

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 577**

Introduced by Rogert, 16.

Read first time January 21, 2009

Committee: Natural Resources

A BILL

1 FOR AN ACT relating to natural resources districts; to amend  
2 sections 2-3211.01, 2-3226.03, 2-3235, 2-3252, 2-3253,  
3 2-3254, 2-3254.02, 2-3254.03, 2-3254.07, and 2-3255,  
4 Reissue Revised Statutes of Nebraska; to change and  
5 rearrange provisions relating to improvement project  
6 areas; to define terms; to harmonize provisions; to  
7 repeal the original sections; and to outright repeal  
8 sections 2-3254.01, 2-3254.04, 2-3254.05, and 2-3254.06,  
9 Reissue Revised Statutes of Nebraska.  
10 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 2-3211.01, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           2-3211.01 (1) Each new natural resources district  
4 established by merging two or more natural resources districts  
5 in their entirety shall assume all assets, liabilities, and  
6 obligations of such merged districts on the effective date of the  
7 merger.

8           (2) Whenever a change of boundaries, division of one  
9 district into two or more new districts, or division and merger  
10 of one district into two or more existing districts takes place,  
11 the commission shall determine the apportionment of any assets,  
12 liabilities, and obligations. Such apportionment shall be based  
13 on all relevant factors, including, but not limited to, the  
14 proportionate land areas involved in the change, division, or  
15 merger and the extent to which particular assets, liabilities, or  
16 obligations are related to specific land areas. Interests in real  
17 estate and improvements to real estate shall be assumed by the  
18 district in which they are located on the effective date of the  
19 change, division, or merger. The value of such interests in real  
20 estate and improvements shall be considered in the apportionment,  
21 and any such assets may be encumbered or otherwise liquidated by  
22 the assuming district to effect the proper apportionment.

23           (3) All taxes levied pursuant to section 2-3225 and  
24 all assessments levied pursuant to sections ~~2-3254 to 2-3254.06~~ 4  
25 to 16 of this act prior to the change of boundaries, division,

1 or merger shall be apportioned by the commission on the basis  
2 of the relationship between the intended uses of such taxes or  
3 assessments and the land areas involved in the change, division,  
4 or merger. Taxes or assessments levied pursuant to sections ~~2-3254~~  
5 ~~to 2-3254.06~~ 4 to 16 of this act which are in the possession of  
6 or payable to a district at the time of the change, division, or  
7 merger and taxes or assessments in the possession of or payable to  
8 any other special-purpose district merged into a natural resources  
9 district shall be put into a special fund by the district receiving  
10 such assets and shall be expended as nearly as practicable for the  
11 purposes for which they were levied or assessed.

12           Sec. 2. Section 2-3226.03, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           2-3226.03 The board of a district issuing bonds pursuant  
15 to section 2-3226.01 may agree to pay fees to fiscal agents in  
16 connection with the placement of bonds of the district. Such bonds  
17 shall be subject to the same terms and conditions as provided  
18 by section ~~2-3254.07~~ 14 of this act for improvement project area  
19 bonds and such other terms and conditions as the board determines  
20 appropriate.

21           Sec. 3. Section 2-3235, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23           2-3235 (1) Each district shall have the power and  
24 authority to cooperate with or to enter into agreements with  
25 and, within the limits of appropriations available, to furnish

1 financial or other aid to any cooperator, any agency, governmental  
2 or otherwise, or any owner or occupier of lands within the district  
3 for the carrying out of projects for benefit of the district as  
4 authorized by law, subject to such conditions as the board may deem  
5 necessary. This section shall not be construed to give a district  
6 the power or authority to cooperate with or enter into agreements  
7 with, or to furnish financial or other aid to, any person who is  
8 in the business of selling or leasing, offering for sale or lease,  
9 or advertising for sale or lease, residential or commercial real  
10 property, when the cooperation, agreement, or financial or other  
11 aid relates to real property taken by the district through the use  
12 of eminent domain under section 2-3234.

13 (2) As a condition to the extending of any benefits to  
14 or the performance of work upon any lands not owned or controlled  
15 by this state or any of its agencies, the directors may require  
16 contributions in money, services, materials, or otherwise to any  
17 operations conferring such benefits and may require landowners to  
18 enter into and perform such agreements or covenants as to the  
19 permanent use of such lands as will tend to prevent or control  
20 erosion thereon.

21 (3) Each district may make available, on such terms as  
22 it shall prescribe, to landowners within the district specialized  
23 equipment, materials, and services which are not readily available  
24 from other sources and which will assist such landowners to carry  
25 on operations upon their lands for the conservation of soil and

1 water resources and for the prevention and control of soil erosion.  
2 Whenever reasonably possible, purchases or contracts for such  
3 equipment shall be made from retail establishments.

