

## LEGISLATIVE BILL 465

Approved by the Governor April 7, 1993

Introduced by Lindsay, 9

AN ACT relating to the Nebraska Educational Facilities Authority Act; to amend sections 79-2901 to 79-2904, 79-2907, 79-2908, 79-2910, 79-2912, 79-2914, 79-2915, 79-2918, 79-2923, 79-2924, 79-2929, 79-2932 to 79-2935, 79-2938, 79-2940 to 79-2944, 79-2946 to 79-2948, 79-2950 to 79-2954, and 79-2959, Reissue Revised Statutes of Nebraska, 1943; to change the name of the authority and the act; to provide for the Nebraska Student Loan Assistance Program; to authorize the issuance of bonds; to provide duties for the authority; to state intent; to eliminate a definition and a duty for the Revisor of Statutes; and to repeal the original sections, and also sections 79-2909.01 and 79-2960, Reissue Revised Statutes of Nebraska, 1943.

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

Section 1. That section 79-2901, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2901. The Legislature finds and declares that:

(1) ~~for~~ For the benefit of the people of the State of Nebraska, the increase of their commerce, welfare, and prosperity, and the improvement of their health and living conditions, it is essential that this and future generations of youth be given the greatest opportunity to learn and to fully develop their intellectual and mental capacities and skills;

(2) ~~to~~ To achieve these ends it is of the utmost importance that private institutions of higher education within the state be provided with appropriate additional means of assisting such youth in achieving the required levels of learning and development of their intellectual and mental capacities and skills;

(3) ~~it~~ It is the purpose of ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act to provide a measure of assistance and an alternative method of enabling private institutions of higher education in the state to finance the acquisition, construction, and renovation of needed educational facilities and structures and to refund, refinance, or reimburse outstanding indebtedness incurred by them or advances made by them, including advances from an endowment or any other similar fund, for the construction, acquisition, or renovation of needed educational facilities and structures, whether or not constructed, acquired, or renovated prior to August 30, 1981;

(4) ~~the~~ The financing and refinancing of educational facilities, through means other than the appropriation of public funds to private institutions of higher education, as described in ~~sections 79-2901~~

~~to 79-2959~~ the act, is a valid public purpose;

(5) ~~the~~ The availability of improved access to health profession schools will benefit the people of the State of Nebraska and improve their health, welfare, and living conditions; ~~and~~

(6) ~~the~~ The establishment of a health education loan program, with the proceeds of bonds to be used for the purchase or making of loans to students or certain former students of health profession schools, will improve the access to such schools and assist such persons in meeting the expenses incurred in availing themselves of health education opportunities; ~~and~~

(7) The establishment of a program to assist private institutions of higher education to provide loans to their full-time students pursuing an academic degree will improve access to higher education and contribute to the health, welfare, and living conditions in Nebraska.

Sec. 2. That section 79-2902, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2902. Sections 79-2901 to 79-2959 ~~and sections 34 to 37 of this act~~ shall be known and may be cited as the Nebraska Educational ~~Facilities~~ Finance Authority Act.

Sec. 3. That section 79-2903, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2903. ~~As used in sections 79-2901 to 79-2959~~ For purposes of the Nebraska Educational Finance Authority Act, unless the context otherwise requires, the definitions found in sections 79-2904 to ~~79-2909.01~~ 79-2909 shall apply.

Sec. 4. That section 79-2904, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2904. Authority shall mean the Nebraska Educational ~~Facilities~~ Finance Authority created by ~~sections 79-2901 to 79-2959~~, the Nebraska Educational Finance Authority Act or any board, body, commission, department, or office succeeding to the principal functions thereof or to whom the powers conferred upon such authority by ~~sections 79-2901 to 79-2959~~ shall be the act are given by law.

Sec. 5. That section 79-2907, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2907. Cost as applied to a project or any portion thereof financed under the ~~provisions of sections 79-2901 to 79-2959~~ Nebraska Educational Finance Authority Act shall mean all or any part of the cost of construction and acquisition of all land, buildings, or structures including the cost of machinery and equipment; finance charges; interest prior to, during, and after completion of such construction for a reasonable period as determined by the authority; reserves for principal and interest; extensions, enlargements, additions, replacements, renovations, and improvements; engineering, financial, and legal services; plans, specifications, studies, surveys, estimates of cost of revenue, administrative expenses, expenses necessary or incidental to determining the feasibility or practicability of constructing the project; and such other expenses as the authority determines may be necessary or incidental to the

construction and acquisition of the project, the financing of such construction and acquisition, and the placing of the project in operation.

