

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 726**

Introduced by Hansen, M., 26.

Read first time January 05, 2022

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to sanitary and improvement districts; to  
2 amend sections 31-727.01, 31-736, 31-767, 31-768, 31-769, and  
3 31-771, Reissue Revised Statutes of Nebraska, and sections 31-727,  
4 31-727.02, 31-728, 31-740, 31-744, and 31-749, Revised Statutes  
5 Supplement, 2021; to change provisions relating to powers and  
6 duties, extraterritorial zoning jurisdiction, and publication of  
7 notice; to require compliance with municipal planning requirements;  
8 to harmonize provisions; to eliminate obsolete provisions; and to  
9 repeal the original sections.  
10 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 31-727, Revised Statutes Supplement, 2021, 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 (i) installing  
7 electric service lines and conduits, a sewer system, a water system, an  
8 emergency management warning system, a system of sidewalks, public roads,  
9 streets, and highways, public waterways, docks, or wharfs, and related  
10 appurtenances, (ii) contracting for water for fire protection and for  
11 resale to residents of the district, (iii) contracting for police  
12 protection and security services, (iv) contracting for solid waste  
13 collection services, (v) contracting for access to the facilities and use  
14 of the services of the library system of one or more neighboring cities  
15 or villages, (vi) ~~and~~ contracting for gas and for electricity for street  
16 lighting for the public streets and highways within such proposed  
17 district, (vii) constructing and contracting for the construction of  
18 dikes and levees for flood protection for the district, (viii) acquiring,  
19 improving, and operating public parks, playgrounds, and recreational  
20 facilities, and (ix) acquiring, purchasing, leasing, owning, erecting,  
21 constructing, equipping, operating, or maintaining all or a portion of  
22 offstreet motor vehicle public parking facilities located in the district  
23 to serve business.

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

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

1 other sanitary and improvement districts to acquire, build, improve, and  
2 operate public parks, playgrounds, and recreational facilities for the  
3 joint use of the residents of the contracting districts.

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

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

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

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

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

25 (h) Any sanitary and improvement district created on or after the  
26 effective date of this act which is located in whole or in part within  
27 the extraterritorial zoning jurisdiction of a municipality shall, in  
28 addition to obtaining the prior approval of any plans or contracts for  
29 improvements or services as required under subsection (3) of section  
30 31-740, be subject to any reasonable requirements placed on such district  
31 by such municipality to ensure that the development of such district

1 complies with the municipality's comprehensive development plan,  
2 affordable housing action plan required under section 19-5505, municipal  
3 zoning regulations, and any other reasonable planning requirements  
4 established by the municipality. If a sanitary and improvement district  
5 is located in whole or in part within the extraterritorial zoning  
6 jurisdiction of more than one municipality, such district shall only be  
7 subject to the requirements described in this subdivision placed on the  
8 district by the largest municipality by population as determined by the  
9 most recent federal decennial census or the most recent revised certified  
10 count by the United States Bureau of the Census.

11 (2) The articles of association shall further state that the owners  
12 of real estate so forming the district for such purposes are willing and  
13 obligate themselves to pay the tax or taxes which may be levied against  
14 all the property in the district and special assessments against the real  
15 property benefited which may be assessed against them to pay the expenses  
16 that may be necessary to install a sewer or water system or both a sewer  
17 and water system, the cost of water for fire protection, the cost of  
18 grading, changing grade, paving, repairing, graveling, regravelling,  
19 widening, or narrowing sidewalks and roads, resurfacing or relaying  
20 existing pavement, or otherwise improving any public roads, streets, or  
21 highways within the district, including protecting existing sidewalks,  
22 streets, highways, and roads from floods or erosion which has moved  
23 within fifteen feet from the edge of such sidewalks, streets, highways,  
24 or roads, regardless of whether such flooding or erosion is of natural or  
25 artificial origin, the cost of constructing public waterways, docks, or  
26 wharfs, and related appurtenances, the cost of constructing or  
27 contracting for the construction of dikes and levees for flood protection  
28 for the district, the cost of contracting for water for fire protection  
29 and for resale to residents of the district, the cost of contracting for  
30 police protection and security services, the cost of contracting for  
31 solid waste collection services, the cost of contracting for access to

1 the facilities and use of the services of the library system of one or  
2 more neighboring cities or villages, the cost of electricity for street  
3 lighting for the public streets and highways within the district, the  
4 cost of installing gas and electric service lines and conduits, the cost  
5 of acquiring, improving, and operating public parks, playgrounds, and  
6 recreational facilities, the cost of acquiring, purchasing, leasing,  
7 owning, erecting, constructing, equipping, operating, or maintaining all  
8 or a portion of offstreet motor vehicle public parking facilities located  
9 in the district to serve business, and, when permitted by this section,  
10 the cost of contracting for building, acquiring, improving, and operating  
11 public parks, playgrounds, and recreational facilities, and the cost of  
12 contracting for any public purpose specifically authorized in this  
13 section, as provided by law.