4 Sec. 4. For purposes of section 4 to 16 of this act:

5 (1) Benefit means increase, or potential for increase,  
6 in (a) the monetary value of property, (b) the financial position  
7 of persons or their business, or (c) general safety to property,  
8 persons, or their businesses;

9 (2) Benefit unit means a representative portion of the  
10 total benefit of a project as determined and established by the  
11 board. All benefit units shall have an equal value;

12 (3) General benefit means benefit that accrues from a  
13 project in the district that is not a special benefit;

14 (4) Improvement project means a project, the undertaking  
15 for which an improvement project area is created by the board, that  
16 provides special benefit;

17 (5) Improvement project area means a geographic area,  
18 specified by the board, within a district within which special  
19 benefits will accrue to property, persons, or businesses within the  
20 specified geographic area as a result of an improvement project;

21 (6) Project or projects means an undertaking by the board  
22 to carry out one or more purposes of the district established  
23 in section 2-3229 or the powers of the district as provided in  
24 sections 2-3241, 2-3242, and 2-3243;

25 (7) Revenue-producing continuing service means a service

1 provided by the district that (a) produces revenue to the district  
2 and (b) is established by the district with the expectation the  
3 service will be provided indefinitely or for the foreseeable  
4 future;

5 (8) Special benefit means benefit that accrues from  
6 a project predominately to property within a specifically  
7 identifiable geographic area in the district, the area of which  
8 represents less than twenty-five percent of the total geographic  
9 area of the district; and

10 (9) Total benefit means the accumulated general benefit  
11 or accumulated special benefit determined by the board to accrue as  
12 a result of a project.

13 Sec. 5. Section 2-3252, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15 ~~2-3252~~ (1) Projects or portions of projects which the  
16 board determines to be of general benefit to the district shall  
17 be carried out with any available funds of the district, including  
18 proceeds from the district's tax levy pursuant to section 2-3225.  
19 Projects or portions of projects which the board determines to  
20 be of special benefit to a certain area within the district may  
21 be established and maintained pursuant to subsection (2) of this  
22 section.

23 (2) Each district may establish improvement project areas  
24 within the district for the purpose of carrying out projects  
25 authorized by law under subdivisions (1) through (9) and (12)

1 of section 2-3229 which result in special benefits to lands and  
2 property within such improvement project areas. Improvement project  
3 areas shall have specified geographical boundaries. Improvement  
4 project areas may include land within an adjoining district  
5 with the written consent of the board of directors of the  
6 adjoining district. When only a portion of a project results  
7 in special benefits to an area, an improvement project area may be  
8 established to finance and maintain such portion of the project,  
9 and the district shall finance and maintain the other portions  
10 of the project pursuant to subsection (1) of this section. Such  
11 improvement project areas may be established, existing improvement  
12 project area boundaries may be altered, and the projects may be  
13 authorized after a hearing by the board, upon its own motion  
14 or by petitions, in the manner provided for by sections 4 to  
15 16 of this act. ~~2-3253 to 2-3255.~~ The cost of any construction,  
16 capital improvements, or operation and maintenance involved in  
17 such special benefit portions of a project shall be recovered by  
18 the board by special assessment as provided in sections 2-3252  
19 to ~~2-3254, 2-3254.04, and 2-3254.06.~~ Any other costs related to  
20 such special benefit portion of a project may also be recovered  
21 by similar assessments. The board shall determine the amount of  
22 such special assessments and the period of time over which such  
23 special assessments shall be paid. When such projects result  
24 in the provision of continuing services such as the supply  
25 of revenue-producing water for any beneficial use, the persons

1 receiving such special services shall be assessed for the cost  
2 of the service received in the manner provided in subsection (2)  
3 of section 2-3254. The reimbursable cost of the special benefit  
4 portions of such projects authorized in accordance with this  
5 section and as determined by the board of directors shall be  
6 assessed against the land within the improvement project area on  
7 the basis of benefits received in the manner provided in subsection  
8 (3) of section 2-3254 and section 2-3254.03.

9 (3) No project may be proposed or initiated by and  
10 no district may cooperate with or enter into agreements with  
11 or furnish financial or other aid to any person, company,  
12 firm, corporation, or other entity whose primary business is  
13 the development, selling or leasing, offering for sale or lease,  
14 or advertising for sale or lease residential or commercial property  
15 unless such person, company, firm, corporation, or other entity  
16 also owns land within the proposed improvement project area at the  
17 time the project is proposed and has owned such land for a period  
18 of not less than ten years.

19 (4) When a special-purpose district is merged with a  
20 natural resources district as provided by sections 2-3207 to  
21 2-3212, the board may, without complying with the procedures  
22 outlined in sections 2-3252 to 2-3254.07, 4 to 16 of this act,  
23 establish an improvement project area to carry out the functions  
24 of such special-purpose district and may adopt as its own any fee  
25 or assessment schedule or schedules previously adopted pursuant to

1 law by such special-purpose district and in force and effect at  
 2 the time of such merger. Any fees or assessments which are due or  
 3 which become due under such adopted schedule or schedules shall be  
 4 collected by the district in the manner provided by sections ~~2-3254~~  
 5 ~~and 2-3254.03-~~ 7 and 13 of this act.

