

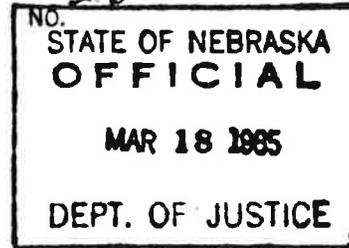
DEPARTMENT OF JUSTICE

STATE OF NEBRASKA

TELEPHONE 402/471-2682 • STATE CAPITOL • LINCOLN, NEBRASKA 68509

ROBERT M. SPIRE
Attorney General
A. EUGENE CRUMP
Deputy Attorney General

March 15, 1985



Senator Don Wesely
Nebraska State Legislature
State Capitol
Room 1402
Lincoln, NE 68509

Dear Senator Wesely:

This is in response to your letter of February 21, 1985, concerning LB 387. LB 387 would authorize the natural resource districts to issue bonds and notes and would change the powers and duties of the Nebraska Conservation Corporation to include assistance to political subdivisions of the state by making loans to such political subdivisions for natural resource development practices. Your specific question is whether the bill would allow state funds to be used or pledged through the Conservation Corporation to support general obligation bonds issued by that corporation, and whether or not this would be a violation of the state constitutional provisions concerning the limitations on state indebtedness or loaning or giving of the state's credit.

Under Neb.Rev.Stat. §2-4205 the Nebraska Conservation Corporation is established in essence as a quasi public corporation, but not a state agency. This provision is not amended by LB 387. Likewise, Neb.Rev.Stat. §2-4224 (Reissue 1983) provides that any bonds issued by the corporation shall not constitute any debt or general obligation of the state or any pledge of the faith and credit of the state. This provision was likewise not amended by LB 387.

As we read LB 387, we do not find any provision which allows state funds to be used or pledged to support the general obligation bonds issued by the Conservation Corporation. Consequently, and in accordance with the decision in State ex rel. Douglas v. Nebraska Mortgage Finance Fund, 204 Neb. 445, 283 N.W.2d 12 (1979), we find no violations of the state

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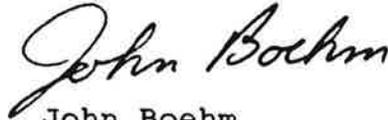
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Senator Don Wesely
March 15, 1985
Page -2-

constitutional provisions limiting the state's indebtedness nor prohibiting the loaning of the credit of the state.

Sincerely,

ROBERT M. SPIRE
Attorney General

A handwritten signature in cursive script that reads "John Boehm".

John Boehm
Assistant Attorney General

JB/bae

cc: Patrick J. O'Donnell