

LEGISLATIVE BILL 626

Approved by the Governor May 26, 1983

Introduced by Speaker, Nichol, 48, for the Governor;  
DeCamp, 40

AN ACT to adopt the Nebraska Investment Finance Authority Act; to amend sections 48-1002 and 48-1220, Reissue Revised Statutes of Nebraska, 1943, and sections 48-1102, 66-1005, and 66-1009, Revised Statutes Supplement, 1982; to redefine terms; to change provisions relating to utility loans; to repeal the Nebraska Mortgage Finance Fund Act, the Agricultural Development Corporation Act, and the Nebraska Development Finance Fund Act; to provide severability; to repeal the original sections, and also sections 76-1601 to 76-1651, Reissue Revised Statutes of Nebraska, 1943, and sections 2-4101 to 2-4156 and 76-1801 to 76-1841, Revised Statutes Supplement, 1982.

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

Section 1. Sections 1 to 72 of this act shall be known and may be cited as the Nebraska Investment Finance Authority Act.

Sec. 2. It is hereby found and declared that:

(1)(a) The high cost of agricultural loans and the general unavailability of such loans to farmers and other agricultural enterprises has resulted in decreased crop, livestock, and business productivity and prevented farmers and other agricultural enterprises from acquiring modern agricultural equipment and processes. These problems have made it difficult for farmers and other agricultural enterprises to maintain or increase their present number of employees and has decreased the supply of agricultural commodities available to fulfill the needs of the citizens of this state; and

(b) There exists in this state an inadequate supply of, and a pressing need for, farm credit and agricultural loan financing at interest rates which are consistent with the needs of farmers and other agricultural enterprises;

(2)(a) From time to time the high rates of interest charged by mortgage lenders seriously restrict existing housing transfers and new housing starts and the resultant reduction in residential construction starts causes a condition of substantial unemployment and underemployment in the construction industry;

(b) Such conditions generally result in and contribute to the creation of slums and blighted areas in the urban and rural areas of this state and a deterioration of the quality of living conditions within this state, and necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident prevention, and other public services and facilities; and

(c) There exists in the urban and rural areas of this state an inadequate supply of, and a pressing need for, sanitary, safe, and uncrowded housing at prices which persons of low and moderate income can afford to purchase, construct, or rent, and as a result such persons are forced to occupy insanitary, unsafe, and overcrowded housing;

(3)(a) Adequate and reliable energy supplies are a basic necessity of life and sufficient energy supplies are essential to supplying adequate food and shelter;

(b) The cost and availability of energy supplies has been and will continue to be a matter of state and national concern;

(c) The increasing cost and decreasing availability of energy supplies for purposes of residential heating will limit the ability of many of Nebraska's citizens to provide the basic necessities of

life and will result in a deterioration in living conditions and a threat to the health and welfare of the citizens of this state;

(d) Energy conservation through building modifications including, but not limited to, insulation, weatherization, and the installation of alternative energy devices has been shown to be a prudent means of reducing energy consumption costs and the need for additional costly facilities to produce and supply energy;

(e) Because of the high cost of available capital, the purchase of energy conservation devices is not possible for many Nebraskans. The prohibitively high interest rates for private capital create a situation in which the necessary capital cannot be obtained solely from private enterprise sources and there is a need for the stimulation of investment of private capital, thereby encouraging the purchase of energy conservation devices and energy conserving building modifications;

(f) The increased cost per capita of supplying adequate life sustaining energy needs has reduced the amount of funds, both public and private, available for providing other necessities of life, including food, health care, and safe, sanitary housing; and

(g) The continuing purchase of energy supplies results in the transfer of ever increasing amounts of capital to out-of-state energy suppliers.

(4)(a) There exists within this state unemployment and underemployment especially in areas of basic economic activity, caused by economic decline and need for diversification of the economic base, needlessly increasing public expenditures for unemployment compensation and welfare, decreasing the tax base, reducing tax revenue, and resulting in economic and social liabilities to the entire state;

(b) Such unemployment and underemployment cause areas of the state to deteriorate and become substandard and blighted, and such conditions result in making such areas economic or social liabilities harmful to the social and economic well-being of the entire state and the communities in which they exist, needlessly increasing public expenditures, imposing onerous state and municipal burdens, decreasing the tax base, reducing tax revenue, substantially impairing or arresting the sound growth of the state and the municipalities, depreciating general state and community-wide values, and contributing to the spread of disease and crime, which necessitate excessive and disproportionate expenditures of public funds for the preservation of the public health and safety, for crime prevention, correction, prosecution, and punishment, for the treatment of juvenile delinquency for the

maintenance of adequate police, fire, and accident protection, and for other public services and facilities;

(c) There exist within this state conditions resulting from the concentration of population of various counties, cities, and villages which require the construction, maintenance, and operation of adequate hospital and nursing facilities for the care of the public health. Since these conditions cannot be remedied by the ordinary operations of private enterprises and the providing of adequate hospital, nursing, and medical care are public uses, it is in the public interest that adequate hospital and medical facilities and care be provided in order to care for and protect the health and public welfare;

(d) Creation of basic economic jobs in the private sector and the promotion of health and welfare by the means provided under the Nebraska Investment Finance Authority Act and the resulting reduction of needless public expenditures, expansion of the tax base, provision of hospitals and health care and related facilities, and increase of tax revenue are needed within this state; and

(e) Stimulation of economic development throughout the state and the provision of health care at affordable prices are matters of state policy, public interest, and statewide concern and within the powers and authority inherent in and reserved to the state, in order that the state and its municipalities shall not continue to be endangered by areas which consume an excessive proportion of their revenue, in order that the economic base of the state may be broadened and stabilized thereby providing jobs and necessary tax base, and in order that adequate health care services be provided to all residents of this state.

Sec. 3. (1) The problems enumerated in section 2 of this act cannot alone be remedied through the operation of private enterprise or individual communities or both, but may be alleviated through the creation of a quasi-governmental body to:

(a) Encourage the investment of private capital and stimulate the construction of sanitary, safe, and uncrowded housing for low and moderate income persons through the use of public financing as provided by the Nebraska Investment Finance Authority Act at reasonable interest rates, and by coordinating and cooperating with private industry and local communities, which is essential to alleviating the conditions described in section 2 of this act and is in the public interest;

(b) Encourage the investment of private capital to provide financing for farmers and other agricultural enterprises of usual and customary size for

such farming operations within the community at interest rates lower than those available in conventional farm credit markets, which is essential to alleviating the conditions described in section 2 of this act and is in the public interest; and

(c) Encourage the investment of private capital and stimulate the creation of basic economic activity, the creation of jobs, the provision of adequate health care, and the expansion of the tax base throughout the state through the use of public financing, and by coordinating with private industry and local communities, which is essential to alleviating the conditions described in section 2 of this act and is in the public interest.

