Introduced by Hansen, 26.

A BILL FOR AN ACT relating to municipalities; to amend sections 10-119, 12-401, 14-101, 14-117, 15-101, 15-102, 16-101, 17-301, 17-310, 17-311, 18-753, 19-401, 19-414, 19-415, 19-418, 19-501, 19-502, 19-1102, 19-1827, 19-5101, 23-204, 31-501, 31-508, 32-528, 32-559, 39-207, 39-1328.01, 39-1804, 39-2103, 39-2106, 48-307, 48-1209.01, 53-124.14, 60-608, 60-6,120, 60-6,190, 70-408, 70-604.01, 79-407, 81-1417, 81-1430, 81-2102, 81-2107, 81-2109, and 81-2110, Reissue Revised Statutes of Nebraska, and sections 13-2705, 16-222.02, 16-901, 17-101, 17-201, 17-306.01, 17-312, 17-313, 17-1001, 18-2799, 19-1101, 19-3501, 44-5502, 71-3805, 77-3,119, 81-8,122.01, and 81-15,153, Revised Statutes Cumulative Supplement, 2016; to change provisions relating to how population thresholds of municipalities are determined; to provide for a process by which a city of the primary class becomes a city of the metropolitan class; to change a provision relating to declaration as a city of the primary class; to eliminate obsolete provisions; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 10-119, Reissue Revised Statutes of Nebraska, is amended to read:

10-119 The county board shall, at the usual time of levying taxes in each year, levy a tax upon all the property of the proper precinct, sufficient to pay the annual interest on the bonds and the principal thereof, in accordance with the terms of the proposition under which the bonds were issued. Taxes so levied by the county treasurer for other taxes not levied, and the proceeds of the levy shall be retained by the county treasurer and used for the payment of interest on the bonds and the principal thereof as the same become due to the holder thereof, except that in cities having a population of more than fifty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the money so collected shall be forwarded to or retained in the treasury of the city for the payment of bonds and interest for which the money was collected.

Sec. 2. Section 12-401, Reissue Revised Statutes of Nebraska, is amended to read:

12-401 The mayor of any city having fewer than twenty-five thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, by and with the consent of the council or a majority thereof, and the chairperson of the board of trustees of any village, by and with the consent of the village board or a majority thereof, may appoint a board of not fewer than three nor more than six members, to be known as the cemetery board, to manage the cemetery of any city or village, who shall serve without pay and shall have entire control and management of any cemetery belonging to such city or village. Neither the mayor nor any member of the council nor the chairperson nor any member of the village board of trustees may be a member of the cemetery board. At the time of establishing such cemetery board, approximately one-third of the members shall be appointed for a term of one year, one-third for a term of two years, and one-third for a term of three years, and thereafter members shall be appointed for terms of three years. Vacancies in the membership of the board other than through the expiration of a term shall be filled for the unexpired portion of the term.

Sec. 3. Section 13-2705, Revised Statutes Cumulative Supplement, 2016, is amended to read:

13-2705 The department may conditionally approve grants of assistance from the fund to eligible and competitive applicants within the following limits:

(1) Except as provided in subdivision (2) of this section, a grant request shall be in an amount meeting the following requirements:

(a) For a grant of assistance under section 13-2704.01, at least ten thousand dollars but no more than:

(i) For a city of the primary class, one million five hundred thousand dollars;

(ii) For a city municipality with a population of more than forty thousand but less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, seven hundred fifty thousand dollars;

(iii) For a city municipality with a population of more than twenty thousand but less than forty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, five hundred thousand dollars;

(iv) For a city municipality with a population of more than ten thousand but less than twenty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, one hundred thousand dollars;

(2) Except as provided in subdivision (1) of this section, a grant request shall be in an amount meeting the following requirements:

(a) For a grant of assistance under section 13-2704.01, at least ten thousand dollars but no more than:

(i) For a city of the primary class, one million five hundred thousand dollars;

(ii) For a city municipality with a population of more than forty thousand but less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, seven hundred fifty thousand dollars;

(iii) For a city municipality with a population of more than twenty thousand but less than forty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, five hundred thousand dollars;

(iv) For a city municipality with a population of more than ten thousand but less than twenty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, one hundred thousand dollars;

(v) For a city municipality with a population of more than five thousand but less than ten thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, one hundred thousand dollars;

(vi) For a city municipality with a population of more than two thousand but less than five thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, fifty thousand dollars;
United States Bureau of the Census, four hundred thousand dollars; and

(v) For a municipality with a population of less than ten thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, two hundred fifty thousand dollars; and

(b) For a grant of assistance under section 13-2704.02, at least two thousand dollars but no more than ten thousand dollars; and

(2) Upon the balance of the fund reaching two million five hundred thousand dollars, and until the balance of the fund falls below one million dollars, a grant request shall be in an amount meeting the following requirements:

(a) For a grant of assistance under section 13-2704.01, at least ten thousand dollars but no more than:

(i) For a city of the primary class, two million two hundred fifty thousand dollars;

(ii) For a city municipality with a population of more than forty thousand but less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, one million one hundred twenty-five thousand dollars;

(iii) For a city municipality with a population of more than twenty thousand but less than forty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, six hundred thousand dollars; and

(iv) For a city municipality with a population of more than ten thousand but less than twenty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, three hundred seventy-five thousand dollars; and

(b) For a grant of assistance under section 13-2704.02, at least two thousand dollars but no more than ten thousand dollars;

(3) Assistance from the fund shall not amount to more than fifty percent of the cost of the project for which a grant is requested; and

(4) A municipality shall not be awarded more than one grant of assistance under section 13-2704.01 or one grant of assistance under section 13-2704.02 in any five-year period.

Sec. 4. Section 14-101, Reissue Revised Statutes of Nebraska, is amended to read:

14-101 All cities in this state which have attained a population of three hundred thousand inhabitants or more as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census shall be cities of the metropolitan class and governed by this act. Whenever the words this act occur in sections 14-101 to 14-138, 14-201 to 14-229, 14-360 to 14-376, 14-501 to 14-556, 14-601 to 14-609, 14-702 to 14-704, and 14-804 to 14-816, they shall be construed as referring exclusively to those sections. The population of a city of the metropolitan class shall consist of the people residing within the territorial boundaries of such city and the residents of any territory duly and properly annexed to such city. Each city of the metropolitan class shall be a body corporate and politic and shall have power (1) to sue and be sued, (2) to purchase, lease, lease with option to buy, acquire by gift or devise, and hold real and personal property within the limits of the city for the use of the city, and real estate sold for taxes, (3) to sell, exchange, lease, and convey any real or personal estate owned by the city, in such manner and upon such terms as may be to the best interests of the city, except that real estate acquired for state armory sites shall be conveyed strictly in the manner provided in sections 18-1001 to 18-1006, (4) to make all contracts and do all other acts in relation to the property and concerns of the city necessary to the exercise of its corporate or administrative powers, and (5) to exercise such other and further powers as may be conferred by law. The powers hereby granted shall be exercised by the mayor and city council of such city, as hereinafter set forth, except when otherwise specifically provided by law.

Sec. 5. Whenever any city of the primary class shall attain a population of three hundred thousand inhabitants or more as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the mayor of such city shall certify such fact to the Secretary of State, who upon the filing of such certificate shall by proclamation declare such city to be of the metropolitan class.

Sec. 6. Section 14-117, Reissue Revised Statutes of Nebraska, is amended to read:

14-117 The corporate limits of any city of the metropolitan class shall be fixed and determined by ordinance by the city council of such city. The city council of the municipality of the metropolitan class may at any time extend the corporate limits of such city over any contiguous or adjacent lands, lots, tracts, streets, or highways, such distance as may be deemed proper in any direction, and may include, annex, merge, or consolidate with such city of the metropolitan class, by such extension of its limits, any adjoining city of the first class having a population of less than ten thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census.
thousand population or any adjoining city of the second class or village. Any other laws and limitations defining the boundaries of cities or villages or the increase in limits thereof not applicable to lands, cities, or villages annexed, consolidated, or merged under this section.

Sec. 7. Section 15-101, Reissue Revised Statutes of Nebraska, is amended to read:

15-101 All cities having more than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census shall be known as cities of the primary class. The population of a city of the primary class shall consist of the people residing within the territorial boundaries of such city and the residents of any territory duly and properly annexed to such city.

Sec. 8. Section 15-102, Reissue Revised Statutes of Nebraska, is amended to read:

15-102 Whenever any city of the first or second class shall adopt a population of more than over one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the mayor of such city shall certify such fact to the Secretary of State, who upon the filing of such certificate, and such fact shall be duly certified by the mayor thereof to the Governor under seal, he shall by proclamation declare such city to be of the primary class.

Sec. 9. Section 16-101, Reissue Revised Statutes of Nebraska, is amended to read:

16-101 All cities having more than five thousand and not more than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census or employed and officially promulgated by the State of Nebraska or under the authority of the State of Nebraska or by the authority of the mayor and city council of any such city, shall be known as cities of the first class. The population of a city of the first class shall consist of the people residing within the territorial boundaries of such city and the residents of any territory duly and properly annexed to such city.

Sec. 10. Section 16-222.02, Revised Statutes Cumulative Supplement, 2016, is amended to read:

16-222.02 Each city of the first class with a population in excess of forty-one thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census shall employ a full-time fire chief with appropriate training, credentials, and experience and for whom firefighting or emergency medical first response is a full-time career. The fire chief shall be appointed under the Civil Service Act by the mayor with the approval of the city council or by the city manager in cities that have adopted the city manager plan of government. The fire chief shall have the immediate superintendence of the fire prevention, fire suppression, and emergency medical first response services and the facilities and equipment related to such services of the city. The fire chief shall promulgate, implement, and enforce the rules governing the actions and conduct of volunteer members of the department as well as the personnel policies of the city.

Sec. 11. Section 16-901, Revised Statutes Cumulative Supplement, 2016, is amended to read:

16-901 (1) Except as provided in section 13-327 and subsection (2) of this section, the extraterritorial zoning jurisdiction of a city of the first class shall consist of the unincorporated area two miles beyond and adjacent to its corporate boundaries.

(2) For purposes of sections 70-1001 to 70-1020, the extraterritorial zoning jurisdiction of a city of the first class shall consist of the unincorporated area one mile beyond and adjacent to its corporate boundaries.

16-240 within its extraterritorial zoning jurisdiction with the same force and effect as if such area were within the corporate limits of the city, including that such ordinances shall be extended or applied so as to prevent, or interfere with the conduct of existing farming, livestock operations, businesses, or industry. The fact that the extraterritorial zoning jurisdiction is located in a different county or counties than some or all portions of the municipality shall not be construed as affecting the powers of the city to apply such ordinances.

Sec. 14. (a) A city of the first class may apply by ordinance any existing or future zoning regulations, property use regulations, building ordinances, electrical ordinances, plumbing ordinances, and ordinances authorized by section 16-240 within its extraterritorial zoning jurisdiction with the same force and effect as if such area were within the corporate limits of the city, including that such ordinances shall be extended or applied so as to prevent, or interfere with the conduct of existing farming, livestock operations, businesses, or industry. The fact that the extraterritorial zoning jurisdiction is located in a different county or counties than some or all portions of the municipality shall not be construed as affecting the powers of the city to apply such ordinances.

