

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 81**

FINAL READING

Introduced by Hilkeemann, 4.

Read first time January 07, 2021

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to sanitary and improvement districts; to  
2 amend sections 31-727, 31-728, 31-729, 31-739, 31-740, 31-744, and  
3 31-749, Reissue Revised Statutes of Nebraska; to provide powers  
4 related to public parking facilities as prescribed; to harmonize  
5 provisions; and to repeal the original sections.  
6 Be it enacted by the people of the State of Nebraska,

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

3 31-727 (1)(a) A majority of the owners having an interest in the  
4 real property within the limits of a proposed sanitary and improvement  
5 district, situated in one or more counties in this state, may form a  
6 sanitary and improvement district for the purposes of installing electric  
7 service lines and conduits, a sewer system, a water system, an emergency  
8 management warning system, a system of sidewalks, public roads, streets,  
9 and highways, public waterways, docks, or wharfs, and related  
10 appurtenances, contracting for water for fire protection and for resale  
11 to residents of the district, contracting for police protection and  
12 security services, contracting for solid waste collection services,  
13 contracting for access to the facilities and use of the services of the  
14 library system of one or more neighboring cities or villages, and  
15 contracting for gas and for electricity for street lighting for the  
16 public streets and highways within such proposed district, constructing  
17 and contracting for the construction of dikes and levees for flood  
18 protection for the district, ~~and~~ acquiring, improving, and operating  
19 public parks, playgrounds, and recreational facilities, and acquiring,  
20 purchasing, leasing, owning, erecting, constructing, equipping,  
21 operating, or maintaining all or a portion of offstreet motor vehicle  
22 public parking facilities located in the district to serve business.

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

28 (c) Sanitary and improvement districts located in any county which  
29 has a city of the metropolitan class within its boundaries or in any  
30 adjacent county which has adopted a comprehensive plan may contract with  
31 other sanitary and improvement districts to acquire, build, improve, and

1 operate public parks, playgrounds, and recreational facilities for the  
2 joint use of the residents of the contracting districts.

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

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

9 (f) For the purposes listed in this section, such majority of the  
10 owners may make and sign articles of association in which shall be stated

11 (i) the name of the district, (ii) that the district will have perpetual  
12 existence, (iii) the limits of the district, (iv) the names and places of  
13 residence of the owners of the land in the proposed district, (v) the  
14 description of the several tracts of land situated in the district owned  
15 by those who may organize the district, (vi) the name or names and the  
16 description of the real estate owned by such owners as do not join in the  
17 organization of the district but who will be benefited thereby, and (vii)  
18 whether the purpose of the corporation is installing gas and electric  
19 service lines and conduits, installing a sewer system, installing a water  
20 system, installing a system of public roads, streets, and highways,  
21 public waterways, docks, or wharfs, and related appurtenances,  
22 contracting for water for fire protection and for resale to residents of  
23 the district, contracting for police protection and security services,  
24 contracting for solid waste collection services, contracting for access  
25 to the facilities and use of the services of the library system of one or  
26 more neighboring cities or villages, contracting for street lighting for  
27 the public streets and highways within the proposed district,  
28 constructing or contracting for the construction of dikes and levees for  
29 flood protection of the proposed district, acquiring, improving, and  
30 operating public parks, playgrounds, and recreational facilities,  
31 acquiring, purchasing, leasing, owning, erecting, constructing,

1 equipping, operating, or maintaining all or a portion of offstreet motor  
2 vehicle public parking facilities located in the district to serve  
3 business, or, when permitted by this section, contracting with other  
4 sanitary and improvement districts to acquire, build, improve, and  
5 operate public parks, playgrounds, and recreational facilities for the  
6 joint use of the residents of the contracting districts, contracting for  
7 any public purpose specifically authorized in this section, or  
8 combination of any one or more of such purposes, or all of such purposes.  
9 Such owners of real estate as are unknown may also be set out in the  
10 articles as such.

