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LEGISLATIVE BILL 692

Approved by the Governor February 20, 1990

Introduced by Weihing, 48; Abboud, 12

AN ACT relating to bonds; to amend section 10-142, Reissue Revised Statutes of Nebraska, 1943; to change a provision relating to refunding bonds issued by certain public entities; and to repeal the original section.

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

Section 1. That section 10-142, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

10-142. Any county, city, ~~or~~ village, school district, drainage district, irrigation district, metropolitan utilities district, rural water district, airport authority, or hospital authority, the Board of Regents of the University of Nebraska, the Board of Trustees of the Nebraska State Colleges, the governing board of any technical community college, or any other municipal or public corporation, governmental subdivision, or body politic or corporate created under Nebraska law exercising essential public functions of the state ~~in the State of Nebraska~~ which has ~~heretofore~~ issued~~,~~ ~~or which shall hereafter issue,~~ or shall issue bonds for any purpose, and such bonds~~,~~ or any part of such bonds~~,~~ ~~still~~ remain unpaid~~,~~ and ~~remain and~~ are a legal liability against such ~~county, city, or village~~ issuer and are bearing interest, is hereby authorized to issue refunding bonds with which to call and redeem all or any part of such outstanding bonds at or before the maturity or the redemption date of such bonds. Such issuer ~~,~~ ~~and~~ may include various series and issues of the outstanding bonds in a single issue of refunding bonds~~,~~ and issue refunding bonds to pay any redemption premium and interest to accrue and become payable on the outstanding bonds being refunded. The refunding bonds may be issued and delivered at any time prior to the date of maturity or the redemption date of the bonds to be refunded that the governing body of such issuer determines to be in ~~the best interest of the county, city, or village~~ its best interests. The proceeds derived from the sale of the refunding bonds issued pursuant to this section may be invested in obligations of~~,~~ or guaranteed by~~,~~ the United States Government pending the time the proceeds are required for the purposes for which such refunding bonds were issued. To further secure the refunding bonds, ~~the county, city, or village~~ any such issuer may enter into a contract with any bank or trust company~~,~~ within or without the state~~,~~ with respect to the safekeeping and application of the proceeds of the refunding bonds and the safekeeping and application of the earnings on the investment. ~~Any outstanding bonds, which shall have been called for redemption and which have sufficient funds or obligations of, or guaranteed by, the United States Government set aside in safekeeping to be applied for the complete payment of such bonds, interest on such bonds, and redemption premium, if any on the redemption date, shall not be considered as outstanding and unpaid bonds.~~ All bonds issued under the provisions of this section shall be redeemable at such times and under such conditions as the governing body of the issuer shall determine at the time of issuance.

Any outstanding bonds or other evidences of indebtedness issued by any such issuer for which sufficient funds or obligations of or guaranteed by the United States Government have been pledged and set aside in safekeeping to be applied for the complete payment of such bonds or other evidence of indebtedness at maturity or upon redemption prior to maturity, interest thereon, and redemption premium, if any, shall not be considered as outstanding and unpaid. ~~, on their face, contain a clause that the county, village, or city, except metropolitan- and primary-class cities, issuing such bonds shall have the right to redeem such bonds at the expiration of five years from the date of the issuance thereof.~~

Each new refunding bond so issued shall state on the bond (1) the object of its issue, (2) this section or sections of the law under which such issue was made, including a statement that the issue is made in pursuance of such section or sections, and (3) the date and principal amount of the bond or bonds for which the refunding bonds are being issued.

Sec. 2. That original section 10-142, Reissue Revised Statutes of Nebraska, 1943, is repealed.