(b) A city of the first class shall provide written notice to the county board of the county in which the city's two-mile extraterritorial zoning jurisdiction is located when proposing to adopt or amend a zoning ordinance which affects the city's two-mile extraterritorial zoning jurisdiction within such county. The written notice of the proposed change to the zoning ordinance shall be sent to the county board or its designee at least thirty days prior to the final decision by the city. The county board may submit comments or recommendations regarding the change in the zoning ordinance at the public hearings on the proposed change or directly to the city within thirty days after receiving such notice. The city may make its final decision (i) upon the expiration of the thirty days following the notice or (ii) when the county board submits comments or recommendations, if any, to the city prior to the expiration of the thirty days following the notice.
(b) Subdivision (4)(a) of this section does not apply to a city of the first class (i) located in a county with a population in excess of one hundred thousand, (ii) as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census or (ii) if the city and the county have a joint planning commission or joint planning department.

Sec. 12. Section 17-101, Revised Statutes Cumulative Supplement, 2016, is amended to read:

17-101 Each municipality All cities, towns, and villages containing more than eight hundred and not more than five thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census shall be a city under the laws of this state, any village that votes to retain village government as provided in section 17-306 to 17-312 shall be a village and shall have the rights, powers, and immunities granted in sections 17-201 to 17-231. The population of a city of the second class shall consist of the people residing within the territorial boundaries of such city and the residents of any territory duly and properly annexed to such city.

Sec. 13. Section 17-201, Revised Statutes Cumulative Supplement, 2016, is amended to read:

17-201 (1) Any municipality town or village containing not less than one hundred nor more than eight hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census incorporated as a city, town, or village under the laws of this state, any village that votes to retain village government as provided in section 17-306, and any city of the second class that has adopted village government as provided by sections 17-206 to 17-309 shall be a village and shall have the rights, powers, and immunities granted in sections 17-201 to 17-231, and none other, except that all county seat towns shall have the powers and immunities granted in sections 17-201 to 17-231. The population of a village shall consist of the people residing within the territorial boundaries of such village and the residents of any territory duly and properly annexed to such village.

(2) Whenever a majority of the taxable inhabitants of any town or village, not in any city or village, containing not less than five hundred inhabitants as determined by the federal decennial census conducted in the year 2010 or any subsequent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, petition the county board of the county in which the petitioners reside, praying that they may be incorporated as a village and designating the name they wish to assume and the metes and bounds of the proposed village, and such county board or majority of the members thereof shall be satisfied that a majority of the taxable inhabitants of the proposed village have signed such petition and that it contains the number of or more actual residents of the territory described in the petition, the board shall, before the proposed village incorporated, enter the order of incorporation upon its records, and designate the metes and bounds thereof. Thereafter the village shall be governed by the provisions of law applicable to the government of villages. The county board shall, at the time of the incorporation of the village, appoint five persons, having the qualifications provided in section 17-203, as trustees, who shall hold their offices and perform all the duties required of them by law until the election and qualification of their successors at the time and in the manner provided in section 17-202, except that the county board shall set the population of the village upon incorporation to within five miles of the population of the other municipalities in the county, and no portion of the territory of such proposed village shall be included in any other Nebraska incorporated municipality or city of any class.

Sec. 14. Section 17-301, Reissue Revised Statutes of Nebraska, is amended to read:

17-301 (1) This section applies to cities of the first class whose population is less than five thousand inhabitants but more than eight hundred inhabitants as determined by the federal decennial census conducted in the year 2010 or any subsequent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, and to such cities as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census or the most recent revised certified count by the United States Bureau of the Census immediately following the census or revised certified count referred to in subdivision (a) of this subsection, the mayor of the city shall certify such fact to the Secretary of State. If the mayor and city council of the city of first class (i) located in a county with a population in excess of one hundred thousand, as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census or (ii) if the city and the county have a joint planning commission or joint planning department.
the city of the second class. Thereafter all members shall be nominated at the statewide primary election and elected at the statewide general election for four-year terms as provided in section 32-533. The members of the board of trustees shall hold office only until the newly elected city officials assume office.

(6) All ordinances, bylaws, acts, rules, regulations, obligations, and proclamations existing and in force in or with respect to any village at the time of its incorporation as a city of the second class shall remain in full

(c) If a city of the first class has a population of less than five thousand inhabitants but not less than four thousand inhabitants, as determined and officially promulgated by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census immediately following the census or revised certified count referred to in subdivision (b) of this subsection, the mayor of the city shall certify such fact to the Secretary of State. After receipt of such certification, the Secretary of State shall declare such city to be a city of the second class.

(3) If a city of the first class has a population of less than four thousand inhabitants but more than eight hundred inhabitants, as determined and officially promulgated by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the mayor of the city shall certify such fact to the Secretary of State. After receipt of such certification, the Secretary of State shall declare such city to be a city of the second class.

(4) Beginning on the date upon which a city becomes a city of the second class pursuant to section 17-306, such city shall be governed by the laws of this state applicable to cities of the second class.

Sec. 15. Section 17-306.01, Revised Statutes Cumulative Supplement, 2016, is amended to read:

17-306.01 (1) The registered voters of a village which was reorganized under section 17-306 from a city of the second class to a village may vote to discontinue organization as a village and reorganize as a city of the second class under this section if the population exceeds eight hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census. The issue may be placed before the voters by a resolution adopted by the board of trustees of the village or by petition signed by one-fourth of the registered voters of the village.

(2) The petitions shall conform to section 32-628. The Secretary of State shall design the form to be used for the petitions. Petition signers and petition circulators shall conform to the requirements of sections 32-629 and 32-630. The board of trustees shall submit the petitions to the election commissioner or county clerk for signature verification pursuant to section 32-631. The required number of signatures shall be one-fourth of the number of voters registered in the village at the last statewide general election. The election commissioner or county clerk shall notify the board of trustees within thirty days after receiving the petitions from the board of trustees whether the required number of signatures has been gathered. The village shall reimburse the county for any costs incurred by the election commissioner or county clerk.

(3) If the board of trustees determines that the petitions are in proper form and signed by the necessary number of registered voters or after adoption of the resolution by the board of trustees, the board of trustees shall submit the question to the voters of whether to organize as a city of the second class at a special election pursuant to section 32-559 or at the same time as a local or statewide primary or general election held in the village. The form of the ballot shall be for reorganization of the Village of ........ as a city of the second class and Against reorganization of the Village of ........ as a city of the second class.

(4) If the majority of the votes cast are for reorganization as a city of the second class, the board of trustees shall certify such fact to the Secretary of State who, upon the filing of such a certificate, shall, by proclamation so declare and shall declare such village to have become a city of the second class. Thereafter such village shall become a city of the second class and such city shall be governed under the laws of this state applicable to cities of the second class. The government of such city shall continue as organized at the date of such proclamation until the reorganization as a city of the second class.

(5) Upon such proclamation, the governing body of the city shall call a special election for the purpose of electing new members of the city’s governing body to be held not more than eight months after the proclamation is issued. At the initial election of officers, the names of the candidates receiving the greatest number of votes at the primary election if one is held shall be placed on the general election ballot. One-half or the bare majority of the candidates in each precinct or ward or at-large candidates, as the case may be, receiving the greatest number of votes at the general election, shall be elected to terms of the longest duration, and those receiving the next greatest number of votes shall be elected to terms of remaining duration. Thereafter all members shall be nominated at the statewide primary election and elected at the statewide general election for four-year terms as provided in section 32-533. The members of the board of trustees shall hold office only until the newly elected city officials assume office.

The city determine that it is in the best interests of such city to become a city of the second class, the mayor and city council shall adopt an ordinance to that effect and shall notify the Secretary of State and a copy of such ordinance shall accompany the certification. If the Secretary of State receives such notification, he or she shall declare such city to be a city of the second class.
force and effect after such incorporation as a city of the second class until repealed or modified by such city within one year after the date of the filing of the certificate pursuant to subsection (4) of this section.

Sec. 16. Section 17-310, Reissue Revised Statutes of Nebraska, is amended to read:

17-310 Whenever any city of the second class decreases in population until it has a population of less than eight hundred inhabitants and more than one hundred inhabitants, as determined ascertained and officially promulgated by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, enumeration, and return taken by the United States, by the State of Nebraska, or by the authority of the city council to have become a city of the second class. Thereafter such city shall be governed by the laws of this state applicable to cities of the second class.

Sec. 17. Section 17-311, Reissue Revised Statutes of Nebraska, is amended to read:

17-311 (1) Except as provided in section 17-312, whenever any village increases in population until it has a population of more than eight hundred inhabitants but less than five thousand inhabitants, as determined ascertained and officially promulgated by the most recent revised certified count by the United States Bureau of the Census, enumeration, and return taken by the United States, by the State of Nebraska, or by the authority of the village board of such village, the village board shall certify such fact to the Secretary of State who, upon the filing of such a certificate, shall by proclamation declare the village to have become a city of the second class. Such city shall continue to be governed by laws of this state applicable to cities of the second class.

Sec. 18. Section 17-312, Revised Statutes Cumulative Supplement, 2016, is amended to read:

17-312 (1) Whenever any village attains a population exceeding eight hundred inhabitants or the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the registered voters of the village may vote to retain a village form of government. The issue may be placed before the voters by a resolution adopted by the board of trustees of the village or by petition signed by one-fourth of the registered voters of the village.

(2) The petitions shall conform to section 32-628. The Secretary of State shall design the form to be used for the petitions. Petition signers and petition circulators shall conform to the requirements of sections 32-629 and 32-630. The board of trustees shall submit the petitions to the election commissioner for signature verification pursuant to section 32-631. The required number of signatures shall be one-fourth of the number of voters registered in the village at the last statewide general election. The election commissioner or county clerk shall notify the board of trustees within thirty days after receiving the petitions from the board of trustees whether the required number of signatures has been gathered. The village shall reimburse the county for any costs incurred by the election commissioner or county clerk.

(3) If the board of trustees determines that the petitions are in proper form and signed by the necessary number of registered voters or after adoption of the resolution by the board of trustees, the board of trustees shall submit the petition to the voters of the village for their approval in a special election held in the village at a special election pursuant to section 32-559 or at the same time as a local or statewide primary or general election held in the village. The form of the ballot at such election shall be for retention of village government and Against retention of village government. If the majority of the votes cast are for retention of village government, then such village shall remain a village and be governed under the laws of this state applicable to villages unless at some future election such village votes to reorganize as a city of the second class.
class in the manner provided in section 17-313.

(4) If the question is submitted at a special election, such election shall be held not later than November 15 of an odd-numbered year. If the question is rejected, city of the second class officials shall be elected at the next regularly scheduled election.

(5) If the question is submitted at a regularly scheduled election, no village trustees shall be elected at such election, but trustees whose terms are to expire following such election shall hold office until either their successors or city officials take office as follows:

(a) If the question is rejected, the village board shall call a special election to be held not more than eight months after the election at which the question was rejected, for the purpose of electing city officials under the provisions of law relating to cities of the second class. The terms of office for such officials shall be established pursuant to section 17-311. The members of the board of trustees shall hold office only until the newly elected city officials assume office;

(b) If the question is approved, the village board shall call a special election, to be held not more than eight months after the election at which the question was approved, for the purpose of electing city officials under the provisions of law relating to cities of the second class. Persons so elected shall take office as soon after the completion of the canvass of the votes as is practicable, and their terms of office shall be as if the holdovers had not occurred.