6 ~~(3)~~ (5) Projects of a predominantly general benefit to a  
 7 district with only an incidental special benefit, as determined by  
 8 the board, may be developed and executed using any available funds  
 9 of the district, including those from the tax levied pursuant to  
 10 section 2-3225, without the establishment of an improvement project  
 11 area or the levying of assessments or other charges.

12 Sec. 6. Section 2-3253, Reissue Revised Statutes of  
 13 Nebraska, is amended to read:

14 ~~2-3253~~ (1) A ~~hearing~~ proceeding before the board on a  
 15 proposed improvement project area, on altering the boundaries of  
 16 an existing improvement project area, or on adopting a proposed  
 17 project may be initiated by petition of ~~landowners-~~ owners of land  
 18 located within the boundaries of the geographic area described in  
 19 the petition or upon the board's own motion. All petitions filed  
 20 with the board of the natural resources district must contain:

- 21 (a) A statement of the problem involved;
- 22 (b) A presentation of the project proposed; and
- 23 (c) A description of the geographic area to be affected  
 24 benefited by the project, specifically identifying area boundaries,  
 25 and all geographic areas otherwise affected by the project. ~~and~~

1           ~~(d) A request for a hearing.~~

2           (2) If there are twenty or less landowners in the  
3 ~~improvement project area,~~ fewer owners of land located within the  
4 boundaries of the geographic area described in the petition, then  
5 the signatures of at least one-fourth must be on the petition. If  
6 there are more than twenty, then the signature of ten landowners  
7 shall be sufficient. Any petition regarding a project which would  
8 provide a revenue-producing continuing service shall contain so  
9 many signatures of landowners as shall in the board's discretion  
10 indicate enough interest to generate sufficient revenue to recover  
11 any reimbursable costs should a project be authorized.

12           Sec. 7. Section 2-3254, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           ~~2-3254~~ (1) The board shall hold a hearing upon the  
15 question of the desirability and necessity, in the interest of  
16 the public health, safety, and welfare, of the establishment of  
17 an improvement project area or altering the boundaries of an  
18 existing improvement project area and the undertaking of ~~such~~  
19 a an improvement project, upon the question of the appropriate  
20 boundaries describing affected land, upon the propriety of the  
21 petition, and upon all relevant questions regarding such inquiries.  
22 When a hearing has been initiated by petition, such hearing  
23 shall be held within one hundred twenty days of the filing of  
24 such petition. Notice of such hearing shall be published prior  
25 thereto once each week for three consecutive weeks in a legal

1 newspaper published or of general circulation in the district.  
2 ~~Landowners~~ Owners of land located within the limits boundaries of  
3 ~~the territory~~ geographic area described in the petition and all  
4 other interested parties, including any appropriate agencies of  
5 state or federal government and owners of land whose land may  
6 be affected by the project, shall have the right to be heard at  
7 such hearing. If the board finds, after consultation with such  
8 appropriate agencies of state and federal government and after the  
9 hearing, that the improvement project conforms with all applicable  
10 law and with the district's goals, criteria, and policies, it shall  
11 enter its findings in the board's official records and shall, with  
12 the aid of such engineers, surveyors, economists, appraisers, and  
13 other experts and assistants as it may have chosen, establish an  
14 improvement project area or alter the boundaries of an existing  
15 improvement project area, proceed to make detailed plans and cost  
16 estimates, determine the total benefits and establish benefit units  
17 for the improvement project, and carry out the improvement project  
18 as provided in ~~subsections (2) and (3) of this section.~~ sections 8  
19 and 9 of this act. If the board finds that the improvement project  
20 does not so conform, ~~the~~ written findings shall be entered in the  
21 board's records and copies of such findings shall be furnished to  
22 the petitioners and the commission.

23 (2) In any district encompassing a city of the  
24 metropolitan class, any portion of an improvement project affecting  
25 land outside the boundaries of an improvement project area shall,

1 in addition to the requirements of sections 4 to 16 of this act, be  
2 approved by a majority vote of the owners of land whose land would  
3 be affected by that portion of the proposed improvement project.

