

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 246

Introduced by McKinney, 11.

Read first time January 10, 2023

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 Cumulative Supplement, 2022; to change provisions relating to powers
6 and 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 Cumulative Supplement,
2 2022, is 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 that whether the purpose of the corporation is to: (A) Install (I)
20 installing gas and electric service lines and conduits, (II) installing a
21 sewer system, (III) installing a water system, (IV) installing a system
22 of public roads, streets, and highways, public waterways, docks, or
23 wharfs, and related appurtenances; (B) contract ,—contracting for (I)
24 water for fire protection and for resale to residents of the district,
25 (II) contracting—for police protection and security services, (III)
26 contracting—for solid waste collection services, (IV) contracting—for
27 access to the facilities and use of the services of the library system of
28 one or more neighboring cities or villages, (V) contracting—for street
29 lighting for the public streets and highways within the proposed
30 district; (C) construct or contract ,—constructing or contracting for the
31 construction of dikes and levees for flood protection of the proposed

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

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

28 (h)(i) Any sanitary and improvement district created on or after the
29 effective date of this act which is located in whole or in part within
30 the extraterritorial zoning jurisdiction of a municipality shall:

31 (A) Obtain the prior approval of any plans or contracts for

1 improvements or services as required under subsection (3) of section
2 31-740; and

3 (B) Be subject to any reasonable requirements placed on such
4 district by such municipality to ensure that the development of such
5 district complies with the municipality's comprehensive development plan,
6 affordable housing action plan required under section 19-5505, municipal
7 zoning regulations, and any other reasonable planning requirements
8 established by the municipality.

9 (ii) If a sanitary and improvement district is located in whole or
10 in part within the extraterritorial zoning jurisdiction of more than one
11 municipality, such district shall only be subject to the requirements
12 described in this subdivision (h) placed on the district by the largest
13 municipality by population as determined by the most recent federal
14 decennial census or the most recent revised certified count by the United
15 States Bureau of the Census.

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

1 constructing or contracting for the construction of dikes and levees for
2 flood protection for the district, ~~(f) the cost of~~ contracting for water
3 for fire protection and for resale to residents of the district, ~~(g) the~~
4 ~~cost of~~ contracting for police protection and security services, ~~(h) the~~
5 ~~cost of~~ contracting for solid waste collection services, ~~(i) the cost of~~
6 contracting for access to the facilities and use of the services of the
7 library system of one or more neighboring cities or villages, ~~(j) the~~
8 ~~cost of~~ electricity for street lighting for the public streets and
9 highways within the district, ~~(k) the cost of~~ installing gas and electric
10 service lines and conduits, ~~(l) the cost of~~ acquiring, improving, and
11 operating public parks, playgrounds, and recreational facilities, ~~(m) the~~
12 ~~cost of~~ acquiring, purchasing, leasing, owning, erecting, constructing,
13 equipping, operating, or maintaining all or a portion of offstreet motor
14 vehicle public parking facilities located in the district to serve
15 business, ~~(n) and,~~ when permitted by this section, ~~the cost of~~
16 contracting for building, acquiring, improving, and operating public
17 parks, playgrounds, and recreational facilities, and ~~(o) the cost of~~
18 contracting for any public purpose specifically authorized in this
19 section, as provided by law.

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

30 (4) After the articles are signed, the same shall be filed in the
31 office of the clerk of the district court of the county in which such

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

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

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

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

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

28 (6)(a) A sanitary and improvement district that meets the
29 requirements of this subsection shall have the additional powers provided
30 for in subdivision (b) of this subsection, subject to the approval and
31 restrictions established by the city council or village board within

1 whose extraterritorial zoning jurisdiction the sanitary and improvement
2 district is located and the county board in which a majority of the
3 sanitary and improvement district is located. The sanitary and
4 improvement district shall be (i) located in a county with a population
5 less than one hundred thousand inhabitants, (ii) located predominately in
6 a county different from the county of the municipality within whose
7 extraterritorial zoning jurisdiction such sanitary and improvement
8 district is located, (iii) unable to incorporate due to its close
9 proximity to a municipality, and (iv) unable to be annexed by a
10 municipality within whose extraterritorial ~~with~~ zoning jurisdiction such
11 sanitary and improvement district is located because the sanitary and
12 improvement district is not adjacent or contiguous to such municipality.