Sec. 19. Section 17-313, Revised Statutes Cumulative Supplement, 2016, is amended to read:

17-313 (1) The registered voters of a village may vote to discontinue organization as a village and organize as a city of the second class under this section if the population of the village exceeds eight hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and the prior vote pursuant to section 17-312 was in favor of retaining the village form of government. The issue may be placed before the voters by a resolution adopted by the board of trustees of the village or by petition signed by one-fourth of the registered voters of the village.

(2) The petitions shall conform to section 32-628. The Secretary of State shall design the form to be used for the petitions. Petition signers and petition circulators shall conform to the requirements of sections 32-629 and 32-630. The board of trustees shall submit the petitions to the election commissioner or county clerk for signature verification pursuant to section 32-631. The required number of signatures shall be one-fourth of the number of registered voters registered in the village at the last statewide general election. The election commissioner or county clerk shall notify the board of trustees within thirty days after receiving the petitions from the board of trustees whether the required number of signatures has been gathered. The village shall reimburse the county for any costs incurred by the election commissioner or county clerk.

(3) If the board of trustees determines that the petitions are in proper form and signed by the necessary number of registered voters or after adoption of an amendment by the board of trustees, the board of trustees shall submit the question to the voters of whether to organize as a city of the second class at a special election pursuant to section 32-559 or at the same time as a local or statewide primary or general election held in the village. The form of the ballot at such election shall be for reorganization of the Village of ...... as a city of the second class and against reorganization of the Village of ...... as a city of the second class.

(4) If the majority of the votes cast are for reorganization as a city of the second class, the board of trustees shall certify such fact to the Secretary of State who, upon the filing of such a certificate, shall by proclamation declare such village to have become a city of the second class. Thereafter such village is a city of the second class, and such city shall be governed under the laws of this state applicable to cities of the second class. The government of such city shall continue as organized at the date of such proclamation until the reorganization as a city of the second class. Upon such proclamation by the board of trustees of the city, the city shall call a special election for the purpose of electing new members of the city's governing body to be held not more than eight months after the proclamation is issued. At the initial election of officers, the names of the candidates receiving the greatest number of votes at the primary election if one is held shall be placed on the general election ballot. One-half or the bare majority of the candidates in each precinct or ward or at-large candidates, as the case may be, receiving the greatest number of votes at the general election, shall be elected to terms of the longest duration, and those receiving the next greatest number of votes shall be elected to the remaining term or terms. Thereafter all members shall be nominated at the statewide primary election and elected at the general election for four-year terms as provided in section 32-553. The members of the board of trustees shall hold office only until the newly elected city officials assume office.

(6) All ordinances, bylaws, acts, rules, regulations, obligations, and proclamations existing and in force in or with respect to any village at the time of its incorporation as a city of the second class shall remain in full force and effect after such incorporation as a city of the second class until repealed or modified by such city within one year after the date of the filing
of the certificate pursuant to subsection (4) of this section.

Sec. 20. Section 17-1001, Revised Statutes Cumulative Supplement, 2016, is amended to read:

17-1001 (1) Except as provided in section 13-327, any city of the second class or village may apply by ordinance any existing or future zoning ordinances, property use regulation ordinances, building ordinances, electrical ordinances, and plumbing ordinances to an area within one mile of the corporate limits of such municipality, with the same force and effect as if such area was within its corporate limits. No such ordinance shall be extended or applied so as to prohibit, prevent, or interfere with the conduct of existing farming, livestock operations, businesses, or industry. For purposes of sections 70-1001 to 70-1829, the zoning area of a city of the second class or village shall be one-half mile from the corporate limits of such municipalities. The fact that the zoning area or part thereof is located in a different county or counties than some or all portions of the municipality shall not be construed as affecting the necessity of obtaining the approval of the city council or board of trustees of such municipality or its agent designated pursuant to section 19-810 (1).

(2)(a) A city of the second class or village shall provide written notice to the county board of the county in which the one-mile extraterritorial zoning jurisdiction of the city or village is located when proposing to adopt or amend a zoning ordinance which affects the one-mile extraterritorial zoning jurisdiction of the city or village within such county. The written notice of the proposed change to the zoning ordinance shall be sent to the county board or its designee at least thirty days prior to the final decision by the city or village. The county board may submit comments or recommendations regarding the change in the zoning ordinance at the public hearings on the proposed change or directly to the city or village within thirty days after receiving such notice. The city or village may make final decision upon the thirty days following the notice or (ii) when the county board submits comments or recommendations, if any, to the city or village prior to the expiration of the thirty days following the notice.

(b) Subdivision (2)(a) of this section does not apply to a city of the second class or village located in a county with a population in excess of one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census or (ii) if the city or village and the county have a joint planning commission or joint planning department.

Sec. 21. Section 18-1753, Reissue Revised Statutes of Nebraska, is amended to read:

18-1753 (1) Any city or village annexing territory which thereby adds additional population to the city or village shall report such annexation to the Tax Commissioner. The annexing city or village shall provide the Tax Commissioner with a copy of the ordinance annexing the territory and specify the effective date of the annexation. The annexing city or village shall provide its calculation of the number of additional residents added to the population of the city or village by reason of the annexation and the new combined total population of the city or village and shall inform the Tax Commissioner of the source and date of the federal census relied upon in the calculations.

(2)(a) All calculations of additional population shall be based upon federal census figures from the most recent federal decennial census or the most recent revised federal census update or recount certified count by the United States Bureau of the Census. If the boundaries of the territory annexed and those of federal census enumeration districts are the same, or if federal census enumeration districts are wholly contained within the boundaries of the area annexed, the most recent federal census figures for such enumeration districts shall be added directly to the population of the city or village.

(c) If the federal census enumeration districts are partly within and partly without the boundaries of the territory annexed, the federal census figures for such enumeration districts shall be adjusted by reasonable interpretation and supplemented by other evidence to arrive at a figure for the number of people residing in the area annexed as such population existed in that time of the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census. Reasonable interpretation shall include, but not be limited to, the following methods: An actual house count of the annexed territory multiplied by the average number of persons per household as this information existed at the time of the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census; or multiplying the population that existed at the time of the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census in the enumeration district by a ratio of the actual current population of the enumeration district divided in the same manner as the annexation. The population of the city or village as reported by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census or (ii) the population of the city or village as reported by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census plus the population of the territory annexed as calculated in subdivisions (b) and (c) of this subsection.
Sec. 22. Section 18-2709, Revised Statutes Cumulative Supplement, 2016, is amended to read:

18-2709 (1) Qualifying business means any corporation, partnership, limited liability company, or sole proprietorship which derives its principal source of income from any of the following: The manufacture of articles of commerce; the conduct of research and development; the processing, storage, transport, or sale of goods or commodities which are sold or traded in interstate commerce; the sale of services in interstate commerce; headquarters facilities relating to eligible activities as listed in this section; telecommunications activities, including services providing advanced telecommunications capability; tourism-related activities; or the production of films, including feature, independent, and documentary films, commercials, and television programs.

(2) Qualifying business also means:

(a) In cities of the first and second class and villages, a business that derives its principal source of income from the construction or rehabilitation of housing;

(b) A business that derives its principal source of income from retail trade, except that no more than forty percent of the total revenue generated pursuant to the Local Option Municipal Economic Development Act for an economic development program in any twelve-month period and no more than twenty percent of the total revenue generated pursuant to the act for an economic development program in any five-year period, commencing from the date of municipal approval of an economic development program, shall be used by the city for or devoted to the use of retail trade businesses. For purposes of this subdivision, retail trade means a business which is principally engaged in the sale of goods or commodities to ultimate consumers for their own use or consumption and not for resale; and

(c) In cities with a population of two thousand five hundred inhabitants or less as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, a business shall be a qualifying business even though it derives its principal source of income from activities other than those set out in this section.

(3) A business which would otherwise be a qualifying business employs people and carries on activities in more than one city in Nebraska or will do so at any time during the first year following its application for participation in an economic development program, it shall be a qualifying business only if, in each such city, it maintains employment for the first two years following the date on which such business begins operations in the city as a participant in an economic development program at a level not less than its average employment in such city over the twelve-month period preceding participation.

(4) A qualifying business need not be located within the territorial boundaries of the city from which it is or will be receiving financial assistance.

(5) Qualifying business does not include a political subdivision, a state agency, or any other governmental entity, except as allowed for cities of the first and second class and villages for rural infrastructure development as provided for in subsection (4) of section 18-2705.

Sec. 23. Section 19-401, Reissue Revised Statutes of Nebraska, is amended to read:

19-401 Any city in this state having not less than two thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census or the state offical state or national decennial census, or as determined by the last census taken and promulgated in such city by the authority of the mayor and city council of any such city, may adopt the commission form of government provisions of sections 19-481 to 19-433 and be governed thereunder by proceeding as hereinbefore provided in sections 39-401 to 19-433.

Sec. 24. Section 19-414, Reissue Revised Statutes of Nebraska, is amended to read:

19-414 The executive and administrative powers, authorities, and duties in cities adopting the commission plan of government such cities shall be distributed into and among departments as follows:

In metropolitan cities of the metropolitan class, (1) department of public affairs, (2) department of accounts and finances, (3) department of police, sanitation, and public safety, (4) department of fire protection and water supply, (5) department of street cleaning and maintenance, (6) department of public improvements, and (7) department of parks and public property; in primary cities of the primary class, (1) department of public affairs, (2) department of accounts and finances, (3) department of public safety, (4) department of streets and public improvements, and (5) department of parks and public property; and

In cities containing two thousand or more and not more than forty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census population, (1) department of public affairs and public safety, (2) department of accounts and finances, (3) department of streets, public improvements, and public property, (4) department of public works, and (5) department of parks and recreation.

The city council shall provide, as nearly as possible, the powers and duties to be exercised and performed by, and assign them to, the appropriate departments. The city council may prescribe the powers and duties of all
officers and employees of the city and may assign particular officers, or employees, to more than one of the departments, may require any officer or employee to perform more of the duties of departments, and may make such other rules and regulations as may be necessary or proper for the efficient and economical management of the business affairs of the city.

Sec. 25. Section 19-415, Reissue Revised Statutes of Nebraska, is amended to read:

19-415 In cities of the metropolitan class, the city council shall consist of the mayor who shall be superintendent of the department of public affairs, one council member to be superintendent of the department of accounts and finances, one council member to be superintendent of the department of accounts and finances, one council member to be superintendent of the department of police, sanitation, and public safety, one council member to be superintendent of the department of public works and public property, one council member to be superintendent of the department of public safety, one council member to be superintendent of the department of street cleaning and maintenance, one council member to be superintendent of the department of public improvements, and one council member to be superintendent of parks and public property.

In cities containing at least forty thousand and less than three hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the city council shall consist of the mayor who shall be superintendent of the department of public affairs, one council member to be superintendent of the department of public affairs and public safety, one council member to be commissioner of the department of streets, public improvements and public property, one council member to be commissioner of the department of public accounts and finance, one council member to be commissioner of the department of public works, and one council member to be commissioner of the department of parks and recreation.

