



Ninety-Ninth Legislature - First Session - 2005
Revised Committee Statement
LB 217

Hearing Date: January 26, 2005

Committee On: Government, Military and Veterans Affairs

Introducer(s): (Flood, Connealy, Cornett, Janssen, Pahls, Smith, Synowiecki)

Title: Adopt the Public Facilities Construction and Finance Act

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

- 8 Yes Senators Brown, Burling, Fischer, Langemeier, Mines, Pahls, Schimek, Wehrbein
 - 0 No
 - 0 Present, not voting
 - 0 Absent
-

Proponents:

Senator Mike Flood
Michael Nolan
Randy Nelson
Lance Hedquist
Ted Smith
Lynn Rex
Dan S. Mauk
Rod Wagner
Jack Cheloha
Brian Hale

Representing:

Introducer
City of Norfolk
Norfolk Public School
So. Sioux City
Norfolk Public Library
League of Nebraska Municipalities
Norfolk Area Chamber of Commerce
Nebraska Library Commission
City of Omaha
Nebraska Association of School Boards

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 217 creates the Public Facilities Construction and Finance Act for the purpose of allowing local governmental units which cooperate with other governmental units to issue bonds to finance the joint projects. The joint projects may be used for the acquisition, construction,

financing, operation and ownership of public buildings and related improvements to real estate, recreational facilities, flood control, and street and road construction. The bill also allows for the financing of joint projects for information technology for libraries operated by counties, municipalities, school districts, educational service units and community colleges. These bonds may be serviced by property taxes regardless of other restrictions on the issuance of debt.

The bill defines bond measure, governing body, joint project and public agency. Included in the definition of joint project is any item of software or hardware used in providing for the delivery of information for libraries operated by counties, municipalities, school districts, educational service units and community colleges.

A public agency will have the power to issue its bonds to any joint entity or joint public agency in connection with any joint project. The bonds will be issued only if the second largest participant in the joint project has a financial contribution of at least 25%. The bonds may only be issued after a public hearing. The bill provides guidelines for the public notification of the hearing. If the governing body decides to issue bonds, the bill outlines how the public is notified. No election is required to issue bonds unless a remonstrance against the issuance is signed by 15% or more of the registered voters of the public agency. If such a remonstrance is filed, an election will be called.

The principal amount of bonds issued for a joint project should not exceed five million dollars as to the total principal amount of such bonds which may be outstanding at any time. The annual amount due from such bonds for each public agency will not exceed 5% of the restricted funds of the obligated public agency.

If the joint project is a library, the principal amount of bonds which may be issued will not exceed \$250,000 for cities of the metropolitan and primary class, \$100,000 for counties, cities of the first class, school districts, educational service units and community colleges and \$50,000 for cities of the second class and villages. The annual amount due from such bonds for each public agency will not exceed 5% of the restricted funds of the obligated public agency.

The public agency which has issued bonds in accordance of this Act will levy and collect taxes on all taxable property within the territory of the public agency. The levying of taxes to pay for such bonds for any county will be subject to the constitutional limitation of levying taxes.

This Act will be independent of any other provisions in law and will not be limited by any other provisions in law.

The bill has a severability and emergency clause.

Explanation of amendments, if any:

The committee amendment eliminates natural resources districts from the list of entities eligible to participate in the provisions of the Public Facilities Construction and Finance Act. It also eliminates storm water drainage improvements from the list of joint projects allowed under the Act.

Senator DiAnna R. Schimek, Chairperson