Sec. 6. That section 79-2908, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2908. Bonds shall mean bonds, notes, or other obligations of the authority issued under the ~~provisions of sections 79-2901 to 79-2959~~ Nebraska Educational Finance Authority Act, including refunding bonds, notwithstanding that the same may be secured by the full faith and credit of a private institution of higher education or any other lawfully pledged security of a private institution of higher education.

Sec. 7. That section 79-2910, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2910. There is hereby created a body politic and corporate to be known as the Nebraska Educational ~~Facilities~~ Finance Authority. The authority is constituted a public instrumentality, and the exercise by the authority of the powers conferred by ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act shall be deemed and held to be the performance of an essential public function of the state.

Sec. 8. That section 79-2912, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2912. The Governor shall designate one of the members representing the private institutions of higher education to convene the organizational meeting of the authority and to serve as its temporary chairperson. At that meeting and annually thereafter, the authority shall elect one of its members ~~representing the private institutions of higher education~~ as chairperson and another member as vice-chairperson. It may appoint an executive director and assistant executive director, who shall not be members of the authority but who shall serve at the pleasure of the authority. An assistant executive director shall perform the duties of the executive director in the event of the absence or inability to act of the executive director. They shall receive such compensation as shall be fixed by the authority. The authority ~~is authorized to~~ may receive contributions to fund any of the expenses of the authority from private donors, including any one or more of the private institutions of higher education or an association representing the private institutions of higher education.

Sec. 9. That section 79-2914, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2914. Four members of the authority shall constitute a quorum. The affirmative vote of a majority of all of the members of the authority shall be necessary for any action taken by the authority. A vacancy in the membership of the authority shall not impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Any action taken by the authority under ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act may be authorized by resolution at any regular or special meeting, and each such

resolution shall take effect immediately and need not be published or posted.

Sec. 10. That section 79-2915, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2915. Before the issuance of any bonds under ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act, the chairperson, vice-chairperson, executive director, and assistant executive director, if any, and any other member of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall execute a surety bond in such amount as a majority of the members of the authority determine, or; alternatively, the chairperson of the authority shall execute a blanket bond effecting such coverage. Each surety bond shall be conditioned upon the faithful performance of the duties of the office or offices covered; and shall be executed by a surety company authorized to transact business in this state, and the cost of each such surety bond shall be paid by the authority.

Sec. 11. That section 79-2918, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2918. The purpose of the authority shall be to assist private institutions of higher education in the constructing, financing, and refinancing of projects and to administer and operate the Nebraska Health Education Assistance Loan Program as provided in sections 79-2954 to 79-2959 and the Nebraska Student Loan Assistance Program as provided in sections 34 to 36 of this act. ~~The authority is authorized and empowered to take any action authorized by sections 79-2909.01, 79-2919 to 79-2934, and 79-2954 to 79-2959.~~

Sec. 12. That section 79-2923, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2923. The authority may determine the location and character of any project to be financed or refinanced under the ~~provisions of sections 79-2901 to 79-2959,~~ Nebraska Educational Finance Authority Act and construct, reconstruct, remodel, renovate, replace, maintain, repair, operate, lease; as lessee or lessor, and regulate the same. The authority may also enter into contracts for any or all of such purposes, enter into contracts for the management and operation of a project, and designate a private institution of higher education as its agent to determine the location and character of a project undertaken by such private institution of higher education under the ~~provisions of sections 79-2901 to 79-2959~~ act and as the agent of the authority, to construct, reconstruct, remodel, renovate, replace, maintain, repair, operate, lease; as lessee or lessor, and regulate the same; and, as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project.

Sec. 13. That section 79-2924, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2924. The authority may issue bonds of the authority for any of its corporate purposes; and fund or refund the same; pursuant to ~~sections 79-2901 to 79-2959~~ the Nebraska Educational

Finance Authority Act.

Sec. 14. That section 79-2929, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2929. The authority may mortgage all or any portion of any project or any other facilities conveyed to the authority for such purpose and the site or sites thereof, whether presently owned or subsequently acquired, for the benefit of the holders of the bonds of the authority issued to finance such project or any portion thereof or issued to refund or refinance outstanding indebtedness or to reimburse an endowment or any similar fund of a private institution of higher education as permitted by ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act.