(2) Alleviating the conditions and problems enumerated in section 2 of this act through encouragement of private investment by a quasi-governmental body is a public purpose and use for which public money provided by the sale of revenue bonds may be borrowed, expended, advanced, loaned, or granted. Such activities shall not be conducted for profit. Such activities are proper governmental functions and can best be accomplished by the creation of a quasi-governmental body vested with the powers and duties specified in the Nebraska Investment Finance Authority Act. The necessity for the provisions of the Nebraska Investment Finance Authority Act to protect the health, safety, morals, and general welfare of all the people of this state is hereby declared to be a matter of legislative determination. The governmental body created by the Nebraska Investment Finance Authority Act shall make financing available for new or existing housing to serve those people whom private industry is unable to serve at current interest rates and shall make financing available for farmers who are unable to obtain sufficient credit to finance actual agricultural needs at reasonable rates and terms taking into consideration prevailing rates and terms for similar loans made through conventional farm credit markets in or near the farmer's community.

Sec. 4. The Legislature finds and declares that the Nebraska Mortgage Finance Fund, the Nebraska Development Finance Fund, and the Agricultural Development Corporation have effectuated and are effectuating their respective public purposes.

Sec. 5. The Legislature further finds that the use of a single staff by the Nebraska Mortgage Finance Fund, the Nebraska Development Finance Fund, and the Agricultural Development Corporation has proven to be very efficient and that it would promote an even more efficient operation of the activities of the Nebraska Mortgage Finance Fund, the Nebraska Development Finance Fund, and the Agricultural Development Corporation if

such entities were consolidated into a single entity with a single governing body.

Sec. 6. The Legislature further finds that:

(1) In many instances local communities, citizens of the state, and private enterprise lack the knowledge and technical expertise necessary to take advantage of the public purpose financings offered by the Nebraska Mortgage Finance Fund, the Nebraska Development Finance Fund, the Agricultural Development Corporation, and local industrial development revenue bond options, resulting in less than a full realization of the public purpose benefits to the state and its citizens;

(2) It is in the interest of the State of Nebraska and its citizens, as well as local communities, to provide assistance and expertise to enable local communities, citizens, and private enterprise to more fully realize the benefits available to the general public; and

(3) Such assistance and expertise can be provided by a single quasi-governmental entity with a professional staff.

Sec. 7. As used in the Nebraska Investment Finance Authority Act, unless the context otherwise requires, the definitions found in sections 7 to 25 of this act shall be used.

Sec. 8. Agriculture or agricultural enterprise shall mean and include the real and personal property constituting farms and ranches.

Sec. 9. Authority shall mean the Nebraska Investment Finance Authority created by section 26 of this act.

Sec. 10. Bonds shall mean any bonds, notes, debentures, interim certificates, bond anticipation notes, or other evidences of financial indebtedness.

Sec. 11. Financing agreement shall mean any contractual obligation between the authority and another entity with respect to the financing, which shall include without limitation refinancing, of a project or projects, and shall include, without limitation, a lease agreement, loan agreement, sale contract, take or pay contract, or user agreement. The financing agreement shall provide for payments by such other entity to the authority, in such amounts that the authority shall be able to pay on a timely basis interest on the bonds issued in connection therewith, the principal of such bonds, and any redemption prices or premiums with respect thereto. The financing agreement may provide that the obligation to make such payments shall be secured or evidenced in such manner as the authority shall deem appropriate to provide adequate security for the authority and the holders of the bonds issued in connection therewith. The financing agreement shall

also contain provisions with respect to the acquisition, construction, rehabilitation, improvement, or refinancing of a project to effectuate the public purposes of the Nebraska Investment Authority Act and provide that it is not subject to assumption except under such circumstances as the authority shall determine to be consistent with the public purposes to be carried out.

Sec. 12. Hospital or nursing home shall mean any private nonprofit hospital, nonprofit nursing home, corporation, association, or institution or any public hospital, public nursing home, or institution authorized by law to provide or operate health facilities in this state and also shall mean any cooperative hospital service organization which is described in section 501 (c) of the Internal Revenue Code of 1954, as amended, or any similar nonprofit corporation, whether or not such corporation is exempt from federal income taxation pursuant to section 501 (e) of the Internal Revenue Code of 1954, as amended.

Sec. 13. Insurer shall mean an agency, department, administration, or instrumentality, corporate or otherwise, of or in the Department of Housing and Urban Development, the Farmers Home Administration of the Department of Agriculture, or the Veterans' Administration of the United States of America, any private insurance company, or any other public or private agency which insures or guarantees loans, including mortgage loans.

Sec. 14. Lender shall mean any federal or state chartered bank, federal land bank, production credit association, bank for cooperatives, savings and loan association, building and loan association, small business investment company, or any other institution qualified within the state to originate and service loans including, but not limited to, insurance companies, credit unions, and mortgage loan companies.

Sec. 15. Loan shall mean any lending arrangement pursuant to a financing agreement.

Sec. 16. Low and moderate income persons shall mean persons irrespective of race, religion, creed, national origin, or sex determined by the authority to require such assistance as is made available by the Nebraska Investment Finance Authority Act on account of insufficient personal or family income, taking into consideration without limiting the generality thereof such factors as:

- (1) The amount of income of such persons and families available for housing needs;
- (2) Size of family;
- (3) Cost and condition of housing available;
- (4) Whether such persons are elderly, infirm, or disabled; and

(5) The ability of such persons to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing sanitary, safe, and uncrowded housing.

Sec. 17. Mortgage shall mean a mortgage deed, deed of trust, or other instrument securing a mortgage loan and constituting a lien on the real property held in fee simple or on a leasehold under a lease having a remaining term, at the time such mortgage is acquired, of not less than the term for repayment of the mortgage loan secured by such mortgage, which is improved by residential housing.

Sec. 18. Mortgage loan shall mean an interest-bearing obligation which may be secured by a mortgage or such other security as the authority shall deem appropriate.

Sec. 19. Project shall mean one or more of the following:

(1) (a) Rental housing;

(b) Residential housing; and

(c) Residential energy conservation devices;

(2) Agriculture or agricultural enterprise;

and

(3) Any land, building, or other improvement, any real or personal property, or any equipment, and any undivided or other interest in any of the foregoing, whether or not in existence, suitable or used for or in connection with any of the following revenue-producing enterprises or two or more such enterprises engaged or to be engaged in,:

(a) In all areas of the state, manufacturing or industrial enterprises including assembling, fabricating, mixing, processing, warehousing, distributing, or transporting any products of agriculture, forestry, mining, industry, or manufacturing; pollution control facilities; facilities incident to the development of industrial sites including land costs and the costs of site improvements thereon, such as drainage, water, storm, and sanitary sewers, grading, streets, and other facilities and structures incidental to the use of such sites for manufacturing or industrial enterprises;

(b) In all areas of the state, commercial or service enterprises if (i) such facilities constitute new construction or rehabilitation including hotels or motels, sports and recreation facilities available for use by members of the general public either as participants or spectators, and convention or trade show facilities and (ii) such facilities do not or will not derive a significant portion of their gross receipts from retail sales or utilize a significant portion of their total area for retail sales;

(c) In blighted areas of the state as defined



in section 18-2103, commercial, service, and business enterprises if such facilities constitute new construction, acquisition, or rehabilitation, including, but not limited to, those enterprises specified in subdivision (3)(b) of this section, office buildings, and retail businesses; and

(d) In all areas of the state, any land, building, or other improvement and all real or personal property, including furniture and equipment, and any undivided or other interest in any such property, whether or not in existence, suitable or used for or in connection with any hospital, nursing home, and any facilities related and subordinate thereto.