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

25 (7) For the purposes of sections 31-727 to 31-762 and 31-771 to
26 31-780, unless the context otherwise requires:

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

30 (b) Operation and maintenance expenses means and includes, but is
31 not limited to, salaries, cost of materials and supplies for operation

1 and maintenance of the district's facilities, cost of ordinary repairs,
2 replacements, and alterations, cost of surety bonds and insurance, cost
3 of audits and other fees, and taxes;

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

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

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

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

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

27 31-727.01 Within thirty days after July 10, 1976, as to existing
28 districts, and within thirty days after the creation of districts
29 thereafter created, the clerk of each district shall file with the
30 register of deeds, clerk, election commissioner, sheriff, and planning
31 department of each county or counties in which the district is located

1 and, if the district is located in whole or in part within the
2 extraterritorial zoning jurisdiction of a city, with the planning
3 department of such city a statement containing the following information:
4 (1) The district number; (2) the outer boundaries of the district; (3)
5 the purpose or purposes for which the district was formed; (4) a
6 statement that the district has the power to levy an unlimited property
7 tax to pay its debt and its expenses of operation and maintenance; (5) a
8 statement that the district is required to levy special assessments on
9 property in the district to the full extent of special benefits arising
10 by reason of improvements installed by the district; (6) that the annual
11 budget of the district is filed with the county clerk, which budget shows
12 the anticipated revenue and expenses, tax levy, and indebtedness of the
13 district; (7) that the actual current tax levy amount of the district may
14 be obtained from the county clerk; and (8) that a copy of the annual
15 financial audit of the district is on file with the clerk of the district
16 and the Auditor of Public Accounts. Such statement shall be supplemented
17 and refiled to include any land added to the district after the original
18 filing.

19 Sec. 3. Section 31-727.02, Revised Statutes Cumulative Supplement,
20 2022, is amended to read:

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

1 (2) Except as provided in subsection (5) of section 84-1411, within
2 thirty days after any meeting of a sanitary and improvement district
3 board of trustees or called by the administrator, the clerk or
4 administrator of the district shall transmit to the municipality within
5 whose extraterritorial zoning jurisdiction such district is located or
6 county within whose zoning jurisdiction the ~~sanitary and improvement~~
7 district is located a copy of the minutes of such meeting.

8 Sec. 4. Section 31-728, Revised Statutes Cumulative Supplement,
9 2022, is amended to read:

10 31-728 (1) Immediately after the petition and articles of
11 association ~~shall~~ have been filed, as provided for by subsection (4) of
12 section 31-727, the clerk of the district court for the county where such
13 petition and articles ~~same~~ are filed shall issue a summons, as now
14 provided by law, returnable as any other summons in a civil action filed
15 in the district ~~said~~ court, and directed to the several owners of real
16 estate in the proposed district who may be alleged in such petition to be
17 benefited thereby, but who have not signed the articles of association,
18 which shall be served as summonses in civil cases.

19 (2) In case any owner or owners of real estate in the proposed
20 district are unknown, or are nonresidents, they shall be notified in the
21 same manner as nonresident defendants are now notified according to law
22 in actions in the district courts of this state, setting forth in such
23 notice (a) ~~(1)~~ that the articles of association have been filed, (b) ~~(2)~~
24 the purpose thereof, (c) ~~(3)~~ that the real estate of such owner or owners
25 situated in the district, describing the same, will be affected thereby
26 and rendered liable to taxation and special assessment in accordance with
27 law for the purpose of (i) installing and maintaining a ~~such~~ sewer or
28 water system, or both, and maintaining the district, (ii) ~~for~~
29 constructing and maintaining a system of sidewalks, public roads,
30 streets, and highways, public waterways, docks or wharfs, and related
31 appurtenances, (iii) ~~for the~~ furnishing of water for fire protection,