In all of such cities the commissioner of the department of accounts and finances shall be vice president of the city council and shall, in the absence of the mayor or his incapacity to perform the duties of the mayor of the city, preside over council meetings, and in case of vacancy in the office of mayor by death or otherwise, the vacancy shall be filled as provided in section 32-568.

Sec. 26. Section 19-418, Reissue Revised Statutes of Nebraska, is amended to read:

19-418 The regular meetings of the city council in metropolitan cities of the metropolitan class shall be held at least once in each week and upon such day and hour as the city council may designate. In all other cities having a population of two thousand or more as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the regular meetings of the city council shall be held at such intervals and upon such day and hour as the city council may by ordinance or resolution designate; and special meetings of the city council in any of such cities may be called, from time to time, by the mayor or two council members, giving notice in such manner as may be fixed or defined by law or ordinance in any of such cities or as shall be fixed by ordinance or resolution of the city council. A majority of the council shall constitute a quorum for the transaction of any business, but it shall require a majority vote of the city whole council in any such city to pass any measure or transact any business.

Sec. 27. Section 19-501, Reissue Revised Statutes of Nebraska, is amended to read:

19-501 Whenever, in any city having a population of more than five thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, a charter convention shall have prepared and proposed any charter for the city, or any amendments to the charter previously in force, it shall be the duty of the city clerk to also publish and submit, at the same time and in the same manner as in the case of the submission of such said proposed charter, any additional or alternative articles or sections, to the qualified voters of such said city for their approval, which shall be proposed by the petition of at least ten percent of the qualified electors of such city in the city voting for the gubernatorial candidates at the next preceding general election. The said petition must be filed within thirty days after the work of such said charter convention shall have been completed.

Sec. 28. Section 19-602, Reissue Revised Statutes of Nebraska, is amended to read:

19-602 For the purposes of sections 19-601 to 19-648, the population of a city shall be the number of inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census ascertained by the last state census or United States census, whichever shall be later.

Sec. 29. Section 19-1101, Revised Statutes Cumulative Supplement, 2016, is amended to read:

19-1101 The treasurer of each city or village that has a population of not
more than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, shall prepare and publish annually within sixty days after the close of its municipal fiscal year a statement of the receipts and expenditures of funds of the city or village for the preceding fiscal year. The statement shall also include the information required by subsection (3) of section 16-318 or subsection (2) of section 17-606. Not more than the legal rate of interest provided for in section 33-141 shall be charged and paid for such publication.

Sec. 30. Section 19-1102, Reissue Revised Statutes of Nebraska, is amended to read:
19-1102 It shall be the duty of each village or city clerk in every village or city having a population of not more than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census to prepare and publish the official proceedings of the village or city board, council, or commission within thirty days after any meeting of the board, council, or commission. The publication shall be in a newspaper in which the village or city, shall, as of the fourth day of the month in which such commission is located, which court shall hear and determine such appeal in a summary manner. Such an appeal shall be only upon the ground that such judgment or order of removal was not made in good faith for cause, and the hearing on such appeal shall be confined to the determination of whether or not it was so made.

Sec. 31. Section 19-1827, Reissue Revised Statutes of Nebraska, is amended to read:
19-1827 (1) There is hereby created, in cities in the State of Nebraska having a population of more than five thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and having full-time police officers or full-time firefighters, a civil service commission, except in cities with a population in excess of forty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census which have or may adopt a home rule charter pursuant to sections 2 to 5 of Article XI of the Constitution of this state. Any city or village having a population of five thousand inhabitants or less, or the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census may adopt the Civil Service Act and create a civil service commission by a vote of the electors of such city or village. If any city of the first class which established a civil service commission decreases in population to less than five thousand, as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, and continues to have full-time police officers or full-time firefighters, the civil service commission shall be continued for at least four years, and thereafter continued at the option of the local governing body of such city or village. The members of such commission shall be appointed by the appointing authority.

(2) The governing body shall by ordinance determine if the commission shall be comprised of three or five members. The members of the civil service commission shall serve without compensation. No person shall be appointed a member of such commission whose local election is not as a member of such municipality for at least three years immediately preceding such appointment, and an elector of the county wherein such person resides. If the commission is comprised of three members, the term of office of such commissioners shall be six years, except that the first three members of such commission shall be appointed for different terms, as follows: One to serve for a period of two years, one to serve for a period of four years, and one to serve for a period of six years. If the commission is comprised of five members, the term of office of such members shall be for five years, except that the first members of such commission shall be appointed for different terms, as follows: One to serve for a period of two years, one to serve for a period of three years, one to serve for a period of four years, and one to serve for a period of five years. If the municipality determines by ordinance to change from a three-member commission to a five-member commission, or from a five-member commission to a three-member commission, the members of the commission serving before the effective date of such ordinance shall hold office until reappointed or their successors are appointed.

(3) Any member of the civil service commission may be removed from office for incompetency, dereliction of duty, malfeasance in office, or other good cause by the appointing authority, except that no member of the commission shall be removed until written charges have been preferred, due notice given such member, and a full hearing had before the appointing authority. Any member so removed shall have the right to appeal to the district court of the county in which such commission is located, which court shall hear and determine such appeal in a summary manner. Such an appeal shall be only upon the ground that such judgment or order of removal was not made in good faith for cause, and the hearing on such appeal shall be confined to the determination of whether or not it was so made.
(4) The members of the civil service commission shall devote due time and attention to the performance of the duties specified and imposed upon them by the Legislature. Two members of a three-member commission and three commissioners in a five-member commission shall constitute a quorum for the transaction of business. Confirmation of the appointment or appointments of commissioners, made under subsection (1) of this section, by any other legislative body shall not be required. At the time of any appointment, not more than two commissioners of a five-member commission, or three commissioners of a five-member commission, including the one or ones to be appointed, shall be registered electors of the same political party.

Sec. 32. Section 19-3501, Revised Statutes Cumulative Supplement, 2016, is amended to read:

19-3501 (1) The governing body of cities of the first and second classes and villages may, by appropriate ordinance or proper resolution, establish a pension plan designed and intended for the benefit of the regularly employed or appointed full-time employees of the city or village. Any recognized method of funding a pension plan may be employed. The plan shall be established by appropriate ordinance or proper resolution, which may provide for mandatory contribution of amounts to be used for the purpose of funding employee past service benefits. Any two or more cities of the first and second classes and villages may jointly establish such a pension plan by adoption of appropriate ordinances or resolutions. Such a pension plan may be integrated with old age and survivors insurance, otherwise generally known as social security.

(2)(a) Beginning December 31, 1998, and each December 31 thereafter, the clerk of a city or village with a retirement plan established pursuant to this section and section 461(a) of the Internal Revenue Code shall file with the Auditor of Public Accounts an annual report on such plan. The auditor shall submit copies of such report to the Auditor of Public Accounts. The Auditor of Public Accounts may review a copy of such report pursuant to section 84-304.02 but is not required to do so. The annual report shall be in a form prescribed by the Public Employees Retirement Board and shall contain the following information for each such retirement plan:

(i) The number of persons participating in the retirement plan;
(ii) The contribution rates of participants in the plan;
(iii) Plan assets and liabilities;
(iv) The names and positions of persons administering the plan;
(v) The names and positions of persons investing plan assets;
(vi) The form and nature of investments;
(vii) For each defined contribution plan, a full description of investment policies and options available to plan participants; and
(viii) For each defined benefit plan, the levels of benefits of participants in the plan, the number of members who are eligible for a benefit, and the total present value of such members' benefits, as well as the funding sources which will pay for such benefits.

If a plan contains no current active participants, the city or village clerk may file in place of such report a statement with the Public Employees Retirement Board indicating the number of retirees still drawing benefits, and the amount of funding for such benefits.

(b) If such retirement plan is a defined benefit plan which was open to new members on January 1, 2004, in addition to the reports required by section 13-2402, the city council or village board shall cause to be prepared an annual report and shall file the same with the Public Employees Retirement Board and the Civil Service Commission of the Legislature. The report shall be submitted to the Auditor of Public Accounts a copy of each report. The Auditor of Public Accounts may review a copy of such report pursuant to section 84-304.02 but is not required to do so. If the city council or village board does not submit a copy of the report to the Auditor of Public Accounts within six months after the end of the plan year, the Auditor of Public Accounts may audit, or cause to be audited, the city or village. All costs of the audit shall be paid by the city or village. The report shall consist of a full actuarial analysis of each such retirement plan established pursuant to this section. The analysis shall be prepared by an independent private organization or public entity employing actuaries who are members in good standing of the American Academy of actuaries, and which organization or entity has demonstrated expertise to perform this type of analysis and is unrelated to any organization offering investment advice or which provides investment management services to the retirement plan. The report to the Nebraska Retirement Systems Committee shall be submitted electronically.

(3) Subsection (1) of this section shall not apply to firefighters or police officers who are included under an existing pension or retirement system established by the municipality employing such firefighters or police officers or the Legislature. If a city of the first class decreases in population to less than five thousand, as determined by the most recent federal decennial census or the most recent revised census count by the United States Bureau of the Census, any police officer or firefighter employed by such city on or prior to the date such city becomes a city of the second class shall retain the level of benefits established by the Legislature for police officers or firefighters employed by a city of the first class on the date such city becomes a city of the second class.

Sec. 33. Section 19-5101, Reissue Revised Statutes of Nebraska, is amended to read:

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19-5101 Pursuant to Article XI, section 1, of the Constitution of Nebraska, the Legislature authorizes the investment of public endowment funds by the board of supervisors of counties determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census in the manner required of a prudent investor who shall act with care, skill, and diligence under the prevailing circumstance and in such investments as the governing body of such city acting in a fiduciary capacity for the exclusive purpose of protecting and benefiting such investment, may determine.

Sec. 34. Section 23-204, Reissue Revised Statutes of Nebraska, is amended to read:

23-204 On the second Tuesday after the election under section 23-201 a township organization in any county, the county attorney, county clerk, and county treasurer of the county shall meet at the county seat of such county and shall, within three days from and after the first day of meeting, divide such county into seven districts to be known as supervisor districts. Such districts shall be organized as nearly as possible with regular boundary lines and in regular and compact form and shapes, and each of such districts shall elect one supervisor who shall reside in such supervisor district and be nominated and elected by the registered voters residing in such district. The county attorney, county clerk, and county treasurer shall then divide the tract thus segregated into two supervisor districts with population equally divided, and when so divided, each of the districts shall elect one supervisor who shall reside in such supervisor district and be nominated and elected by the registered voters residing in that district. If any such city has more than the requisite inhabitants for two supervisor districts, then sufficient outlying territory may be added to such city to make three supervisor districts. The supervisor in each supervisor district in such city shall reside in such supervisor district and be nominated and elected by the registered voters residing in such supervisor district. The supervisor in each supervisor district and each board of supervisors shall as nearly as possible have the same number of inhabitants as any other district. No voting precinct shall be divided by any such district, except that in counties having cities of more than one thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and when such cities have more inhabitants than the average outlying district, the county board shall add enough contiguous territory to such city so that the inhabitants in such city and contiguous territory equal the inhabitants of two of the other districts. The county attorney, county clerk, and county treasurer shall then divide the tract thus segregated into two supervisor districts with population equally divided, and when so divided, each of the districts shall elect one supervisor who shall reside in such supervisor district and be nominated and elected by the registered voters residing in that district. If any such city has more than the requisite inhabitants for two supervisor districts, then sufficient outlying territory may be added to such city to make three supervisor districts. The supervisor in each supervisor district in such city shall reside in such supervisor district and be nominated and elected by the registered voters residing in such supervisor district. The remainder of the county outside of such city districts shall be divided so as to create a total of seven supervisor districts, except that if any county under township organization has gone to an at-large basis for election of supervisors under section 32-554, the board of supervisors of such county may stay on the at-large voting basis.

