

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB141

Hearing Date: Wednesday January 28, 2015
Committee On: Natural Resources
Introducer: Schilz
One Liner: Change provisions relating to the Public Entities Mandated Project Charges Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Friesen, Hughes, Johnson, Kolowski, Lindstrom, McCollister, Schilz, Schnoor
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Ken Schilz
Edward Easterlin

Representing:

Introducer
Omaha Public Power District

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 141 would amend the Public Entities Mandated Project Charges Act that passed in 2006. That law authorized the issuance of bonds by public entities to finance capital projects mandated by federal or state law or by a regulatory agency. Public entities were authorized to place a charge on customers' bills to pay bond holders.

This bill would allow public utilities to secure bonds with higher ratings by recognizing that rating considerations that have changed since the original act became law. The law, as it exists, does not have all of the elements rating agencies require to achieve AAA ratings for this type of bond. Such elements include having a separate entity that stands between the public entity granted the right to impose the charge from the entity that collects the general system revenues; providing for a third party or successor services if the public entity is gone or goes bankrupt; and declaring that the mandated project charges are a vested property right for securitization purposes.

Ken Schilz, Chairperson