

## LEGISLATIVE BILL 402

Approved by the Governor May 22, 2009

Introduced by Avery, 28; Campbell, 25; Coash, 27; Fulton, 29; Haar, 21; McGill, 26; Nantkes, 46; Wallman, 30.

FOR AN ACT relating to political subdivisions; to amend sections 13-2611 and 13-2612, Reissue Revised Statutes of Nebraska; to change provisions relating to the elections for bonds under the Convention Center Facility Financing Assistance Act; to extend the application acceptance deadline under the Convention Center Facility Financing Assistance Act; to authorize the investment of public endowment funds; to provide operative dates; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 13-2611, Reissue Revised Statutes of Nebraska, is amended to read:

13-2611 (1) The applicant political subdivision may issue from time to time its bonds and refunding bonds to finance and refinance the acquisition, construction, improving, and equipping of eligible facilities and appurtenant public facilities that are a part of the same project. The bonds may be sold by the applicant in such manner and for such price as the applicant determines, at a discount, at par, or at a premium, at private negotiated sale or at public sale, after notice published prior to the sale in a legal newspaper having general circulation in the political subdivision or in such other medium of publication as the applicant deems appropriate. The bonds shall have a stated maturity of thirty years or less and shall bear interest at such rate or rates and otherwise be issued in accordance with the respective procedures and with such other terms and provisions as are established, permitted, or authorized by applicable state laws and home rule charters for the type of bonds to be issued. Such bonds may be secured as to payment in whole or in part by a pledge, as shall be determined by the applicant, from the income, proceeds, and revenue of the eligible facilities financed with proceeds of such bonds, from the income, proceeds, and revenue of any of its eligible facilities, or from its revenue and income, including its sales, use, or occupation tax revenue, fees, or receipts, as may be determined by the applicant. The applicant may further secure the bonds by a mortgage or deed of trust encumbering all or any portion of the eligible facilities and by a bond insurance policy or other credit support facility. No general obligation bonds, except refunding bonds, shall be issued until authorized by greater than ~~fifty-one~~ fifty percent of the applicant's electors voting on the question as to their issuance at a ~~statewide regular primary or general~~ any election as defined in section 32-108. The face of the bonds shall plainly state that the bonds and the interest thereon shall not constitute nor give rise to an indebtedness, obligation, or pecuniary liability of the state nor a charge against the general credit, revenue, or taxing power of the state. Bonds of the applicant are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempt from all state income taxes.

(2) All payments to political subdivisions under the Convention Center Facility Financing Assistance Act are made subject to specific appropriation for such purpose. Nothing in the act precludes the Legislature from amending or repealing the act at any time.

Sec. 2. Section 13-2612, Reissue Revised Statutes of Nebraska, is amended to read:

13-2612 The board shall not accept applications for assistance under the Convention Center Facility Financing Assistance Act after ~~June 1, 2010-~~ December 31, 2012.

Sec. 3. Pursuant to Article XI, section 1, of the Constitution of Nebraska, the Legislature authorizes the investment of public endowment funds by any city having a population of more than five thousand inhabitants in the manner required of a prudent investor who shall act with care, skill, and diligence under the prevailing circumstance and in such investments as the governing body of such city, acting in a fiduciary capacity for the exclusive purpose of protecting and benefiting such investment, may determine.

Sec. 4. Sections 1, 2, and 5 of this act become operative three calendar months after the adjournment of this legislative session. The other sections of this act become operative on their effective date.

Sec. 5. Original sections 13-2611 and 13-2612, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 6. Since an emergency exists, this act takes effect when passed and approved according to law.