Sec. 15. That section 79-2932, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2932. The authority may charge to and equitably apportion among participating private institutions of higher education its administrative costs and expenses incurred in the exercise of the powers and duties conferred by ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act.

Sec. 16. That section 79-2933, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2933. The authority may do all things necessary or convenient to carry out the purposes of ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act.

In carrying out the purposes of ~~sections 79-2901 to 79-2959~~ the act, the authority may undertake a project for two or more private institutions of higher education jointly, or for any combination thereof, and thereupon all other provisions of ~~sections 79-2901 to 79-2959~~ the act shall apply to and be for the benefit of the authority and such joint participants.

Sec. 17. That section 79-2934, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2934. Notwithstanding any other provision contained in ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act, the authority may combine for financing purposes, with the consent of all of the private institutions of higher education which are involved, the project or projects and some or all future projects of any private institution or private institutions of higher education, but the money set aside in any fund or funds pledged for any series or issue of bonds shall be held for the sole benefit of such series or issue separate and apart from any money pledged for any other series or issue of bonds of the authority. To facilitate the combining of projects, bonds may be issued in series under one or more resolutions or trust agreements and be fully open end, thus providing for the unlimited issuance of additional series, or partially open end, limited as to additional series, all in the discretion of the authority. Notwithstanding any other provision of ~~sections 79-2901 to 79-2959~~ the act to the contrary, the authority may, in its discretion, permit a private institution of higher education to substitute

one or more projects of equal value, as determined by an independent appraiser satisfactory to the authority, for any project financed under ~~sections 79-2901 to 79-2959~~ the act on such terms and subject to such conditions as the authority may prescribe.

Sec. 18. That section 79-2935, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2935. All expenses incurred in carrying out the ~~provisions of sections 79-2901 to 79-2959~~ Nebraska Educational Finance Authority Act shall be payable solely from funds provided under the ~~provisions of sections 79-2901 to 79-2959~~ act, and no liability or obligation shall be incurred by the authority beyond the extent to which money ~~shall have~~ has been provided under the ~~provisions of sections 79-2901 to 79-2959~~ act.

Sec. 19. That section 79-2938, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2938. The authority is hereby authorized to provide by resolution, at one time or from time to time, for the issuance of bonds for the purpose of paying, refinancing, or reimbursing all or any part of the cost of a project or for the purpose of administering and operating the Nebraska Health Education Assistance Loan Program and the Nebraska Student Loan Assistance Program. Except to the extent payable from payments to be made on securities or federally guaranteed securities as provided in sections 79-2941 and 79-2942, the principal of and the interest on such bonds shall be payable solely out of the revenue of the authority derived from the project or program to which they relate and from any other facilities or assets pledged or made available therefor by the private institution of higher education for whose benefit such bonds were issued. The bonds of each issue shall be dated, shall bear interest at such rate or rates, without regard to any limit contained in any other statute or law of the State of Nebraska, shall mature at such time or times not exceeding forty years from the date thereof, all as may be determined by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority in the authorizing resolution. Except to the extent required by ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act and for bonds issued to fund the Nebraska Student Loan Assistance Program, such bonds are to be paid ~~solely~~ out of the revenue of the project to which they relate and, in certain instances, the revenue of certain other facilities, and subject to the provisions of sections 79-2941 and 79-2942 with respect to a pledge of securities or government securities, the bonds may be unsecured or secured in the manner and to the extent determined by the authority in its discretion.

The authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest which may be at any bank or trust company within or without the state. The bonds shall be signed in the

name of the authority, by its chairperson or vice-chairperson or by a facsimile signature of such person, the official seal of the authority or a facsimile thereof shall be affixed thereto and attested by the manual or facsimile signature of the executive director or assistant executive director of the authority, and any coupons attached thereto shall bear the facsimile signature of the executive director or assistant executive director of the authority. In case any official of the authority whose signature or a facsimile of whose signature appears on any bonds or coupons shall ~~cease~~ ceases to be such an official before the delivery of such bonds, such signature or such facsimile shall; nevertheless; be valid and sufficient for all purposes the same as if he or she had remained an official of the authority until such delivery.

All bonds issued under the ~~provisions of sections 79-2901 to 79-2959~~ act shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the law of the State of Nebraska. The bonds may be issued in coupon or in registered form, or both, and one form may be exchangeable for the other in such manner as the authority may determine. Provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest; and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The bonds may be sold in such manner, either at public or private sale, as the authority may determine.