1 ~~(iv)~~ for contracting for gas and for electricity for street lighting for
2 the public streets and highways within the district, ~~(v)~~ for constructing
3 or contracting for the construction of dikes and levees for flood
4 protection for the district, ~~(vi)~~ for installing electric service lines
5 and conduits, ~~(vii)~~ for the acquisition, improvement, and operation of
6 public parks, playgrounds, and recreational facilities, ~~(viii)~~ for
7 acquiring, purchasing, leasing, owning, erecting, constructing,
8 equipping, operating, or maintaining all or a portion of offstreet motor
9 vehicle public parking facilities located in the district to serve
10 business, and, ~~(ix)~~ where permitted by section 31-727, for the
11 contracting 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, ~~(d)~~ (4) the names of the proposed trustees, and
15 ~~(e)~~ (5) that a petition has been made to have the district declared a
16 sanitary and improvement district.

17 ~~(3)~~ Within five days after the filing of the petition the clerk of
18 the district court shall send notice of such petition to each county in
19 which all or a portion of the proposed district lies and to each city in
20 whose extraterritorial zoning jurisdiction all or a portion of the
21 proposed district lies.

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

24 31-736 A ~~Such~~ sanitary and improvement district may acquire by
25 purchase, condemnation, or otherwise, real or personal property, right-
26 of-way, and privilege, within or without its corporate limits, necessary
27 for its corporate purposes. Such acquisition by the district may be
28 effected only after approval by the municipality having extraterritorial
29 zoning jurisdiction over such property or county having zoning
30 jurisdiction over such property. The approval of plans and specifications
31 for the public improvement or project, or the approval of plans and exact

1 costs for public parks, playgrounds, and recreational facilities, as
2 required by section 31-740, shall be deemed to be approval for the
3 acquisition by the district of such fee title, easements, or other
4 interests in such property as may be required for the public improvement
5 or project.

6 Sec. 6. Section 31-740, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

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

27 ~~(2)(a) (2)~~ The board of trustees or the administrator of any
28 district may provide and contract for (i) access to the facilities and
29 use of the services of the library system of one or more neighboring
30 cities or villages, (ii) ~~for~~ solid waste collection services, (iii) ~~and~~
31 ~~for~~ electricity for street lighting for the public streets and highways

1 within the district, (iv) the and shall have power to provide for
2 building, acquisition, improvement, maintenance, and operation of public
3 parks, playgrounds, and recreational facilities, (v) the acquisition,
4 purchase, lease, ownership, erection, construction, equipping, operation,
5 or maintenance of for ~~acquiring, purchasing, leasing, owning, erecting,~~
6 ~~constructing, equipping, operating, or maintaining~~ all or a portion of
7 offstreet motor vehicle public parking facilities located in the district
8 to serve business, (vi) and, when permitted by section 31-727, for
9 contracting with other sanitary and improvement districts for the
10 building, acquisition, improvement, maintenance, and operation of public
11 parks, playgrounds, and recreational facilities for the joint use of the
12 residents of the contracting districts, and (vii) for contracting for any
13 other public purpose specifically authorized in this section.

14 (b) Power to construct clubhouses and similar facilities for the
15 giving of private parties within the extraterritorial zoning jurisdiction
16 of any city or village is not included in the powers granted in this
17 section. Any sewer system established shall be approved by the Department
18 of Health and Human Services. Any contract entered into on or after
19 August 30, 2015, for solid waste collection services shall include a
20 provision that, in the event the district is annexed in whole or in part
21 by a city or village, the contract shall be canceled and voided upon such
22 annexation as to the annexed areas.

