

AMENDMENTS TO LB324

Introduced by Urban Affairs.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 31-727, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 31-727 (1)(a) A majority of the owners having an interest in the
6 real property within the limits of a proposed sanitary and improvement
7 district, situated in one or more counties in this state, may form a
8 sanitary and improvement district for the purposes of installing electric
9 service lines and conduits, a sewer system, a water system, an emergency
10 management warning system, a system of sidewalks, public roads, streets,
11 and highways, public waterways, docks, or wharfs, and related
12 appurtenances, contracting for water for fire protection and for resale
13 to residents of the district, contracting for police protection and
14 security services, contracting for solid waste collection services,
15 contracting for access to the facilities and use of the services of the
16 library system of one or more neighboring cities or villages, and
17 contracting for gas and for electricity for street lighting for the
18 public streets and highways within such proposed district, constructing
19 and contracting for the construction of dikes and levees for flood
20 protection for the district, and acquiring, improving, and operating
21 public parks, playgrounds, and recreational facilities.

22 (b) The sanitary and improvement district may also contract with a
23 county within which all or a portion of such sanitary and improvement
24 district is located or a city within whose zoning jurisdiction such
25 sanitary and improvement district is located for any public purpose
26 specifically authorized in this section.

27 (c) Sanitary and improvement districts located in any county which

1 has a city of the metropolitan class within its boundaries or in any
2 adjacent county which has adopted a comprehensive plan may contract with
3 other sanitary and improvement districts to acquire, build, improve, and
4 operate public parks, playgrounds, and recreational facilities for the
5 joint use of the residents of the contracting districts.

6 (d) Nothing in this section shall authorize districts to purchase
7 electric service and resell the same.

8 (e) The district, in lieu of establishing its own water system, may
9 contract with any utilities district, municipality, or corporation for
10 the installation of a water system and for the provision of water service
11 for fire protection and for the use of the residents of the district.

12 (f) For the purposes listed in this section, such majority of the

13 owners may make and sign articles of association in which shall be stated

14 (i) the name of the district, (ii) that the district will have perpetual

15 existence, (iii) the limits of the district, (iv) the names and places of

16 residence of the owners of the land in the proposed district, (v) the

17 description of the several tracts of land situated in the district owned

18 by those who may organize the district, (vi) the name or names and the

19 description of the real estate owned by such owners as do not join in the

20 organization of the district but who will be benefited thereby, and (vii)

21 whether the purpose of the corporation is installing gas and electric

22 service lines and conduits, installing a sewer system, installing a water

23 system, installing a system of public roads, streets, and highways,

24 public waterways, docks, or wharfs, and related appurtenances,

25 contracting for water for fire protection and for resale to residents of

26 the district, contracting for police protection and security services,

27 contracting for solid waste collection services, contracting for access

28 to the facilities and use of the services of the library system of one or

29 more neighboring cities or villages, contracting for street lighting for

30 the public streets and highways within the proposed district,

31 constructing or contracting for the construction of dikes and levees for

1 flood protection of the proposed district, acquiring, improving, and
2 operating public parks, playgrounds, and recreational facilities, or,
3 when permitted by this section, contracting with other sanitary and
4 improvement districts to acquire, build, improve, and operate public
5 parks, playgrounds, and recreational facilities for the joint use of the
6 residents of the contracting districts, contracting for any public
7 purpose specifically authorized in this section, or combination of any
8 one or more of such purposes, or all of such purposes. Such owners of
9 real estate as are unknown may also be set out in the articles as such.

10 (g) No sanitary and improvement district may own or hold land in
11 excess of ten acres, unless such land so owned and held by such district
12 is actually used for a public purpose, as provided in this section,
13 within three years of its acquisition. Any sanitary and improvement
14 district which has acquired land in excess of ten acres in area and has
15 not devoted the same to a public purpose, as set forth in this section,
16 within three years of the date of its acquisition, shall devote the same
17 to a use set forth in this section or shall divest itself of such land.
18 When a district divests itself of land pursuant to this section, it shall
19 do so by sale at public auction to the highest bidder after notice of
20 such sale has been given by publication at least three times for three
21 consecutive weeks prior to the date of sale in a legal newspaper of
22 general circulation within the area of the district.