The proceeds of the bonds of each issue shall be used solely for the payment of the ~~cost~~ costs of the project or program for which such bonds shall have been issued; and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the resolution authorizing the issuance of such bonds or in the trust agreement provided for in section 79-2940 securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, ~~shall be~~ are less than such costs, additional bonds may in like manner be issued to provide the amount of such deficit; and, unless otherwise provided in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed the cost of the project or program for which ~~the same shall have been~~ they were issued, the surplus shall be deposited to the credit of the sinking fund for such bonds.

Prior to the preparation of definitive bonds, the authority may under like restrictions issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery.

The authority may also provide for the replacement of any bonds which shall become mutilated or ~~shall be~~ are destroyed or lost. Bonds may be issued under the ~~provisions of sections 79-2901 to 79-2959~~ act without obtaining the consent of any officer, department, division, commission, board, bureau, or agency of the state; and without

any other proceedings or conditions other than those proceedings and conditions; which are specifically required by ~~sections 79-2901 to 79-2959~~ the act. The authority may out of any funds available therefor purchase its bonds. The authority may hold, pledge, cancel, or resell such bonds, subject to and in accordance with any agreement with the bondholders. Neither the members of the authority nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Sec. 20. That section 79-2940, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2940. In the discretion of the authority any bonds issued under the ~~provisions of sections 79-2901 to 79-2959~~ Nebraska Educational Finance Authority Act may be secured by a trust agreement by and between the authority and an incorporated trustee or trustees; which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such bonds may pledge or assign the revenue to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof.

Any pledge or assignment made by the authority pursuant to this section shall be valid and binding from the time that the pledge or assignment is made, and the revenue so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge or assignment without physical delivery thereof or any further act. The lien of such pledge or assignment shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority irrespective of whether such parties have notice thereof.

The resolution or any trust agreement by which a pledge is created or an assignment made shall be filed or recorded in the records of the authority; and with the Secretary of State; and, in the case of a project, in each county in which the project is located.

Such trust agreement or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, or provided for in ~~sections 79-2901 to 79-2959~~ the act.

Any bank or trust company incorporated under the laws of this state which ~~may act~~ acts as depository of the proceeds of the bonds, any revenue, or other money shall furnish such indemnifying bonds or pledge such securities as may be required by the authority.

Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees; and may restrict the individual right of action by bondholders. ~~In addition to the foregoing, any~~ Any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders.

All expenses incurred in carrying out the provisions of such



trust agreement or resolution may be treated as a part of the cost of the operation of a project.

Sec. 21. That section 79-2941, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2941. In addition to any other methods of financing authorized in ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act, the authority may finance the cost of a project or program, refund outstanding indebtedness, or reimburse advances from an endowment or any similar fund of a private institution of higher education as authorized by section 79-2931 by issuing its bonds for the purpose of purchasing the securities of a private institution of higher education. Any such securities shall have the same principal amounts, maturities, and interest rates as the bonds ~~so~~ being issued, may be secured by a first mortgage lien on or security interest in any real or personal property, subject to such exceptions as the authority may approve and created by a mortgage or security instrument satisfactory to the authority, and may be insured or guaranteed by others. Any such bonds shall be secured by a pledge of such securities under the trust agreement creating such bonds, shall be payable solely out of the payments to be made on such securities, and shall not exceed in principal amount the cost of such project or program, the refunding of such indebtedness, or reimbursement of such advances as determined by the private institution of higher education and approved by the authority. In other respects any such bonds shall be subject to the ~~provisions of sections 79-2901 to 79-2959 act~~, including sections 79-2938 and 79-2939, and the trust agreement creating such bonds may contain any of the provisions set forth in section 79-2940 as the authority may consider appropriate.

If a project is financed pursuant to this section, the title to such project shall remain in the private institution of higher education owning the same, subject to the lien of the mortgage or security interest, if any, securing the securities then being purchased, and there shall be no lease of such facility between the authority and such private institution of higher education.

~~The provisions of section~~ Section 79-2937 shall not apply to any project ~~or projects~~ financed pursuant to this section, but the authority shall return the securities purchased through the issuance of bonds pursuant to this section to the private institution of higher education issuing such securities when such bonds have been fully paid and retired or when adequate provision has been made to pay and retire ~~the same such bonds~~ fully and all other conditions of the trust agreement creating such bonds have been satisfied and any lien established pursuant to this section has been released in accordance with the provisions of the trust agreement.

