

ENGROSSED LEGISLATIVE BILL 126

Introduced by Holdcroft, 36.

A BILL FOR AN ACT relating to bonds; to amend section 10-126, Reissue Revised Statutes of Nebraska; to change provisions relating to the redemption of certain bonds; and to repeal the original section.

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

Section 1. Section 10-126, Reissue Revised Statutes of Nebraska, is amended to read:

10-126 (1) All bonds of indebtedness, issued after September 7, 1947, by any county, precinct, city, village, school district, drainage district, or irrigation district or any other municipal corporation or governmental subdivision of the state shall be redeemable at the option of the governmental subdivision or municipal corporation issuing such bonds at any time on or after five years from the date of issuance, except that this provision shall not apply to (a) bonds of public power districts, public power and irrigation districts, metropolitan utilities districts, cities of the metropolitan and primary classes, and housing authorities of any city or village, (b) issues of revenue bonds exceeding one million dollars of cities of the first and second classes and of villages, (c) issues of bonds exceeding ten million dollars of any school district of one thousand or more students in membership as provided in the fall school district membership report pursuant to subsection (4) of section 79-528 immediately preceding the issuance of bonds, (d) bonds issued by the Board of Regents of the University of Nebraska or the Board of Trustees of the Nebraska State Colleges, or (e) bonds of counties sold to an underwriting firm pursuant to a competitive sale, including the method of sale described in section 10-145. Bonds of a district created under Chapter 31 or 39 shall in addition, after annexation of the district by any municipality, be redeemable at the option of the annexing municipality at any time after annexation of such district if at the time of redemption at least five years have elapsed from

date of issuance. Such condition shall be plainly set forth in all bonds of any governmental subdivision of the state or municipal corporation hereafter issued to which it applies.

(2) The issuer, except districts organized under Chapter 31 or 39, of any such bonds of indebtedness, when the total amount of bonds at par value authorized as a single issue is five hundred thousand dollars or more, may agree to pay a call premium of not to exceed four percent of the par value for the redemption of such bonds. Districts organized under Chapter 31 or 39 may agree to pay a call premium of not to exceed two percent of the par value of such bonds when a single issue is five hundred thousand dollars or more, and bonds of such districts shall have no other bond redemption call or prepayment restrictions except as provided in this section. Bonds listed in subdivisions (1)(a) through (1)(d) of this section may contain such provisions with respect to their redemption as the public power district, public power and irrigation district, metropolitan utilities district, city, village, housing authority, school district, Board of Regents, or Board of Trustees shall provide.

(3) All bonds issued which do not provide a special procedure for calling and prepayments may be called by a resolution or ordinance passed by the governing body of the obligor, which resolution or ordinance may condition such call for redemption upon the issuance of refunding bonds of the obligor for such redemption or a similar event which produces funds necessary for such prepayment.

(4) If the obligor deposits sufficient funds with the paying agent to pay the called bonds and accrued interest to date of call in full on or before the call date, the bonds shall cease to be a liability of the obligor, otherwise the call shall be revoked, and the bonds continue in effect the same as though no call had been made.

Sec. 2. Original section 10-126, Reissue Revised Statutes of Nebraska, is repealed.

PRESIDENT OF THE LEGISLATURE

*THIS IS TO CERTIFY that the within LB 126 was passed by the One Hundred Ninth
Legislature of Nebraska at its First Session on the day
of 20.....*

CLERK OF THE LEGISLATURE

Approved:

..... 20....., o'clockM.

GOVERNOR