on local governments. The Commission was assigned the task of recommending to the Legislature changes in state law for encouraging local cooperation, innovations and incentives for avoiding duplication of facilities and projects, thereby saving taxpayer dollars. The Commission consisted of 18 members appointed by the governor from the public and private sectors. The Commission concluded its work by July 1, 2000, the date on which the Commission was terminated by statute. Former Senator Bob Wickersham, Chair of the Revenue Committee, worked on the drafting of LB 310 and introduced the bill on behalf of the Commission.

Under current law, the issuance of debt is already outside of the lid and levy restrictions imposed on political subdivisions. LB 310 defines "joint project" as projects financed and operated by at least two or more public agencies cooperating as a joint entity or joint agency for the purpose outlined in the bill. LB 310 defines "public agency" to mean any county, city, village, school district, educational service unit, natural resources district, rural or suburban fire protection district, community college, or airport authority.

LB 310 outlines the notice provisions to the public about the project as well as provides that the principal amount of bonds which may be issued under the Act for projects shall not exceed \$5

million as to the total principal amount of such bonds which may be outstanding at any time, and the annual amounts due shall not exceed 5% of the restricted funds of the obligated public agency in the year prior to issuance. The principal amount of bonds of public agencies in the aggregate issued for any one project under the Act shall not exceed \$5 million.

LB 310 also provides that public agencies under the Act shall have the power to issue bonds to any joint entity as defined in section 13-803 or to any joint public agency defined in section 13-2503 in connection with any joint project for the benefit of the citizens provided by the agency. The bonds may be issued only if the second largest participant in the joint project has a financial contribution of at least 15% of the debt service. Following notice and a public hearing, the governing body may proceed to adopt a bond measure authorizing bonds.

Following the notice of intention to issue bonds given in a newspaper of general circulation, no election shall be required prior to the issuance of bonds under the Act unless within 30 days after the first publication of the notice of intention to issue bonds, a remonstrance signed by registered voters equal in number to 15% or more of the registered voters of the public agency is filed with the public agency. If a remonstrance with the necessary number of signatures is timely filed, the question as to whether or not the bond shall be issued shall be submitted to the voters of the public agency at a general election or a special election called for the purpose of approving the bonds. The major incentive for local governments to work together under the provisions of LB 310 is the ability to proceed on a project without voter approval, unless a remonstrance is successfully initiated. The 15% of signatures of registered voters of the public agency required for the remonstrance is not difficult to obtain as witnessed by the number of successful remonstrances under current law for projects by individual political subdivisions.

**Principal Introducer:**

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**Senator Matt Connealy**