23 (3) Prior to the installation of any of the improvements or services
24 provided for in this section, the plans or contracts for such
25 improvements or services, other than for public parks, playgrounds, and
26 recreational facilities, whether a district acts separately or jointly
27 with other districts as permitted by section 31-727, shall be approved by
28 the public works department of any municipality when such improvements or
29 any part thereof or services are within the extraterritorial area of the
30 zoning jurisdiction of such municipality. If such improvements or
31 services are not within ~~without the area of~~ the extraterritorial zoning

1 jurisdiction of any municipality, plans for such improvements shall be
2 approved by the county board of the county in which such improvements are
3 located. Plans and exact costs for public parks, playgrounds, and
4 recreational facilities shall be approved by resolution of the governing
5 body of such municipality or county after a public hearing. Purchases of
6 public parks, playgrounds, and recreational facilities so approved may be
7 completed and shall be valid notwithstanding any interest of any trustee
8 of the district in the transaction. Such approval shall relate to
9 conformity with the master plan and the construction specifications and
10 standards established by such municipality or county. When no master plan
11 and construction specifications and standards have been established, such
12 approval shall not be required. When such improvements are within the
13 extraterritorial area of the zoning jurisdiction of more than one
14 municipality, such approval shall be required only from the largest most
15 populous municipality by population as determined by the most recent
16 federal decennial census or the most recent revised certified count by
17 the United States Bureau of the Census, except that when such
18 improvements are furnished to the district by contract with a particular
19 municipality, the necessary approval shall in all cases be given by such
20 municipality. The municipality or county shall be required to approve
21 plans for such improvements and shall enforce compliance with such plans
22 by action in equity.

23 (4)(a) (4) The district may construct its sewage disposal plant and
24 other sewerage or water improvements, or both, in whole or in part,
25 inside or outside the boundaries of the district and may contract with
26 corporations or municipalities for disposal of sewage and use of existing
27 sewerage improvements and for a supply of water for fire protection and
28 for resale to residents of the district.

29 (b) The district It may also contract with: (i) Any any company,
30 public power district, electric membership or cooperative association, or
31 municipality for (A) access to the facilities and use of the services of

1 the library system of one or more neighboring cities or villages, (B) for
2 solid waste collection services, (C) for the installation, maintenance,
3 and cost of operating a system of street lighting upon the public streets
4 and highways within the district, (D) the for installation, maintenance,
5 and operation of a water system, (E) for the installation, maintenance,
6 and operation of electric service lines and conduits, or (F) for the
7 acquisition, purchase, lease, ownership, erection, construction,
8 equipping, operation, or maintenance of all or a portion of offstreet
9 motor vehicle public parking facilities located in the district to serve
10 business, and (G) to provide water service for fire protection and use by
11 the residents of the district; (ii) . ~~It may also contract with any~~
12 company, municipality, or other sanitary and improvement district, as
13 permitted by section 31-727, for building, acquiring, improving, and
14 operating public parks, playgrounds, and recreational facilities for the
15 joint use of the residents of the contracting parties; (iii) . ~~It may~~
16 ~~also contract with~~ a county within whose zoning jurisdiction which all or
17 a portion of such sanitary and improvement district is located or a city
18 within whose extraterritorial zoning jurisdiction the sanitary and
19 improvement district is located for intersection and traffic control
20 improvements, which improvements serve or benefit the district and which
21 may be within or without the corporate boundaries of the district, and
22 for any other public purpose specifically authorized in this section.

23 (5) Each sanitary and improvement district shall have the books of
24 account kept by the board of trustees of the district examined and
25 audited by a certified public accountant or a public accountant for the
26 year ending June 30 and shall file a copy of the audit with the office of
27 the Auditor of Public Accounts by December 31 of the same year. Such
28 audits may be waived by the Auditor of Public Accounts upon proper
29 showing by the district that the audit is unnecessary. Such examination
30 and audit shall show (a) the gross income of the district from all
31 sources for the previous year, (b) the amount spent for access to the

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

22 (6) If any sanitary and improvement district fails or refuses to
23 cause such annual audit to be made of all of its functions, activities,
24 and transactions for the fiscal year within a period of six months
25 following the close of such fiscal year, unless such audit has been
26 waived, the Auditor of Public Accounts shall, after due notice and a
27 hearing to show cause by such district, appoint a certified public
28 accountant or public accountant to conduct the annual audit of the
29 district and the fee for such audit shall become a lien against the
30 district.

