

LEGISLATIVE BILL 152

Approved by the Governor April 29, 2015

Introduced by Urban Affairs Committee: Crawford, 45, Chairperson; Coash, 27; Ebke, 32; Hansen, 26; Hughes, 44; Krist, 10; McCollister, 20.

A BILL FOR AN ACT relating to cities and villages; to authorize cities and villages to borrow from state-chartered or federally chartered financial institutions as prescribed; and to provide a duty for the Revisor of Statutes.

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

Section 1. (1) The mayor and the council of any city or board of trustees of any village, in addition to other powers granted by law, may by ordinance or resolution provide for direct borrowing from a financial institution for the purposes outlined in this section. Loans made under this section shall not be restricted to a single year and may be repaid in installment payments.

(2) The mayor and the council of any city or board of trustees of any village may borrow directly from a financial institution for the purchase of real or personal property, construction of improvements, or refinancing of existing indebtedness upon a certification in the ordinance or resolution authorizing the direct borrowing that:

(a) Financing the purchase of property, construction of improvements, or refinancing of existing indebtedness through traditional bond financing would be impractical;

(b) Financing the purchase of property, construction of improvements, or refinancing of existing indebtedness through traditional bond financing could not be completed within the time restraints facing the city or village; or

(c) Financing the purchase of property, construction of improvements, or refinancing of existing indebtedness through direct borrowing would generate taxpayer savings over traditional bond financing.

(3) Prior to approving direct borrowing under this section, the council or board of trustees shall include in any public notice required for meetings a clear notation that an ordinance or resolution authorizing direct borrowing from a financial institution will appear on the agenda.

(4) The total amount of indebtedness from direct borrowing under this section shall not exceed:

(a) For a city of the metropolitan class, city of the primary class, city of the first class, or city of the second class, ten percent of the municipal budget of the city; and

(b) For any village, twenty percent of the municipal budget of the village.

(5) Prior to approving direct borrowing under this section, a municipality shall consider, to the extent possible, proposals from multiple financial institutions.

(6) For purposes of this section, financial institution means a state-chartered or federally chartered bank, savings bank, building and loan association, or savings and loan association.

Sec. 2. The Revisor of Statutes shall assign section 1 of this act to Chapter 18.