14 (3) The articles shall propose the names of five or more trustees  
15 who are (a) owners of real estate located in the proposed district or (b)  
16 designees of the owners if the real estate is owned by a limited  
17 partnership, a general partnership, a limited liability company, a  
18 public, private, or municipal corporation, an estate, or a trust. These  
19 five trustees shall serve as a board of trustees until their successors  
20 are elected and qualified if such district is organized. No corporation  
21 formed or hereafter formed shall perform any new functions, other than  
22 those for which the corporation was formed, without amending its articles  
23 of association to include the new function or functions.

24 (4) After the articles are signed, the same shall be filed in the  
25 office of the clerk of the district court of the county in which such  
26 sanitary and improvement district is located or, if such sanitary and  
27 improvement district is composed of tracts or parcels of land in two or  
28 more different counties, in the office of the clerk of the district court  
29 for the county in which the greater portion of such proposed sanitary and  
30 improvement district is located, together with a petition praying that  
31 the same may be declared a sanitary and improvement district under

1 sections 31-727 to 31-762.

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

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

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

12 (c) Any trustees of a sanitary and improvement district organized  
13 pursuant to such repealed sections and lawfully elected pursuant to such  
14 repealed sections or in conformity with the provisions of sections 31-727  
15 to 31-762 shall be deemed for all purposes, on and after August 31, 2003,  
16 to be lawful trustees of such sanitary and improvement district for the  
17 term provided by such sections. Upon the expiration of the term of office  
18 of a trustee or at such time as there is a vacancy in the office of any  
19 such trustee prior to the expiration of his or her term, his or her  
20 successors or replacement shall be elected pursuant to sections 31-727 to  
21 31-762.

22 (6)(a) A sanitary and improvement district that meets the  
23 requirements of this subsection shall have the additional powers provided  
24 for in subdivision (b) of this subsection, subject to the approval and  
25 restrictions established by the city council or village board within  
26 whose extraterritorial zoning jurisdiction the sanitary and improvement  
27 district is located and the county board in which a majority of the  
28 sanitary and improvement district is located. The sanitary and  
29 improvement district shall be (i) located in a county with a population  
30 less than one hundred thousand inhabitants, (ii) located predominately in  
31 a county different from the county of the municipality within whose

1 extraterritorial zoning jurisdiction such sanitary and improvement  
2 district is located, (iii) unable to incorporate due to its close  
3 proximity to a municipality, and (iv) unable to be annexed by a  
4 municipality within whose extraterritorial with zoning jurisdiction such  
5 sanitary and improvement district is located because the sanitary and  
6 improvement district is not adjacent or contiguous to such municipality.

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

19 (7) For the purposes of sections 31-727 to 31-762 and 31-771 to  
20 31-780, unless the context otherwise requires:

21 (a) Public waterways means artificially created boat channels  
22 dedicated to public use and providing access to navigable rivers or  
23 streams;

24 (b) Operation and maintenance expenses means and includes, but is  
25 not limited to, salaries, cost of materials and supplies for operation  
26 and maintenance of the district's facilities, cost of ordinary repairs,  
27 replacements, and alterations, cost of surety bonds and insurance, cost  
28 of audits and other fees, and taxes;

29 (c) Capital outlay means expenditures for construction or  
30 reconstruction of major permanent facilities having an expected long  
31 life, including, but not limited to, street paving and curbs, storm and



1 sanitary sewers, and other utilities;

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

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

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

19 Sec. 2. Section 31-727.01, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 31-727.01 Within thirty days after July 10, 1976, as to existing  
22 districts, and within thirty days after the creation of districts  
23 thereafter created, the clerk of each district shall file with the  
24 register of deeds, clerk, election commissioner, sheriff, and planning  
25 department of each county or counties in which the district is located  
26 and, if the district is located in whole or in part within the  
27 extraterritorial zoning jurisdiction of a city, with the planning  
28 department of such city a statement containing the following information:  
29 (1) The district number; (2) the outer boundaries of the district; (3)  
30 the purpose or purposes for which the district was formed; (4) a  
31 statement that the district has the power to levy an unlimited property

1 tax to pay its debt and its expenses of operation and maintenance; (5) a  
2 statement that the district is required to levy special assessments on  
3 property in the district to the full extent of special benefits arising  
4 by reason of improvements installed by the district; (6) that the annual  
5 budget of the district is filed with the county clerk, which budget shows  
6 the anticipated revenue and expenses, tax levy, and indebtedness of the  
7 district; (7) that the actual current tax levy amount of the district may  
8 be obtained from the county clerk; and (8) that a copy of the annual  
9 financial audit of the district is on file with the clerk of the district  
10 and the Auditor of Public Accounts. Such statement shall be supplemented  
11 and refiled to include any land added to the district after the original  
12 filing.

13 Sec. 3. Section 31-727.02, Revised Statutes Supplement, 2021, is  
14 amended to read:

15 31-727.02 (1) Except as provided in subsection (5) of section  
16 84-1411, the clerk or administrator of each sanitary and improvement  
17 district shall notify any municipality ~~or county~~ within whose  
18 extraterritorial zoning jurisdiction such district is located or county  
19 within whose zoning jurisdiction such district is located of all meetings  
20 of the district board of trustees or called by the administrator by  
21 sending a notice of such meeting to the clerk of the municipality or  
22 county not less than seven days prior to the date set for any meeting. In  
23 the case of meetings called by the administrator, notice shall be  
24 provided to the clerk of the district not less than seven days prior to  
25 the date set for any meeting.