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

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

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

27 (3) The articles shall propose the names of five or more trustees  
28 who are (a) owners of real estate located in the proposed district or (b)  
29 designees of the owners if the real estate is owned by a limited  
30 partnership, a general partnership, a limited liability company, a  
31 public, private, or municipal corporation, an estate, or a trust. These

1 five trustees shall serve as a board of trustees until their successors  
2 are elected and qualified if such district is organized. No corporation  
3 formed or hereafter formed shall perform any new functions, other than  
4 those for which the corporation was formed, without amending its articles  
5 of association to include the new function or functions.

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

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

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

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

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

1 such trustee prior to the expiration of his or her term, his or her  
2 successors or replacement shall be elected pursuant to sections 31-727 to  
3 31-762.

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

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

31 (7) For the purposes of sections 31-727 to 31-762 and 31-771 to

1 31-780, unless the context otherwise requires:

2 (a) Public waterways means artificially created boat channels  
3 dedicated to public use and providing access to navigable rivers or  
4 streams;

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

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

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

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

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

31 Sec. 2. Section 31-728, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2       31-728 Immediately after the petition and articles of association  
3 shall have been filed, as provided for by subsection (4) of section  
4 31-727, the clerk of the district court for the county where same are  
5 filed shall issue a summons, as now provided by law, returnable as any  
6 other summons in a civil action filed in said court, and directed to the  
7 several owners of real estate in the proposed district who may be alleged  
8 in such petition to be benefited thereby, but who have not signed the  
9 articles of association, which shall be served as summonses in civil  
10 cases. In case any owner or owners of real estate in the proposed  
11 district are unknown, or are nonresidents, they shall be notified in the  
12 same manner as nonresident defendants are now notified according to law  
13 in actions in the district courts of this state, setting forth in such  
14 notice (1) that the articles of association have been filed, (2) the  
15 purpose thereof, (3) that the real estate of such owner or owners  
16 situated in the district, describing the same, will be affected thereby  
17 and rendered liable to taxation and special assessment in accordance with  
18 law for the purpose of installing and maintaining such sewer or water  
19 system, or both, and maintaining the district, for constructing and  
20 maintaining a system of sidewalks, public roads, streets, and highways,  
21 public waterways, docks or wharfs, and related appurtenances, for the  
22 furnishing of water for fire protection, for contracting for gas and for  
23 electricity for street lighting for the public streets and highways  
24 within the district, for constructing or contracting for the construction  
25 of dikes and levees for flood protection for the district, for installing  
26 electric service lines and conduits, for the acquisition, improvement,  
27 and operation of public parks, playgrounds, and recreational facilities,  
28 for acquiring, purchasing, leasing, owning, erecting, constructing,  
29 equipping, operating, or maintaining all or a portion of offstreet motor  
30 vehicle public parking facilities located in the district to serve  
31 business, and, where permitted by section 31-727, for the contracting

1 with other sanitary and improvement districts for acquiring, building,  
2 improving, and operating public parks, playgrounds, and recreational  
3 facilities for the joint use of the residents of the contracting  
4 districts, (4) the names of the proposed trustees, and (5) that a  
5 petition has been made to have the district declared a sanitary and  
6 improvement district.

7 Within five days after the filing of the petition the clerk of the  
8 district court shall send notice of such petition to each county in which  
9 all or a portion of the proposed district lies and to each city in whose  
10 zoning jurisdiction all or a portion of the proposed district lies.

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

13 31-729 All owners of real estate situated in the proposed district  
14 who have not signed the articles of association and who may object to the  
15 organization of the district or to any one or more of the proposed  
16 trustees shall, on or before the time in which they are required to  
17 answer, file any such objection in writing, stating (1) why such sanitary  
18 and improvement district should not be organized and declared a public  
19 corporation in this state, (2) why their land will not be benefited by  
20 the installation of a sewer or water system, or both a sewer and water  
21 system, a system of sidewalks, public roads, streets, and highways,  
22 public waterways, docks or wharfs, and related appurtenances, and gas and  
23 electricity for street lighting for the public streets and highways  
24 within the district, by the contracting for solid waste collection  
25 services, by the construction or contracting for the construction of  
26 dikes and levees for flood protection for the district, gas or electric  
27 service lines and conduits, and water for fire protection and the health  
28 and property of the owners protected, by the acquisition, improvement and  
29 operation of public parks, playgrounds, and recreational facilities, by  
30 acquiring, purchasing, leasing, owning, erecting, constructing,  
31 equipping, operating, or maintaining all or a portion of offstreet motor

