

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB121

Hearing Date: Tuesday January 29, 2019
Committee On: Urban Affairs
Introducer: Crawford
One Liner: Change provisions on limits on indebtedness from direct borrowing by cities and villages

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

Vote Results:

Aye: 7 Senators Briese, Arch, Crawford, Hansen, M., Hunt, Lowe, Wayne
Nay:
Absent:
Present Not Voting:

Oral Testimony:

Proponents:

Senator Sue Crawford
Bob Hallstrom
Lynn Rex

Representing:

Legislative District 45
Nebraska Bankers Association
League of Nebraska Municipalities

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 121 would change the limitations on the ability of municipalities to borrow directly from financial institutions. Under the bill, provisions authorizing direct municipal borrowing would be amended in the following ways:

- Limiting the term of a direct loan to seven years
 - Increasing the cap on direct borrowing by a city of the second class from 10% of the municipal budget to 20% of the municipal budget
 - Providing that the amount of any direct loan which applies to the cap on direct borrowing shall be the total amount of the outstanding loan balance divided by the remaining number of years over which the loan is to be repaid; and
 - Measuring the amount of any direct loan as of the date the ordinance or resolution providing for the direct borrowing is approved
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Justin Wayne, Chairperson