26 (2) Except as provided in subsection (5) of section 84-1411, within  
27 thirty days after any meeting of a sanitary and improvement district  
28 board of trustees or called by the administrator, the clerk or  
29 administrator of the district shall transmit to the municipality ~~or~~  
30 county within whose extraterritorial zoning jurisdiction the sanitary and  
31 improvement district is located or county within whose zoning

1 jurisdiction the district is located a copy of the minutes of such  
2 meeting.

3 Sec. 4. Section 31-728, Revised Statutes Supplement, 2021, is  
4 amended to read:

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

1 erecting, constructing, equipping, operating, or maintaining all or a  
2 portion of offstreet motor vehicle public parking facilities located in  
3 the district to serve business, and, where permitted by section 31-727,  
4 for the contracting with other sanitary and improvement districts for  
5 acquiring, building, improving, and operating public parks, playgrounds,  
6 and recreational facilities for the joint use of the residents of the  
7 contracting districts, (4) the names of the proposed trustees, and (5)  
8 that a petition has been made to have the district declared a sanitary  
9 and improvement district.

10       Within five days after the filing of the petition, the clerk of the  
11 district court shall send notice of such petition to each county in which  
12 all or a portion of the proposed district lies and to each city in whose  
13 extraterritorial zoning jurisdiction all or a portion of the proposed  
14 district lies.

15       Sec. 5. Section 31-736, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17       31-736 Such sanitary and improvement district may acquire by  
18 purchase, condemnation, or otherwise, real or personal property, right-  
19 of-way, and privilege, within or without its corporate limits, necessary  
20 for its corporate purposes. Such acquisition by the district may be  
21 effected only after approval by the municipality ~~or county~~ having  
22 extraterritorial zoning jurisdiction over such property or the county  
23 having zoning jurisdiction over such property. The approval of plans and  
24 specifications for the public improvement or project, or the approval of  
25 plans and exact costs for public parks, playgrounds, and recreational  
26 facilities, as required by section 31-740, shall be deemed to be approval  
27 for the acquisition by the district of such fee title, easements, or  
28 other interests in such property as may be required for the public  
29 improvement or project.

30       Sec. 6. Section 31-740, Revised Statutes Supplement, 2021, is  
31 amended to read:

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

19           (2) The board of trustees or the administrator of any district may  
20 contract for access to the facilities and use of the services of the  
21 library system of one or more neighboring cities or villages, for solid  
22 waste collection services, and for electricity for street lighting for  
23 the public streets and highways within the district and shall have power  
24 to provide for building, acquisition, improvement, maintenance, and  
25 operation of public parks, playgrounds, and recreational facilities, for  
26 acquiring, purchasing, leasing, owning, erecting, constructing,  
27 equipping, operating, or maintaining all or a portion of offstreet motor  
28 vehicle public parking facilities located in the district to serve  
29 business, and, when permitted by section 31-727, for contracting with  
30 other sanitary and improvement districts for the building, acquisition,  
31 improvement, maintenance, and operation of public parks, playgrounds, and

1 recreational facilities for the joint use of the residents of the  
2 contracting districts, and for contracting for any public purpose  
3 specifically authorized in this section. Power to construct clubhouses  
4 and similar facilities for the giving of private parties within the  
5 extraterritorial zoning jurisdiction of any city or village is not  
6 included in the powers granted in this section. Any sewer system  
7 established shall be approved by the Department of Health and Human  
8 Services. Any contract entered into on or after August 30, 2015, for  
9 solid waste collection services shall include a provision that, in the  
10 event the district is annexed in whole or in part by a city or village,  
11 the contract shall be canceled and voided upon such annexation as to the  
12 annexed areas.

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

1 and construction specifications and standards have been established, such  
2 approval shall not be required. When such improvements are within the  
3 extraterritorial area of the zoning jurisdiction of more than one  
4 municipality, such approval shall be required only from the largest most  
5 populous municipality by population as determined by the most recent  
6 federal decennial census or the most recent revised certified count by  
7 the United States Bureau of the Census, except that when such  
8 improvements are furnished to the district by contract with a particular  
9 municipality, the necessary approval shall in all cases be given by such  
10 municipality. The municipality or county shall be required to approve  
11 plans for such improvements and shall enforce compliance with such plans  
12 by action in equity.

13 (4) The district may construct its sewage disposal plant and other  
14 sewerage or water improvements, or both, in whole or in part, inside or  
15 outside the boundaries of the district and may contract with corporations  
16 or municipalities for disposal of sewage and use of existing sewerage  
17 improvements and for a supply of water for fire protection and for resale  
18 to residents of the district. It may also contract with any company,  
19 public power district, electric membership or cooperative association, or  
20 municipality for access to the facilities and use of the services of the  
21 library system of one or more neighboring cities or villages, for solid  
22 waste collection services, for the installation, maintenance, and cost of  
23 operating a system of street lighting upon the public streets and  
24 highways within the district, for installation, maintenance, and  
25 operation of a water system, for the installation, maintenance, and  
26 operation of electric service lines and conduits, or for the acquisition,  
27 purchase, lease, ownership, erection, construction, equipping, operation,  
28 or maintenance of all or a portion of offstreet motor vehicle public  
29 parking facilities located in the district to serve business, and to  
30 provide water service for fire protection and use by the residents of the  
31 district. It may also contract with any company, municipality, or other

1 sanitary and improvement district, as permitted by section 31-727, for  
2 building, acquiring, improving, and operating public parks, playgrounds,  
3 and recreational facilities for the joint use of the residents of the  
4 contracting parties. It may also contract with a county within which all  
5 or a portion of such sanitary and improvement district is located or a  
6 city within whose extraterritorial zoning jurisdiction the sanitary and  
7 improvement district is located for intersection and traffic control  
8 improvements, which improvements serve or benefit the district and which  
9 may be within or without the corporate boundaries of the district, and  
10 for any public purpose specifically authorized in this section.