Sec. 22. That section 79-2942, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2942. Notwithstanding any other provision of ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act to the contrary, the authority may finance the cost of a project or program,

refund outstanding indebtedness, or reimburse advances from any endowment or any similar fund of a private institution of higher education as authorized by ~~sections 79-2901 to 79-2959~~ the act, by issuing its bonds pursuant to a plan of financing involving the acquisition of any federally guaranteed security or securities or the acquisition or entering into of commitments to acquire any federally guaranteed security or securities. For ~~the~~ purposes of this section, federally guaranteed security shall mean any direct obligation of; or obligation the principal of and interest on which are fully guaranteed or insured by; the United States of America; or any obligation issued by or the principal of and interest on which are fully guaranteed or insured by any agency or instrumentality of the United States of America, including without limitation any such obligation that is issued pursuant to the National Housing Act, or any successor provision of law, each as amended from time to time.

In furtherance of the powers granted in this section, the authority ~~is authorized to~~ may acquire or ~~to~~ enter into commitments to acquire any federally guaranteed security and ~~to~~ pledge or otherwise use any such federally guaranteed security in such manner as the authority deems in its best interest to secure or otherwise provide a source of repayment of any of its bonds issued to finance or refinance a project; or program or ~~to~~ may enter into any appropriate agreement with any private institution of higher education whereby the authority may make a loan to any such private institution of higher education for the purpose of acquiring or entering into commitments to acquire any federally guaranteed security.

Any agreement entered into pursuant to this section may contain such provisions as are deemed necessary or desirable by the authority for the security or protection of the authority or the holders of such bonds, except that the authority, prior to making any such acquisition, commitment, or loan, shall first determine and enter into an agreement with any such private institution of higher education or any other appropriate institution or corporation to require that the proceeds derived from the acquisition of any such federally guaranteed security will be used, directly or indirectly, for the purpose of financing or refinancing a project or program.

Any bonds issued pursuant to this section shall not exceed in principal amount the cost of financing or refinancing such project or program as determined by the participating private institution of higher education and approved by the authority, except that such costs may include, without limitation, all costs and expenses necessary or incidental to the acquisition of or commitment to acquire any federally guaranteed security and to the issuance and obtaining of any insurance or guarantee of any obligation issued or incurred in connection with any federally guaranteed security. In other respects any such bonds shall be subject to the ~~provisions of sections 79-2901 to 79-2959~~ act, including sections 79-2938 and 79-2939, and the trust agreement creating such bonds may contain such of the provisions set forth in section 79-2940 as the authority may deem appropriate.

If a project is financed or refinanced pursuant to this section, the title to such project shall remain in the participating private institution of higher education owning the same, subject to the lien of any mortgage or security interest securing, directly or indirectly, the federally guaranteed securities then being purchased or to be purchased, and there shall be no lease of such facility between the authority and such institution.

~~The provisions of section~~ Section 79-2937 shall not apply to any project financed pursuant to this section, but the authority shall return the securities purchased through the issuance of bonds pursuant to this section to the issuer of such securities when such securities have been fully paid, when such bonds have been fully paid and retired, or when adequate provision, not involving the application of such securities, has been made to pay and retire ~~the same~~ such bonds fully, all other conditions of the resolution, trust agreement, or indenture creating such bonds have been satisfied, and the lien on such bonds has been released in accordance with the ~~provisions of sections 79-2901 to 79-2959~~ act.

Sec. 23. That section 79-2943, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2943. The authority is hereby authorized to provide by resolution for the issuance of refunding bonds for the purpose of refunding any bonds then outstanding which ~~shall~~ have been issued by it under the ~~provisions of sections 79-2901 to 79-2959~~ Nebraska Educational Finance Authority Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of maturity or earlier redemption of such bonds, and, in the case of a project and if deemed advisable by the authority, for the additional purposes of constructing and acquiring improvements, extensions, or enlargements of the project in connection with which the bonds to be refunded ~~shall have been~~ were issued; and of paying any expenses which the authority determines may be necessary or incidental to the issuance of such refunding bonds and the construction and acquisition of such improvements, extensions, or enlargements. Such refunding bonds shall be payable solely out of the revenue of the project, including any such improvements, extensions, or enlargements thereto, or program to which the bonds being refunded relate or as otherwise described in sections 79-2938, 79-2941, 79-2942, 79-2957, and 79-2958. The issuance of such bonds, the maturities; and other details thereof, the rights of the holders thereof, the rights, duties, and obligations of the authority in respect of ~~the same~~ such bonds, and the manner of sale thereof shall be governed by the ~~provisions of sections 79-2901 to 79-2959~~ act insofar as ~~the same may be~~ applicable.

