

Nebraska State Statutes

Municipal Infrastructure Redevelopment Fund Act

18-2601. Act, how cited.

Sections [18-2601](#) to [18-2609](#) shall be known and may be cited as the Municipal Infrastructure Redevelopment Fund Act.

Source:Laws 1989, LB 683, § 2; Laws 2000, LB 968, § 6.

18-2602. Legislative findings.

The Legislature finds that the municipalities of the state face an urgent need to construct, upgrade, and develop municipal infrastructure facilities. By providing basic public facilities, the municipalities of the state provide the building blocks for economic development. Not only does the investment in infrastructure generate an immediate stream of economic activity, it also lays the groundwork for private investment that will use the facilities so provided. Municipalities in the state currently are in critical need of assistance in providing these facilities.

The Legislature determines that it is in the public interest to establish a Municipal Infrastructure Redevelopment Fund to provide funds to municipalities in the state to use to provide infrastructure facilities and to permit municipalities in the state to issue bonds secured by amounts payable from the Municipal Infrastructure Redevelopment Fund and other sources.

Source:Laws 1989, LB 683, § 3; Laws 2000, LB 968, § 7.

18-2603. Terms, defined.

For purposes of the Municipal Infrastructure Redevelopment Fund Act:

(1) Bond means any evidence of indebtedness, including, but not limited to, bonds, notes including notes issued pending long-term financing arrangements, warrants, debentures, obligations under a loan agreement or a lease-purchase agreement, or any similar instrument or obligation;

(2) Fund means the Municipal Infrastructure Redevelopment Fund;

(3) Infrastructure project means any of the following projects, or any combination thereof, to be owned or operated by a municipality: Solid waste management facilities; wastewater, storm water, and water treatment works and systems, water distribution facilities, and water resources projects, including, but not limited to, pumping stations, transmission lines, and mains and their appurtenances; hazardous waste disposal systems; resource recovery systems; airports; port facilities; buildings and capital equipment used in the operations and activities of municipal government and to provide services to the residents of the municipality; convention and tourism facilities; redevelopment projects as defined in section [18-2103](#); and mass transit and other transportation systems, including parking facilities and excluding public highways and bridges and municipal roads, streets, and bridges;

(4) Municipal allocation amount means, for each municipality, the amount derived by multiplying the amount to be allocated by the fraction determined by dividing the total population of the municipality by the total population of the state living in municipalities, each as determined by the most recent federal census figures certified by the Tax Commissioner as provided in section [77-3,119](#); and

(5) Municipality means any city of the primary class.

Source:Laws 1989, LB 683, § 4; Laws 1993, LB 726, § 8; Laws 1994, LB 1127, § 4; Laws 2000, LB 968, § 8; Laws 2003, LB 440, § 1; Laws 2005, LB 426, § 10.

18-2604. Municipal Infrastructure Redevelopment Fund; created; investment.

There is hereby created in the state treasury a cash fund to be known as the Municipal Infrastructure Redevelopment Fund. The fund shall have a separate account for each municipality in the state. Money shall be deposited into the fund pursuant to section [77-2602](#).

Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the

Nebraska State Funds Investment Act. Investment earnings on each account shall be credited to that account.

Source:Laws 1989, LB 683, § 5; Laws 1994, LB 1066, § 13.

Cross References

Nebraska Capital Expansion Act, see section [72-1269](#).
Nebraska State Funds Investment Act, see section [72-1260](#).

18-2605. State Treasurer; distribute funds.

Five business days prior to each January 1 and July 1, the State Treasurer shall distribute the amounts on deposit in the fund by crediting the municipal allocation amount to each municipality's account and immediately disbursing such amount to the municipality or, upon notice to the State Treasurer from the municipality, its assignee.

Source:Laws 1989, LB 683, § 6.

18-2606. Funds; use by municipality.

Money received by a municipality or credited to its account from the fund shall be used for one of the following purposes:

(1) To pay for the construction, acquisition, or equipping of infrastructure projects or portions thereof; or

(2) To pay principal, interest, premium, and costs of issuance on bonds issued by the municipality to finance the construction, acquisition, or equipping of infrastructure projects or portions thereof.

Source:Laws 1989, LB 683, § 7; Laws 2000, LB 968, § 9.

18-2607. Municipality; pledge of funds; effect.

Each municipality shall be permitted to pledge the amounts on deposit or to be deposited in its account of the fund, as and when appropriated by the Legislature, to the holders of any bonds issued by the municipality to finance the construction, acquisition, or equipping of infrastructure projects as long as the lien of such

pledge does not attach until funds are actually deposited into the municipality's account, and in no event shall such a pledge be construed as an obligation of the Legislature to appropriate such funds. Any such pledge shall be valid and binding from the time when the pledge is made. The money so pledged and thereafter received by the municipality or deposited into its respective account 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 municipality, irrespective of whether the parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

Source:Laws 1989, LB 683, § 8; Laws 2000, LB 968, § 10.

18-2608. Bonds; state; no obligation; statement.

No bonds issued by any municipality which pledges funds to be deposited in its account of the fund shall constitute a debt, liability, or general obligation of this state or a pledge of the faith and credit of this state but shall be payable, to the extent payable from state revenue, solely from amounts credited to the accounts of the fund as provided by the Municipal Infrastructure Redevelopment Fund Act, as and when appropriated by the Legislature. Each bond issued by any municipality which pledges funds to be deposited in its account of the fund 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.

Source:Laws 1989, LB 683, § 9; Laws 2000, LB 968, § 11.

18-2609. Bond issuance; conditions.

Any municipality may by ordinance issue bonds in one or more series for the construction or acquisition of an infrastructure project or any portion thereof and pay the principal of and interest on any such bonds by pledging funds received from the fund. Such bonds shall have a final maturity not later than August 1, 2009, and the aggregate debt service payments and related expenses with respect to all series of such bonds for any twelve-month period during which such bonds are outstanding shall not exceed the anticipated receipts from the fund by such municipality. For purposes of this section, anticipated receipts means the amount

received by the municipality from the fund for the twelve-month period immediately preceding the date of issuance of such bonds.

Any municipality which has or may issue bonds under this section may dedicate a portion of its property tax levy authority as provided in section [77-3442](#) to meet debt service obligations under the bonds, but only to the extent the receipts from the fund pledged to the payment of such bonds and any other money made available and used for that purpose are insufficient to pay the principal of and interest on such bonds as they mature.

Source:Laws 2000, LB 968, § 12.