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



1 district. The reports of all audits provided for in this section shall be  
2 and remain a part of the public records in the office of the Auditor of  
3 Public Accounts. The expense of such audits shall be paid out of the  
4 funds of the district. The Auditor of Public Accounts shall be given  
5 access to all books and papers, contracts, minutes, bonds, and other  
6 documents and memoranda of every kind and character of such district and  
7 be furnished all additional information possessed by any present or past  
8 officer or employee of any such district, or by any other person, that is  
9 essential to the making of a comprehensive and correct audit.

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

19 (7) Whenever the sanitary sewer system or any part thereof of a  
20 sanitary and improvement district is directly or indirectly connected to  
21 the sewerage system of any city, such city, without enacting an ordinance  
22 or adopting any resolution for such purpose, may collect such city's  
23 applicable rental or use charge from the users in the sanitary and  
24 improvement district and from the owners of the property served within  
25 the sanitary and improvement district. The charges of such city shall be  
26 charged to each property served by the city sewerage system, shall be a  
27 lien upon the property served, and may be collected from the owner or the  
28 person, firm, or corporation using the service. If the city's applicable  
29 rental or service charge is not paid when due, such sum may be recovered  
30 by the municipality in a civil action or it may be assessed against the  
31 premises served as a special assessment and may be assessed by such city

1 and collected and returned in the same manner as other municipal special  
2 assessments are enforced and collected. When any such assessment is  
3 levied, it shall be the duty of the city clerk to deliver a certified  
4 copy of the ordinance to the county treasurer of the county in which the  
5 premises assessed are located and such county treasurer shall collect the  
6 assessment as provided by law and return the assessment to the city  
7 treasurer. Funds of such city raised from such charges shall be used by  
8 it in accordance with laws applicable to its sewer service rental or  
9 charges. The governing body of any city may make all necessary rules and  
10 regulations governing the direct or indirect use of its sewerage system  
11 by any user and premises within any sanitary and improvement district and  
12 may establish just and equitable rates or charges to be paid to such city  
13 for use of any of its disposal plants and sewerage system. The board of  
14 trustees may, in connection with the issuance of any warrants or bonds of  
15 the district, agree to make a specified minimum levy on taxable property  
16 in the district to pay, or to provide a sinking fund to pay, principal  
17 and interest on warrants and bonds of the district for such number of  
18 years as the board may establish at the time of making such agreement and  
19 may agree to enforce, by foreclosure or otherwise as permitted by  
20 applicable laws, the collection of special assessments levied by the  
21 district. Such agreements may contain provisions granting to creditors  
22 and others the right to enforce and carry out the agreements on behalf of  
23 the district and its creditors.

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

1 terms as may be agreed.

2 Sec. 7. Section 31-744, Revised Statutes Supplement, 2021, is  
3 amended to read:

4 31-744 Whenever the board of trustees or the administrator deems it  
5 advisable or necessary (1) to build, reconstruct, purchase, or otherwise  
6 acquire a water system, an emergency management warning system, a  
7 sanitary sewer system, a sanitary and storm sewer or sewage disposal  
8 plant, pumping stations, sewer outlets, gas or electric service lines and  
9 conduits constructed or to be constructed in whole or in part inside or  
10 outside of the district, a system of sidewalks, public roads, streets,  
11 and highways wholly within the district, public waterways, docks, or  
12 wharfs, and related appurtenances, wholly within the district, or a  
13 public park or parks, playgrounds, and recreational facilities wholly  
14 within the district, (2) to acquire, purchase, lease, own, erect,  
15 construct, equip, operate, or maintain all or a portion of offstreet  
16 motor vehicle public parking facilities located in the district to serve  
17 business, (3) to contract as permitted by section 31-740 with the county  
18 or city within whose extraterritorial zoning jurisdiction the sanitary  
19 and improvement district is located for intersection and traffic control  
20 improvements which serve or benefit the district and are located within  
21 or without the corporate boundaries of the district, (4) to contract, as  
22 permitted by section 31-727, with other sanitary and improvement  
23 districts for acquiring, building, improving, and operating public parks,  
24 playgrounds, and recreational facilities for the joint use of the  
25 residents of the contracting districts, or (5) to contract for the  
26 installation and operation of a water system, the board of trustees shall  
27 declare the advisability and necessity therefor in a proposed resolution,  
28 which resolution, in the case of pipe sewer construction, shall state the  
29 kinds of pipe proposed to be used, shall include cement concrete pipe and  
30 vitrified clay pipe and any other material deemed suitable, shall state  
31 the size or sizes and kinds of sewers proposed to be constructed, and

