

LEGISLATIVE BILL 688

Approved by the Governor May 13, 1971

Introduced by William H. Hasebroock, 18th District;
Ramey C. Whitney, 44th District

AN ACT for submission to the electors of an amendment to Article XIII, section 2, and repeal of Article XV, section 16, of the Constitution of Nebraska, relating to state, county, and municipal indebtedness; to transfer the provisions for industrial development bonds from Article XV to Article XIII and to eliminate conflicting provisions; to provide for the submission of the proposed amendment to the electors at the primary election in May, 1972; to provide for the manner of submission and form of ballot; and to provide the effective date thereof.

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

Section 1. That at the primary election in May, 1972, there shall be submitted to the electors of the State of Nebraska for approval the following amendment to Article XIII, section 2, and repeal of Article XV, section 16, of the Constitution of Nebraska, which is hereby proposed by the Legislature:

"Sec. 2. ~~No city, county, town, precinct, municipality, or other subdivision of the state, shall ever make donations to any railroad, or other works of internal improvement, unless a proposition so to do, shall have been first submitted to the qualified electors thereof, at an election by authority of law. Provided, that such donations of a county with the donations of such subdivisions in the aggregate shall not exceed ten per cent of the assessed valuation of such county. Provided, further, that any city or county may, by a two-thirds vote, increase such indebtedness five per cent in addition to such ten per cent; and no bonds or evidences of indebtedness so issued shall be valid, unless the same shall have endorsed thereon a certificate signed by the secretary and auditor of state, showing that the same is issued pursuant to law.~~ Notwithstanding any other provision in the Constitution, the Legislature may authorize any county, incorporated city or village, including cities operating under home rule charters, to acquire, own, develop, and lease real and personal property suitable for use by manufacturing or industrial enterprises and to issue revenue bonds for

the purpose of defraying the cost of acquiring and developing such property by construction, purchase, or otherwise. Such bonds shall not become general obligation bonds of the governmental subdivision by which such bonds are issued. Any such real or personal property so acquired, owned, developed or used by any such county, city or village, shall be subject to taxation to the same extent as private property during the time it is leased to or held by private interests, notwithstanding the provisions of Article VIII, section 2, of the Constitution. The acquiring, owning, developing, and leasing of such property shall be deemed for a public purpose, but the governmental subdivision shall not have the right to acquire such property by condemnation. The principal of and interest on any bonds issued may be secured by a pledge of the lease and the revenue therefrom and by mortgage upon such property. No such governmental subdivision shall have the power to operate any such property as a business or in any manner except as the lessor thereof.

That Article XV, section 16, is hereby repealed."

Sec. 2. The proposed amendment shall be submitted to the electors in the manner prescribed by Article XVI, section 1, of the Constitution of Nebraska. The proposition for the submission of the proposed amendment shall be placed upon the ballot in the following form:

"Constitutional amendment to transfer provisions for industrial development bonds from Article XV to Article XIII of the Constitution and to eliminate conflicting provisions.

For
Against"

Sec. 3. That the proposed amendment, if adopted, shall be in force and take effect immediately upon the completion of the canvass of the votes, at which time it shall be the duty of the Governor to proclaim it as a part of the Constitution of Nebraska.