1 vehicle public parking facilities located in the district to serve  
2 business, and, where permitted by section 31-727, by the contracting with  
3 other sanitary and improvement districts for the building, acquisition,  
4 improvement, and operation of public parks, playgrounds, and recreational  
5 facilities for the joint use of the residents of the contracting  
6 districts, (3) why their land should not be embraced in the limits of  
7 such district, and (4) their objections if any to any one or more of the  
8 proposed trustees.

9       Sec. 4. Section 31-739, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11       31-739 (1) The district may borrow money for corporate purposes and  
12 issue its general obligation bonds therefor and shall annually levy a tax  
13 on the taxable value of the taxable property in the district sufficient  
14 to pay the interest and principal on the bonds. Such levy shall be known  
15 as the bond tax levy of the district. The district shall also annually  
16 levy a tax on the taxable value of the taxable property in the district  
17 for the purpose of creating a sinking fund for the maintenance and  
18 repairing of any sewer or water system or electric lines and conduits in  
19 the district, for the payment of any hydrant rentals, for the maintenance  
20 and repairing of any sidewalks, public roads, streets, and highways,  
21 public waterways, docks, or wharfs, and related appurtenances in the  
22 district, for the cost of operating any street lighting system for the  
23 public streets and highways within the district, for the building,  
24 construction, improvement, or replacement of facilities or systems when  
25 necessary to remove or alleviate an existing threat to public health and  
26 safety affecting no more than one hundred existing homes, for the cost of  
27 building, acquiring, maintaining, and operating public parks,  
28 playgrounds, and recreational facilities, for the cost of acquiring,  
29 purchasing, leasing, owning, erecting, constructing, equipping,  
30 operating, or maintaining all or a portion of offstreet motor vehicle  
31 public parking facilities located in the district to serve business, or,

1 when permitted by section 31-727, for contracting with other sanitary and  
2 improvement districts for building, acquiring, maintaining, and operating  
3 public parks, playgrounds, and recreational facilities for the joint use  
4 of the residents of the contracting districts, or for the cost of any  
5 other services for which the district has contracted or to make up any  
6 deficiencies caused by the nonpayment of any special assessments. Such  
7 levy shall be known as the operating levy of the district. On or before  
8 September 20 of each year, the clerk of the board shall certify the tax  
9 to the county clerk of the counties in which such district is located in  
10 order that the tax may be extended upon the county tax list. Nothing  
11 contained in this section shall authorize any district which has been  
12 annexed by a city or village to levy any taxes within or upon the annexed  
13 area after the effective date of the annexation if the effective date of  
14 the annexation is prior to such levy certification date of the district  
15 for the year in which such annexation occurs.

16 (2) The county treasurer of the county in which the greater portion  
17 of the area of the district is located shall be ex officio treasurer of  
18 the sanitary and improvement district and shall be responsible for all  
19 funds of the district coming into his or her hands. He or she shall  
20 collect all taxes and special assessments levied by the district and  
21 deposit the same in a bond sinking fund for the payment of principal and  
22 interest on any bonds outstanding.

23 (3) Except as provided in subsection (5) of this section, the  
24 trustees or administrator of the district may authorize the clerk or  
25 appoint an independent agent to collect service charges and all items  
26 other than taxes, connection charges, special assessments, and funds from  
27 sale of bonds and warrants, but all funds so collected shall, at least  
28 once each month, be remitted to the treasurer to be held in a fund,  
29 separate from the general fund or construction fund of the district,  
30 which shall be known as the service fee fund of the district. The  
31 trustees or administrator may direct the district's treasurer to disburse

1 funds held in the service fee fund to maintain and operate any service  
2 for which the funds have been collected or to deposit such funds into the  
3 general fund of the district.

4 (4) The treasurer of the district shall not be responsible for such  
5 funds until they are received by him or her. The treasurer shall disburse  
6 the funds of the district only on warrants authorized by the trustees or  
7 the administrator and signed by the chairperson and clerk or the  
8 administrator.