Sec. 35. Section 31-501, Reissue Revised Statutes of Nebraska, is amended to read:

31-501 Whenever one or more municipalities municipal corporation or corporations may be situated upon or near a stream which is bordered by lands subject to overflow from natural causes, or which is obstructed by dams or artificial obstructions so that the natural flow of waters is impeded so that drainage or the improvement of the channel of the stream will conduce to the preservation of public health, such municipalities municipal corporation or corporations by their respective governing bodies may declare the limits of such proposed sanitary drainage district under sections 31-501 to 31-523 in the manner following: Any one hundred legal voters, residents freeholders resident within the limits of such proposed sanitary drainage district, may petition the county board of the county wherein the improvement to be submitted to the legal voters within the limits of such proposed sanitary drainage district whether they will organize as a sanitary drainage district under such said sections. In provided, that in the case of municipalities municipal corporations of less than one thousand inhabitants population, as determined by the most recent federal decennial last preceding census or the most recent revised certified count by the United States Bureau of the Census, two-thirds of the legal voters, residents freeholders resident within the limits of such proposed sanitary drainage district, may petition the county board of the county wherein the improvement to be submitted to the legal voters within the limits of such proposed sanitary drainage district whether they will organize as a sanitary drainage district under such said sections, and if a majority of those voting on the question are in favor of the proposition the district shall be organized.

Sec. 36. Section 31-508, Reissue Revised Statutes of Nebraska, is amended to read:

31-508 If a sanitary drainage district has constructed one or more channels, drains, or ditches from a city having a population of more than one hundred thousand and less than three hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census to or beyond the boundaries of the district downstream and there remains from the lower terminus of such improvement a portion or continuation of the watercourse unimproved, the Department of Natural Resources shall investigate the conditions of such watercourse, and if the department determines that further improvement in such watercourse downstream is for the interest of lands adjacent to such watercourse below the point of the improvement, the department shall file a plan of such improvement in the office of the county clerk of each of the counties in which any of the lands to be benefited are situated and in which
any portion of the watercourse to be improved is located. Such plan shall describe the
boundaries of the district to be benefited and shall contain an estimate of the
benefits to be derived by the sanitary or other improvements and an estimate of
such improvement as well as the cost thereof and an estimate of the special
benefits that would accrue to lands adjacent to the watercourse by reason of
improved drainage, such estimate being detailed as to the various tracts of
land under separate ownership as shown by the records of the county in which
such lands are situated.

Sec. 37. Section 32-538, Reissue Revised Statutes of Nebraska, is amended to read:
32-538 (1) In a city which adopts the city manager plan of government pursuant
to sections 19-601 to 19-618, the number of city council members shall be
determined by the class and population of the city. In cities having one
thousand or more but not more than forty thousand inhabitants as determined by
the most recent federal decennial census or the most recent revised certified
count by the United States Bureau of the Census, there shall be five members,
and in cities having more than forty thousand but less than two hundred
thousand inhabitants as determined by the most recent federal decennial census
or the most recent revised certified count by the United States Bureau of the
Census, there shall be seven members, except that in cities having between
twenty-five thousand and forty thousand inhabitants as determined by the most
recent federal decennial census or the most recent revised certified count by
the United States Bureau of the Census, the city council may by ordinance
provide for seven members. Council members shall be elected from the city at
large unless the city council by ordinance provides for the election of all or
some of its council members by wards, the number and boundaries of which are
provided for in section 16-194. Council members shall serve for terms of four
years or until their successors are elected and qualified. The council members
shall be elected in sections 19-613 and 19-613.01.

The first election under an ordinance changing the number of council
members or their manner of election shall take place at the next regular city
election. Council members whose terms of office expire after the election shall
continue in office until the expiration of the terms for which they were
elected and until their successors are elected and qualified. At any first
election under an ordinance changing the number of council members or their
manner of election, one-half or the bare majority of council members elected at
large, as the case may be, who receive the highest number of votes shall serve
for four years and the other or others, if needed, for two years. At such first
election, one-half or the bare majority of council members, as the case may be,
who are elected by wards shall serve for four years and the other or others, if
needed, for two years, as provided in the ordinance. If only one council member
is to be elected at large at such first election, such member shall serve for
four years.

(2) Commencing with the statewide primary election in 1976, and every two
years thereafter, those candidates whose terms will be expiring shall be
ominated at the statewide primary election and elected at the statewide
general election.

Sec. 38. Section 32-539, Reissue Revised Statutes of Nebraska, is amended to read:
32-539 (1) In a city which adopts the commission plan of government pursuant
to sections 19-401 to 19-433, the number of city council members shall
be determined by the class and population of the city. In cities having two
thousand or more but not more than forty thousand inhabitants as determined by
the most recent federal decennial census or the most recent revised certified
count by the United States Bureau of the Census, there shall be five members,
in cities of the primary class, there shall be five members, and in cities of
the metropolitan class, there shall be seven members. Council members shall be
elected from the city at large. In cities of the primary class, three excise
members shall be elected in addition to the five council members. Nomination
and election of all council members shall be by nonpartisan ballot. The mayor
shall be elected for a four-year term.

(2) In cities containing two thousand or more but not more than forty
thousand inhabitants as determined by the most recent federal decennial census
or the most recent revised certified count by the United States Bureau of the
Census, there shall be five members. One council member shall be council
commissioner of the department of public works and the council member elected
as the commissioner of the department of parks and recreation shall each serve
a term of four years. If a city elects to adopt the commission plan of
government after 1980, the council member elected as the commissioner of
the department of public works and the council member elected as the commissioner
of the department of public accounts and finance shall each serve a term of
four years and the council member elected as the commissioner of the department
of streets, public improvements, and public property and the council member
elected as the commissioner of the department of parks and recreation shall
each serve a term of two years. Upon the expiration of such terms, all council
members shall serve terms of four years and until their successors are elected
and qualified.

(3) Commencing with the statewide primary election in 2000, and every two
years thereafter, candidates shall be nominated at the statewide primary
election and elected at the statewide general election except as otherwise
provided in section 19-405.
39-207 Tourist-oriented directional sign panels shall be erected and maintained by or at the direction of the Department of Roads within the right-of-way of roads which are part of the state highway system to provide tourist-oriented information to the traveling public in accordance with sections 39-207 to 39-211.

For purposes of such sections:
(1) Rural highways means (a) all public highways and roads outside the limits of an incorporated municipality exclusive of freeways and interchanges on expressways and (b) all public highways and roads within incorporated municipalities having a population of forty thousand inhabitants or less as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census exclusive of freeways and interchanges.

(2) Sign panel means one or more individual signs mounted as an assembly on the same supports.

Sec. 40. Section 39-1328.01, Reissue Revised Statutes of Nebraska, is amended to read:

39-1328.01 Whenever a highway not a freeway, which formerly traversed the corporate limits of a municipality of not more than five thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, is relocated and is made a controlled-access facility, and the Department of Roads is or is not providing any frontage road as authorized by section 39-1328, near an intersection with a roadway connecting with such municipality, the department shall, when consistent with requirements of traffic safety, and when the cost of drainage structures does not exceed five thousand dollars, and upon the conditions hereinafter set out construct such frontage roads if requested to do so by such, or by the owners of sixty percent of the property abutting on such relocated highway if such request is made prior to the purchase, lease, or lease with option to purchase of right-of-way by the department. The quadrant of such intersection in which the frontage road or roads shall be located shall be designated by the governing board of such municipality. The department shall at the request of the county or municipality procure the right-of-way for such frontage road by lease or lease-option to buy or in the same manner as though it were for state highway purposes after receiving from the county or municipality reasonable assurance of reimbursement for such right-of-way costs. The responsibility for the maintenance of such frontage road shall be as provided in section 39-1372.

Sec. 41. Section 39-1804, Reissue Revised Statutes of Nebraska, is amended to read:

39-1804 The county board, with the approval of the mayor and council or the chairperson and board of trustees, as the case may be, whenever conditions warrant, furnish, deliver, and spread gravel of a depth not exceeding three inches on certain streets in cities of the second class and villages having a population of not more than fifteen hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and shall charge the cost of such improvement to that portion of the Highway Allocation Fund from which counties are reimbursed pursuant to section 39-2215. No improvement of any street or streets in cities of the second class or villages having a population of not more than fifteen hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census shall be made unless the condition hereinafter set out construct such frontage roads if requested to do so by such, or by the owners of sixty percent of the property abutting on such relocated highway if such request is made prior to the purchase, lease, or lease-option to buy or in the same manner as though it were for state highway purposes after receiving from the county or municipality reasonable assurance of reimbursement for such right-of-way costs. The responsibility for the maintenance of such frontage road shall be as provided in section 39-1372.

Sec. 42. Section 39-2103, Reissue Revised Statutes of Nebraska, is amended to read:

39-2103 Rural highways are hereby divided into nine functional classifications as follows:
(1) Interstate, which shall consist of the federally designated National System of Interstate and Defense Highways;
(2) Expressway, which shall consist of a group of highways following major traffic patterns in Nebraska which rank next in importance to the National System of Interstate and Defense Highways. The expressway system is one which ultimately should be developed to multilane divided highway standards;
(3) Major arterial, which shall consist of the balance of routes which serve major statewide interests for highway transportation. This system is characterized by high-speed, relatively long-distance travel patterns; and
(4) Scenic-recreation, which shall consist of highways located within or which provide access to or through state parks, recreation or wilderness areas, other areas of geological, historical, geological, recreational, biological, or archaeological significance, or areas of scenic beauty;
(5) Other arterial, which shall consist of a group of highways of less importance as through-travel routes which would serve places of smaller population and smaller recreation areas not served by the higher systems;
(6) Collector, which shall consist of a group of highways which pick up traffic from many local or land-service roads and carry it to community centers or to the arterial systems. They are the main school bus routes, mail routes, and farm-to-market routes;

(7) Local, which shall consist of all remaining rural roads, except minimum maintenance roads and remote residential roads;

(8) Minimum maintenance, which shall consist of (a) roads used occasionally by a limited number of people as alternative access roads for areas served primarily by local, collector, or arterial roads or (b) roads which are the principal access roads to agricultural lands for farm machinery and which are not primarily used by passenger or commercial vehicles; and

(9) Remote residential, which shall consist of roads or segments of roads in remote areas of counties with (a) a population density of no more than five people per square mile or (b) an area of at least one thousand square miles, and which roads or segments of roads serve as primary access to no more than seven residences. For purposes of this subdivision, residence means a structure which serves as a primary residence for more than six months of a calendar year. Population shall be determined using data from the most recent federal decennial census.

