

LEGISLATIVE BILL 1347

Approved by the Governor March 29, 1972

Introduced by Maurice A. Kremer, 34th District

AN ACT to amend section 70-644, Reissue Revised Statutes of Nebraska, 1943, and section 70-646, Revised Statutes Supplement, 1969, relating to public power; to provide additional borrowing authority; to change restrictions; 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 70-644, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-644. No power plant, system, or irrigation works owned by a district shall be sold, alienated or mortgaged by such district, except under the circumstances set forth in this section and sections 70-645 to 70-654. If, in order to borrow money from the federal government, the Rural Electrification Administration, the Public Works Administration, or from any loan or finance corporation or agency established under federal law, including the Reconstruction Finance Corporation, or its successor, or a cooperative nonprofit corporation organized to provide financing, it shall become necessary that a district mortgage, or otherwise hypothecate, any or all of its said property or assets to secure the payment of a loan or loans made to it by or from such source or sources, such district is hereby authorized and empowered to do so.

Sec. 2. That section 70-646, Revised Statutes Supplement, 1969, be amended to read as follows:

70-646. Neither by sale under foreclosure, receivership or bankruptcy proceedings, nor by alienation in any other manner, may the property of such a district become the property or come under the control of any private person, firm or corporation engaged in the business of generating, transmitting or distributing electricity for profit, but this restriction shall not apply to a nonprofit cooperative corporation that has provided financing for property, projects or undertakings when such property is covered by a mortgage, pledge of revenue, or other hypothecation to secure the payment of a loan or loans made to a district, and this restriction

shall not apply to a sale, transfer or lease of property to a nonprofit electric cooperative corporation engaged in the retail distribution of electric energy in established service areas and which cooperative corporation is organized under the laws of the State of Nebraska or domesticated in the State of Nebraska; Provided, that such property so acquired by a cooperative nonprofit corporation organized to provide financing or by a nonprofit electric cooperative corporation shall never become the property or come under the control of any person, firm, or corporation engaged in the business of generating, transmitting or distributing electricity for profit.

Sec. 3. That original section 70-644, Reissue Revised Statutes of Nebraska, 1943, and section 70-646, Revised Statutes Supplement, 1969, 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.