1 shall designate the location and terminal points thereof. If it is  
2 proposed to construct a water system, disposal plants, pumping stations,  
3 outlet sewers, gas or electric service lines and conduits, or a system of  
4 sidewalks, public roads, streets, or highways or public waterways, docks,  
5 or wharfs, to construct or contract for the construction of dikes and  
6 levees for flood protection for the district, to construct or contract  
7 for the construction of public parks, playgrounds, or recreational  
8 facilities, to construct or contract for the construction of all or a  
9 portion of offstreet motor vehicle public parking facilities located in  
10 the district to serve business, or to contract, as permitted by section  
11 31-727, with other sanitary and improvement districts for acquiring,  
12 building, improving, and operating public parks, playgrounds, and  
13 recreational facilities for the joint use of the residents of the  
14 contracting districts, the resolution shall refer to the plans and  
15 specifications thereof which have been made and filed before the  
16 publication of such resolution by the engineer employed for such purpose.  
17 If it is proposed to purchase or otherwise acquire a water system, a  
18 sanitary sewer system, a sanitary or storm water sewer, sewers, sewage  
19 disposal plant, pumping stations, sewer outlets, gas or electric service  
20 lines and conduits, public parks, playgrounds, or recreational  
21 facilities, offstreet motor vehicle public parking facilities as  
22 described in this section, or to contract, as permitted by section  
23 31-727, with other sanitary and improvement districts for acquiring,  
24 building, improving, and operating public parks, playgrounds, and  
25 recreational facilities for the joint use of the residents of the  
26 contracting districts, the resolution shall state the price and  
27 conditions of the purchase or how such facility is being acquired. If it  
28 is proposed to contract for the installation and operation of a water  
29 system for fire protection and for the use of the residents of the  
30 district, to contract for the construction of dikes and levees for flood  
31 protection for the district or gas or electric service lines and

1 conduits, to contract with a county within which all or a portion of such  
2 sanitary and improvement district is located or a city within whose  
3 extraterritorial zoning jurisdiction the sanitary and improvement  
4 district is located for any public purpose specifically authorized in  
5 this section, or to contract, as permitted by section 31-727, with other  
6 sanitary and improvement districts for acquiring, building, improving,  
7 and operating public parks, playgrounds, and recreational facilities for  
8 the joint use of the residents of the contracting districts, the  
9 resolution shall state the principal terms of the proposed agreement and  
10 how the cost thereof is to be paid. When gas or electric service lines  
11 and conduits are among the improvements that are proposed to be  
12 constructed, purchased, or otherwise acquired or contracted for, and no  
13 construction specifications and standards therefor have been established  
14 by the municipality within whose extraterritorial ~~having~~ zoning  
15 jurisdiction ~~over the area where~~ such improvements are to be located, or  
16 when such service lines and conduits are not to be located within any  
17 municipality's extraterritorial ~~area of~~ zoning jurisdiction, the plans  
18 and specifications for and the method of construction of such service  
19 lines and conduits shall be approved by the supplier of gas or  
20 electricity within whose service or customer area they are to be located.  
21 The engineer shall also make and file, prior to the publication of such  
22 resolution, an estimate of the total cost of the proposed improvement.  
23 The proposed resolution shall state the amount of such estimated cost.

24 The board of trustees or the administrator shall assess, to the  
25 extent of special benefits, the cost of such improvements upon properties  
26 specially benefited thereby, except that if the improvement consists of  
27 the replacement of an existing facility, system, or improvement that  
28 poses an existing threat to public health and safety affecting no more  
29 than one hundred existing homes, the cost of such improvements may be  
30 paid for by an issue of general obligation bonds under section 31-755.  
31 The resolution shall state the outer boundaries of the district or

1 districts in which it is proposed to make special assessments.

2 Sec. 8. Section 31-749, Revised Statutes Supplement, 2021, is  
3 amended to read:

4 31-749 After (1) the completion of any work or purchase, (2)  
5 acquiring a sewer or water system, or both, or public parks, playgrounds,  
6 or recreational facilities, (3) completing, acquiring, purchasing,  
7 erecting, constructing, or equipping all or a portion of offstreet motor  
8 vehicle public parking facilities located in the district to serve  
9 business, (4) contracting, as permitted by section 31-727, with other  
10 sanitary and improvement districts to acquire public parks, playgrounds,  
11 and recreational facilities for the joint use of the residents of the  
12 contracting districts, or gas or electric service lines or conduits, or  
13 (5) completion of the work on (a) a system of sidewalks, public roads,  
14 streets, highways, public waterways, docks, or wharfs and related  
15 appurtenances or (b) levees for flood protection for the district, the  
16 engineer shall file with the clerk of the district a certificate of  
17 acceptance which shall be approved by the board of trustees or the  
18 administrator by resolution. The board of trustees or administrator shall  
19 then require the engineer to make a complete statement of all the costs  
20 of any such improvements, a plat of the property in the district, and a  
21 schedule of the amount proposed to be assessed against each separate  
22 piece of property in such district. The statement, plat, and schedule  
23 shall be filed with the clerk of the district within sixty days after the  
24 date of acceptance of: The work, purchase, or acquisition of a sewer or  
25 water system, or both; the work on a system of sidewalks, public roads,  
26 streets, highways, public waterways, docks, or wharfs and related  
27 appurtenances, or dikes and levees for flood protection for the district;  
28 the acquisition, purchase, erection, construction, or equipping of all or  
29 a portion of offstreet motor vehicle public parking facilities located in  
30 the district to serve business; or as permitted by section 31-727, the  
31 acquisition of public parks, playgrounds, and recreational facilities