4           ~~(2) When any such special project would result in the~~  
5 ~~provision of revenue-producing continuing services, the board~~  
6 ~~shall, prior to commencement of construction of such project,~~  
7 ~~determine, by circulation of petitions or by some other appropriate~~  
8 ~~method, if such project can be reasonably expected to generate~~  
9 ~~sufficient revenue to recover the reimbursable costs thereof. If~~  
10 ~~it is determined that the project cannot be reasonably expected~~  
11 ~~to generate sufficient revenue, the project and all work in~~  
12 ~~connection therewith shall be suspended. If it is determined that~~  
13 ~~the project can be reasonably expected to generate sufficient~~  
14 ~~revenue, the board shall divide the total benefits of the project~~  
15 ~~as provided in sections 2-3252 to 2-3254. If the proposed project~~  
16 ~~involves the supply of water for any beneficial use, all plans and~~  
17 ~~specifications for the project shall be filed with the secretary of~~  
18 ~~the district and the Director of Natural Resources, except that if~~  
19 ~~such project involves a public water system as defined in section~~  
20 ~~71-5301, the filing of the information shall be with the Department~~  
21 ~~of Health and Human Services rather than the Director of Natural~~  
22 ~~Resources. No construction of any such special project shall begin~~  
23 ~~until the plans and specifications for such improvement have been~~  
24 ~~approved by the Director of Natural Resources and the Department~~  
25 ~~of Health and Human Services, if applicable, except that if such~~

1 special project involves a public water system as defined in  
2 section 71-5301, only the Department of Health and Human Services  
3 shall be required to review such plans and specifications and  
4 approve the same if in compliance with the Nebraska Safe Drinking  
5 Water Act and departmental rules and regulations adopted and  
6 promulgated under the act. All prescribed conditions having been  
7 complied with, each landowner within the improvement project area  
8 shall, within any limits otherwise prescribed by law, subscribe  
9 to a number of benefit units in proportion to the extent he or  
10 she desires to participate in the benefits of the special project.  
11 As long as the capacity of the district's facilities permit,  
12 participating landowners may subscribe to additional units, within  
13 any limits otherwise prescribed by law, upon payment of a unit fee  
14 for each such unit. The unit fees made and charged pursuant to  
15 this section shall be levied and fixed by rules and regulations of  
16 the district. The service provided may be withheld during the time  
17 such charges levied upon such parcel of land are delinquent and  
18 unpaid. Such charges shall be cumulative, and the service provided  
19 by the project may be withheld until all delinquent charges for  
20 the operation and maintenance of such works of improvement are paid  
21 for past years as well as for the current year. All such charges,  
22 due and delinquent according to the rules and regulations of such  
23 district and unpaid on June 1 after becoming due and delinquent,  
24 may be certified by the governing authority of such district to  
25 the county clerk of such county in which are situated the lands

1 against which such charges have been levied, and when so certified  
2 such charges shall be entered upon the tax list and spread upon  
3 the tax roll the same as other special assessment taxes are levied  
4 and assessed upon real estate, shall become a lien upon such real  
5 estate along with other real estate taxes, and shall be collectible  
6 at the same time, in the same manner, and in the same proceeding as  
7 other real estate taxes are levied.

8           (3) When the special project would not result in the  
9 provision of revenue-producing continuing services, the board shall  
10 apportion the benefits thereof accruing to the several tracts of  
11 land within the district which will be benefited thereby, on a  
12 system of units. The land least benefited shall be apportioned  
13 one unit of assessment, and each tract receiving a greater benefit  
14 shall be apportioned a greater number of units or fraction thereof,  
15 according to the benefits received. Nothing contained in this  
16 section shall prevent the district from establishing separate  
17 areas within the improvement project area so as to permit future  
18 allocation of costs for particular portions of the work to specific  
19 subareas. This subarea method of allocation shall not be used in  
20 any improvement project area which has heretofore made a final  
21 apportionment of units of benefits and shall not thereafter be  
22 changed except by compliance with the procedure prescribed in this  
23 section.

24           (4) A notice shall be inserted for at least one week in  
25 a newspaper published or of general circulation in the improvement

1 project area stating the time when and the place where the  
2 directors shall meet for the purpose of hearing all parties  
3 interested in the apportionment of benefits by reason of the  
4 improvement, at which time and place such parties may appear in  
5 person or by counsel or may file written objections thereto. The  
6 directors shall then proceed to hear and consider the same and  
7 shall make the apportionments fair and just according to benefits  
8 received from the improvement. The directors, having completed the  
9 apportionment of benefits, shall make a detailed report of the  
10 same and file such report with the county clerk. The board of  
11 directors shall include in such report a statement of the actual  
12 expenses incurred by the district to that time which relate to  
13 the proposed project and the actual cost per benefit unit thereof.  
14 Thereupon the board of directors shall cause to be published, once  
15 each week for three consecutive weeks in a newspaper published or  
16 of general circulation in the improvement project area, a notice  
17 that the report required in this subsection has been filed and  
18 notice shall also be sent to each party appearing to have a  
19 direct legal interest in such apportionment, which notice shall  
20 include the description of the lands in which each party notified  
21 appears to have such interest, the units of benefit assigned to  
22 such lands, the amount of actual costs assessable to date to such  
23 lands, and the estimated total costs of the project assessable  
24 to such lands upon completion thereof, as provided by sections  
25 25-520.01 to 25-520.03. If the owners of record title representing