Nothing in subdivision (3) of this section shall be construed to include any rental or residential housing, residential energy conservation device, or agriculture or agricultural enterprise.

Sec. 20. Rental housing shall mean a specific work or improvement within this state undertaken primarily to provide rental dwelling accommodations for low or moderate income persons, including the acquisition, construction, reconstruction, or rehabilitation of land, buildings, and improvements thereto, and such other nonhousing facilities as may be incidental or appurtenant thereto.

Sec. 21. Residential energy conservation device shall mean any prudent means of reducing the demands for conventional fuels or increasing the supply or efficiency of these fuels in residential housing and shall include but not be limited to:

(1) Caulking and weatherstripping of doors and windows;

(2) Furnace efficiency modifications including:

(a) Replacement burners, furnaces, heat pumps, or boilers, or any combination thereof which, as determined by the Director of the State Energy Office, substantially increases the energy efficiency of the heating system;

(b) Devices for modifying flue openings which will increase the energy efficiency of the heating system; and

(c) Electrical or mechanical furnace ignition systems which replace standing gas pilot lights;

(3) Clock thermostats;

(4) Ceiling, attic, wall, and floor insulation;

(5) Water heater insulation;

(6) Storm windows and doors, multi-glazed windows and doors, heat-absorbed or heat-reflective glazed window and door materials;

(7) Devices which control demand of appliances and aid load management;

(8) Devices to utilize solar energy, biomass, or wind power for any residential energy conservation purpose, including heating of water and space heating or cooling; and

(9) Such other conservation devices, renewable energy technologies, and specific home improvements necessary to insure the effectiveness of the energy conservation measures as the Director of the State Energy Office by rule or regulation identifies.

Sec. 22. Residential housing shall mean a specific work or improvement within this state undertaken primarily to provide single family dwelling accommodations for low and moderate-income persons, including the acquisition, construction, reconstruction, or rehabilitation of land, buildings, and improvements thereto, and such other nonhousing facilities as may be incidental or appurtenant thereto including residential energy conservation devices.

Sec. 23. Residential energy conservation loan program shall mean a system by which loans and mortgage loans for residential energy conservation devices are made available to low and moderate income persons pursuant to the Nebraska Investment Finance Authority Act.

Sec. 24. State shall mean the State of Nebraska.

Sec. 25. Utility shall mean any entity which provides electricity or natural gas to retail customers in the state.

Sec. 26. (1) There is hereby created, with such duties and powers as are set forth in the Nebraska Investment Finance Authority Act, to carry out the provisions of such act, a body politic and corporate, not a state agency, but an independent instrumentality exercising essential public functions, to be known as the Nebraska Investment Finance Authority.

(2) The authority shall be composed of nine members as follows:

(a) Three ex officio members who shall be:

(i) The Director of Economic Development;

(ii) The chairperson of the Nebraska Investment Council; and

(iii) The Director of Agriculture; and

(b) Six public members who shall be appointed by the Governor, five of whom shall be appointed as follows:

(i) One shall be experienced in real estate development;

(ii) One shall be experienced in industrial mortgage credit, commercial credit, agricultural credit, or housing mortgage credit;

(iii) One shall be experienced in banking or investment banking;

(iv) One shall be experienced in home building or a licensed real estate broker; and

(v) One shall be experienced in agricultural production.

(3) All members shall be residents of the state. Of the public members, two members shall be appointed from each congressional district. Of the six public members, not more than three shall belong to the same political party. The three ex officio members may each designate a representative to perform their respective duties under the Nebraska Investment Finance Authority Act. It shall not constitute a conflict of interest for members of the authority to serve on any other public board or commission.

Sec. 27. Of the six public members first appointed to the authority, three shall be appointed to terms of office expiring on January 15, 1985, and the remaining three to terms of office expiring on January 15, 1987. All subsequent appointments shall be for terms of four years. Vacancies in the public membership of the authority shall be filled for the unexpired term by appointment by the Governor. Each member shall hold office for the term of his or her appointment and until his or her successor shall have been appointed and qualified. Any public member shall be eligible for reappointment. Any public member may be removed from office for incompetency, neglect of duty, or malfeasance in office by the Governor or by an affirmative vote by any six members of the authority.

Sec. 28. The Director of Economic Development shall be the chairperson of the authority. The members shall elect from among their number a vice-chairperson and such other officers as they may determine. They shall receive no compensation for their services but shall receive reimbursement for actual, necessary, and reasonable expenses incurred in the discharge of their official duties as provided in sections 84-306.01 to 84-306.05 for state employees.

Sec. 29. The powers of the authority shall be vested in the members thereof. Five members of the authority shall constitute a quorum for the transaction of business. The affirmative vote of at least five members shall be necessary for any action to be taken by the authority. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all rights and perform all duties of the authority.

Sec. 30. Meetings of the members of the authority shall be held at the call of the chairperson or whenever any five members so request. In any event, the members shall meet at least once every three months to attend to the business of the authority.

Sec. 31. The members of the authority shall appoint an executive director who shall be an employee

of the authority, but not a member thereof, and who shall serve at the pleasure of the members and receive such compensation as shall be fixed by the members. The executive director, who shall serve as the ex officio secretary of the authority, shall administer, manage, and direct the affairs and activities of the authority in accordance with the policies and under the control and direction of the members. The executive director shall approve all accounts for salaries, allowable expenses of the authority or of any employee or consultant thereof, and expenses incidental to the operation of the authority. He or she shall perform such other duties as may be directed by the members in carrying out the purposes of the Nebraska Investment Finance Authority Act.

Sec. 32. The executive director shall attend the meetings of the members of the authority, shall keep a record of the proceedings of the authority, and shall maintain and be custodian of all books, documents, and papers filed with the authority, the minute book or journal of the authority, and its official seal. He or she may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

Sec. 33. There shall be three divisions within the authority which shall consist of the Mortgage Finance Division, the Development Finance Division, and the Agricultural Finance Division. The authority may appoint a deputy director to head each division.

Sec. 34. The authority may employ legal counsel, technical experts, and such other officers, agents, and employees, permanent or temporary, as it deems necessary to carry out the efficient operation of the authority, and shall determine their qualifications, duties, compensation, and terms of office. The members may delegate to one or more agents or employees of the authority such administrative duties as they deem proper.

Sec. 35. Any member or employee of the authority who has, will have, or later acquires an interest, direct or indirect, in any transaction with the authority shall immediately disclose the nature and extent of such interest in writing to the authority as soon as he or she has knowledge of such actual or prospective interest. Such disclosure shall be entered upon the minutes of the authority. Upon such disclosure such member or employee shall not participate in any action by the authority authorizing such transaction. Actions taken when such member or employee reasonably believed that he or she had no conflict shall not be

invalidated because of such conflict. The fact that a member is also an officer or owner of an organization shall not be deemed to be a direct or indirect interest unless (1) such member has an ownership interest of greater than five per cent in such organization, or (2) the transaction in question does not involve all similar organizations, but involves only the authority and such organization.