The proceeds of any such bonds issued for the purpose of refunding outstanding bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or earlier redemption of such outstanding bonds either on their earliest or any subsequent redemption date, upon the purchase of such bonds, or at the maturity of such bonds; and may, pending such application, be placed in escrow to be applied to such purchase, retirement at maturity, or earlier redemption.

Any such escrowed proceeds, pending such use, may be invested and reinvested in direct obligations of the United States of America or obligations the timely payment of principal and interest on which is fully guaranteed by the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment of the principal of; and interest; and redemption premium, if any, on the outstanding bonds to be so refunded. The interest, income, and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds to be so refunded. Only after the terms of the escrow have been fully satisfied and carried out; may any balance of such proceeds, interest, income, or profits earned or realized on the investments thereof be returned to the private institution of higher education for whose benefit the refunded bonds were issued for use by it in any lawful manner.

All such bonds shall be subject to ~~sections 79-2901 to 79-2959~~ the act in the same manner and to the same extent as other revenue bonds issued pursuant to ~~such sections~~ the act.

Sec. 24. That section 79-2944, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2944. Bonds issued pursuant to the ~~provisions of sections 79-2901 to 79-2959~~ Nebraska Educational Finance Authority Act shall not be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any such political subdivision, but such bonds shall be a limited obligation of the authority payable solely from the funds, securities, or government securities pledged for their payment as authorized in ~~sections 79-2901 to 79-2959~~; the act unless such bonds are refunded by refunding bonds issued under the ~~provisions of sections 79-2901 to 79-2959~~ act, which refunding bonds shall be payable solely from funds, securities, or government securities pledged for their payment as authorized in ~~sections 79-2901 to 79-2959~~ the act. All such revenue bonds shall contain on the face thereof a statement to the effect that the bonds, as to both principal and interest, are not an obligation of the State of Nebraska; or of any political subdivision thereof; but are limited obligations of the authority payable solely from revenue, securities, or government securities, as the case may be, pledged for their payment. All expenses incurred in carrying out the ~~provisions of sections 79-2901 to 79-2959~~ act shall be payable solely from funds provided under the authority of ~~sections 79-2901 to 79-2959~~ the act, and nothing contained in ~~sections 79-2901 to 79-2959~~ the act shall be construed to authorize the authority to incur indebtedness or liability on behalf of or payable by the state or any political subdivision thereof.

Sec. 25. That section 79-2946, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2946. All money received by the authority, whether as proceeds from the sale of bonds, from revenue, or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in ~~sections 79-2901 to 79-2959~~; the Nebraska Educational Finance

Authority Act but, prior to the time when needed for use, may be invested to the extent and in the manner provided for the investment of public funds of the state under the laws then in effect. Such funds shall be deposited, held, and secured in accordance with the general laws of the state relating to the handling of public funds, except to the extent provided otherwise in the resolution authorizing the issuance of the related bonds or in the trust agreement securing such bonds. The resolution authorizing the issuance of such bonds or the trust agreement securing such bonds shall provide that any officer to whom; or any bank or trust company to which; such money ~~shall be~~ is entrusted shall act as trustee of such money and shall hold and apply the same for the purposes of ~~sections 79-2901 to 79-2959~~ the act, subject to the ~~provisions of sections 79-2901 to 79-2959~~ act, and of the authorizing resolution or trust agreement.

Sec. 26. That section 79-2947, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2947. Any holder of bonds or of any of the coupons appertaining thereto issued under the ~~provisions of sections 79-2901 to 79-2959~~ Nebraska Educational Finance Authority Act and the trustee under any trust agreement, except to the extent the rights given in ~~sections 79-2901 to 79-2959~~ the act may be restricted by the authorizing resolution or trust agreement, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state, ~~sections 79-2901 to 79-2959~~ the act, or ~~under~~ such trust agreement; or resolution authorizing the issuance of such bonds; and may enforce and compel the performance of all duties required by ~~sections 79-2901 to 79-2959~~ the act or by such trust agreement or resolution to be performed by the authority or by any officer, employee, or agent thereof, including the fixing, charging, and collecting of rates, rents, fees, and charges authorized in ~~sections 79-2901 to 79-2959~~; the act and required by the provisions of such resolution or trust agreement to be fixed, established, and collected.

