Bond Case Briefs

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Nebuda v. Dodge County School District 0062

Supreme Court of Nebraska - April 23, 2015 - N.W.2d - 290 Neb. 740

Taxpayers brought action against school district, seeking declaratory and injunctive relief arising out of lease-purchase agreement that district entered into with bank in order to fund school improvements after voters rejected a bond proposal. The District Court entered judgment after a bench trial dismissing taxpayers' claims. Taxpayers appealed.

The Supreme Court of Nebraska held that:

- Taxpayers' claims were moot;
- Public interest exception to the mootness doctrine applied; and
- Lease-purchase agreement did not violate statute barring issuance of bonds to finance such agreements.

Supreme Court could not provide any relief to taxpayers on their claims for declaratory and injunctive relief against school district arising out of a lease-purchase agreement that district entered into with bank in order to fund school improvements after voters rejected a bond proposal, and thus taxpayers' claims were moot. Injunctive relief was not available because construction under the lease-purchase agreement was completed by the time of trial, and taxpayers did not allege that they were entitled to recoup any illegal expenditures.

Public interest exception to the mootness doctrine applied to taxpayers' appeal from the dismissal of their claims for declaratory and injunctive relief against school district arising out of a lease-purchase agreement that district entered into with bank in order to fund school improvements after voters rejected a bond proposal, which was mooted by completion of the construction project and by the fact that taxpayers did not allege entitlement to recoup any illegal expenditures. Meaning of statute allowing school districts to enter into lease-purchase agreements was unquestionably a matter affecting the public interest, and district argued that many school districts were looking for guidance on the issue.

Lease-purchase agreement that school district entered into with bank in order to fund school improvements after voters rejected a bond proposal did not violate statute governing such lease-purchase agreements, which barred a school district from "directly or indirectly" issuing bonds to fund a lease-purchase plan for a capital construction project exceeding $25,000 without voter approval. Plain language of statute did not require voter approval of all lease-purchase agreements exceeding $25,000, interpreting agreement itself as constituting issuance of a bond would be nonsensical, and legislature had acquiesced in prior interpretation of statute as permitting the action district took.