23 (2) The articles of association shall further state that the owners
24 of real estate so forming the district for such purposes are willing and
25 obligate themselves to pay the tax or taxes which may be levied against
26 all the property in the district and special assessments against the real
27 property benefited which may be assessed against them to pay the expenses
28 that may be necessary to install a sewer or water system or both a sewer
29 and water system, the cost of water for fire protection, the cost of
30 grading, changing grade, paving, repairing, graveling, regrading,
31 widening, or narrowing sidewalks and roads, resurfacing or relaying

1 existing pavement, or otherwise improving any public roads, streets, or
2 highways within the district, including protecting existing sidewalks,
3 streets, highways, and roads from floods or erosion which has moved
4 within fifteen feet from the edge of such sidewalks, streets, highways,
5 or roads, regardless of whether such flooding or erosion is of natural or
6 artificial origin, the cost of constructing public waterways, docks, or
7 wharfs, and related appurtenances, the cost of constructing or
8 contracting for the construction of dikes and levees for flood protection
9 for the district, the cost of contracting for water for fire protection
10 and for resale to residents of the district, the cost of contracting for
11 police protection and security services, the cost of contracting for
12 solid waste collection services, the cost of contracting for access to
13 the facilities and use of the services of the library system of one or
14 more neighboring cities or villages, the cost of electricity for street
15 lighting for the public streets and highways within the district, the
16 cost of installing gas and electric service lines and conduits, the cost
17 of acquiring, improving, and operating public parks, playgrounds, and
18 recreational facilities, and, when permitted by this section, the cost of
19 contracting for building, acquiring, improving, and operating public
20 parks, playgrounds, and recreational facilities, and the cost of
21 contracting for any public purpose specifically authorized in this
22 section, as provided by law.

23 (3) The articles shall propose the names of five or more trustees
24 who are (a) owners of real estate located in the proposed district or (b)
25 designees of the owners if the real estate is owned by a limited
26 partnership, a general partnership, a limited liability company, a
27 public, private, or municipal corporation, an estate, or a trust. These
28 five trustees shall serve as a board of trustees until their successors
29 are elected and qualified if such district is organized. No corporation
30 formed or hereafter formed shall perform any new functions, other than
31 those for which the corporation was formed, without amending its articles

1 of association to include the new function or functions.

2 (4) After the articles are signed, the same shall be filed in the
3 office of the clerk of the district court of the county in which such
4 sanitary and improvement district is located or, if such sanitary and
5 improvement district is composed of tracts or parcels of land in two or
6 more different counties, in the office of the clerk of the district court
7 for the county in which the greater portion of such proposed sanitary and
8 improvement district is located, together with a petition praying that
9 the same may be declared a sanitary and improvement district under
10 sections 31-727 to 31-762.

11 (5) Notwithstanding the repeal of sections 31-701 to 31-726.01 by
12 Laws 1996, LB 1321:

13 (a) Any sanitary and improvement district organized pursuant to such
14 sections and in existence on July 19, 1996, shall, after August 31, 2003,
15 be treated for all purposes as if formed and organized pursuant to
16 sections 31-727 to 31-762;

17 (b) Any act or proceeding performed or conducted by a sanitary and
18 improvement district organized pursuant to such repealed sections shall
19 be deemed lawful and within the authority of such sanitary and
20 improvement district to perform or conduct after August 31, 2003; and

21 (c) Any trustees of a sanitary and improvement district organized
22 pursuant to such repealed sections and lawfully elected pursuant to such
23 repealed sections or in conformity with the provisions of sections 31-727
24 to 31-762 shall be deemed for all purposes, on and after August 31, 2003,
25 to be lawful trustees of such sanitary and improvement district for the
26 term provided by such sections. Upon the expiration of the term of office
27 of a trustee or at such time as there is a vacancy in the office of any
28 such trustee prior to the expiration of his or her term, his or her
29 successors or replacement shall be elected pursuant to sections 31-727 to
30 31-762.