The rural highways classified under subdivisions (1) through (3) of this section should, combined, serve every incorporated municipality having a minimum population of one hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census or sufficient commerce, a part of which will be served by stubs or spurs, and along with rural highways classified under subdivision (4) of this section, should serve the major recreational areas of the state.

For purposes of this section, sufficient commerce means a minimum of two hundred thousand dollars of gross receipts under the Nebraska Revenue Act of 1967.

Sec. 43. Section 39-2106, Reissue Revised Statutes of Nebraska, is amended to read:

39-2106 To assist in developing the functional classification system, there is hereby established the Board of Public Roads Classifications and Standards which shall consist of eleven members to be appointed by the Governor with the approval of the Legislature. Of the members of such board, two shall be representatives of the Department of Roads, three shall be representatives of the counties, one of whom shall be a licensed county highway superintendent in good standing and two of whom shall be county board members, three shall be representatives of the municipalities who shall be either public works directors or licensed city street superintendents in good standing, and three shall be lay citizens who shall represent the three congressional districts of the state. The county members on the board shall represent the various classes of counties, as defined in section 23-1114.01, in the following manner: One shall be a representative from either a Class 1 or Class 2 county; one shall be a representative from either a Class 3 or Class 4 county; and one shall be a representative from either a Class 5, Class 6, or Class 7 county. The municipal members of the board shall represent municipalities of the following size by population: One shall be a representative from a municipality of less than two thousand five hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census population; one shall be a representative from a municipality of two thousand five hundred to fifty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census population; and one shall be a representative from a municipality of over fifty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census population.

In making such appointments, the Governor shall consult with the Director-State Engineer and with the appropriate county and municipal officials and may consult with organizations representing such officials or representing counties or municipalities as may be appropriate. At the expiration of the term, one member from the county representatives, the municipal representatives, and the lay citizens shall be appointed for a term of two years; representatives from the municipalities, the lay citizens, and the lay citizens shall be appointed for terms of four years. One representative from the Department of Roads shall be appointed for a two-year term and the other representative shall be appointed for a four-year term. Thereafter, all such appointments shall be for terms of four years each. Members of such board shall receive no compensation for their services as such, except to receive the same compensation as provided for the State Highway Commission, and all members shall be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as provided in sections 81-1174 to 81-1177 for state employees. All expenses of such board shall be paid by the Department of Roads.

Sec. 44. Section 44-5502, Revised Statutes Cumulative Supplement, 2016, is amended to read:

44-5502 For purposes of the Surplus Lines Insurance Act:

(1) Affiliated group means a group of entities in which each entity, with respect to an insured, controls, is controlled by, or is under common control with the insured;

(2) Control means:

(a) To own, control, or have the power of an entity directly, indirectly,
or acting through one or more other persons to vote twenty-five percent or more of any class of voting securities of another entity; or

(9) To direct, by an entity, in any manner, the election of a majority of the directors or trustees of another entity;

(3) Department means the Department of Insurance;

(4) Director means the Director of Insurance;

(5)(a) Exempt commercial purchaser means any person purchasing commercial insurance that, at the time of placement, meets the following requirements:

(i) The person employs or retains a qualified risk manager to negotiate insurance coverage;

(ii) The person has paid aggregate nationwide commercial property and casualty insurance premiums in excess of one hundred thousand dollars in each of the immediately preceding twelve months; and

(iii) The person meets at least one of the following criteria:

(A) The person possesses a net worth in excess of twenty million dollars, as such amount is adjusted pursuant to subdivision (5)(b) of this section;

(B) The person generates annual revenue in excess of fifty million dollars, as such amount is adjusted pursuant to subdivision (5)(b) of this section;

(C) The person employs more than five hundred full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than one thousand employees in the aggregate;

(D) The person is a not-for-profit organization or public entity generating annual budgeted expenditures of at least thirty million dollars, as such amount is adjusted pursuant to subdivision (5)(b) of this section; or

(E) The person is a municipality with a population in excess of fifty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census.

(b) Beginning on the fifth occurrence of January 1 after July 21, 2011, and each fifth occurrence of January 1 thereafter, the amounts in subdivisions (5)(a)(iii)(A), (B), and (D) of this section shall be adjusted to reflect the percentage change for such five-year period in the Consumer Price Index for All Urban Consumers published by the Federal Bureau of Labor Statistics;

(6) Foreign, alien, admitted, and nonadmitted, when referring to insurers, have the same meanings as in section 44-103 but do not include a risk retention group as defined in 15 U.S.C. 3901(a)(4);

(7)(a) Except as provided in subdivision (7)(b) of this section, home state means, with respect to an insured, (A) the state in which the insured maintains its principal place of business or, in the case of an individual, the individual's principal residence or (ii) if one hundred percent of the insured risk is located out of the state referred to in subdivision (7)(a)(i) of this section, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated.

(b) If more than one insured from an affiliated group are named insureds on a single nonadmitted insurance contract, home state means the home state, as determined pursuant to subdivision (7)(a) of this section, of the member of the affiliated group that has the largest percentage of premium attributed to it under such insurance contract.

(c) When determining to which home state of the insured, the principal place of business is the state in which the insured maintains its headquarters and where the insured's high-level officers direct, control, and coordinate the business activities of the insured;

(8) Insurer has the same meaning as in section 44-103;

(9) Nonadmitted insurer means any property and casualty insurer permitted to be placed directly or through surplus lines licensees with a nonadmitted insurer eligible to accept such insurance; and

(10) Qualified risk manager means, with respect to a policyholder of commercial insurance, a person who meets the definition in section 527 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, as such section existed on January 1, 2011.

Sec. 45. Section 48-307, Reissue Revised Statutes of Nebraska, is amended to read:

48-307 The superintendent of public schools in all cities and towns having a population of more than one thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census according to the last official census and the presiding officer of all other school boards shall furnish a copy of all certificates issued under sections 48-302 to 48-313 to the Department of Revenue. The duplicate certificates in the form set forth in section 48-309 shall be filed with the Department of Labor at the time of the issuance of the original certificate.

Sec. 46. Section 48-1209.01, Reissue Revised Statutes of Nebraska, is amended to read:

48-1209.01 The officers and members of the police and paid fire departments of cities of the metropolitan and primary classes and of cities of the first class having a population of more than ten thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census shall each receive a salary of not less than three hundred fifty dollars per month. The city council may, by ordinance, at any time, change, fix or revise the salaries of the officers or members of the police and fire departments of such cities,
but in no instance shall the minimum salary of any officer or member be less than three hundred fifty dollars per month.

Sec. 47. Section 53-124.14, Reissue Revised Statutes of Nebraska, is amended to read:

53-124.14 (1) The commission may license the sale of alcoholic liquor at retail in the original package to applicants who reside in any county in which there is no incorporated city or village or in which the county seat is not located in an incorporated city or village if the licensed premises are situated in an unincorporated village having a population of twenty-five inhabitants or more as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census.
(2) The commission may license the sale of beer at retail in any county outside the corporate limits of any city or village therein and license the sale of alcoholic liquor at retail for consumption on the premises and off the premises, sales in the original package only.
(3) The commission may license the sale of alcoholic liquor for consumption on the premises as provided in subdivision (6)(a)(iii) of section 53-124.14 if the authority having jurisdiction and on and under county jurisdiction or by the Nebraska State Fair Board.

Sec. 48. Section 60-680, Reissue Revised Statutes of Nebraska, is amended to read:

60-680 (1) Any local authority with respect to highways under its jurisdiction and within the reasonable exercise of the police power may:
(a) Regulate or prohibit stopping, standing, or parking;
(b) Regulate traffic by means of peace officers or traffic control devices;
(c) Regulate or prohibit processions or assemblages on the highways;
(d) Designate highways or roadways for use by traffic moving in one direction;
(e) Establish speed limits for vehicles in public parks;
(f) Designate any highway as a through highway or designate any intersection as a stop or yield intersection;
(g) Regulate the use of highways as authorized in section 60-681;
(h) Establish speed limits for vehicles in public parks;
(i) Establish minimum speed limits as authorized in the rules;
(j) Designate hazardous railroad grade crossings as authorized in the rules;
(k) Alter or establish speed limits authorized in the Nebraska Rules of the Road;
(l) Designate no-passing zones;
(m) Prohibit or regulate use of controlled-access highways by any class or kind of traffic except those highways which are a part of the state highway system;
(n) Prohibit or regulate use of heavily traveled highways by any class or kind of traffic if finds to be incompatible with the normal and safe movement of traffic, except that such regulations shall not be effective on any highway which is part of the state highway system unless authorized by the Department of Roads;
(o) Establish minimum speed limits as authorized in the rules;
(p) Designate hazardous railroad grade crossings as authorized in the rules;
(q) Designate and regulate traffic on play streets;
(r) Prohibit pedestrians from crossing a roadway in a business district or any designated highway except in a crosswalk as authorized in the rules;
(s) Restrict pedestrian crossings at unmarked crosswalks as authorized in the rules;
(t) Regulate persons propelling push carts;
(u) Regulate persons upon skates, coasters, sleds, and other toy vehicles;
(v) Notwithstanding any other provision of law, adopt and enforce an ordinance or resolution prohibiting the use of engine brakes on the National System of Interstate and Defense Highways that has a grade of less than five degrees within its jurisdiction. For purposes of this subdivision, engine brake means a device that converts a power producing engine into a power-absorbing air compressor, resulting in a net energy loss;
(w) Adopt and enforce such temporary or experimental regulations as may be necessary to cover emergencies or special conditions; and
(x) Adopt other traffic regulations except as prohibited by state law or contrary to state law.
(2) No local authority, except an incorporated city with more than forty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, shall erect or maintain any traffic control device at any location so as to require the traffic on any state highway or state-maintained freeway to stop for entering or crossing any intersecting highway unless approval in writing has first been obtained from the Department of Roads.
(3) No ordinance or regulation enacted under subdivision (1)(d), (e), (f), (g), (j), (k), (l), (m), (n), (p), (q), or (s) of this section shall be effective until traffic control devices giving notice of such local traffic regulations are erected upon or at the entrances to such affected highway or part thereof affected as may be most appropriate.

Sec. 49. Section 60-6,120, Reissue Revised Statutes of Nebraska, is amended to read:
amended to read:

60-6,120 (1) The Department of Roads shall place and maintain, or provide for such placing and maintaining, such traffic control devices, conforming to the manual, upon all state highways as it deems necessary to indicate and to carry out the Nebraska Rules of the Road or to regulate, warn, or guide traffic.

(2)(a) In incorporated cities and villages with less than forty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the department shall have exclusive jurisdiction regarding the erection and maintenance of traffic control devices on the state highway system but shall not place traffic control devices on the state highway system within incorporated cities and villages of more than twenty-five hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census without consultation with the proper city officials.

(b) In incorporated cities of forty thousand or more inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, except on state-maintained freeways of the state highway system where the department retains exclusive jurisdiction, the city shall have jurisdiction regarding erection and maintenance of traffic control devices on the state highway system after consultation with the department, except that there shall be joint jurisdiction with the department for such traffic control devices for which the department accepts responsibility for the erection and maintenance.

(3) No local authority shall place or maintain any traffic control device upon any highway under the jurisdiction of the department, except by permission of the department, or on any state-maintained freeway of the state highway system.