9 (5) If the average weekly balance in the service fee fund of a  
10 district for a full budget year does not exceed five thousand dollars,  
11 the trustees or administrator of the district may authorize the clerk to  
12 establish an interest-bearing checking account in the name of the  
13 district to be maintained as the district service fee fund and the  
14 district's treasurer shall disburse the balance of funds held in the  
15 service fee fund of the district to the clerk for deposit into the  
16 district service fee fund. Following the creation of the district service  
17 fee fund, all funds required to be deposited into the service fee fund  
18 shall be deposited into the district service fee fund and all  
19 disbursements which may lawfully be made from the service fee fund may be  
20 made from the district service fee fund as directed or approved by the  
21 trustees or the administrator.

22 Sec. 5. Section 31-740, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 31-740 (1) The board of trustees or the administrator of any  
25 district organized under sections 31-727 to 31-762 shall have power to  
26 provide for establishing, maintaining, and constructing gas and electric  
27 service lines and conduits, an emergency management warning system, water  
28 mains, sewers, and disposal plants and disposing of drainage, waste, and  
29 sewage of such district in a satisfactory manner; for establishing,  
30 maintaining, and constructing sidewalks, public roads, streets, and  
31 highways, including grading, changing grade, paving, repaving, graveling,

1 regravelling, widening, or narrowing roads, resurfacing or relaying  
2 existing pavement, or otherwise improving any road, street, or highway  
3 within the district, including protecting existing sidewalks, streets,  
4 highways, and roads from floods or erosion which has moved within fifteen  
5 feet from the edge of such sidewalks, streets, highways, or roads,  
6 regardless of whether such flooding or erosion is of natural or  
7 artificial origin; for establishing, maintaining, and constructing public  
8 waterways, docks, or wharfs, and related appurtenances; and for  
9 constructing and contracting for the construction of dikes and levees for  
10 flood protection for the district.

11 (2) The board of trustees or the administrator of any district may  
12 contract for access to the facilities and use of the services of the  
13 library system of one or more neighboring cities or villages, for solid  
14 waste collection services, and for electricity for street lighting for  
15 the public streets and highways within the district and shall have power  
16 to provide for building, acquisition, improvement, maintenance, and  
17 operation of public parks, playgrounds, and recreational facilities, for  
18 acquiring, purchasing, leasing, owning, erecting, constructing,  
19 equipping, operating, or maintaining all or a portion of offstreet motor  
20 vehicle public parking facilities located in the district to serve  
21 business, and, when permitted by section 31-727, for contracting with  
22 other sanitary and improvement districts for the building, acquisition,  
23 improvement, maintenance, and operation of public parks, playgrounds, and  
24 recreational facilities for the joint use of the residents of the  
25 contracting districts, and for contracting for any public purpose  
26 specifically authorized in this section. Power to construct clubhouses  
27 and similar facilities for the giving of private parties within the  
28 zoning jurisdiction of any city or village is not included in the powers  
29 granted in this section. Any sewer system established shall be approved  
30 by the Department of Health and Human Services. Any contract entered into  
31 on or after August 30, 2015, for solid waste collection services shall

1 include a provision that, in the event the district is annexed in whole  
2 or in part by a city or village, the contract shall be canceled and  
3 voided upon such annexation as to the annexed areas.