31 (6)(a) A sanitary and improvement district that meets the

1 requirements of this subsection shall have the additional powers provided
2 for in subdivision (b) of this subsection, subject to the approval and
3 restrictions established by the city council or village board within
4 whose zoning jurisdiction the sanitary and improvement district is
5 located and the county board in which a majority of the sanitary and
6 improvement district is located. The sanitary and improvement district
7 shall be (i) located in a county with a population less than one hundred
8 thousand inhabitants, (ii) located predominately in a county different
9 from the county of the municipality within whose zoning jurisdiction such
10 sanitary and improvement district is located, (iii) unable to incorporate
11 due to its close proximity to a municipality, and (iv) unable to be
12 annexed by a municipality with zoning jurisdiction because the sanitary
13 and improvement district is not adjacent or contiguous to such
14 municipality.

15 (b) Any sanitary and improvement district that meets the
16 requirements of subdivision (6)(a) of this section shall have only the
17 following additional powers, subject to the approval and restrictions of
18 the city council or village board within whose zoning jurisdiction such
19 sanitary and improvement district is located and the county board in
20 which a majority of the sanitary and improvement district is located.
21 Such sanitary and improvement district shall have the power to (i)
22 regulate and license dogs and other animals, (ii) regulate and provide
23 for streets and sidewalks, including the removal of obstructions and
24 encroachments, (iii) regulate parking on public roads and rights-of-way
25 relating to snow removal and access by emergency vehicles, and (iv)
26 regulate the parking of abandoned motor vehicles.

27 (7 6) For the purposes of sections 31-727 to 31-762 and 31-771 to
28 31-780, unless the context otherwise requires:

29 (a) Public waterways means artificially created boat channels
30 dedicated to public use and providing access to navigable rivers or
31 streams;

1 (b) Operation and maintenance expenses means and includes, but is
2 not limited to, salaries, cost of materials and supplies for operation
3 and maintenance of the district's facilities, cost of ordinary repairs,
4 replacements, and alterations, cost of surety bonds and insurance, cost
5 of audits and other fees, and taxes;

6 (c) Capital outlay means expenditures for construction or
7 reconstruction of major permanent facilities having an expected long
8 life, including, but not limited to, street paving and curbs, storm and
9 sanitary sewers, and other utilities;

10 (d) Warrant means an investment security under article 8, Uniform
11 Commercial Code, in the form of a short-term, interest-bearing order
12 payable on a specified date issued by the board of trustees or
13 administrator of a sanitary and improvement district to be paid from
14 funds expected to be received in the future, and includes, but is not
15 limited to, property tax collections, special assessment collections, and
16 proceeds of sale of general obligation bonds;

17 (e) General obligation bond means an investment security under
18 article 8, Uniform Commercial Code, in the form of a long-term, written
19 promise to pay a specified sum of money, referred to as the face value or
20 principal amount, at a specified maturity date or dates in the future,
21 plus periodic interest at a specified rate; and

22 (f) Administrator means the person appointed by the Auditor of
23 Public Accounts pursuant to section 31-771 to manage the affairs of a
24 sanitary and improvement district and to exercise the powers of the board
25 of trustees during the period of the appointment to the extent prescribed
26 in sections 31-727 to 31-780.

27 Sec. 2. Section 31-727.03, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 31-727.03 (1) On or before December 31 of each year, the clerk of
30 each sanitary and improvement district shall file with the register of
31 deeds or, if none, the county clerk of the county or counties in which

1 the sanitary and improvement district is located a statement updated each
2 December 31 containing the following information:

3 (a 1) The names of the members of the current board of trustees of
4 the district;

5 (b 2) The names of the current attorney, accountant, and fiscal
6 agent of the district;

7 (c 3) The warrant and the bond principal indebtedness of the
8 district as of the preceding June 30. Such statement shall contain an
9 acknowledgment that the warrant and indebtedness are reflective of such
10 date; and

11 (d 4) The current bond tax levy and the current operating levy of
12 the district, as described in section 31-739, as of December 31.

13 For any late filing of the statement, the sanitary and improvement
14 district shall be assessed a late fee of ten dollars per day, not to
15 exceed a total of three hundred dollars for each late filing.

16 (2) The real estate broker or salesperson or, if none, the owner
17 shall distribute the most recent statement filed in accordance with this
18 section to any prospective purchaser of any real estate located within a
19 sanitary and improvement district.