Sec. 36. Notwithstanding the provisions of any other law, no officer or employee of this state shall be deemed to have forfeited or shall forfeit his or her office or employment by reason of his or her acceptance of membership in the authority or by reason of his or her providing services to such authority.

Sec. 37. Before the issuance of any bonds under the Nebraska Investment Finance Authority Act, each member of the authority shall execute a surety bond in the penal sum of twenty-five thousand dollars. The executive director of the authority shall execute a surety bond in the penal sum of fifty thousand dollars. To the extent that any member of the authority or the executive director of the authority is already covered by a bond required by state law, such member or the executive director need not obtain another bond so long as the bond required by state law is in at least the penal sum specified in this section and covers the member's or executive director's activities for the authority. In lieu of such bonds, the chairperson of the authority may execute a blanket surety bond covering each member, the executive director, and the employees or other officers of the authority. Each surety bond shall be conditioned upon the faithful performance of the duties of the office of the member or executive director and shall be issued by a surety company authorized to transact business in this state as surety. At all times after the issuance of any surety bonds, each member and executive director shall maintain such surety bonds in full force and effect. All costs of the surety bonds shall be borne by the authority.

Sec. 38. Members of the authority shall not be liable to the state, to the authority, or to any other person as a result of their activities, whether ministerial or discretionary, as authority members except for willful dishonesty or intentional violations of law. Neither members of the authority nor any person executing bonds or policies of insurance shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. The authority may purchase liability insurance for members, officers, and employees and may indemnify any authority member to the same extent that a school district may indemnify a school board member pursuant to section 79-4,155.

Sec. 39. The authority is hereby granted all powers necessary or appropriate to carry out and effectuate its public and corporate purposes, including but not limited to, the following:

(1) To have perpetual succession as a body politic and corporate and an independent instrumentality exercising essential public functions;

(2) To adopt, amend, and repeal bylaws, rules, and regulations, not inconsistent with the Nebraska Investment Finance Authority Act, to regulate its affairs, to carry into effect the powers and purposes of the authority, and to conduct its business;

(3) To sue and be sued in its own name;

(4) To have an official seal and alter it at will;

(5) To maintain an office at such place or places within the state as it may designate;

(6) To make and execute contracts and all other instruments as necessary or convenient for the performance of its duties and the exercise of its powers and functions under the Nebraska Investment Finance Authority Act;

(7) To employ architects, engineers, attorneys, inspectors, accountants, building contractors, financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment, and to fix their compensation;

(8) To procure insurance against any loss in connection with its bonds, property, and other assets in such amounts and from such insurers as it may deem advisable;

(9) To borrow money and issue bonds as provided by the Nebraska Investment Finance Authority Act;

(10) To receive and accept from any source aid or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of the Nebraska Investment Finance Authority Act subject to the conditions upon which the grants or contributions are made, including, but not limited to, gifts or grants from any department, agency, or instrumentality of the United States for any purpose consistent with the Nebraska Investment Finance Authority Act;

(11) To enter into agreements with any department, agency, or instrumentality of the United States or this state and with lenders for the purpose of carrying out projects authorized under the Nebraska Investment Finance Authority Act;

(12) To enter into contracts or agreements with lenders for the servicing and processing of mortgages or loans pursuant to the Nebraska Investment Finance Authority Act;

(13) To provide technical assistance to local public bodies and to profit and nonprofit entities in the areas of housing for low and moderate income persons, agricultural enterprises, and community or economic development, and distribute data and information concerning the needs of the state in these areas, and, at the discretion of the authority, to charge reasonable fees for such assistance;

(14) To the extent permitted under its contract with the holders of bonds of the authority, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or any other term of any contract, loan, loan note, loan note commitment, mortgage, mortgage loan, mortgage loan commitment, lease, or agreement of any kind to which the authority is a party;

(15) To the extent permitted under its contract with the holders of bonds of the authority, enter into contracts with any lender containing provisions enabling it to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges when, by reason of other income or payment by any department, agency, or instrumentality of the United States of America or of this state, the reduction can be made without jeopardizing the economic stability of the project being financed;

(16) To acquire, whether by construction, purchase, devise, gift, lease, or any one or more of such methods, one or more projects, which shall be located within this state, except that the authority shall not have the power to acquire any projects or parts of such projects by condemnation;

(17) To lease to others any or all of its projects for such rentals and upon such terms and conditions as the authority may deem advisable and as shall not conflict with the provisions of the Nebraska Investment Finance Authority Act;

(18) To issue bonds for the purpose of paying the cost of financing any project or projects, and to secure the payment of such bonds as provided in the Nebraska Investment Finance Authority Act;

(19) To sell and convey any real or personal property and make such order respecting the same as may be deemed conducive to the best interest of the authority;

(20) To make and undertake commitments to make loans to lenders under the terms and conditions requiring the proceeds thereof to be used by such lenders to make loans for projects. Loan commitments or actual loans shall be originated through and serviced by any bank, trust company, savings and loan association, mortgage banker, or other financial institution

authorized to transact business in this state:

(21) To invest in, purchase, make commitments to invest in or purchase, and take assignments or make commitments to take assignments of loans made by lenders for the construction, rehabilitation, or purchase of projects. No loan shall be eligible for investment in, purchase, or assignment by the authority if the loan was made more than one year prior to the date of investment, purchase, or assignment by the authority; and

(22) To enter into financing agreements with others with respect to one or more projects to provide financing for such projects upon such terms and conditions as the authority may deem advisable to effectuate the public purposes of the Nebraska Investment Finance Authority Act, which projects shall be located within the state. The authority shall not have the power to operate any project referred to in this section as a business or in any manner except as the lessor or seller of such project.

Sec. 40. The authority shall have the following duties:

(1) To invest any funds not needed for immediate disbursement, including any funds held in reserve, in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States, obligations issued by agencies of the United States, any obligations of the United States or agencies thereof, obligations of this state, or any obligations or securities which may from time to time be legally purchased by governmental subdivisions of this state pursuant to section 77-2341, except that any funds pledged to secure a bond issue shall be invested in the manner permitted by the indenture securing such bonds;

(2) To collect fees and charges, as the authority determines to be reasonable, in connection with its loans, advances, insurance, commitments, and servicing;

(3) To cooperate with and exchange services, personnel, and information with any federal, state, or local governmental agency;

(4) To insure that at least one-third of any funds made available for projects as defined in subdivision (3) of section 19 of this act be provided to small businesses. For purposes of this subdivision small business shall mean a business which employs ten employees or less;

(5) To sell, at public or private sale, with or without public bidding, any mortgage or other obligation held by the authority; and

(6) To do any act necessary or convenient to the exercise of the powers granted by the Nebraska Investment Finance Authority Act or reasonably implied from such act.



Sec. 41. In exercising any powers granted in the Nebraska Investment Finance Authority Act, the authority shall coordinate its activities with the policy, program, and planning efforts of the state, particularly the Policy Research Office and the Department of Economic Development.