Such rights shall include the right to compel the performance of all duties of the authority required by ~~sections 79-2901 to 79-2959~~ the act or the bond resolution or trust agreement to enjoin unlawful activities and, in the event of default with respect to the payment of any principal of; and premium, if any, and interest on any bond or in the performance of any covenant or agreement on the part of the authority in the bond resolution, to apply to a court having jurisdiction of the cause to appoint a receiver to administer and operate ~~the~~ a project, the revenue of which is pledged to the payment of the principal of; and premium, if any, and interest on such bonds, with full power to pay and to provide for payment of the principal of; and premium, if any, and interest on such bonds, and with such powers, subject to the direction of the court, as are permitted by law and are accorded receivers in general equity cases, excluding any power to pledge additional revenue of the authority to the payment of such principal, premium, and interest, and to foreclose the mortgage on the project in the same manner as the foreclosure of a mortgage on real estate of private corporations.

Sec. 27. That section 79-2948, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2948. ~~Sections 79-2901 to 79-2959~~ The Nebraska Educational Finance Authority Act, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect the purposes thereof.

Sec. 28. That section 79-2950, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2950. The exercise of the powers granted by ~~sections 79-2901 to 79-2959~~ will the Nebraska Educational Finance Authority Act shall be in all respects for the benefit of the people of the state, for the increase of their commerce and prosperity, for the improvement of their health and living conditions, and for the development of their intellectual and mental capacities and skills, and as the operation, maintenance, financing, or refinancing of a project or program by the authority or its agent will constitute the performance of essential governmental functions and serve a public purpose, neither the authority nor its agent shall be required to pay any taxes or assessments, upon or in respect to a project or any property acquired or used by the authority or its agent under the ~~provisions of sections 79-2901 to 79-2959, or act~~, upon the income therefrom, or upon any other amounts received by the authority in respect thereof, including payments of principal; of or premium; or interest on or in respect of any securities purchased pursuant to section 79-2941 or any government securities involved in a plan of financing pursuant to section 79-2942. ~~The ; and the~~ bonds issued under the ~~provisions of sections 79-2901 to 79-2959 act~~, the interest thereon, the proceeds received by a holder from the sale of such bonds to the extent of the holder's cost of acquisition, or proceeds received upon redemption prior to maturity, proceeds received at maturity, and the receipt of such interest and proceeds shall be exempt from taxation in the State of Nebraska for all purposes except the state inheritance tax.

Sec. 29. That section 79-2951, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2951. The State of Nebraska does hereby pledge to and agree with the holders of any obligations issued under ~~sections 79-2901 to 79-2959~~, the Nebraska Educational Finance Authority Act and with those parties who may enter into contracts with the authority pursuant to the ~~provisions of sections 79-2901 to 79-2959~~, act that the state will not limit or alter the rights vested in the authority until such obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the authority, except that nothing contained in this section shall preclude such limitation or alteration if and when adequate provision ~~shall be~~ is made by law for the protection of the holders of such obligations of the authority or those entering into such contracts with the authority.

Sec. 30. That section 79-2952, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2952. ~~Sections 79-2901 to 79-2959~~ The Nebraska

Educational Finance Authority Act shall be deemed to provide a complete, additional, and alternative method for doing the things authorized in ~~sections 79-2901 to 79-2959~~ the act and shall be regarded as supplemental and additional to powers conferred by other laws. The issuance of bonds and refunding bonds under the ~~provisions of sections 79-2901 to 79-2959~~ act need not comply with the requirements of any other law applicable to the issuance of bonds and the construction and acquisition of a project pursuant to ~~sections 79-2901 to 79-2959~~ the act by the authority need not comply with the requirements of any competitive bidding law or other restriction imposed on the procedure for award of contracts for the construction and equipping of a project or the lease, sale, or disposition of property of the authority, except that if the prospective lessee so requests in writing, the authority shall call for construction bids in such manner as shall be determined by the authority with the approval of such lessee. Except as otherwise expressly provided in ~~sections 79-2901 to 79-2959~~ the act, none of the powers granted to the authority under the ~~provisions of sections 79-2901 to 79-2959~~ act shall be subject to the supervision of or regulation by; or require the approval or consent of any municipality, political subdivision, commission, board, body, bureau, official, or agency; or the state.