31 (7) Whenever the sanitary sewer system or any part thereof of a

1 sanitary and improvement district is directly or indirectly connected to
2 the sewerage system of any city, such city, without enacting an ordinance
3 or adopting any resolution for such purpose, may collect such city's
4 applicable rental or use charge from the users in the sanitary and
5 improvement district and from the owners of the property served within
6 the sanitary and improvement district. The charges of such city shall be
7 charged to each property served by the city sewerage system, shall be a
8 lien upon the property served, and may be collected from the owner or the
9 person, firm, or corporation using the service. If the city's applicable
10 rental or service charge is not paid when due, such sum may be recovered
11 by the municipality in a civil action or it may be assessed against the
12 premises served as a special assessment and may be assessed by such city
13 and collected and returned in the same manner as other municipal special
14 assessments are enforced and collected. When any such assessment is
15 levied, it shall be the duty of the city clerk to deliver a certified
16 copy of the ordinance to the county treasurer of the county in which the
17 premises assessed are located and such county treasurer shall collect the
18 assessment as provided by law and return the assessment to the city
19 treasurer. Funds of such city raised from such charges shall be used by
20 it in accordance with laws applicable to its sewer service rental or
21 charges. The governing body of any city may make all necessary rules and
22 regulations governing the direct or indirect use of its sewerage system
23 by any user and premises within any sanitary and improvement district and
24 may establish just and equitable rates or charges to be paid to such city
25 for use of any of its disposal plants and sewerage system. The board of
26 trustees may, in connection with the issuance of any warrants or bonds of
27 the district, agree to make a specified minimum levy on taxable property
28 in the district to pay, or to provide a sinking fund to pay, principal
29 and interest on warrants and bonds of the district for such number of
30 years as the board may establish at the time of making such agreement and
31 may agree to enforce, by foreclosure or otherwise as permitted by

1 applicable laws, the collection of special assessments levied by the
2 district. Such agreements may contain provisions granting to creditors
3 and others the right to enforce and carry out the agreements on behalf of
4 the district and its creditors.

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

14 Sec. 7. Section 31-744, Revised Statutes Cumulative Supplement,
15 2022, is amended to read:

16 31-744 (1) Whenever the board of trustees or the administrator
17 deems it advisable or necessary (a) ~~(1)~~ to build, reconstruct, purchase,
18 or otherwise acquire a water system, an emergency management warning
19 system, a sanitary sewer system, a sanitary and storm sewer or sewage
20 disposal plant, pumping stations, sewer outlets, gas or electric service
21 lines and conduits constructed or to be constructed in whole or in part
22 inside or outside of the district, a system of sidewalks, public roads,
23 streets, and highways wholly within the district, public waterways,
24 docks, or wharfs, and related appurtenances, wholly within the district,
25 or a public park or parks, playgrounds, and recreational facilities
26 wholly within the district, (b) ~~(2)~~ to acquire, purchase, lease, own,
27 erect, construct, equip, operate, or maintain all or a portion of
28 offstreet motor vehicle public parking facilities located in the district
29 to serve business, (c) ~~(3)~~ to contract as permitted by section 31-740
30 with the ~~county or city~~ within whose extraterritorial zoning jurisdiction
31 the ~~sanitary and improvement~~ district is located or county within whose

1 zoning jurisdiction the district is located for intersection and traffic
2 control improvements which serve or benefit the district and are located
3 within or without the corporate boundaries of the district, (d) (4) to
4 contract, as permitted by section 31-727, with other sanitary and
5 improvement districts for acquiring, building, improving, and operating
6 public parks, playgrounds, and recreational facilities for the joint use
7 of the residents of the contracting districts, or (e) (5) to contract for
8 the installation and operation of a water system, the board of trustees
9 shall declare the advisability and necessity therefor in a proposed
10 resolution. Such resolution regarding ~~, which resolution, in the case of~~
11 ~~pipe sewer construction,~~ shall state the kinds of pipe proposed to be
12 used, ~~shall~~ include cement concrete pipe and vitrified clay pipe and any
13 other material deemed suitable, ~~shall~~ state the size or sizes and kinds
14 of sewers proposed to be constructed, and ~~shall~~ designate the location
15 and terminal points thereof.