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

1 (4) The district may construct its sewage disposal plant and other  
2 sewerage or water improvements, or both, in whole or in part, inside or  
3 outside the boundaries of the district and may contract with corporations  
4 or municipalities for disposal of sewage and use of existing sewerage  
5 improvements and for a supply of water for fire protection and for resale  
6 to residents of the district. It may also contract with any company  
7 ~~corporation~~, public power district, electric membership or cooperative  
8 association, or municipality for access to the facilities and use of the  
9 services of the library system of one or more neighboring cities or  
10 villages, for solid waste collection services, for the installation,  
11 maintenance, and cost of operating a system of street lighting upon the  
12 public streets and highways within the district, for installation,  
13 maintenance, and operation of a water system, ~~or~~ for the installation,  
14 maintenance, and operation of electric service lines and conduits, or for  
15 the acquisition, purchase, lease, ownership, erection, construction,  
16 equipping, operation, or maintenance of all or a portion of offstreet  
17 motor vehicle public parking facilities located in the district to serve  
18 business, and to provide water service for fire protection and use by the  
19 residents of the district. It may also contract with any company  
20 ~~corporation~~, municipality, or other sanitary and improvement district, as  
21 permitted by section 31-727, for building, acquiring, improving, and  
22 operating public parks, playgrounds, and recreational facilities for the  
23 joint use of the residents of the contracting parties. It may also  
24 contract with a county within which all or a portion of such sanitary and  
25 improvement district is located or a city within whose zoning  
26 jurisdiction the sanitary and improvement district is located for  
27 intersection and traffic control improvements, which improvements serve  
28 or benefit the district and which may be within or without the corporate  
29 boundaries of the district, and for any public purpose specifically  
30 authorized in this section.

31 (5) Each sanitary and improvement district shall have the books of

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

30 (6) If any sanitary and improvement district fails or refuses to  
31 cause such annual audit to be made of all of its functions, activities,

1 and transactions for the fiscal year within a period of six months  
2 following the close of such fiscal year, unless such audit has been  
3 waived, the Auditor of Public Accounts shall, after due notice and a  
4 hearing to show cause by such district, appoint a certified public  
5 accountant or public accountant to conduct the annual audit of the  
6 district and the fee for such audit shall become a lien against the  
7 district.

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

1 may establish just and equitable rates or charges to be paid to such city  
2 for use of any of its disposal plants and sewerage system. The board of  
3 trustees may, in connection with the issuance of any warrants or bonds of  
4 the district, agree to make a specified minimum levy on taxable property  
5 in the district to pay, or to provide a sinking fund to pay, principal  
6 and interest on warrants and bonds of the district for such number of  
7 years as the board may establish at the time of making such agreement and  
8 may agree to enforce, by foreclosure or otherwise as permitted by  
9 applicable laws, the collection of special assessments levied by the  
10 district. Such agreements may contain provisions granting to creditors  
11 and others the right to enforce and carry out the agreements on behalf of  
12 the district and its creditors.

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

22 Sec. 6. Section 31-744, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 31-744 Whenever the board of trustees or the administrator deems it  
25 advisable or necessary (1) to build, reconstruct, purchase, or otherwise  
26 acquire a water system, an emergency management warning system, a  
27 sanitary sewer system, a sanitary and storm sewer or sewage disposal  
28 plant, pumping stations, sewer outlets, gas or electric service lines and  
29 conduits constructed or to be constructed in whole or in part inside or  
30 outside of the district, a system of sidewalks, public roads, streets,  
31 and highways wholly within the district, public waterways, docks, or

1 wharfs, and related appurtenances, wholly within the district, or a  
2 public park or parks, playgrounds, and recreational facilities wholly  
3 within the district, (2) to acquire, purchase, lease, own, erect,  
4 construct, equip, operate, or maintain all or a portion of offstreet  
5 motor vehicle public parking facilities located in the district to serve  
6 business, (3) (2) to contract as permitted by section 31-740 with the  
7 county or city within whose zoning jurisdiction the sanitary and  
8 improvement district is located for intersection and traffic control  
9 improvements which serve or benefit the district and are located within  
10 or without the corporate boundaries of the district, (4) (3) to contract,  
11 as permitted by section 31-727, with other sanitary and improvement  
12 districts for acquiring, building, improving, and operating public parks,  
13 playgrounds, and recreational facilities for the joint use of the  
14 residents of the contracting districts, or (5) (4) to contract for the  
15 installation and operation of a water system, the board of trustees shall  
16 declare the advisability and necessity therefor in a proposed resolution,  
17 which resolution, in the case of pipe sewer construction, shall state the  
18 kinds of pipe proposed to be used, shall include cement concrete pipe and  
19 vitrified clay pipe and any other material deemed suitable, shall state  
20 the size or sizes and kinds of sewers proposed to be constructed, and  
21 shall designate the location and terminal points thereof. If it is  
22 proposed to construct a water system, disposal plants, pumping stations,  
23 outlet sewers, gas or electric service lines and conduits, or a system of  
24 sidewalks, public roads, streets, or highways or public waterways, docks,  
25 or wharfs, to construct or contract for the construction of dikes and  
26 levees for flood protection for the district, to construct or contract  
27 for the construction of ~~or~~ public parks, playgrounds, or recreational  
28 facilities, to construct or contract for the construction of all or a  
29 portion of offstreet motor vehicle public parking facilities located in  
30 the district to serve business, or to contract, as permitted by section  
31 31-727, with other sanitary and improvement districts for acquiring,