20 (3) The real estate broker or salesperson or, if none, the owner
21 shall obtain an acknowledgment from any purchaser of any real estate
22 located within a sanitary and improvement district that the purchaser
23 understands: (a) The property is located within a sanitary and
24 improvement district; (b) sanitary and improvement districts are located
25 outside the corporate limits of any municipality; (c) residents of
26 sanitary and improvement districts are not eligible to vote in municipal
27 elections; and (d) owners of property located within sanitary and
28 improvement districts have limited access to services provided by nearby
29 municipalities until and unless the property is annexed by the
30 municipality. Such acknowledgment may be obtained separately from the
31 disclosure required under section 76-2,120.

1 (4) The statement shall be distributed and the acknowledgment
2 obtained on or before the date on which the purchaser becomes obligated
3 to purchase such real estate. The exclusive remedy for failure to provide
4 such statements and obtain such acknowledgments shall be an action for
5 damages, and any such failure shall not affect title to the real estate
6 or the validity of the conveyance.

7 Sec. 3. Section 31-729, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 31-729 All owners of real estate situated in the proposed district
10 who have not signed the articles of association and who may object to the
11 organization of the district or to any one or more of the proposed
12 trustees shall, on or before the time in which they are required to
13 answer, file any such objection in writing, stating (1) why such sanitary
14 and improvement district should not be organized and declared a public
15 corporation in this state, (2) why their land will not be benefited by
16 the installation of a sewer or water system, or both a sewer and water
17 system, a system of sidewalks, public roads, streets, and highways,
18 public waterways, docks or wharfs, and related appurtenances, and gas and
19 electricity for street lighting for the public streets and highways
20 within the district, by the contracting for solid waste collection
21 services, by the construction or contracting for the construction of
22 dikes and levees for flood protection for the district, gas or electric
23 service lines and conduits, and water for fire protection and the health
24 and property of the owners protected, by the acquisition, improvement and
25 operation of public parks, playgrounds, and recreational facilities, and,
26 where permitted by section 31-727, by the contracting with other sanitary
27 and improvement districts for the building, acquisition, improvement, and
28 operation of public parks, playgrounds, and recreational facilities for
29 the joint use of the residents of the contracting districts, (3) why
30 their land should not be embraced in the limits of such district, and (4)
31 their objections if any to any one or more of the proposed trustees.

1 Sec. 4. Section 31-740, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 31-740 (1) The board of trustees or the administrator of any
4 district organized under sections 31-727 to 31-762 shall have power to
5 provide for establishing, maintaining, and constructing gas and electric
6 service lines and conduits, an emergency management warning system, water
7 mains, sewers, and disposal plants and disposing of drainage, waste, and
8 sewage of such district in a satisfactory manner; for establishing,
9 maintaining, and constructing sidewalks, public roads, streets, and
10 highways, including grading, changing grade, paving, repaving, graveling,
11 regravelling, widening, or narrowing roads, resurfacing or relaying
12 existing pavement, or otherwise improving any road, street, or highway
13 within the district, including protecting existing sidewalks, streets,
14 highways, and roads from floods or erosion which has moved within fifteen
15 feet from the edge of such sidewalks, streets, highways, or roads,
16 regardless of whether such flooding or erosion is of natural or
17 artificial origin; for establishing, maintaining, and constructing public
18 waterways, docks, or wharfs, and related appurtenances; and for
19 constructing and contracting for the construction of dikes and levees for
20 flood protection for the district.

21 (2) The board of trustees or the administrator of any district may
22 contract for access to the facilities and use of the services of the
23 library system of one or more neighboring cities or villages, for solid
24 waste collection services, and for electricity for street lighting for
25 the public streets and highways within the district and shall have power
26 to provide for building, acquisition, improvement, maintenance, and
27 operation of public parks, playgrounds, and recreational facilities, and,
28 when permitted by section 31-727, for contracting with other sanitary and
29 improvement districts for the building, acquisition, improvement,
30 maintenance, and operation of public parks, playgrounds, and recreational
31 facilities for the joint use of the residents of the contracting

1 districts, and for contracting for any public purpose specifically
2 authorized in this section. Power to construct clubhouses and similar
3 facilities for the giving of private parties within the zoning
4 jurisdiction of any city or village is not included in the powers granted
5 in this section. Any sewer system established shall be approved by the
6 Department of Health and Human Services. Any contract entered into on or
7 after the effective date of this act for solid waste collection services
8 shall include a provision that, in the event the district is annexed in
9 whole or in part by a city or village, the contract shall be canceled and
10 voided upon such annexation as to the annexed areas.

