

LEGISLATIVE BILL 238

Approved by the Governor March 9, 1983

Introduced by Banking, Commerce & Insurance Committee,
DeCamp, 40, Chairperson; Beyer, 3;
Remmers, 1; Clark, 47; Labedz, 5;
Schmit, 23

AN ACT relating to schools; to amend sections 72-202, 85-123, and 85-317, Reissue Revised Statutes of Nebraska, 1943; to provide for the management of certain funds as prescribed; to harmonize provisions; and to repeal the original sections.
Be it enacted by the people of the State of Nebraska,

Section 1. That section 72-202, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:
72-202. The Board of Educational Lands and Funds shall notify the state investment officer of the funds derived from the sale of school lands. Any such funds and the interest therefrom shall be invested by the state investment officer pursuant to the provisions of sections 72-1237 to ~~72-1259~~ 72-1269. The board shall notify the state investment officer as to the amount of funds currently invested from the sale of school lands and the state investment officer shall direct the reinvestment of such funds as may be required.

The board shall notify the state investment officer of the funds available from all bonds or notes issued by the government of the United States, or the State of Nebraska or any county, school district, or municipality therein that the board has purchased. The purchased bonds or notes shall be placed in the custody and control of the State Treasurer under the same conditions as other state money. The state investment officer shall manage the funds as follows: (1) When necessary to pay a premium for bonds for such funds, the amount of the premium shall be amortized over the term of the bonds from the interest received on such bonds; and (2) when bonds for such funds are purchased at a discount, the amount of the discount shall be used to purchase additional bonds.

Sec. 2. That section 85-123, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:
85-123. The Permanent Endowment Fund shall be kept in two accounts: In the first account, all money

derived as principal from the sale of lands donated to the state by the United States to establish and endow a state university under the Act of Congress of April 19, 1864; and in the second account, all money derived as principal from the sale of lands donated to the state by the United States, to provide colleges for the benefit of agriculture and the mechanic arts, by an Act of Congress approved July 2, 1862. All such money derived from federal grants shall be invested in the manner provided by law for the investment of the Permanent School Fund of the state, in the same kind of securities, and by the same officers charged with that duty, in accordance with the provisions of section 72-202 as may from time to time be amended by the Legislature. All money acquired by the Board of Regents of the University of Nebraska by donation or bequest to it, including money derived as principal from the sale of lands or other property so acquired or so derived, shall belong to the University Trust Fund and be administered in accordance with the provisions of section 85-123.01. The Permanent Endowment Fund shall never be appropriated by the Legislature nor be expended for any purpose whatsoever.

Sec. 3. That section 85-317, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

85-317. All the lands remaining unsold of the twenty sections appropriated as an endowment fund for the state colleges and all the endowment fund derived from the sale of such lands are hereby confirmed as such endowment, to be forever used for this purpose. All such money derived from federal grants shall be invested in the manner provided by law for the investment of the Permanent School Fund of the state, in the same kind of securities and by the same officers charged with that duty pursuant to section 72-202 as may from time to time be amended by the Legislature.

Sec. 4. That original sections 72-202, 85-123, and 85-317, Reissue Revised Statutes of Nebraska, 1943, are repealed.