1 whether acquired separately or jointly with other districts. The board of  
2 trustees or administrator shall then order the clerk to give notice that  
3 such statement, plat, and schedules are on file in his or her office and  
4 that all objections thereto or to prior proceedings on account of errors,  
5 irregularities, or inequalities not made in writing and filed with the  
6 clerk of the district within twenty days after the first publication of  
7 such notice shall be deemed to have been waived. Such notice shall be  
8 given by publication the same day each week two consecutive weeks in a  
9 legal newspaper in or of general circulation ~~published~~ in the county  
10 where the district was organized and by handbills posted along the line  
11 of the work. Such notice shall state the time and place where any  
12 objections, filed as provided in this section, shall be considered by the  
13 board of trustees or administrator. The cost of such improvements in the  
14 district which are within the extraterritorial ~~area of the~~ zoning  
15 jurisdiction of any municipality shall be levied as special assessments  
16 to the extent of special benefits to the property and to the extent the  
17 costs of such improvements are assessed in such municipality. The  
18 complete statement of costs and the schedule of proposed special  
19 assessments for such improvements which are within the extraterritorial  
20 zoning jurisdiction of such municipality against each separate piece of  
21 property in districts located within the extraterritorial zoning  
22 jurisdiction of such municipality shall be given to such municipality  
23 within seven days after the first publication of notice of statement,  
24 plat, and schedules. When such improvements are within the  
25 extraterritorial ~~area of the~~ zoning jurisdiction of more than one  
26 municipality, such proposed special assessments schedule and statement  
27 need be given only to the largest most populous municipality by  
28 population as determined by the most recent federal decennial census or  
29 the most recent revised certified count by the United States Bureau of  
30 the Census. Such municipality shall have the right to be heard, and it  
31 shall have the right of appeal from a final determination by the board of

1 trustees or administrator against objections which such city has filed.  
2 Notice of the proposed special assessments for such improvements against  
3 each separate piece of property shall be given to each owner of record  
4 thereof within five days after the first publication of notice of  
5 statement, plat, and schedules and, within five days after the first  
6 publication of such notice, a copy thereof, along with statements of  
7 costs and schedules of proposed special assessments, shall be given to  
8 each person or company who, pursuant to written contract with the  
9 district, has acted as underwriter or fiscal agent for the district in  
10 connection with the sale or placement of warrants or bonds issued by the  
11 district. Each owner shall have the right to be heard, and shall have the  
12 right of appeal from the final determination made by the board of  
13 trustees or administrator. Any person or any such municipality feeling  
14 aggrieved may appeal to the district court by petition within twenty days  
15 after such a final determination. The court shall hear and determine such  
16 appeal in a summary manner as in a case in equity and without a jury and  
17 shall increase or reduce the special assessments as the same may be  
18 required to provide that the special assessments shall be to the full  
19 extent of special benefits, and to make the apportionment of benefits  
20 equitable.

21       Sec. 9. Section 31-767, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23       31-767 Whenever a majority of the board of trustees or the  
24 administrator of any sanitary and improvement district organized under  
25 the provisions of Chapter 31, article 7, and amendments thereto, shall  
26 desire that the district shall be wholly dissolved, the trustees or  
27 administrator shall first propose a resolution declaring the advisability  
28 of such dissolution and setting out verbatim the terms and conditions  
29 thereof, and also setting out the time and place when the board of  
30 trustees or administrator shall meet to consider the adoption of such  
31 resolution. Notice of the time and place when the resolution shall be set



1 for consideration shall be published the same day each week for two  
2 consecutive weeks in a legal newspaper in or of general circulation  
3 ~~published~~ in the county where the district was organized, which  
4 publication shall contain the entire wording of the proposed resolution.  
5 If any part of the district lies within the extraterritorial zoning area  
6 ~~of the~~ jurisdiction of any municipality, then the trustees or  
7 administrator shall mail a copy of such proposed resolution to such  
8 municipality within five days after the date of first publication of the  
9 resolution. The last publication shall be not less than five days nor  
10 more than two weeks prior to the time set for hearing on objections to  
11 the passage of the resolution, at which hearing the owners of property  
12 within the district, or any municipality if any part of such district  
13 lies within ~~the area of~~ its extraterritorial zoning jurisdiction, may  
14 appear and make objections to the proposed resolution. If the owners  
15 representing a majority of the area of real estate within the district  
16 fail to sign and present to the board or to the administrator, on or  
17 prior to the hearing date, a written petition opposing the resolution,  
18 then a majority of the board of trustees or the administrator may pass  
19 the resolution and thereby adopt the proposed dissolution; ~~Provided,~~  
20 except that no such resolution shall be adopted if the district is then  
21 obligated on any outstanding bonds, warrants, or other debts or  
22 obligations unless the holders of such bonds, warrants, or other debts or  
23 obligations shall all sign written consents to the dissolution prior to  
24 the adoption of the resolution of dissolution. If the petition opposing  
25 such resolution is signed by property owners representing a majority of  
26 the area of real estate within the district and presented to the board of  
27 trustees or the administrator on or prior to the hearing date, then the  
28 board of trustees or the administrator shall not adopt such resolution.  
29 After the board of trustees or the administrator has adopted such  
30 resolution of dissolution, the clerk of the district shall prepare and  
31 file a certified copy of the resolution of dissolution in the office of

1 the county clerk where the original articles of association were filed  
2 and in the office of the Secretary of State.