(4) The placing of traffic control devices by the department shall not be a departmental rule, regulation, or order subject to the statutory procedures for such rules, regulations, or orders but shall be considered as establishing precepts extending the provisions of the Nebraska Rules of the Road as necessary traffic guide to prevent and control traffic. Violation of such traffic control devices shall be punishable as provided in the rules.

Sec. 50. Section 60-6,190, Reissue Revised Statutes of Nebraska, is amended to read:

60-6,190 (1) Whenever the Department of Roads determines, upon the basis of an engineering and traffic investigation, that a maximum speed limit is greater or less than reasonable and safe under the conditions found to exist at any intersection, place, or part of the state highway system outside of the corporate limits of cities and villages as well as inside the corporate limits of cities and villages on freeways which are part of the state highway system, it may determine and set a reasonable and safe maximum speed limit for such intersection, place, or part of such highway which shall be the lawful speed limit when appropriate signs giving notice thereof are erected at such intersection, place, or part of the highway, except that the maximum rural and freeway limits shall not be exceeded. Such a maximum speed limit may be set to be effective at all times or at such times as are indicated upon such signs.

(2)(a) In incorporated cities and villages as determined by the most recent federal decennial census or the most recent certified count by the United States Bureau of the Census, the department shall have exclusive jurisdiction regarding the erection and maintenance of traffic control devices on the state highway system but shall not place traffic control devices on the state highway system within incorporated cities and villages of more than twenty-five hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census without consultation with the proper city officials.

(b) In incorporated cities of forty thousand or more inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, except on state-maintained freeways of the state highway system where the department retains exclusive jurisdiction, the city shall have jurisdiction regarding erection and maintenance of traffic control devices on the state highway system after consultation with the department, except that there shall be joint jurisdiction with the department for such traffic control devices for which the department accepts responsibility for the erection and maintenance.

(3) No local authority shall place or maintain any traffic control device upon any highway under the jurisdiction of the department, except by permission of the department, or on any state-maintained freeway of the state highway system.

(4) The placing of traffic control devices by the department shall not be a departmental rule, regulation, or order subject to the statutory procedures for such rules, regulations, or orders but shall be considered as establishing precepts extending the provisions of the Nebraska Rules of the Road as necessary traffic guide to prevent and control traffic. Violation of such traffic control devices shall be punishable as provided in the rules.

(5) The director of any state institution, the Game and Parks Commission, or a natural resources district, with regard to highways which are not a part of the state highway system, which are within the limits of such institution or area under Game and Parks Commission or natural resources district control, and which are outside the limits of any incorporated city or village, shall have the same power and duty to alter the maximum speed limits as the department if the change is based on an engineering and traffic investigation comparable to
that made by the department.

(6) Not more than six such speed limits shall be set per mile along a highway, except in the case of reduced limits at intersections. The difference between adjacent speed limits along a highway shall not be reduced by more than twenty miles per hour, and there shall be no limit on the difference between adjacent speed limits for increasing speed limits along a highway.

(7) When the department or a local authority determines by an investigation that certain vehicles in addition to those specified in sections 60-6,187, 60-6,305, and 60-6,313 cannot with safety travel at the speeds provided in sections 60-6,186, 60-6,187, 60-6,189, 60-6,305, and 60-6,313 or set pursuant to this section or section 60-6,188 or 60-6,189, the department or local authority may restrict the speed limit for such vehicles on highways under its respective jurisdiction and post proper and adequate signs.

Sec. 51. Section 70-408, Reissue Revised Statutes of Nebraska, is amended to read:

70-408 All charges, made for electrical energy for residential, commercial, and farm purposes by any person, firm, corporation, or municipality engaged in the sale of electrical energy in cities of the first class having a population of five thousand but less than twenty-five thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, cities of the second class, villages, and unincorporated areas in Nebraska, shall be based on the amount of such energy actually furnished by the kilowatt-hour, together with such demand as may be registered or indicated by a demand meter, or as may be contracted for, to such purchaser. Such person, firm, corporation, or municipality corporation may provide for either a penalty on or a discount from the amount of any bill to promote prompt payment thereof under uniform rules and regulations and for other reasonable purposes. Such a demand charge may be collected from purchasers of electrical energy by any such person, firm, corporation, or municipality corporation, even though the charge for the amount of electrical energy actually furnished by the kilowatt-hour to such purchaser or user does not equal such minimum charge for the designated period of time described in such rules and regulations.

Sec. 52. Section 70-604.01, Reissue Revised Statutes of Nebraska, is amended to read:

70-604.01 (1) Except as the same may be further limited or expanded by requirements in Chapter 70, article 6, the chartered territory of any district organized pursuant to and existing by virtue of or subject to the provisions of Chapter 70, article 6, shall include the area in this state within which such district renders electric service of the nature defined in section 70-604.02 and termed its operating area. There may be included, within the chartered area of such district, areas which are outside the operating area as defined in section 70-604.02, but as to which inclusion is nevertheless authorized by other sections of Chapter 70, article 6.

(2) Subject to the requirements of section 70-602 and the approval of the Nebraska Power Review Board in accordance with sections 70-603 and 70-604, any district organized pursuant to Chapter 70, article 6, in the operation of electric generation, transmission, or distribution facilities or any combination thereof may, in the discretion of the board of directors of such district and upon a finding by the board of directors of such district that the inclusion or exclusion thereof would be consistent with the best interests of its customers, exclusive of rates, the district may include from the chartered area all municipalities which have a population of fewer than one thousand five hundred inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and which are within a county where such district provides electric service but are not otherwise in such district's operating area.

Sec. 53. Section 71-3305, Revised Statutes Cumulative Supplement, 2016, is amended to read:

71-3305 (1) Except as otherwise provided in subsection (2) or (3) of this section, or unless it is determinable by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census shall add fluoride to the water supply for human consumption for such city or village as provided in the rules and regulations of the Department of Health and Human Services unless such water supply has sufficient amounts of naturally occurring fluoride as provided in such rules and regulations.

(2) Subsection (1) of this section does not apply if the voters of the city or village adopted an ordinance, after April 18, 2008, but before June 1, 2010, to prohibit the addition of fluoride to such water supply.

(3) If any city or village reaches a population of one thousand or more inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census after June 1, 2010, and is required to add fluoride to its water supply under subsection (1) of this section, the city or village may adopt an ordinance to prohibit the addition of fluoride to such water supply. The ordinance may be placed on the ballot by a majority vote of the governing body of the city or village or by initiative pursuant to sections 18-2501 to 18-2538. Such proposed ordinance shall be voted upon at the next statewide general election after the
population of the city or village reaches one thousand or more inhabitants as
determined by the most recent federal decennial census or the most recent
revised certified count of the United States Bureau of the Census.

(4) Any rural water district organized under sections 46-1001 to 46-1020
that supplies water for human consumption to any city or village which is
required to add fluoride to such water supply under this section shall not be
responsible for any costs, equipment, testing, or maintenance related to such
fluoridation unless such district has agreed with the city or village to assume
such responsibilities.

Sec. 54. Section 77-3,119, Revised Statutes Cumulative Supplement, 2016,
is amended to read:
77-3,119 (1) The Tax Commissioner shall certify the population of cities
and villages that shall be used for purposes of calculations thereto, as
determined by the most recent federal decennial census or the most recent
revised certified count of the United States Bureau of the Census. Including such
adjacent territory as may be necessary to constitute a school district, except
that nothing in this section shall be construed to change the boundaries of any
school district that is a member of a learning community. The school district shall
be a body corporate and possess all the
usual powers of a corporation for public purposes and may sue and be sued,
purchase, hold, and sell such personal and real property, and control such
obligations as are authorized by law.

Sec. 55. Section 79-407, Reissue Revised Statutes of Nebraska, is amended
to read:
79-407 The territory within the corporate limits of each incorporated
municipality city or village in the State of Nebraska that is not in part
within the boundaries of a learning community, together with such additional
territory as may be necessary to constitute a school district, except
that nothing in this section shall be construed to change the boundaries of any
municipality city or village as may be necessary to constitute a school district, except
that nothing in this section shall be construed to change the boundaries of such
municipality city or village, having a population of more than one thousand and less than one
hundred fifty thousand inhabitants as determined by the most recent federal
decennial census or the most recent revised certified count of the United States
Bureau of the Census. Including such adjacent territory as may be necessary to constitute a
school district, except that nothing in this section shall be construed to
change the boundaries of any school district that is a member of a learning
community. The school district shall be a body corporate and possess all the
usual powers of a corporation for public purposes and may sue and be sued,
purchase, hold, and sell such personal and real property, and control such
obligations as are authorized by law.

Sec. 56. Section 81-8,122.01, Revised Statutes Cumulative Supplement,
2016, is amended to read:
81-8,122.01 Whenever a survey has been executed by a land surveyor who is
registered under the Land Surveyors Regulation Act, a record of such survey
bearing the signature and seal of the land surveyor shall be filed in the
survey record repository established pursuant to section 84-412 if such survey
meets applicable regulations. Surveys which are within the corporate limits of
a city with a population in excess of fifteen thousand inhabitants as determined
by the most recent federal decennial census or the most recent revised certified
count of the United States Bureau of the Census and do not reference, recover, retrace, or
reestablish the original government corners or lines or do not create a new subdivision are not required to be filed in the
survey record repository but shall be filed in the county surveryor's office in the
county where the land is located if they meet applicable regulations. If no
regular office is maintained in the county courthouse for the county surveyor,
it shall be filed in the survey record repository. The record of survey shall
be filed within ninety days after the completion of the survey, or within any
extension of time granted by the office in which it is required to be filed for
reasons of good cause, and shall consist of the following minimum data: (1) Plat of
the tract surveyed; (2) legal description of the tract surveyed; (3)
description of all corners found; (4) description of all corners set; (5) ties
to any section corners, quarter corners, or quarter-quarter corners found or
set; (6) plat or record distances as well as field measurements; and (7) date of
completion of survey. The record of survey so filed shall become an official
record and shall be presumptive evidence of the facts stated therein, unless the land surveyor filing the survey shall be interested in the
same. Plats or maps which are prepared only for the purpose of showing the
location of improvements on existing lots, which are not represented as surveys
or land surveys and no corners are established or reestablished, shall be
filed. Only surveys which are within the corporate limits of a city with a population in excess of fifteen thousand
inhabitants as determined by the most recent federal decennial census or the most recent revised certified count of the United States Bureau of the Census. Including such adjacent territory as may be necessary to constitute a
school district, except that nothing in this section shall be construed to
change the boundaries of such district as may be necessary to constitute a
school district, except that nothing in this section shall be construed to change the boundaries of any school district that is a member of a learning
community. The school district shall be a body corporate and possess all the
usual powers of a corporation for public purposes and may sue and be sued,
purchase, hold, and sell such personal and real property, and control such
obligations as are authorized by law.