16 (2) If it is proposed to construct (a) a water system, disposal
17 plants, pumping stations, outlet sewers, gas or electric service lines
18 and conduits, or a system of sidewalks, public roads, streets, or
19 highways or public waterways, docks, or wharfs, (b) ~~to construct or~~
20 ~~contract for the construction of~~ dikes and levees for flood protection
21 for the district, (c) ~~to construct or contract for the construction of~~
22 public parks, playgrounds, or recreational facilities, or (d) ~~to~~
23 ~~construct or contract for the construction of~~ all or a portion of
24 offstreet motor vehicle public parking facilities located in the district
25 to serve business, or to contract, as permitted by section 31-727, with
26 other sanitary and improvement districts for acquiring, building,
27 improving, and operating public parks, playgrounds, and recreational
28 facilities for the joint use of the residents of the contracting
29 districts, the resolution shall refer to the plans and specifications
30 thereof which have been made and filed before the publication of such
31 resolution by the engineer employed for such purpose.

1 (3) If it is proposed to purchase or otherwise acquire a water
2 system, a sanitary sewer system, a sanitary or storm water sewer, sewers,
3 sewage disposal plant, pumping stations, sewer outlets, gas or electric
4 service lines and conduits, public parks, playgrounds, or recreational
5 facilities, offstreet motor vehicle public parking facilities as
6 described in this section, or to contract, as permitted by section
7 31-727, with other sanitary and improvement districts for acquiring,
8 building, improving, and operating public parks, playgrounds, and
9 recreational facilities for the joint use of the residents of the
10 contracting districts, the resolution shall state the price and
11 conditions of the purchase or how such facility is being acquired.

12 (4) If it is proposed to contract (a) for the installation and
13 operation of a water system for fire protection and for the use of the
14 residents of the district, (b) ~~to contract~~ for the construction of dikes
15 and levees for flood protection for the district or gas or electric
16 service lines and conduits, (c) ~~to contract~~ with a county within whose
17 zoning jurisdiction ~~which~~ all or a portion of such ~~sanitary and~~
18 ~~improvement~~ district is located or a city within whose extraterritorial
19 zoning jurisdiction the ~~sanitary and improvement~~ district is located for
20 any public purpose specifically authorized in this section, or (d) ~~to~~
21 ~~contract~~, as permitted by section 31-727, with other sanitary and
22 improvement districts for acquiring, building, improving, and operating
23 public parks, playgrounds, and recreational facilities for the joint use
24 of the residents of the contracting districts, the resolution shall state
25 the principal terms of the proposed agreement and how the cost thereof is
26 to be paid.

27 (5) When gas or electric service lines and conduits are among the
28 improvements that are proposed to be constructed, purchased, or otherwise
29 acquired or contracted for, and no construction specifications and
30 standards therefor have been established by the municipality within whose
31 extraterritorial ~~having~~ zoning jurisdiction ~~over the area where~~ such

1 improvements are to be located, or when such service lines and conduits
2 are not to be located within any municipality's extraterritorial area of
3 zoning jurisdiction, the plans and specifications for and the method of
4 construction of such service lines and conduits shall be approved by the
5 supplier of gas or electricity within whose service or customer area they
6 are to be located. The engineer shall also make and file, prior to the
7 publication of such resolution, an estimate of the total cost of the
8 proposed improvement. The proposed resolution shall state the amount of
9 such estimated cost.

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

19 Sec. 8. Section 31-749, Revised Statutes Cumulative Supplement,
20 2022, is amended to read:

21 31-749 (1) After (a) ~~(1)~~ the completion of any work or purchase,
22 (b) ~~(2)~~ acquiring a sewer or water system, or both, or public parks,
23 playgrounds, or recreational facilities, (c) ~~(3)~~ completing, acquiring,
24 purchasing, erecting, constructing, or equipping all or a portion of
25 offstreet motor vehicle public parking facilities located in the district
26 to serve business, (d) ~~(4)~~ contracting, as permitted by section 31-727,
27 with other sanitary and improvement districts to acquire public parks,
28 playgrounds, and recreational facilities for the joint use of the
29 residents of the contracting districts, or gas or electric service lines
30 or conduits, or (e) ~~(5)~~ completion of the work on (i) ~~(a)~~ a system of
31 sidewalks, public roads, streets, highways, public waterways, docks, or

1 wharfs and related appurtenances or (ii) ~~(b)~~ levees for flood protection
2 for the district, the engineer shall file with the clerk of the district
3 a certificate of acceptance which shall be approved by the board of
4 trustees or the administrator by resolution. The board of trustees or
5 administrator shall then require the engineer to make a complete
6 statement of all the costs of any such improvements, a plat of the
7 property in the district, and a schedule of the amount proposed to be
8 assessed against each separate piece of property in such district.