Sec. 31. That section 79-2953, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2953. To the extent that the ~~provisions of sections 79-2901 to 79-2959~~ are Nebraska Educational Finance Authority Act is inconsistent with the provisions of any general statute or special act or parts thereof, the ~~provisions of sections 79-2901 to 79-2959~~ Nebraska Educational Finance Authority Act shall be deemed controlling.

Sec. 32. That section 79-2954, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2954. There is hereby established, in accordance with Public Law 94-484, the Nebraska Health Education Assistance Loan Program, to be financed by the authority in the manner provided in the Nebraska Educational ~~Facilities~~ Finance Authority Act.

Sec. 33. That section 79-2959, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2959. There is hereby created a separate fund, to be known as the Nebraska Health Education Loan Repayment Fund, which shall consist of all revenue generated in connection with loans funded pursuant to ~~sections 79-2901 to 79-2959~~ the Nebraska Educational Finance Authority Act. The authority may pledge revenue received or to be received by the fund to secure bonds, notes, or other obligations issued pursuant to ~~such sections~~ the act. The authority may create such subfunds or accounts within the fund as it deems necessary or advisable.

Sec. 34. There is hereby established the Nebraska Student Loan Assistance Program to be financed by the authority in the manner provided in the Nebraska Educational Finance Authority Act.

Sec. 35. The authority may:

(1) Make loans to private institutions of higher education to

assist such institutions in providing loans to their full-time students to assist them in financing the cost of their education while taking courses leading to an academic degree;

(2) Participate in the financing of such loans;

(3) Sell or participate in the sale of such loans;

(4) Collect and pay reasonable fees and charges in connection with the exercise of the powers provided in subdivisions (1) through (3) of this section;

(5) Do all things necessary and convenient to carry out the purposes of this section and section 36 of this act in connection with the administering of such loans, including contracting with any person, firm, or other body, public or private;

(6) Enter into any agreements necessary to effect the guarantee, insuring, or administering of such loans;

(7) Adopt and promulgate rules and regulations governing and establish standards for participation in the Nebraska Student Loan Assistance Program; and

(8) Exercise all powers incidental to or necessary for the performance of the powers authorized by this section.

Sec. 36. Any loan made or caused to be made or purchased pursuant to section 35 of this act may be funded with the proceeds of bonds, notes, or other obligations of the authority issued pursuant to sections 79-2938 and 79-2943 and sections 34 to 36 of this act. The trust agreement or indenture creating such bonds, notes, or other obligations may contain any of the provisions specified in section 79-2940 as the authority deems appropriate and any other provisions, not in violation of law, as the authority deems reasonable and proper for the security of the holders of such bonds, notes, or other obligations.

The proceeds of any such bonds, notes, or other obligations may be used and applied by the authority to make loans to such institutions and cause loans to be made by the institutions to their qualified students, to pay financing costs, including legal, underwriting, investment banking, accounting, rating agency, printing, and other similar costs, to fund any reserve funds deemed necessary or advisable by the authority, to pay interest on such bonds, notes, or other obligations for any period deemed necessary or advisable by the authority, and to pay all other necessary and incidental costs and expenses.

Sec. 37. It is the intent of the Legislature that the changes made by this legislative bill in the name of the Nebraska Educational Facilities Authority Act to the Nebraska Educational Finance Authority Act and in the name of the Nebraska Educational Facilities Authority to the Nebraska Educational Finance Authority shall not affect or alter any rights, privileges, or obligations existing immediately prior to the effective date of this act.

Sec. 38. That original sections 79-2901 to 79-2904, 79-2907, 79-2908, 79-2910, 79-2912, 79-2914, 79-2915, 79-2918, 79-2923, 79-2924, 79-2929, 79-2932 to 79-2935, 79-2938, 79-2940 to 79-2944, 79-2946 to 79-2948, 79-2950 to 79-2954, and 79-2959, Reissue Revised



Statutes of Nebraska, 1943, and also sections 79-2909.01 and 79-2960, Reissue Revised Statutes of Nebraska, 1943, are repealed.