11 (3) Prior to the installation of any of the improvements or services
12 provided for in this section, the plans or contracts for such
13 improvements or services, other than for public parks, playgrounds, and
14 recreational facilities, whether a district acts separately or jointly
15 with other districts as permitted by section 31-727, shall be approved by
16 the public works department of any municipality when such improvements or
17 any part thereof or services are within the area of the zoning
18 jurisdiction of such municipality. If such improvements or services are
19 without the area of the zoning jurisdiction of any municipality, plans
20 for such improvements shall be approved by the county board of the county
21 in which such improvements are located. Plans and exact costs for public
22 parks, playgrounds, and recreational facilities shall be approved by
23 resolution of the governing body of such municipality or county after a
24 public hearing. Purchases of public parks, playgrounds, and recreational
25 facilities so approved may be completed and shall be valid
26 notwithstanding any interest of any trustee of the district in the
27 transaction. Such approval shall relate to conformity with the master
28 plan and the construction specifications and standards established by
29 such municipality or county. When no master plan and construction
30 specifications and standards have been established, such approval shall
31 not be required. When such improvements are within the area of the zoning

1 jurisdiction of more than one municipality, such approval shall be
2 required only from the most populous municipality, except that when such
3 improvements are furnished to the district by contract with a particular
4 municipality, the necessary approval shall in all cases be given by such
5 municipality. The municipality or county shall be required to approve
6 plans for such improvements and shall enforce compliance with such plans
7 by action in equity.

8 (4) The district may construct its sewage disposal plant and other
9 sewerage or water improvements, or both, in whole or in part, inside or
10 outside the boundaries of the district and may contract with corporations
11 or municipalities for disposal of sewage and use of existing sewerage
12 improvements and for a supply of water for fire protection and for resale
13 to residents of the district. It may also contract with any corporation,
14 public power district, electric membership or cooperative association, or
15 municipality for access to the facilities and use of the services of the
16 library system of one or more neighboring cities or villages, for solid
17 waste collection services, for the installation, maintenance, and cost of
18 operating a system of street lighting upon the public streets and
19 highways within the district, for installation, maintenance, and
20 operation of a water system, or for the installation, maintenance, and
21 operation of electric service lines and conduits, and to provide water
22 service for fire protection and use by the residents of the district. It
23 may also contract with any corporation, municipality, or other sanitary
24 and improvement district, as permitted by section 31-727, for building,
25 acquiring, improving, and operating public parks, playgrounds, and
26 recreational facilities for the joint use of the residents of the
27 contracting parties. It may also contract with a county within which all
28 or a portion of such sanitary and improvement district is located or a
29 city within whose zoning jurisdiction the sanitary and improvement
30 district is located for intersection and traffic control improvements,
31 which improvements serve or benefit the district and which may be within

1 or without the corporate boundaries of the district, and for any public
2 purpose specifically authorized in this section.

3 (5) Each sanitary and improvement district shall have the books of
4 account kept by the board of trustees of the district examined and
5 audited by a certified public accountant or a public accountant for the
6 year ending June 30 and shall file a copy of the audit with the office of
7 the Auditor of Public Accounts by December 31 of the same year. Such
8 audits may be waived by the Auditor of Public Accounts upon proper
9 showing by the district that the audit is unnecessary. Such examination
10 and audit shall show (a) the gross income of the district from all
11 sources for the previous year, (b) the amount spent for access to the
12 facilities and use of the services of the library system of one or more
13 neighboring cities or villages, (c) the amount spent for solid waste
14 collection services, (d) the amount spent for sewage disposal, (e) the
15 amount expended on water mains, (f) the gross amount of sewage
16 processed in the district, (g) the cost per thousand gallons of
17 processing sewage, (h) the amount expended each year for (i)
18 maintenance and repairs, (ii) new equipment, (iii) new construction work,
19 and (iv) property purchased, (j) a detailed statement of all items of
20 expense, (k) the number of employees, (l) the salaries and fees paid
21 employees, (m) the total amount of taxes levied upon the property
22 within the district, and (n) all other facts necessary to give an
23 accurate and comprehensive view of the cost of carrying on the activities
24 and work of such sanitary and improvement district. The reports of all
25 audits provided for in this section shall be and remain a part of the
26 public records in the office of the Auditor of Public Accounts. The
27 expense of such audits shall be paid out of the funds of the district.
28 The Auditor of Public Accounts shall be given access to all books and
29 papers, contracts, minutes, bonds, and other documents and memoranda of
30 every kind and character of such district and be furnished all additional
31 information possessed by any present or past officer or employee of any

1 such district, or by any other person, that is essential to the making of
2 a comprehensive and correct audit.