3 Sec. 10. Section 31-768, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 31-768 Whenever a majority of the respective boards of trustees or  
6 the administrators of two sanitary and improvement districts organized  
7 under the provisions of Chapter 31, article 7, organized within the same  
8 county shall desire that one of the districts shall wholly merge into the  
9 other district, the trustees or administrators shall first propose a  
10 joint resolution declaring the advisability of such merger and setting  
11 out verbatim the terms and conditions thereof and specifying which  
12 district shall be the surviving district, and also setting out the time  
13 and place when the boards of trustees or administrators of the two  
14 districts shall meet to consider the adoption of such resolution. If any  
15 part of either district lies within the extraterritorial ~~area of the~~  
16 zoning jurisdiction of any municipality, then the trustees or the  
17 administrators shall mail a copy of such proposed joint resolution to  
18 such municipality within five days after the date of first publication of  
19 the published notice described in this section. Notice of the time and  
20 place when such resolution shall be set for consideration shall be  
21 published the same day each week for two consecutive weeks in a legal  
22 newspaper in or of general circulation ~~published~~ in the county where the  
23 districts were organized, which publication shall contain the entire  
24 wording of the proposed resolution. The last publication shall be not  
25 less than five days nor more than two weeks prior to the time set for  
26 hearing on objections to the passage of the resolution, at which hearing  
27 the owners of property within either of the districts or the holders of  
28 any unpaid bonds, warrants, or other obligations of either district, or  
29 any municipality if any part of such district or districts lies within  
30 ~~the area of its~~ extraterritorial zoning jurisdiction, may appear and make  
31 objections to the proposed resolution. If a petition opposing such

1 resolution is signed by property owners representing a majority of the  
2 area of real estate within either district or is signed by any holder of  
3 any unpaid bonds, warrants, or other obligations of either district and  
4 if such petition is presented to the boards of trustees or administrators  
5 on or prior to the hearing date, then the boards of trustees or  
6 administrators shall not adopt such resolution. After the boards of  
7 trustees or administrators have both adopted such resolution of merger,  
8 the clerk of the district or the administrator shall prepare and file a  
9 certified copy of such resolution of merger in the office of the county  
10 clerk where the original articles of association of the districts were  
11 filed and in the office of the Secretary of State, and thereupon the  
12 surviving district shall succeed to and become vested with full title to  
13 all the property and property rights of every kind, contracts,  
14 obligations, and choses in action of every kind held by or belonging to  
15 the nonsurviving district, and the surviving district shall also be  
16 liable for and recognize, assume, and carry out all valid contracts and  
17 obligations of the nonsurviving district including all outstanding  
18 warrants, bonds, or other indebtedness. All taxes, assessments, and  
19 demands of every kind due or owing to the nonsurviving district shall be  
20 paid to and collected by the surviving district. Upon the filing of the  
21 certified copies of the resolution of merger as provided in this section,  
22 the corporate existence of the nonsurviving district shall thereupon  
23 terminate and the boundaries of the surviving district shall be extended  
24 to include all the territory within the boundaries of the nonsurviving  
25 district. A majority of the board of trustees or the administrator of the  
26 surviving district shall have power, from time to time, to give binding  
27 directions in writing to the county treasurer of the county in which the  
28 surviving district is located, directing that the treasurer segregate the  
29 special assessment funds of the two districts or directing the  
30 segregation of the other assets of the two districts or directing the  
31 method and priority of payment of registered warrants of the two

1 districts, or giving directions to the county treasurer as to other  
2 problems of fiscal management of the affairs of the two districts  
3 involved in the merger.

4 Sec. 11. Section 31-769, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 31-769 (1) Whenever a majority of the board of trustees or the  
7 administrator of any sanitary and improvement district organized under  
8 the provisions of Chapter 31, article 7, desires that any property within  
9 the district be detached from the district, the trustees or the  
10 administrator shall first propose a resolution declaring the advisability  
11 of such detachment and setting out verbatim the terms and conditions  
12 thereof and also setting out the time and place when the board of  
13 trustees or the administrator will meet to consider the adoption of such  
14 resolution. Notice of the time and place when such resolution is set for  
15 consideration shall be published the same day each week for two  
16 consecutive weeks in a legal newspaper in or of general circulation  
17 ~~published~~ in the county where the district was organized, which  
18 publication shall contain the entire wording of the proposed resolution.  
19 If any part of the district lies within the extraterritorial ~~area of the~~  
20 zoning jurisdiction of any municipality, then the trustees or the  
21 administrator shall mail a copy of such proposed resolution to such  
22 municipality within five days after the date of first publication of such  
23 resolution. The last publication shall be not less than five days nor  
24 more than two weeks prior to the time set for hearing on objections to  
25 the passage of the resolution, at which hearing the owners of property  
26 within the district, or any municipality if any part of such district  
27 lies within ~~the area of~~ its extraterritorial zoning jurisdiction, may  
28 appear and make objections to the proposed resolution. If the owners  
29 representing a majority of the area of real estate within the district  
30 fail to sign and present to the board of trustees or the administrator,  
31 on or prior to the hearing date, a written petition opposing the