1 building, improving, and operating public parks, playgrounds, and  
2 recreational facilities for the joint use of the residents of the  
3 contracting districts, the resolution shall refer to the plans and  
4 specifications thereof which have been made and filed before the  
5 publication of such resolution by the engineer employed for such purpose.  
6 If it is proposed to purchase or otherwise acquire a water system, a  
7 sanitary sewer system, a sanitary or storm water sewer, sewers, sewage  
8 disposal plant, pumping stations, sewer outlets, gas or electric service  
9 lines and conduits, ~~or~~ public parks, playgrounds, or recreational  
10 facilities, offstreet motor vehicle public parking facilities as  
11 described in this section, or to contract, as permitted by section  
12 31-727, with other sanitary and improvement districts for acquiring,  
13 building, improving, and operating public parks, playgrounds, and  
14 recreational facilities for the joint use of the residents of the  
15 contracting districts, the resolution shall state the price and  
16 conditions of the purchase or how such facility is being acquired. If it  
17 is proposed to contract for the installation and operation of a water  
18 system for fire protection and for the use of the residents of the  
19 district, to contract for the construction of dikes and levees for flood  
20 protection for the district or gas or electric service lines and  
21 conduits, to contract with a county within which all or a portion of such  
22 sanitary and improvement district is located or a city within whose  
23 zoning jurisdiction the sanitary and improvement district is located for  
24 any public purpose specifically authorized in this section, or to  
25 contract, as permitted by section 31-727, with other sanitary and  
26 improvement districts for acquiring, building, improving, and operating  
27 public parks, playgrounds, and recreational facilities for the joint use  
28 of the residents of the contracting districts, the resolution shall state  
29 the principal terms of the proposed agreement and how the cost thereof is  
30 to be paid. When gas or electric service lines and conduits are among the  
31 improvements that are proposed to be constructed, purchased, or otherwise

1 acquired or contracted for, and no construction specifications and  
2 standards therefor have been established by the municipality having  
3 zoning jurisdiction over the area where such improvements are to be  
4 located, or when such service lines and conduits are not to be located  
5 within any municipality's area of zoning jurisdiction, the plans and  
6 specifications for and the method of construction of such service lines  
7 and conduits shall be approved by the supplier of gas or electricity  
8 within whose service or customer area they are to be located. The  
9 engineer shall also make and file, prior to the publication of such  
10 resolution, an estimate of the total cost of the proposed improvement.  
11 The proposed resolution shall state the amount of such estimated cost.

12 The board of trustees or the administrator shall assess, to the  
13 extent of special benefits, the cost of such improvements upon properties  
14 specially benefited thereby, except that if the improvement consists of  
15 the replacement of an existing facility, system, or improvement that  
16 poses an existing threat to public health and safety affecting no more  
17 than one hundred existing homes, the cost of such improvements may be  
18 paid for by an issue of general obligation bonds under section 31-755.  
19 The resolution shall state the outer boundaries of the district or  
20 districts in which it is proposed to make special assessments.