Sec. 42. Prior to exercising any of the powers authorized by the Nebraska Investment Finance Authority Act, regarding agricultural projects as defined in subdivision (2) of section 19 of this act, the authority shall require:

(1) That the lender certify and agree that the loan is or will at the time of making be in all respects a prudent investment;

(2) That no loan will be made to any person with a net worth of more than three hundred thousand dollars;

(3) That the lender certify and agree that it will use the proceeds of such loan, investment, sale, or assignment within a reasonable period of time to make loans or purchase loans to provide agricultural enterprises or, if such lender has made a commitment to make loans to provide agricultural enterprises on the basis of a commitment from the authority to purchase such loans, such lender will make such loans and sell the same to the authority within a reasonable period of time;

(4) That the lender certify that the borrower is an individual who is actively engaged in or who will become actively engaged in an agricultural enterprise after he or she receives the loan, or that the borrower is a firm, partnership, corporation, or other entity, with all owners, partners, or stockholders thereof being natural persons who are actively engaged in or who will be actively engaged in an agricultural enterprise after the loan is received; and

(5) That the aggregate amount of the loan received by a borrower shall not exceed five hundred thousand dollars. In computing such amount a loan received by an individual shall be aggregated with those loans received by his or her spouse and children and a loan received by a firm, partnership, or corporation shall be aggregated with those loans received by each owner, partner, or stockholder thereof.

Sec. 43. Prior to exercising any of the powers conferred by the Nebraska Investment Finance Authority Act regarding agricultural projects as defined in subdivision (2) of section 19 of this act, the authority may, but shall not be obligated to:

(1) Require that the loan involved be insured by a loan insurer or be guaranteed by a loan guarantor;

(2) Require any type of security that it deems reasonable and necessary; or

(3) Authorize the reservation of funds by lenders in such amount and subject to such conditions as the authority considers reasonable and necessary.

Sec. 44. Prior to carrying out any of the powers granted under the Nebraska Investment Finance Authority Act regarding agricultural projects as defined in subdivision (2) of section 19 of this act, the authority shall adopt and promulgate rules and regulations governing its activities authorized under the Nebraska Investment Finance Authority Act, including, but not limited to, rules and regulations relating to any or all of the following:

(1) Procedures for the submission of requests or invitations and proposals for making loans to lenders and the investment in, purchase, assignment, and sale of loans;

(2) The reinvestment by lenders of the proceeds, or an equivalent amount from any loan to lenders or the investment in or purchase by the authority or the assignment or sale of loans to the authority, in loans to provide for financing agricultural enterprises;

(3) The number of agricultural projects, location of the projects, and other characteristics of agricultural enterprises, including, to the extent reasonably possible, assurance that the agricultural enterprises to be financed by an issue of bonds or series of issues will improve employment conditions or otherwise enhance the welfare of persons in the agricultural sector, as determined by the authority, to be financed directly or indirectly by the authority pursuant to the Nebraska Investment Finance Authority Act;

(4) Rates, fees, charges, and other terms and conditions of originating or servicing loans in order to protect against realization of an excessive financial return or benefit by the originator or servicer;

(5) The type and amount of collateral or security to be provided to insure repayment of loans made by the authority;

(6) The type of collateral, payment bonds, performance bonds, or other security to be provided for any loans made by a lender for construction loans;

(7) The nature and amount of fees to be charged by the authority to provide for expenses and reserves of the authority;

(8) Standards and requirements for the allocation of available money among lenders and the determination of the maturities, terms, conditions, and interest rates for loans made, purchased, sold, assigned, or committed pursuant to the Nebraska Investment Finance Authority Act;

(9) Commitment requirements for agricultural

financing by lenders involving money provided directly or indirectly by the authority;

(10) Qualifications, in addition to those set out in section 42 of this act which will insure that only those borrowers who are unable to obtain credit from the conventional farm credit markets or other sources will receive loans under the Nebraska Investment Finance Authority Act; and

(11) Any other matters related to the duties or exercise of the authority's powers or duties under the Nebraska Investment Finance Authority Act.

Sec. 45. For each loan made, purchased, sold, assigned, or committed for use in agricultural projects as defined in subdivision (2) of section 19 of this act pursuant to the provisions of the Nebraska Investment Finance Authority Act, the authority shall prepare an individual written report which includes the following information:

(1) The name and description of the lender;

(2) The name of the loan guarantor or loan insurer, when applicable;

(3) The amount and purpose of the loan;

(4) A description of the agricultural enterprise for which the loan is to be used, including the county in which it is located;

(5) The rate of interest applicable to the loan and the current interest rate in the conventional farm credit market for that locality;

(6) The maturity date of the loan;

(7) All conditions attaching to the loan;

(8) The amount and description of fees associated with servicing and processing the loan;

(9) Whether the borrower is an individual farmer, a farm partnership, corporation, or other entity;

(10) The age of the borrower or, if the borrower is a farm partnership, corporation, or other entity, the ages of all of the owners, partners, or stockholders;

(11) A statement of the gross farm sales, total assets, total liabilities, and net worth of each borrower; and

(12) A description of the efforts made by the borrower to obtain credit elsewhere.

Sec. 46. The reports required pursuant to section 45 of this act shall be public information. No such report shall reveal the name of any individual borrower. The authority shall, following the close of each fiscal year, deliver to the Governor and to the Clerk of the Legislature, a set of the individual reporting forms from the preceding year.

Sec. 47. Prior to exercising any of the powers conferred by the Nebraska Investment Finance

Authority Act, regarding housing projects as defined in subdivision (1) of section 19 of this act, the authority may, but is not obligated to:

(1) Require that the mortgage or mortgage loan involved be insured by a mortgage insurer;

(2) Require any type of security that it deems reasonable and necessary; or

(3) Authorize the reservation of funds by mortgage lenders in such amount and subject to such conditions as the authority considers reasonable and necessary under the Nebraska Investment Finance Authority Act.

Sec. 48. Prior to carrying out any of the powers granted under the Nebraska Investment Finance Authority Act, regarding housing projects as defined in subdivision (1) of section 19 of this act, the authority shall adopt and promulgate rules and regulations governing its activities authorized under the Nebraska Investment Finance Authority Act, including rules and regulations relating to any or all of the following:

(1) Procedures for the submission of requests or invitations and proposals for making loans to mortgage lenders and the investment in, purchase, assignment, and sale of mortgages or mortgage loans;

(2) The reinvestment by mortgage lenders of the proceeds, or an equivalent amount, from any loan to mortgage lenders or the investment in or purchase by the authority or the assignment or sale of mortgages or mortgage loans to the authority, in mortgages or mortgage loans to provide residential housing for low or moderate income persons;

(3) The number of dwelling units, location of the units and other characteristics of residential housing, including, to the extent reasonably possible, assurance that the residential housing to be financed by an issue of bonds or series of issues will be an adequate mixture of low and moderate income residential housing, as determined by the authority, to be financed directly or indirectly by the authority pursuant to the Nebraska Investment Finance Authority Act;

(4) Rates, fees, charges, and other terms and conditions of originating or servicing loans, mortgages, or mortgage loans in order to protect against realization of an excessive financial return or benefit by the originator or servicer;

(5) The type and amount of collateral or security to be provided to assure repayment of loans made by the authority;

(6) The type of collateral, payment bonds, performance bonds, or other security to be provided for any mortgage loans made by a mortgage lender for construction loans;

(7) The nature and amount of fees to be

charged by the authority to provide for expenses and reserves of the authority;

(8) Standards and requirements for the allocation of available money among mortgage lenders and the determination of the maturities, terms, conditions, and interest rates for loans, mortgages, or mortgage loans made, purchased, sold, assigned, or committed pursuant to the Nebraska Investment Finance Authority Act;

(9) Commitment requirements for residential housing financing for low and moderate income persons by mortgage lenders involving money provided directly or indirectly by the authority;

(10) The procedures, standards, commitment requirements, and other matters necessary to offer an effective residential energy conservation loan program; or

(11) Any other matters related to the duties or exercise of the authority's powers or duties under the Nebraska Investment Finance Authority Act.

