

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 654

Introduced by Harms, 48.

Read first time January 21, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend section 79-1070, Reissue
2 Revised Statutes of Nebraska; to provide for borrowing
3 for special building fund projects; and to repeal the
4 original section.

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

1 Section 1. Section 79-1070, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1070 (1) Any class of school district may borrow money
4 to the amount of seventy percent of the unexpended balance of total
5 anticipated receipts of the general fund, special building fund,
6 bond fund, or qualified capital purpose undertaking fund for the
7 current school fiscal year and the following school fiscal year.
8 Total anticipated receipts of the general fund, special building
9 fund, bond fund, or qualified capital purpose undertaking fund for
10 the current school fiscal year and the following school fiscal
11 year shall mean a sum equal to the total of (a) the anticipated
12 receipts from the current existing levy multiplied by two, (b)
13 the anticipated receipts from the United States for the current
14 school fiscal year and the following school fiscal year, and (c)
15 the anticipated receipts from other sources for the current school
16 fiscal year and the following school fiscal year.

17 Any class of school district may execute and deliver
18 in evidence thereof their promissory notes which they are hereby
19 authorized and empowered to make and negotiate, bearing a rate of
20 interest set by the school board and maturing not more than two
21 school fiscal years from the date thereof. Such notes, before they
22 are negotiated, shall be presented to the treasurer of the school
23 district and registered by him or her and shall be payable out
24 of the funds collected by such school district in the order of
25 their registry after the payment of prior registered warrants but

1 prior to the payment of any warrant subsequently registered, except
2 that if both warrants and notes are registered, the total of such
3 registered notes and warrants shall not exceed one hundred percent
4 of the unexpended balance of the total anticipated receipts of
5 the general fund, special building fund, bond fund, or qualified
6 capital purpose undertaking fund of such district for the current
7 school fiscal year and the following school fiscal year. For the
8 purpose of making such calculation, such total anticipated receipts
9 shall not include any anticipated receipts against which the school
10 district has borrowed and issued notes pursuant to this section in
11 either the current or the immediately preceding school fiscal year.

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

17 (3) In addition to the authority granted by subsections
18 (1) and (2) of this section, any class of school district may
19 enter into loan agreements for the purpose of borrowing money from
20 financial institutions, including banks, in amounts not in excess
21 of seventy percent of the unexpended balance of their current
22 existing levy. As evidence of such borrowing, a school district
23 may execute and deliver one or more written loan agreements but
24 shall not be required to execute and deliver separate promissory
25 notes for each borrowing under such agreements. Money borrowed

1 pursuant to such agreements shall bear interest at such rate or
2 rates and shall become due and be repaid as provided in such
3 agreements. Any such agreement shall provide for repayment in full
4 at least once each school fiscal year and shall be for a term
5 not exceeding one school fiscal year. Any such agreement shall be
6 registered upon books kept by the treasurer of the school district,
7 and money borrowed pursuant to such agreement shall be paid out
8 of funds collected upon the current existing levy prior to the
9 payment of any warrant or note registered subsequent to any such
10 loan agreement. If a school district has any such loan agreement
11 or agreements outstanding and has warrants or notes registered, as
12 described in subsection (1) of this section, the total amount (a)
13 of borrowings pursuant to such loan agreement or agreements and
14 (b) of registered notes and warrants shall not exceed one hundred
15 percent of the unexpended balance of the current existing levy.

16 (4) In addition to the authority granted by subsections
17 (1) through (3) of this section, a school district of any class may
18 enter into a loan agreement for the purpose of borrowing money from
19 financial institutions, including banks, for purposes of renovating
20 existing school facilities or expanding the square footage of
21 existing school facilities. Expansion of any one existing school
22 facility shall not exceed two thousand five hundred square feet.
23 The amount of the loan agreement shall not be more than seventy
24 percent of the total anticipated receipts from the special building
25 fund for the ten years immediately following the date of the loan

1 agreement. Total anticipated receipts of the special building fund
2 for such ten-year period shall equal the anticipated receipts from
3 the current existing special building fund levy multiplied by ten.
4 A school district may only enter into a loan agreement under this
5 subsection with a unanimous vote of the school board, and shall not
6 enter into more than one such loan agreement concurrently.

7 As evidence of such borrowing, a school district may
8 execute and deliver one or more written promissory notes but
9 shall not be required to execute and deliver separate promissory
10 notes for each borrowing under such loan agreement. Money borrowed
11 pursuant to such loan agreement shall bear interest at such rate
12 or rates and shall become due and be repaid as provided in such
13 loan agreement. Any such loan agreement shall be registered upon
14 books kept by the treasurer of the school district, and money
15 borrowed pursuant to such loan agreement shall be paid out of funds
16 collected upon the current existing special building fund levy
17 prior to the payment of any warrant or note registered subsequent
18 to any such loan agreement. If a school district has any such
19 loan agreement outstanding and has warrants or notes registered
20 as described in subsections (1) through (3) of this section, the
21 total amount (a) of borrowings pursuant to such loan agreement
22 or agreements and (b) of registered notes and warrants shall not
23 exceed one hundred percent of the total anticipated receipts from
24 the special building fund for the ten years immediately following
25 the date of the loan agreement.

1 ~~(4)~~ (5) Nothing in this section shall be construed to
2 exempt a school district from the terms and conditions contained in
3 sections 10-701 to 10-716.

4 Sec. 2. Original section 79-1070, Reissue Revised
5 Statutes of Nebraska, is repealed.