3 (6) If any sanitary and improvement district fails or refuses to
4 cause such annual audit to be made of all of its functions, activities,
5 and transactions for the fiscal year within a period of six months
6 following the close of such fiscal year, unless such audit has been
7 waived, the Auditor of Public Accounts shall, after due notice and a
8 hearing to show cause by such district, appoint a certified public
9 accountant or public accountant to conduct the annual audit of the
10 district and the fee for such audit shall become a lien against the
11 district.

12 (7) Whenever the sanitary sewer system or any part thereof of a
13 sanitary and improvement district is directly or indirectly connected to
14 the sewerage system of any city, such city, without enacting an ordinance
15 or adopting any resolution for such purpose, may collect such city's
16 applicable rental or use charge from the users in the sanitary and
17 improvement district and from the owners of the property served within
18 the sanitary and improvement district. The charges of such city shall be
19 charged to each property served by the city sewerage system, shall be a
20 lien upon the property served, and may be collected from the owner or the
21 person, firm, or corporation using the service. If the city's applicable
22 rental or service charge is not paid when due, such sum may be recovered
23 by the municipality in a civil action or it may be assessed against the
24 premises served in the same manner as special taxes or assessments are
25 assessed by such city and collected and returned in the same manner as
26 other municipal special taxes or assessments are enforced and collected.
27 When any such tax or assessment is levied, it shall be the duty of the
28 city clerk to deliver a certified copy of the ordinance to the county
29 treasurer of the county in which the premises assessed are located and
30 such county treasurer shall collect the same as provided by law and
31 return the same to the city treasurer. Funds of such city raised from

1 such charges shall be used by it in accordance with laws applicable to
2 its sewer service rental or charges. The governing body of any city may
3 make all necessary rules and regulations governing the direct or indirect
4 use of its sewerage system by any user and premises within any sanitary
5 and improvement district and may establish just and equitable rates or
6 charges to be paid to such city for use of any of its disposal plants and
7 sewerage system. The board of trustees shall have power, in connection
8 with the issuance of any warrants or bonds of the district, to agree to
9 make a specified minimum levy on taxable property in the district to pay,
10 or to provide a sinking fund to pay, principal and interest on warrants
11 and bonds of the district for such number of years as the board may
12 establish at the time of making such agreement and shall also have power
13 to agree to enforce, by foreclosure or otherwise as permitted by
14 applicable laws, the collection of special assessments levied by the
15 district. Such agreements may contain provisions granting to creditors
16 and others the right to enforce and carry out the agreements on behalf of
17 the district and its creditors.

18 (8) The board of trustees or administrator shall have power to sell
19 and convey real and personal property of the district on such terms as it
20 or he or she shall determine, except that real estate shall be sold to
21 the highest bidder at public auction after notice of the time and place
22 of the sale has been published for three consecutive weeks prior to the
23 sale in a newspaper of general circulation in the county. The board of
24 trustees or administrator may reject such bids and negotiate a sale at a
25 price higher than the highest bid at the public auction at such terms as
26 may be agreed.

27 Sec. 5. Section 31-763, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 31-763 (1) Whenever any city or village annexes all the territory
30 within the boundaries of any sanitary and improvement district organized
31 under the provisions of sections 31-701 to 31-726.01 ~~31-726~~, or under

