

## LEGISLATIVE BILL 11

Approved by the Governor February 24, 1983

Introduced by Carsten, 2

AN ACT to amend sections 70-631 and 70-633, Reissue Revised Statutes of Nebraska, 1943, relating to the indebtedness of public power and irrigation districts; to change the ability of a public power or irrigation district to secure notes; to repeal the original sections; and to declare an emergency.

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

Section 1. That section 70-631, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-631. Any district organized under or subject to Chapter 70, article 6, shall have the power to borrow money and incur indebtedness for any corporate use or purpose upon such terms and in such manner as such district shall determine. Any and every indebtedness, liability, or obligation of such district for the payment of money, in whatever manner entered into or incurred, and whether arising from contract, implied contract, or otherwise, shall be payable solely (1) from revenue, income, receipts, and profits derived by the district from its operation and management of power plants, systems, irrigation works, and from the exercise of its rights and powers with respect to utilization of radioactive material or the energy therefrom, or (2) from the issuance or sale by the district of its warrants, notes, debentures, bonds, or other evidences of indebtedness, payable solely from such revenue, income, receipts, and profits, or from the proceeds and avails of the sale of property of the district. Any such district may pledge and put up as collateral security for a loan any revenue debentures, notes, warrants, bonds, or other evidences of indebtedness, issued by it. Any district may arrange for, or put up as security for notes or other evidences of indebtedness of such district, the credit of any bank or other financial institution which has been approved by the directors of such district.

Sec. 2. That section 70-633, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-633. Any such resolution or agreement may

specify the particular revenues that are pledged and the terms and conditions to be performed by the district and the rights of the holders of such revenue debentures, notes, warrants, bonds, or other evidences of indebtedness, and may provide for priorities of liens in any such revenues as between the holders of revenue debentures, notes, warrants, bonds, or other evidences of indebtedness, issued at different times or under different resolutions or agreements. Any resolution authorizing the issuance of notes may provide for a designated officer or officers of the district to sell the notes from time to time at such price or prices and in such amounts as shall be within the limitations set forth in such resolution. Such resolution may also authorize such officer or officers to determine interest rates, maturity dates, and other terms of such notes subject to any limitations which are necessary and appropriate, as determined by the district's board of directors, to effectuate the issuance and purposes of such notes, as set forth in the resolution.

Sec. 3. That original sections 70-631 and 70-633, Reissue Revised Statutes of Nebraska, 1943, are repealed.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.