1 more than fifty percent of the estimated total assessments file  
2 with the board within thirty days of the final publication of such  
3 notice written objections to the project proposed, such project  
4 and work in connection therewith shall be suspended, such project  
5 shall not be done in such project area, and all expenses relating  
6 to such project incurred by and accrued to the district may, at  
7 the direction of the board of directors, be assessed upon the  
8 lands which were to have been benefited by the completion of  
9 such improvement project in accordance with the apportionment of  
10 benefits determined and procedures established in this section.  
11 Upon completing the establishment of an improvement project area or  
12 altering the boundaries of an existing improvement project area as  
13 provided in this subsection and upon determining the reimbursable  
14 cost of the project and the period of time over which such  
15 cost shall be assessed, the board of directors shall determine  
16 the amount of money necessary to raise each year by special  
17 assessment within such improvement project area and apportion the  
18 same in dollars and cents to each tract benefited according to  
19 the apportionment of benefits as determined by this section. The  
20 board of directors shall also, from time to time as it deems  
21 necessary, order an additional assessment upon the lands and  
22 property benefited by the project, using the original apportionment  
23 of benefits as a basis to ascertain the assessment to each tract of  
24 land benefited, to carry out a reasonable program of operation and  
25 maintenance upon the construction or capital improvements involved

1 in such project. The chairperson and secretary shall thereupon  
2 return lists of such tracts with the amounts chargeable to each  
3 of the county clerks of each county in which assessed lands are  
4 located, who shall place the same on duplicate tax lists against  
5 the lands and lots so assessed. Such assessments shall be collected  
6 and accounted for by the county treasurer at the same time as  
7 general real estate taxes, and such assessments shall be and  
8 remain a perpetual lien against such real estate until paid. All  
9 provisions of law for the sale, redemption, and foreclosure in  
10 ordinary tax matters shall apply to such special assessments.

11           Sec. 8. (1) When any improvement project would result in  
12 the provision of revenue-producing continuing services, the board  
13 shall, prior to commencement of construction of such improvement  
14 project, determine, by circulation of petitions or by some other  
15 appropriate method, if such improvement project can be reasonably  
16 expected to generate sufficient revenue to recover the reimbursable  
17 costs thereof. If it is determined that the improvement project  
18 cannot be reasonably expected to generate sufficient revenue, the  
19 improvement project and all work in connection therewith shall be  
20 suspended. If it is determined that the improvement project can be  
21 reasonably expected to generate sufficient revenue, the board shall  
22 divide the total benefits of the improvement project as provided in  
23 this section.

24           (2) If the improvement project involves the supply of  
25 water for any beneficial use, all plans and specifications for

1 the improvement project shall be filed with the secretary of the  
2 district and the Director of Natural Resources, except that if such  
3 improvement project involves a public water system as defined in  
4 section 71-5301, the filing of the information shall be with the  
5 Department of Health and Human Services rather than the Director of  
6 Natural Resources. No construction of any such improvement project  
7 shall begin until the plans and specifications for such improvement  
8 have been approved by the Director of Natural Resources and the  
9 Department of Health and Human Services, if applicable, except  
10 that if such improvement project involves a public water system as  
11 defined in section 71-5301, only the Department of Health and Human  
12 Services shall be required to review such plans and specifications  
13 and approve the same if in compliance with the Nebraska Safe  
14 Drinking Water Act and departmental rules and regulations adopted  
15 and promulgated under the act.

16 (3) After establishment of an improvement project area,  
17 each landowner within the improvement project area shall, within  
18 any limits otherwise prescribed by law, subscribe to a number of  
19 benefit units in proportion to the extent he or she desires to  
20 participate in the benefits of the improvement project. As long  
21 as the capacity of the district's facilities permit, participating  
22 landowners may subscribe to additional benefit units, within any  
23 limits otherwise prescribed by law, upon payment of a unit fee for  
24 each such benefit unit. The unit fees made and charged pursuant to  
25 this section shall be levied and fixed by rules and regulations of

1 the district.

2           Sec. 9. When the improvement project would not result in  
3 the provision of revenue-producing continuing services:

4           (1) The board shall apportion the benefits of the  
5 improvement project accruing to the several tracts of land within  
6 the improvement project area on a system of units. Units shall  
7 be assigned to parcels of land proportionate with the benefit  
8 accruing to parcels of land. Nothing contained in this section  
9 shall prevent the district from establishing separate areas within  
10 the improvement project area so as to permit future allocation of  
11 costs for particular portions of the work on the basis of benefits  
12 accruing to specific subareas in the improvement project area. This  
13 subarea method of allocation shall not be used in any improvement  
14 project area which has heretofore made a final apportionment of  
15 units of benefits and shall not thereafter be changed except by  
16 compliance with the procedure prescribed in this section.