1 sections 31-727 to 31-762, or any road improvement district organized
2 under sections 39-1601 to 39-1636, or any fire protection district
3 authorized under Chapter 35, article 5, the district shall merge with the
4 city or village and the city or village shall succeed to all the property
5 and property rights of every kind, contracts, obligations and choses in
6 action of every kind, held by or belonging to the district, and the city
7 or village shall be liable for and recognize, assume, and carry out all
8 valid contracts and obligations of the district. All taxes, assessments,
9 claims, and demands of every kind due or owing to the district shall be
10 paid to and collected by the city or village. Any special assessments
11 which the district was authorized to levy, assess, relevel or reassess,
12 but which were not levied, assessed, relevelled or reassessed, at the time
13 of the merger, for improvements made by it or in the process of
14 construction or contracted for may be levied, assessed, relevelled or
15 reassessed by the annexing city or village to the same extent as the
16 district may have levied or assessed but for the merger. Nothing in this
17 section ; ~~Provided, nothing herein contained~~ shall authorize the annexing
18 city or village to revoke any resolution, order, or finding made by the
19 district in regard to special benefits or increase any assessments made
20 by the district, but such city or village shall be bound by all such
21 findings or orders and assessments to the same extent as the district
22 would be bound. ~~No ; and provided further, that no~~ district so annexed
23 shall have power to levy any special assessments after the effective date
24 of such annexation.

25 (2) Any contract entered into on or after the effective date of this
26 act by a sanitary and improvement district for solid waste collection
27 services shall, upon annexation of such district by a city or village, be
28 canceled and voided.

29 Sec. 6. Section 31-766, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 31-766 (1) If only a part of the territory within any sanitary and

1 improvement district, any road improvement district, or any fire
2 protection district is annexed by a city or village, the road improvement
3 district or fire protection district acting through its trustees or the
4 sanitary and improvement district acting through its trustees or
5 administrator and the city or village acting through its governing body
6 may agree between themselves as to the division of the assets,
7 liabilities, maintenance, contracts, or other obligations of the district
8 for a change in the boundaries of the district so as to exclude the
9 portion annexed by the city or village or may agree upon a merger of the
10 district with the city or village. The division of assets, liabilities,
11 maintenance, contracts, or other obligations of the district shall be
12 equitable, shall be proportionate to the valuation of the portion of the
13 district annexed and to the valuation of the portion of the district
14 remaining following annexation, and shall, to the greatest extent
15 feasible, reflect the actual impact of the annexation on the ability of
16 the district to perform its duties and responsibilities within its new
17 boundaries following annexation. In event a merger is agreed upon, the
18 city or village shall have all the rights, privileges, duties, and
19 obligations as provided in sections 31-763 to 31-766 when the city
20 annexes the entire territory within the district, and the trustees or
21 administrator shall be relieved of all further duties and liabilities and
22 their bonds exonerated as provided in section 31-764. No agreement
23 between the district and the city or village shall be effective until
24 submitted to and approved by the district court of the county in which
25 the major portion of the district is located. No agreement shall be
26 approved which may prejudice the rights of any bondholder or creditor of
27 the district or employee under contract to the district. The court may
28 authorize or direct amendments to the agreement before approving the
29 same. If the district and city or village do not agree upon the proper
30 adjustment of all matters growing out of the annexation of a part of the
31 territory located within the district, the district, the annexing city or

1 village, any bondholder or creditor of the district, or any employee
2 under contract to the district may apply to the district court of the
3 county where the major portion of the district is located for an
4 adjustment of all matters growing out of or in any way connected with the
5 annexation of such territory, and after a hearing thereon the court may
6 enter an order or decree fixing the rights, duties, and obligations of
7 the parties. In every case such decree or order shall require a change of
8 the district boundaries so as to exclude from the district that portion
9 of the territory of the district which has been annexed. Such change of
10 boundaries shall become effective on the date of entry of such decree.
11 Only the district and the city or village shall be necessary parties to
12 such an action. Any bondholder or creditor of the district or any
13 employee under contract to the district whose interests may be adversely
14 affected by the annexation may intervene in the action pursuant to
15 section 25-328. The decree when entered shall be binding on the parties
16 the same as though the parties had voluntarily agreed thereto. Nothing
17 contained in this section shall authorize any district to levy any
18 special assessments within the annexed area after the effective date of
19 annexation.

20 (2) Any contract entered into on or after the effective date of this
21 act by a sanitary and improvement district for solid waste collection
22 services shall, upon annexation of all or part of such district by a city
23 or village, be canceled and voided as to the annexed areas.

24 Sec. 7. Original sections 31-727, 31-727.03, 31-729, 31-740,
25 31-763, and 31-766, Reissue Revised Statutes of Nebraska, are repealed.