21 Sec. 7. Section 31-749, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 31-749 After (1) the completion of any work or purchase, (2)  
24 acquiring a sewer or water system, or both, or public parks, playgrounds,  
25 or recreational facilities, (3) completing, acquiring, purchasing,  
26 erecting, constructing, or equipping all or a portion of offstreet motor  
27 vehicle public parking facilities located in the district to serve  
28 business, (4) ~~(3)~~ contracting, as permitted by section 31-727, with other  
29 sanitary and improvement districts to acquire public parks, playgrounds,  
30 and recreational facilities for the joint use of the residents of the  
31 contracting districts, or gas or electric service lines or conduits, or

1 ~~(5)~~ (4) completion of the work on (a) a system of sidewalks, public  
2 roads, streets, highways, public waterways, docks, or wharfs and related  
3 appurtenances or (b) levees for flood protection for the district, the  
4 engineer shall file with the clerk of the district a certificate of  
5 acceptance which shall be approved by the board of trustees or the  
6 administrator by resolution. The board of trustees or administrator shall  
7 then require the engineer to make a complete statement of all the costs  
8 of any such improvements, a plat of the property in the district, and a  
9 schedule of the amount proposed to be assessed against each separate  
10 piece of property in such district. The statement, plat, and schedule  
11 shall be filed with the clerk of the district within sixty days after the  
12 date of acceptance of: The work, purchase, or acquisition of a sewer or  
13 water system, or both; the work on a system of sidewalks, public roads,  
14 streets, highways, public waterways, docks, or wharfs and related  
15 appurtenances, or dikes and levees for flood protection for the district;  
16 the acquisition, purchase, erection, construction, or equipping of all or  
17 a portion of offstreet motor vehicle public parking facilities located in  
18 the district to serve business; or as permitted by section 31-727, the  
19 acquisition of public parks, playgrounds, and recreational facilities  
20 whether acquired separately or jointly with other districts. The board of  
21 trustees or administrator shall then order the clerk to give notice that  
22 such statement, plat, and schedules are on file in his or her office and  
23 that all objections thereto or to prior proceedings on account of errors,  
24 irregularities, or inequalities not made in writing and filed with the  
25 clerk of the district within twenty days after the first publication of  
26 such notice shall be deemed to have been waived. Such notice shall be  
27 given by publication the same day each week two consecutive weeks in a  
28 newspaper of general circulation published in the county where the  
29 district was organized and by handbills posted along the line of the  
30 work. Such notice shall state the time and place where any objections,  
31 filed as provided in this section, shall be considered by the board of

1 trustees or administrator. The cost of such improvements in the district  
2 which are within the area of the zoning jurisdiction of any municipality  
3 shall be levied as special assessments to the extent of special benefits  
4 to the property and to the extent the costs of such improvements are  
5 assessed in such municipality. The complete statement of costs and the  
6 schedule of proposed special assessments for such improvements which are  
7 within the zoning jurisdiction of such municipality against each separate  
8 piece of property in districts located within the zoning jurisdiction of  
9 such municipality shall be given to such municipality within seven days  
10 after the first publication of notice of statement, plat, and schedules.  
11 When such improvements are within the area of the zoning jurisdiction of  
12 more than one municipality, such proposed special assessments schedule  
13 and statement need be given only to the most populous municipality. Such  
14 municipality shall have the right to be heard, and it shall have the  
15 right of appeal from a final determination by the board of trustees or  
16 administrator against objections which such city has filed. Notice of the  
17 proposed special assessments for such improvements against each separate  
18 piece of property shall be given to each owner of record thereof within  
19 five days after the first publication of notice of statement, plat, and  
20 schedules and, within five days after the first publication of such  
21 notice, a copy thereof, along with statements of costs and schedules of  
22 proposed special assessments, shall be given to each person or company  
23 who, pursuant to written contract with the district, has acted as  
24 underwriter or fiscal agent for the district in connection with the sale  
25 or placement of warrants or bonds issued by the district. Each owner  
26 shall have the right to be heard, and shall have the right of appeal from  
27 the final determination made by the board of trustees or administrator.  
28 Any person or any such municipality feeling aggrieved may appeal to the  
29 district court by petition within twenty days after such a final  
30 determination. The court shall hear and determine such appeal in a  
31 summary manner as in a case in equity and without a jury and shall

1 increase or reduce the special assessments as the same may be required to  
2 provide that the special assessments shall be to the full extent of  
3 special benefits, and to make the apportionment of benefits equitable.

4       Sec. 8. Original sections 31-727, 31-728, 31-729, 31-739, 31-740,  
5 31-744, and 31-749, Reissue Revised Statutes of Nebraska, are repealed.