Sec. 49. The purpose of this section is to make loans available for single family housing to people who due to low income would not otherwise qualify for loans under the normal lending practices of the lender and the authority.

By July 1, 1984, the authority shall establish a fund of at least one million dollars to guarantee or subsidize mortgages for low-income people.

Sec. 50. Prior to carrying out any of the powers granted under the Nebraska Investment Finance Authority Act relating to development projects as defined in subdivision (3) of section 19 of this act, the authority shall adopt and promulgate rules and regulations governing its activities authorized under such act, including rules and regulations relating to any or all of the following:

(1) The type and amount of collateral or security to be provided to insure repayment of loans made by the authority;

(2) The type of collateral, payment bonds, performance bonds, or other security to be provided for any mortgage or loan made for projects;

(3) The nature and amount of fees to be charged by the authority to provide for expenses and reserves of the authority;

(4) Standards and requirements for determination of the maturities, terms, conditions, and interest rates for loans or mortgages made, purchased, sold, assigned, or committed; and

(5) Any other matters related to the duties or exercise of the authority's powers or duties under the Nebraska Investment Finance Authority Act.

Sec. 51. Prior to providing financing for a

development project as defined by subdivision (3) of section 19 of this act, the authority shall make specific findings relating to the public purposes to be effectuated thereby, including but not limited to (1) with respect to a project as defined in subdivision (3)(a), (3)(b), or (3)(c) of section 19 of this act, the project's effect on the economic base, the tax base, tax revenue, and employment opportunities, and (2) with respect to a project as defined in subdivision (3)(d) of section 19 of this act, the project's effect on the provision, including the continued provision, of health care and related services.

Sec. 52. The authority shall have the power to borrow money and to issue from time to time its bonds in such principal amounts as the authority determines shall be necessary to provide sufficient funds to carry out its purposes which include:

(1) Carrying out the additional powers of the Nebraska Investment Finance Authority Act;

(2) The payment of interest on bonds issued under the Nebraska Investment Finance Authority Act;

(3) The establishment of reserves to secure the bonds; and

(4) All other expenditures of the authority incident to, necessary, and convenient to carry out its purposes and powers.

Sec. 53. The authority shall have the power to issue from time to time bonds to renew or to pay bonds, including the interest on such bonds, and whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund outstanding bonds and partly for any other of its corporate purposes. The refunding bonds may be sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded or exchanged for the bonds to be refunded.

Sec. 54. Except as may otherwise be expressly provided by the authority, every issue of its bonds shall be general obligations of the authority payable solely out of any revenue or money of the authority, subject only to any agreements with the holders of particular bonds pledging any particular money or revenue. The bonds may be additionally secured by a pledge of any grant or contribution from the federal government or any corporation, association, institution, or person or a pledge of any money, income, or revenue of the authority from any source.

Sec. 55. No bonds issued by the authority under the Nebraska Investment Finance Authority Act shall constitute a debt, liability, general obligation of this state, or a pledge of the faith and credit of this state, but shall be payable solely as provided by

section 54 of this act. Each bond issued under the Nebraska Investment Finance Authority Act shall contain on the face thereof a statement that neither the faith and credit nor the taxing power of this state is pledged to the payment of the principal of or the interest on such bond.

Sec. 56. The bonds shall be authorized by a resolution of the authority, shall bear such date or dates, and shall mature at such time or times as such resolution may provide, except that no bond other than bonds issued to finance rental housing projects shall mature more than thirty years from the date of its issue, as the resolution shall provide. No bond issued to finance rental housing projects shall mature more than fifty years from the date of issue. The bonds shall bear interest at such rate or rates, including variations of such rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, including redemption prior to maturity, as such resolution may provide, except that facsimile signatures of all members of the authority shall be sufficient only if the resolution requires that the trustee for such bond issue manually authenticate each bond and the resolution permits the use of facsimile signatures. The provisions of section 10-126 shall not apply to bonds issued by the authority. Bonds of the authority may be sold by the authority at a public or private sale and at such price or prices as the authority shall determine.

The authority may bring an action for declaratory judgment to determine the validity of any issuance or proposed issuance of its bonds under the Nebraska Investment Finance Authority Act and the legality and validity of all proceedings previously taken or proposed in a resolution of the authority to be taken for the authorization, issuance, sale, and delivery of such bonds and for the payment of the principal thereof and interest thereon.

Sec. 57. Any resolution authorizing the issuance of bonds may contain provisions, which shall be a part of the contract or contracts with the holders of such bonds, as to:

(1) Pledging all or any part of the revenue of the authority to secure the payment of the bonds, subject to such agreements with bondholders as may then exist;

(2) Pledging all or any part of the assets of the authority, including financing agreements, mortgages, and obligations securing the same, to secure the payment of the bonds, subject to such agreements with bondholders as may then exist;

(3) The use and disposition of the gross income from financing agreements, mortgages, or loans owned by the authority and payment of the principal of mortgages or loans owned by the authority;

(4) The setting aside of reserves or sinking funds and the regulation and disposition thereof;

(5) Limitations on the purposes to which the proceeds from the sale of bonds may be applied and pledging the proceeds to secure the payment of the bonds;

(6) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds;

(7) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which the consent may be given;

(8) Limitations on the amount of money to be expended by the authority for operating expenses of the authority;

(9) Vesting in a trustee or trustees such property, rights, powers, and duties in trust as the authority may determine, and limiting or abrogating the right of bondholders to appoint a trustee, or limiting the rights, powers, and duties of the trustees;

(10) Defining the acts or omissions to act which shall constitute a default and the obligations or duties of the authority to the holders of the bonds, and providing for the rights and remedies of the holders of the bonds in the event of default, including as a matter of right the appointment of a receiver, except that the rights and remedies shall not be inconsistent with the general laws of this state and other provisions of the Nebraska Investment Finance Authority Act; and

(11) Any other matter, of like or different character, which in any manner affects the security or protection of the holders of the bonds.

Sec. 58. Any pledge made by the authority shall be valid and binding from the time when the pledge is made. The revenue, money, or properties so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether the parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

Sec. 59. The authority, subject to such agreements with bondholders as may then exist, shall



have the power, out of any funds available therefor, to purchase bonds of the authority which shall thereupon be canceled at any reasonable price which, if the bonds are then redeemable, shall not exceed the redemption price then applicable plus accrued interest to the next interest payment on such bonds.