17           (2) When determining the apportionment of benefits, the  
18 board shall also make a determination as to what portion of the  
19 improvement project will result in special benefits to lands and  
20 property and such determination, if not appealed as provided in  
21 section 16 of this act, shall be conclusive as establishing the  
22 authority of the district to levy special assessments and issue  
23 bonds and warrants for such improvement project.

24           (3) A notice shall be inserted for at least one week in  
25 a newspaper published or of general circulation in the improvement

1 project area stating the time when and the place where the  
2 directors shall meet for the purpose of hearing all parties  
3 interested in the apportionment of benefits by reason of the  
4 improvement project, at which time and place such parties may  
5 appear in person or by counsel or may file written objections  
6 thereto. The directors shall then proceed to hear and consider  
7 the same and shall make the apportionments fair and just according  
8 to benefits received from the improvement project. The directors,  
9 having completed the apportionment of benefits, shall make a  
10 detailed report of the same and file such report with the county  
11 clerk. The board of directors shall include in such report a  
12 statement of the actual expenses incurred by the district to  
13 that time which relate to the improvement project and the actual  
14 cost per benefit unit thereof. Thereupon the board of directors  
15 shall cause to be published, once each week for three consecutive  
16 weeks in a newspaper published or of general circulation in the  
17 improvement project area, a notice that the report required in  
18 this subsection has been filed with the county clerk and notice  
19 shall also be sent to each party appearing to have a direct legal  
20 interest in such apportionment as provided by sections 25-520.01 to  
21 25-520.03, which notice shall include the description of the lands  
22 in which each party notified appears to have such interest, the  
23 units of benefit assigned to such lands, the amount of actual costs  
24 assessable to date to such lands, and the estimated total costs of  
25 the improvement project assessable to such lands upon completion

1 thereof.

2 (4) If the owners of record title representing more  
3 than fifty percent of the estimated total assessments for the  
4 improvement project area file with the board within thirty days  
5 of the final publication of such notice written objections to  
6 the improvement project proposed, such improvement project and  
7 work in connection therewith shall be suspended, such improvement  
8 project shall not be done in such improvement project area,  
9 and all expenses relating to such improvement project incurred  
10 by and accrued to the district may, at the direction of the  
11 board of directors, be assessed upon the lands which were to  
12 have been benefited by the completion of such improvement project  
13 in accordance with the apportionment of benefits determined and  
14 procedures established in this section.

15 (5) Upon completing the establishment of an improvement  
16 project area or altering the boundaries of an existing improvement  
17 project area as provided in this section and upon determining the  
18 reimbursable cost of the improvement project and the period of time  
19 over which such cost shall be assessed, the board of directors  
20 shall determine the amount of money necessary to raise each year  
21 by special assessment within such improvement project area and  
22 apportion the same in dollars and cents to each tract benefited  
23 according to the apportionment of benefits as determined by this  
24 section. The board of directors shall also, from time to time as it  
25 deems necessary, order an additional assessment upon the lands and

1 property benefited by the improvement project, using the original  
2 apportionment of benefits as a basis to ascertain the assessment  
3 to each tract of land benefited, to carry out a reasonable program  
4 of operation and maintenance upon the construction or capital  
5 improvements involved in such improvement project. The chairperson  
6 and secretary of the board shall thereupon return lists of such  
7 tracts with the amounts chargeable to each of the county clerks of  
8 each county in which assessed lands are located, who shall place  
9 the same on duplicate tax lists against the lands and lots so  
10 assessed. Such assessments shall be collected and accounted for by  
11 the county treasurer at the same time as general real estate taxes,  
12 and such assessments shall be and remain a perpetual lien against  
13 such real estate until paid. All provisions of law for the sale,  
14 redemption, and foreclosure in ordinary tax matters shall apply to  
15 such special assessments.

16           Sec. 10. Before issuing any improvement project area  
17 bonds pursuant to section 12 of this act, special assessments  
18 shall be levied by resolution of the board for the improvement  
19 project area. Such levy of special assessments shall be made after  
20 the holding of a hearing by the board for which notice shall be  
21 published at least once a week for three weeks in a newspaper of  
22 general circulation in the improvement project area. Such notice  
23 shall state the time and place for such meeting and that such  
24 meeting shall be held for the purpose of hearing all parties  
25 interested in the levying of assessments for special benefits by

1 reason of the improvements.

