

Legislature - First Session - 2019

Introducer's Statement of Intent

LB121

Chairperson: Senator Justin Wayne

Committee: Urban Affairs

Date of Hearing: January 29, 2019

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 121 would clarify provisions relating to direct borrowing from a financial institution by cities and villages to

- (a) allow loans to be repaid in installment payments for a term not to exceed seven years;
- (b) extend the limitation on the total amount of indebtedness from direct borrowing by a city of the second class to 20 percent of the municipal budget of the city;
- (c) provide that the amount of any loan attributable in any year to the limitation on the total amount of outstanding indebtedness from direct borrowing is the total amount of the outstanding loan balance divided by the number of years over which the loan is to be repaid; and
- (d) measure the permissible amount of the loan as of the date the ordinance or resolution approving the direct borrowing is approved.

Principal Introducer: _____

Senator Sue Crawford