Sec. 60. The bonds may be secured by a trust indenture, which may be in the form of a bond resolution or similar contract, by and between the authority and a corporate trustee which may be any financial institution having the power of a trust company or any trust company within or without the state. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the exercise of its powers and the custody, safekeeping, and application of all money. The authority may provide by the trust indenture for the payment of the proceeds of the bonds and the revenue to the trustee under the trust indenture or other depository, and for the method of disbursement of such proceeds, with such safeguards and restrictions as the authority may determine. All expenses incurred in carrying out the trust indenture may be treated as a part of the operating expenses of the authority. If the bonds shall be secured by a trust indenture, the bondholders shall have no authority to appoint a separate trustee to represent them.

Sec. 61. Whether or not the bonds are in the form and character of negotiable instruments, such bonds are hereby made negotiable instruments, subject only to provisions of the bonds relating to registration.

Sec. 62. In the event that any of the members or officers of the authority shall cease to be members or officers of the authority prior to the delivery of any bonds or coupons signed by them, their signatures or facsimiles thereof shall nevertheless be valid and sufficient for all purposes, the same as if such members or officers had remained in office until such delivery.

Sec. 63. The authority may create and establish any funds as may be necessary or desirable for its purposes.

Sec. 64. All money of the authority, except as otherwise authorized or provided in the Nebraska Investment Finance Authority Act, shall be deposited as soon as practical in a separate account or accounts in banks or trust companies organized under the laws of this state or in national banking associations. The money in such accounts shall be paid out on checks signed by the executive director or other officers or employees of the authority as the authority shall authorize. All deposits of money shall, if required by

the authority, be secured in such a manner as the authority determines to be prudent, and all banks or trust companies are authorized to give security for the deposits.

Sec. 65. Notwithstanding the provisions of section 64 of this act, the authority shall have the power to contract with the holders of any of its bonds as to the custody, collection, securing, investment, and payment of any money of the authority and of any money held in trust or otherwise for the payment of bonds, and to carry out such contract. Money held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of money may be secured in the same manner as money of the authority, and all banks and trust companies are authorized to give security for the deposits.

Sec. 66. The state does hereby pledge to and agree with the holder of any bonds issued under the Nebraska Investment Finance Authority Act that the state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the holders of the bonds or in any way impair the rights or remedies of the holders until the bonds, together with the interest on such bonds, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds.

Sec. 67. All expenses incurred by the authority in carrying out the Nebraska Investment Finance Authority Act shall be payable solely from funds provided under such act, and nothing in such act shall be construed to authorize the authority to incur indebtedness or liability on behalf of or payable by this state or any political subdivision of this state.

Sec. 68. All property acquired or held by the authority under the Nebraska Investment Finance Authority Act is declared to be public property used for public and governmental purposes, and all the property, income from such property, bonds issued under such act, interest payable on such bonds, and income derived from such bonds, shall at all times be exempt from all taxes imposed by this state, or any county, city, or other political subdivision of this state. The authority may, in the resolution authorizing the issuance of any series of bonds, elect to have the income on such bonds be subject to personal income taxation imposed by this state. If the authority is dissolved, the ownership of any assets remaining after all indebtedness and other obligations of the authority have been discharged shall pass to the state. The authority is hereby allocated

the entire state allocation provided in the federal Mortgage Subsidy Bond Tax Act of 1980. Notwithstanding that title to a project may be in the authority, such projects shall be subject to taxation to the same extent, in the same manner, and under the same procedures as privately owned property in similar circumstances, if such projects are leased to or held by private interests.

Sec. 69. The bonds issued by and under the authority of the Nebraska Investment Finance Authority Act by the authority are declared to be legal investments in which all public officers or public bodies of this state, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations, and other persons carrying on insurance business, all banks, bankers, banking associations, trust companies, savings associations, including savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries, and all other persons who are now or may later be authorized to invest in bonds or in other obligations of this state may invest funds, including capital, in their control or belonging to them. Such bonds are also hereby made securities which may be deposited with and received by all public officers and bodies of this state, any agency or political subdivision of this state, and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of this state is now or may be later authorized by law.

Sec. 70. The authority shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the Governor and the Clerk of the Legislature of this state. Each member of the Legislature shall receive a copy of such report by making a request for it to the chairperson of the authority. Each report shall set forth a complete operating and financial statement for the authority during the fiscal year it covers. Such report shall include a showing of the distribution of agricultural borrowers according to personal net worth, family net worth, and gross farm sales. An independent certified public accountant shall at least once in each year audit the books and accounts of the authority.

Sec. 71. Neither the Nebraska Investment Finance Authority Act nor anything contained in such act is or shall be construed as a restriction or limitation upon any powers which the authority might otherwise have under any other law of this state, and such act is cumulative to such powers. Such act does and shall be construed to provide a complete, additional, and

alternative method for the doing of the things authorized and shall be regarded as supplemental and additional to powers conferred by any other laws. The issuance of bonds under the provisions of such act need not comply with the requirements of any other state laws applicable to the issuance of bonds, notes, and other obligations. No proceedings, notice, or approval shall be required for the issuance of any bonds or any instrument or the security therefor, except as provided in such act. All projects for which funds are advanced, loaned, or otherwise provided by the authority under such act must be in compliance with any land use, zoning, subdivision, and other laws of this state applicable to the lands upon which such project is to be constructed or located.

Sec. 72. The authority shall be the successor to the Nebraska Mortgage Finance Fund, the Agricultural Development Corporation, and the Nebraska Development Finance Fund. All properties, rights in land, buildings, records, and equipment and any funds, moneys, revenues, receipts, or assets of the Nebraska Mortgage Finance Fund, the Agricultural Development Corporation, and the Nebraska Development Finance Fund shall belong to the authority as successor. All obligations, debts, commitments, and liabilities of the Nebraska Mortgage Finance Fund, the Agricultural Development Corporation, and the Nebraska Development Finance Fund shall become obligations, debts, commitments, and liabilities of the authority. Any resolution with respect to the issuance of bonds by the Nebraska Mortgage Finance Fund, the Agricultural Development Corporation, or the Nebraska Development Fund and any other action taken by the Nebraska Mortgage Finance Fund, the Agricultural Development Corporation, or the Nebraska Development Finance Fund with respect to assisting in the financing of any project shall be a resolution of the authority or an action taken by the authority. The rules and regulations adopted by the Nebraska Mortgage Finance Fund, the Agricultural Development Corporation, and the Nebraska Development Finance Fund shall remain in effect until amended, repealed, or replaced by the authority. If a project application is pending before the Nebraska Mortgage Finance Fund, the Nebraska Agricultural Development Corporation, or the Nebraska Development Finance Fund on the effective date of this act, and such project is eligible to be financed under the Nebraska Mortgage Finance Fund Act, the Nebraska Agricultural Development Corporation Act, or the Nebraska Development Finance Fund Act, such project shall be deemed to be eligible for financing by the authority.