1 resolution, then a majority of the board of trustees or the administrator  
2 may pass the resolution and thereby adopt the proposed detachment, except  
3 that no such resolution shall be adopted if the district is then indebted  
4 on any outstanding bonds or warrants of the district unless the holders  
5 of such bonds and warrants all sign written consents to the detachment  
6 prior to the adoption of the resolution of detachment. If the petition  
7 opposing such resolution is signed by property owners representing a  
8 majority of the area of real estate within the district and presented to  
9 the board of trustees or to the administrator on or prior to the hearing  
10 date, then the board of trustees or the administrator shall not adopt  
11 such resolution. After the board of trustees or the administrator has  
12 adopted such resolution of detachment, the clerk of the district shall  
13 prepare and file a certified copy of such resolution of detachment in the  
14 office of the county clerk where the original articles of association  
15 were filed and in the office of the Secretary of State, and thereupon the  
16 area detached shall become excluded and detached from the boundaries of  
17 the district.

18 (2) The owner of a discrete tract of land which is part of a  
19 sanitary and improvement district but which is not connected to the main  
20 area of the district may petition the board of trustees or the  
21 administrator of the district to have the property detached from the  
22 district. Following receipt of the petition, the board of trustees or the  
23 administrator shall propose a resolution declaring the advisability of  
24 such detachment and setting out verbatim the terms and conditions thereof  
25 and also setting out the time and place when the board of trustees or the  
26 administrator will meet to consider the adoption of such resolution.  
27 Notice of the time and place for such consideration shall be published as  
28 provided in subsection (1) of this section. If any part of the district  
29 lies in whole or in part within the extraterritorial ~~area of the~~ zoning  
30 jurisdiction of any municipality, then the board of trustees or the  
31 administrator shall mail a copy of such proposed resolution to such

1 municipality within five days after the date of first publication of such  
2 resolution. At the hearing for consideration of such resolution, the  
3 board of trustees or the administrator shall determine if the tract of  
4 land proposed for detachment:

5 (a) Has an area of twenty-five acres or more;

6 (b) Is wholly detached from the main area of the sanitary and  
7 improvement district and separated from such district by a distance of at  
8 least one thousand feet at the nearest points;

9 (c) Is undeveloped and predominantly devoted to agricultural uses;  
10 and

11 (d) Has no improvements placed upon it by the sanitary and  
12 improvement district and receives no current services from the district.

13 If the administrator or the board of trustees by majority vote  
14 determines that the tract in question meets all of the conditions  
15 provided in subdivisions (a) through (d) of this subsection, the  
16 resolution shall be adopted, except that no such resolution shall be  
17 adopted if the district is then indebted on any outstanding bonds or  
18 warrants of the district unless the holders of such bonds and warrants  
19 all sign written consents to the detachment. After the board of trustees  
20 or the administrator has adopted such resolution of detachment, the clerk  
21 of the district shall prepare and file a certified copy of such  
22 resolution of detachment in the office of the county clerk where the  
23 original articles of association were filed and in the office of the  
24 Secretary of State, and thereupon the area detached shall become excluded  
25 and detached from the boundaries of the district.

26 Sec. 12. Section 31-771, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 31-771 A petition may be filed with the district court of the county  
29 in which a majority of the real property of a sanitary and improvement  
30 district is located for referral of the district to the Auditor of Public  
31 Accounts for the appointment of an administrator of the district and

1 suspension of the authority of the board of trustees or other relief as  
2 provided by sections 31-772 to 31-780. Such petition may be filed by: (1)  
3 A majority of the board of trustees of the district; (2) the holders of  
4 more than fifty percent in principal amount of the outstanding bonds of  
5 the district; (3) the holders of more than fifty percent in principal  
6 amount of outstanding construction fund warrants of the district; (4) a  
7 majority of the lessees permitted to vote pursuant to section 31-735 who  
8 are residents of the district and resident property owners of the  
9 district; (5) the owners of more than one-half of the real property  
10 within the district; or (6) a municipality whose boundary adjoins the  
11 district and within whose extraterritorial ~~which exercises~~ zoning  
12 jurisdiction such over the district is located. A petition filed by a  
13 municipality pursuant to subdivision (6) of this section may be filed by  
14 such municipality only on grounds that the district has issued  
15 outstanding bonds or construction fund warrants which have been in  
16 default for more than ninety days or the district lacks a functioning  
17 board of trustees.

18 Sec. 13. Original sections 31-727.01, 31-736, 31-767, 31-768,  
19 31-769, and 31-771, Reissue Revised Statutes of Nebraska, and sections  
20 31-727, 31-727.02, 31-728, 31-740, 31-744, and 31-749, Revised Statutes  
21 Supplement, 2021, are repealed.