2           Sec. 11. The proceeds of all special assessments for an  
3 improvement project area shall constitute a sinking fund for the  
4 purposes of paying the cost of the improvement project and for  
5 paying warrants and bonds issued pursuant to sections 9 to 14 of  
6 this act and shall, together with the interest payable upon such  
7 special assessments, be set aside and used to pay such costs,  
8 bonds, and warrants. Any money remaining in the sinking fund after  
9 fully discharging such costs, bonds, and warrants may be applied  
10 by the board for operation and maintenance expenses relating to  
11 such improvement project or may be transferred to the general fund  
12 of the district. In any resolution authorizing the issuance of  
13 bonds or warrants, the board may provide that general funds of the  
14 district, including the proceeds from such district's tax levied  
15 pursuant to section 2-3225, shall be transferred and paid into the  
16 sinking fund to provide for the prompt payment of principal and  
17 interest on any bonds and warrants of the district which are to be  
18 paid from such sinking fund, as they become due, if such general  
19 funds of the district are replaced, within one year from the date  
20 of any such payments, with the proceeds of special assessments for  
21 which the sinking fund is created.

22           Sec. 12. Section 2-3254.02, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24           ~~2-3254.02~~ When a an improvement project which would not  
25 result in the provision of revenue-producing continuing services

1 has been completed, the district shall have the power to issue its  
2 negotiable bonds entitled improvement project area bonds for the  
3 purpose of paying the cost of the ~~special benefit portion of the~~  
4 improvement project. Such bonds shall be payable from money in the  
5 sinking fund established in section ~~2-3254.05~~, 11 of this act, and  
6 be issued under the conditions in section ~~2-3254.07~~, 14 of this  
7 act.

8           Sec. 13. Section 2-3254.03, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           ~~2-3254.03~~ (1) Prior to awarding contracts for work in  
11 connection with any improvement project the board proposes to  
12 finance in whole or in part by improvement project area bonds  
13 issued pursuant to section ~~2-3254.02~~, 12 of this act, there shall  
14 be placed on file with the board an engineer's estimate of the  
15 total cost of such improvement project. After any award of a  
16 contract for any such improvement project, there shall be placed  
17 on file with the board a revised engineer's estimate of the total  
18 cost of that part of such project for which an award has been made.  
19 Such revised estimate shall be based upon the prices provided for  
20 in such contract. The revised estimate shall specifically state the  
21 estimated total cost of that part of the improvement project for  
22 which awards have been made and which relates to that portion of  
23 the improvement project which will result in special benefits to an  
24 area.

25           (2) For the purpose of making partial payments as the

1 work progresses, warrants may be issued by the district. Such  
2 warrants shall not be issued in an amount which exceeds the  
3 engineer's revised estimate for that part of the project for which  
4 awards have been made and which relates to that portion of the  
5 project which will result in special benefits to an area. Such  
6 warrants shall become due and payable not later than five years  
7 from the date of their issuance and shall draw interest at a rate  
8 fixed by the board and stated in such warrants from the date of  
9 presentation for registration and payment. The warrants shall be  
10 redeemed and paid from the proceeds of special assessments, from  
11 the sale of bonds issued and sold as provided for in section  
12 ~~2-3254.02, or from~~ 12 of this act. The warrants may also be  
13 temporarily redeemed and paid from other available funds of the  
14 district, including proceeds from the tax levied pursuant to  
15 section 2-3225 if such funds are replaced, within one year from the  
16 date of such temporary redemption and payment, with the proceeds  
17 of special assessments or from the sale of bonds issued and sold  
18 as provided for in section 12 of this act. The district may agree  
19 to pay annual or semiannual interest on all warrants issued by  
20 the district, and may issue warrants to pay such interest or issue  
21 warrants in return for cash to pay such interest. If determined  
22 appropriate by the board, the district may pay fees to fiscal  
23 agents in connection with the placement of warrants or bonds issued  
24 by the district.

25 Sec. 14. Section 2-3254.07, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 ~~2-3254.07~~ The following conditions shall apply when the  
3 board issues warrants or improvement project area bonds to fund ~~the~~  
4 ~~special benefit portion of a~~ an improvement project:

5 (1) Neither the members of the board nor any person  
6 executing the warrants or bonds shall be liable personally thereon  
7 by reason of their issuance;

8 (2) The warrants or bonds shall be a debt of the district  
9 only and shall state this on their face;

10 (3) Bonds issued to fund an improvement project may not  
11 exceed twelve percent of the taxable valuation of all the taxable  
12 property within the district according to the last preceding  
13 assessment thereof;

14 ~~(3)~~ (4) Warrants and bonds of the district are declared  
15 to be issued for an essential public and governmental purpose and  
16 to be public instruments, and together with interest and income  
17 thereon, shall be exempt from all taxes;

18 ~~(4)~~ (5) Bonds shall be authorized by a majority vote  
19 of the board which shall determine the manner and place of their  
20 execution. The bonds may be issued in one or more series and shall  
21 bear such a date, be payable upon demand or mature at such a time,  
22 bear interest at such a rate, be in such a denomination, be in  
23 such form, be payable at such a place, and be subject to redemption  
24 prior to maturity upon such a term and with such notice, as the  
25 board may direct; and

1           ~~(5)~~ (6) Bonds and warrants issued pursuant to sections  
2 2-3252 and 2-3254.01 to 2-3254.07 4 to 16 of this act may be sold  
3 in any manner and for such price as the board of directors may  
4 determine.