Sec. 73. That section 48-1002, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

48-1002. As used in sections 48-1001 to 48-1009, unless the context otherwise requires:

(1) Person shall include one or more individuals, partnerships, associations, labor organizations, corporations, business trusts, legal representatives, or any organized group of persons;

(2) Employer shall mean any a person having in his or her employ twenty-five or more individuals, and any person acting for or in the interest of an employer, directly or indirectly, and any party whose business is financed in whole or in part under the Nebraska Investment Finance Authority Act, but such term shall does not include (a) the United States, (b) a corporation wholly owned by the government of the United States, or (c) any person or political entity acting with respect to any peace officer or firefighter;

(3) Labor organization shall mean any organization of employees which exists for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, terms, or conditions of employment, or for other mutual aid or protection in connection with employment;

(4) Employee shall mean an individual employed by any employer; and

(5) Employment agency shall mean any person regularly undertaking with or without compensation to procure employees for an employer or to procure for employees opportunities to work for an employer and includes an agent of such a person; but shall not include an agency of the United States, except that such terms shall include the United States Employment Service and the system of state and local employment services receiving federal assistance.

Sec. 74. That section 48-1102, Revised Statutes Supplement, 1982, be amended to read as follows:

48-1102. As used in sections 48-1101 to 48-1125, unless the context otherwise requires:

(1) Person includes one or more individuals, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, or receivers;

(2) Employer shall mean a person engaged in an industry who has fifteen or more employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, and any agent of such a person, and any party whose business is financed in whole or in part under the Nebraska Investment Finance Authority Act, and includes shall include the State of Nebraska, governmental agencies, and political subdivisions, regardless of the number of employees, but such term does shall not include (a) the United States,

a corporation wholly owned by the government of the United States, or an Indian tribe, or (b) a bona fide private membership club, other than a labor organization, which is exempt from taxation under section 501 (c) of the Internal Revenue Code of 1954;

(3) Labor organization shall mean any organization which exists wholly or in part for one or more of the following purposes: Collective bargaining; dealing with employers concerning grievances, terms, or conditions of employment; or of mutual aid or protection in relation to employment;

(4) Employment agency shall mean any person regularly undertaking with or without compensation to procure employees for an employer or to procure for employees opportunities to work for an employer and includes an agent of such a person; but shall not include an agency of the United States, except that such term shall include the United States Employment Service and the system of state and local employment services receiving federal assistance;

(5) Privileges of employment shall mean terms and conditions of any employer-employee relationship, opportunities for advancement of employees, and plant conveniences;

(6) Employee shall mean an individual employed by an employer;

(7) Commission shall mean the Equal Opportunity Commission;

(8) Disability shall mean any physical or mental condition, infirmity, malformation, or disfigurement which is caused by bodily injury, birth defect, or illness, including epilepsy or seizure disorders, and which shall include, but not be limited to, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a dog guide, wheelchair, or other remedial appliance or device and shall also mean the physical or mental condition of a person which constitutes a substantial handicap, as determined by a physician, but is unrelated to such person's ability to engage in a particular occupation; and

(9) Marital status shall mean the status of a person whether married or single.

Sec. 75. That section 48-1220, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

48-1220. As used in sections 48-1219 to 48-1227, unless the context otherwise requires:

(1) Employee shall mean any individual employed by an employer, including individuals employed by the state or any of its political subdivisions

including public bodies;

(2) Employer shall mean any a person engaged in an industry who has twenty-five or more employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, and any agent of such person, and any party whose business is financed in whole or in part under the Nebraska Investment Finance Authority Act, but such term shall does not include the United States, a corporation wholly owned by the government of the United States, or an Indian tribe;

(3) Wage rate shall mean all compensation for employment including payment in kind and amounts paid by employers for employee benefits as defined by the commission in regulations issued under the provisions of sections 48-1219 to 48-1227;

(4) Employ shall include to suffer or permit to work;

(5) Commission shall mean the Equal Opportunity Commission; and

(6) Person shall include one or more individuals, partnerships, corporations, legal representatives, trustees, trustees in bankruptcy, or voluntary associations.

Sec. 76. That section 66-1005, Revised Statutes Supplement, 1982, be amended to read as follows:

66-1005. Loan shall mean an extension of credit by a utility from its own capital or from capital raised by the Nebraska Investment Finance Authority pursuant to sections 1 to 72 of this act to or for the benefit of a customer solely for the purchase or installation of energy conservation measures with repayment to be made through the utility's periodic billing system.

Sec. 77. That section 66-1009, Revised Statutes Supplement, 1982, be amended to read as follows:

66-1009. (1) A customer borrowing from a utility under a plan adopted pursuant to sections 66-1001 to 66-1011 or sections 1 to 72 of this act shall be allowed to contract with the utility for a repayment plan and shall be offered a repayment period of not less than three years and not more than twenty years.

(2) Upon default on a loan by a customer, after expending reasonable efforts to collect, a utility may treat the entire unpaid contract amount as due, but services to a residential, agricultural, or commercial customer may not be terminated as a result of such default. Default occurs when any amount due a utility under a plan adopted pursuant to this act is not paid within sixty days of the due date.

(3) Any customer obtaining a loan pursuant to

section 66-1007 or sections 1 to 72 of this act shall only use the funds to accomplish the purposes agreed upon at the time of the loan. If the borrower of any funds obtained pursuant to sections 66-1001 to 66-1011 or sections 1 to 72 of this act uses such funds in a manner or for a purpose not authorized by this section, the total amount of the loan shall immediately become due and payable.

(4) Any amount due a utility on a loan pursuant to sections 66-1001 to 66-1011 or sections 1 to 72 of this act which is not paid in full within sixty days of the due date shall become a lien as provided in this section on the real property concerned as to the full unpaid balance. No lien under this section shall be valid unless (a) the loan was signed by the party or parties shown on the indexes of the register of deeds to be the owners of record of such real property on the date of the loan and (b) the lien is filed not more than four months after the date of default, in the same office and in the same manner as mortgages in the county in which the real property is located. Such lien shall take effect and be in force from and after the time of delivering the same to the register of deeds for recording, and not before, as to all creditors and subsequent purchasers in good faith without notice; and such lien shall be adjudged void as to all such creditors and subsequent purchasers without notice whose deeds, mortgages, or other instruments shall be first recorded, except that such lien shall be valid between the parties. A publicly-owned publicly owned utility shall not maintain possession of any property which it may acquire pursuant to a lien authorized by this section for a period of time longer than is reasonably necessary to dispose of such property.

(5) Any loan made under a plan adopted pursuant to sections 66-1001 to 66-1011 shall not exceed three thousand dollars, subject to any existing limitations under federal law.

(6) The State Energy Office may adopt and promulgate rules and regulations to carry out sections 66-1001 to 66-1011.

Sec. 78. If any section in this act or any part of any section shall be declared invalid or unconstitutional, such declaration shall not affect the validity or constitutionality of the remaining portions thereof.

Sec. 79. That original sections 48-1002 and 48-1220, Reissue Revised Statutes of Nebraska, 1943, and sections 48-1102, 66-1005, and 66-1009, Revised Statutes Supplement, 1982, and also sections 76-1601 to 76-1651, Reissue Revised Statutes of Nebraska, 1943, and sections 2-4101 to 2-4156 and sections 76-1801 to 76-1841, Revised Statutes Supplement, 1982, are repealed.