Sec. 57. Section 81-1417, Reissue Revised Statutes of Nebraska, is amended
to read:
81-1417 (1) The Nebraska Commission on Law Enforcement and Criminal
Justice shall consist of nineteen members. The membership shall include the
Governor, the Attorney General, the Superintendent of Law Enforcement and
Public Safety, the Director of Correctional Services, the chief of police or
director of public safety of a city of more than two hundred thousand

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inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, the director of the Nebraska Commission on Law Enforcement and Public Safety, the Chief of the Nebraska Police Standards Advisory Council, the chairperson of the Nebraska Coalition for Juvenile Justice, the chairperson of the Nebraska Coalition for Juvenile Justice, the member of the Nebraska Police Standards Advisory Council, the member of the Nebraska Coalition for Juvenile Justice, the member of the commission appointed by the Governor. The membership of the commission shall be appointed by the Governor. The membership of the commission shall be appointed by the Governor. The membership of the commission shall be appointed by the Governor. The...
designee; and

(o) Six members, at least three of whom shall be women, from the public at large.

(5) The Governor shall appoint the members of the task force listed in subdivisions (4)(e) through (1) and (o) of this section for terms as provided in subsection (6) of this section. The membership of the task force shall represent varying geographic areas and large and small political subdivisions. One member from the public at large shall be a professional representing child welfare, and one member of the public at large shall represent juvenile pretrial diversion programs.

(6) The members of the task force appointed by the Governor shall serve six-year terms, except that of the members first appointed, four shall serve in initial four-year terms, and six shall serve initial six-year terms from January 1 next succeeding their appointments. Thereafter, all members shall serve six-year terms. A member may be reappointed at the expiration of his or her term. Any vacancy occurring otherwise than by expiration of a term shall be filled for the balance of the unexpired term in the same manner as the original appointment.

A member may resign at any time, and his or her resignation shall become effective upon receipt of the resignation by the chairperson, but a member shall not serve beyond the time when he or she holds the office, employment, or status by reason of which he or she was initially eligible for appointment. Any member of the task force appointed by the Governor may be removed from the task force for cause upon notice and an opportunity to be heard at a public hearing. One of the causes for removal shall be absence from three regularly scheduled meetings of the task force during any six-month period when the member has failed to advise the task force in advance of such meeting that he or she will be absent and stating a reason therefor.

(8) The chairperson of the task force shall be designated by the Governor to serve at the pleasure of the Governor. The chairperson shall be the chief executive of the task force but may delegate such of his or her duties to other members of the task force as may be authorized by the task force.

(9) Notwithstanding any provision of law, ordinance, or charter provision to the contrary, membership on the task force shall not disqualify any member from holding any other public office or employment or cause the forfeiture thereof.

(10) The members of the task force shall serve on the task force without compensation, but they shall be entitled to receive reimbursement for any actual expenses incurred as necessary incident to such service as provided in sections 81-1174 to 81-1177.

(11) Eleven members of the task force shall constitute a quorum for the transaction of any business or the exercise of any power of the task force. The task force shall have the power to act by a majority of the members present at any meeting at which a quorum is in attendance.

(12) All appointments shall be made not later than thirty days after July 19, 2012. The chairperson shall meet with the task force not later than sixty days after July 19, 2012.

(13) Not later than one year after July 19, 2012, and every July 1 and December 1 thereafter, the task force shall report electronically to the Clerk of the Legislature the results of its investigation and study and its recommendations, if any, together with drafts of legislation necessary to carry its findings into effect. The report to the Clerk of the Legislature containing information which shows the financial status of the Nebraska Investment Finance Authority program. The report submitted to the Legislature shall be submitted electronically;
costs associated with the issuance of bonds pursuant to the act;  
(b) Accounting for payments or deposits received by the fund;  
(d) Balancing the fund at the beginning and end of the accounting period;  
(7) The duty to establish financial capability requirements that assure sufficient revenue to operate and maintain a facility for its useful life and to repay the loan for such facility;  
(8) The power to determine the rate of interest to be charged on a loan in accordance with the rules and regulations adopted and promulgated by the council;  
(9) The power to refinance debt obligations of municipalities in accordance with the rules and regulations adopted and promulgated by the council;  
(10) The power to enter into required agreements with the United States Environmental Protection Agency pursuant to the Clean Water Act;  
(11) The power to enter into agreements to provide grants concurrent with loans to municipalities with populations of ten thousand inhabitants or less as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census which demonstrate serious financial hardships. The department may authorize grants for up to one-half of the eligible project cost. Such grants shall contain a provision that payment of the amount allocated is conditional upon the availability of appropriated funds;  
(12) The power to authorize emergency grants to municipalities with wastewater treatment facilities which have been damaged or destroyed by natural disaster or other unanticipated actions or circumstances. Such grants shall not be used for routine repair or maintenance of facilities;  
(13) The power to provide financial assistance to municipalities with populations of ten thousand inhabitants or less as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census for completion of engineering studies, research projects, investigating low-cost options for achieving compliance with the Clean Water Act, encouraging wastewater reuse, and conducting other studies for the purpose of enhancing the community's ability to meet the requirements of the Clean Water Act. The department may authorize financial assistance for up to ninety percent of the eligible project cost. Such state allocation shall contain a provision that payment of the amount obligated is conditional upon the availability of appropriated funds;  
(14) The power to provide grants or an additional interest subsidy on loans for municipalities whose project contains a sustainable community feature, measurable energy-use reductions, or low-impact development or if there are any special assistance needs as determined under section 81-1517; and  
(15) Such other powers as may be necessary and appropriate for the exercise of the duties created under the Wastewater Treatment Facilities Construction Assistance Act.

Sec. 60. Section 81-2102, Reissue Revised Statutes of Nebraska, is amended to read:
81-2102 For purposes of the State Electrical Act, unless the context otherwise requires:  
(1) Apprentice electrician means any person, other than a licensee, who, as such person's principal occupation, is engaged in learning and assisting in the installation, alteration, and repair of electrical equipment as an employee of a licensee and who is registered with the board. For purposes of this subdivision, persons who are not engaged in the installation, alteration, or repair of wiring and apparatus, either inside or outside buildings, shall not be considered apprentice electricians;  
(2) Board means the State Electrical Board;  
(3) Class A master electrician means a person having the necessary qualifications, training, experience, and technical knowledge to properly plan, layout, purchase, supervise the installation of wiring, apparatus, and equipment for electric light, heat, power, and other purposes and who is licensed by the board;  
(4) Class B electrical contractor means a person having the necessary qualifications, training, experience, and technical knowledge to properly plan, lay out, purchase, supervise the installation of wiring, apparatus, and equipment for systems of not over four hundred ampere capacity for light, heat, power, and other purposes in any structure used and maintained as a residential dwelling but not larger than a four-family dwelling located in any municipality which has a population of less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and who is licensed by the board;  
(5) Class B journeyman electrician means a person having the necessary qualifications, training, experience, and technical knowledge to wire for or install electrical wiring, apparatus, and equipment for systems of not over four hundred ampere capacity for light, heat, power, and other purposes in any structure used and maintained as a residential dwelling but not larger than a four-family dwelling located in any municipality which has a population of less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and who is licensed by the board;  
(6) Class B master electrician means a person having the necessary qualifications, training, experience, and technical knowledge to properly plan,
lay out, and supervise the installation of wiring, apparatus, and equipment for systems of not over four hundred amperes capacity for light, heat, power, and other uses and maintained as a residential dwelling but not larger than a four-family dwelling located in any municipality which has a population of less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and who is licensed by the board;

(7) Commercial installation means an installation intended for commerce, but does not include a residential installation;

(8) Electrical contractor means a person having the necessary qualifications, training, experience, and technical knowledge to properly lay out and install, and supervise the installation of wiring, apparatus, and equipment for electric light, heat, power, and other purposes and who is licensed by the board;

(9) Fire alarm installer means any person having the necessary qualifications, training, and experience to plan, lay out, and install electrical wiring, apparatus, and equipment for only those components of fire alarm systems that operate at fifty volts or less and who is licensed by the board;

(10) Industrial installation means an installation intended for use in the manufacture or processing of products involving systematic labor or habitual employment and includes installations in which agricultural or other products are habitually or customarily processed or stored for others, either by buying or reselling on a fee basis;

(11) Installer means a person who has the necessary qualifications, training, experience, and technical knowledge to properly lay out and install electrical wiring, apparatus, and equipment for major electrical home appliance main service to the main service in any municipality which has a population of less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and who is licensed by the board;

(12) Inspector means a person certified as an electrical inspector upon such qualifications as may be adopted by the board. The board may permit more than one class of electrical inspector;

(13) Journeyman electrician means a person having the necessary qualifications, training, experience, and technical knowledge to wire for or install electrical wiring, apparatus, and equipment and to supervise apprentice electricians and who is licensed by the board;

(14) New electrical installation means the installation of wiring, apparatus, and equipment for electric light, heat, power, and other purposes;

(15) Public-use building or facility means any building or facility designated for public use;

(16) Residential installation means an installation intended for a single-family or two-family residential dwelling or a multi-family residential dwelling not larger than three stories in height;

(17) Residential journeyman electrician means a person having the necessary qualifications, training, experience, and technical knowledge to wire for or install electrical electric wiring, apparatus, and equipment for residential installations and to supervise apprentice electricians and who is licensed by the board;

(18) Routine maintenance means the repair or replacement of existing electrical apparatus and equipment of the same size and type for which no changes in wiring are made; and

(19) Special electrician means a person having the necessary qualifications, training, and experience in wiring or installing special classes of electrical wiring, apparatus, equipment, or installations which shall include irrigation system wiring, well pump wiring, air conditioning and refrigeration installation, and sign installation and who is licensed by the board.

Sec. 61. Section 81-2107, Reissue Revised Statutes of Nebraska, is amended to read:

81-2107 (1) An applicant for an electrical contractor license shall (a) be a graduate of a four-year electrical course in an accredited college or university within the last five years, acceptable to the board, as a journeyman electrician, or (c) have at least five years' experience, acceptable to the board, in planning for, laying out, supervising, and installing wiring, apparatus, or equipment for electrical light, heat, and power.

(2) A Class B electrical contractor license and a Class B master electrician license shall be valid only in regard to systems of not over four hundred amperes in capacity in structures used and maintained as residential dwellings but not larger than four-family dwellings located in any municipality which has a population of less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census.

Sec. 62. Section 81-2109, Reissue Revised Statutes of Nebraska, is amended to read:

81-2109 (1) An applicant for a journeyman electrician license shall have at least four years' experience, acceptable to the board, in the electrical trade. Registration as an apprentice electrician for those years shall, on the approval of the board, constitute evidence of such experience. The board may by rule or regulation provide for the allowance of one year of experience credit...
for successful completion of a two-year post-high school electrical course approved by the board.

(2) On and after July 16, 2004, an applicant for a residential journeyman electrician license shall have at least three years' experience, acceptable to the board, in the electrical trade. Registration as an apprentice electrician for those years shall, on the approval of the board, constitute evidence of such experience. The board may by rule or regulation provide for the allowance of one year of experience credit for successful completion of a two-year post-high school electrical course approved by the board. A residential journeyman electrician license shall be valid only for residential installations.

(3) A Class B journeyman electrician license shall be valid only for electrical systems of not over four hundred amperes in capacity in structures used and maintained as residential dwellings but not larger than four-family dwellings located in any municipality which has a population of less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census.

Sec. 63. Section 81-2110, Reissue Revised Statutes of Nebraska, is amended to read:

81-2110 Any person holding an installer license may lay out and install electrical wiring, apparatus, and equipment for major electrical home appliances on the load side of the main service in any municipality having a population of less than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census.