5           Sec. 15. (1) The service provided by a revenue-producing  
6 continuing service project, established under section 7 of this  
7 act, may be withheld during the time such benefit unit charges  
8 levied upon such parcel of land are delinquent and unpaid. Such  
9 charges shall be cumulative, and the service provided by the  
10 project may be withheld until all delinquent charges for the  
11 operation and maintenance of such works of improvement are paid  
12 for past years as well as for the current year. All such charges,  
13 due and delinquent according to the rules and regulations of such  
14 district and unpaid on June 1 after becoming due and delinquent,  
15 may be certified by the governing authority of such district to  
16 the county clerk of such county in which are situated the lands  
17 against which such charges have been levied, and when so certified  
18 such charges shall be entered upon the tax list and spread upon  
19 the tax roll the same as other special assessment taxes are levied  
20 and assessed upon real estate, shall become a lien upon such real  
21 estate along with other real estate taxes, and shall be collectible  
22 at the same time, in the same manner, and in the same proceeding as  
23 other real estate taxes are levied.

24           (2) All special assessments shall become due within fifty  
25 days after the date of levy and may be paid within that time

1 without interest. If not paid within the fifty days, they shall  
2 bear interest therefrom at the rate established by the board. Such  
3 assessment shall become delinquent in equal annual installments  
4 over a period of years which the board may determine at the time  
5 of making the levy. Delinquent installments shall bear interest  
6 until paid at the rate established by the board. If three or more  
7 installments shall become delinquent, the board may declare all of  
8 the remaining installments to be delinquent and such installments  
9 shall bear interest at the rate established by the board for  
10 delinquent installments and may be collected in the same manner as  
11 other delinquent installments.

12 (3) The natural resources district shall have a lien upon  
13 the real estate that is within an improvement project area for  
14 all special assessments for improvement project areas which are  
15 due. Such lien shall be inferior only to general taxes levied by  
16 political subdivisions of the state. When such special assessments  
17 have become delinquent and the real property against which they  
18 are assessed has not been offered at any tax sale, the district  
19 may proceed in the district court in the county in which the real  
20 estate is situated to foreclose in its own name upon the lien  
21 in the same manner and with like effect as a foreclosure of a  
22 real estate mortgage, except that sections 77-1902 to 77-1917 shall  
23 govern in every case when applicable.

24 (4) Final confirmation of sale in such foreclosure  
25 proceedings and the issuance of a deed of sale to the district,

1 or its assignee, cannot be had until two years have expired from  
2 the date of the sale held by the sheriff and until personal  
3 notice has been served on the occupants of the real property after  
4 such two-year period. The remedy granted in this section to a  
5 natural resources district for the collection of delinquent special  
6 assessments shall be cumulative and in addition to other existing  
7 methods.

8           Sec. 16. Section 2-3255, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           2-3255 (1) From any order or decision of the board,  
11 ~~of directors of the natural resources district,~~ an appeal may be  
12 taken to the district court by any person aggrieved by filing an  
13 undertaking in the sum of two hundred dollars with such sureties  
14 as may be approved by the clerk of the district court. Such  
15 undertaking shall be conditioned that the appellant will prosecute  
16 such appeal without delay and will pay all costs adjudged against  
17 ~~him~~ the appellant in the district court. Such undertaking shall  
18 be executed to the board ~~of directors of the natural resources~~  
19 ~~district~~ and may be sued on in the name of the obligee.

20           (2) Where the improvement project area is confined to the  
21 limits of one county and affects no land outside the improvement  
22 project area, the appeal shall be taken to the district court of  
23 that county.

24           (3) When such improvement project includes lands in two  
25 or more counties and affects no land outside the improvement

1 project area, the appeal shall be taken to the district court  
2 of the county in which the largest portion of the land in the  
3 improvement project area which is claimed to be affected adversely  
4 by the order or decision appealed from lies.

5 (4) When land affected by any portion of an improvement  
6 project lies outside the boundaries of the improvement project  
7 area, the appeal shall be taken to the district court of any county  
8 in which such affected land lies or in any county in which the  
9 improvement project area lies.

10 (5) The appeal must be taken within thirty days after  
11 such decision or order has been entered by the secretary of the  
12 board of directors.

13 Sec. 17. Original sections 2-3211.01, 2-3226.03, 2-3235,  
14 2-3252, 2-3253, 2-3254, 2-3254.02, 2-3254.03, 2-3254.07, and  
15 2-3255, Reissue Revised Statutes of Nebraska, are repealed.

16 Sec. 18. The following sections are outright repealed:  
17 Sections 2-3254.01, 2-3254.04, 2-3254.05, and 2-3254.06, Reissue  
18 Revised Statutes of Nebraska.