9 (2)(a) The statement, plat, and schedule shall be filed with the
10 clerk of the district within sixty days after the date of acceptance of:
11 (i) The work, purchase, or acquisition of a sewer or water system, or
12 both; (ii) the work on a system of sidewalks, public roads, streets,
13 highways, public waterways, docks, or wharfs and related appurtenances,
14 or dikes and levees for flood protection for the district; (iii) the
15 acquisition, purchase, erection, construction, or equipping of all or a
16 portion of offstreet motor vehicle public parking facilities located in
17 the district to serve business; or (iv) as permitted by section 31-727,
18 the acquisition of public parks, playgrounds, and recreational facilities
19 whether acquired separately or jointly with other districts.

20 (b) The board of trustees or administrator shall then order the
21 clerk to give notice that such statement, plat, and schedules are on file
22 in his or her office and that all objections thereto or to prior
23 proceedings on account of errors, irregularities, or inequalities not
24 made in writing and filed with the clerk of the district within twenty
25 days after the first publication of such notice shall be deemed to have
26 been waived. Such notice shall be given by publication the same day each
27 week two consecutive weeks in a legal newspaper in or of general
28 circulation ~~published~~ in the county where the district was organized and
29 by handbills posted along the line of the work. Such notice shall state
30 the time and place where any objections, filed as provided in this
31 section, shall be considered by the board of trustees or administrator.

1 (3) The cost of such improvements in the district which are within
2 the extraterritorial ~~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 extraterritorial zoning jurisdiction of such municipality
8 against each separate piece of property in districts located within the
9 extraterritorial zoning jurisdiction of such municipality shall be given
10 to such municipality within seven days after the first publication of
11 notice of statement, plat, and schedules. When such improvements are
12 within the extraterritorial ~~area of the~~ zoning jurisdiction of more than
13 one municipality, such proposed special assessments schedule and
14 statement need be given only to the largest most populous municipality by
15 population as determined by the most recent federal decennial census or
16 the most recent revised certified count by the United States Bureau of
17 the Census. Such municipality shall have the right to be heard, and it
18 shall have the right of appeal from a final determination by the board of
19 trustees or administrator against objections which such city has filed.

20 (4) Notice of the proposed special assessments for such improvements
21 against each separate piece of property shall be given to each owner of
22 record thereof within five days after the first publication of notice of
23 statement, plat, and schedules and, within five days after the first
24 publication of such notice, a copy thereof, along with statements of
25 costs and schedules of proposed special assessments, shall be given to
26 each person or company who, pursuant to written contract with the
27 district, has acted as underwriter or fiscal agent for the district in
28 connection with the sale or placement of warrants or bonds issued by the
29 district. Each owner shall have the right to be heard, and shall have the
30 right of appeal from the final determination made by the board of
31 trustees or administrator. Any person or any such municipality feeling

1 aggrieved may appeal to the district court by petition within twenty days
2 after such a final determination. The court shall hear and determine such
3 appeal in a summary manner as in a case in equity and without a jury and
4 shall increase or reduce the special assessments as the same may be
5 required to provide that the special assessments shall be to the full
6 extent of special benefits, and to make the apportionment of benefits
7 equitable.

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

10 31-767 (1) Whenever a majority of the board of trustees or the
11 administrator of any sanitary and improvement district organized under
12 the provisions of Chapter 31, article 7, ~~and amendments thereto,~~ shall
13 desire that the district shall be wholly dissolved, the trustees or
14 administrator shall first propose a resolution declaring the advisability
15 of such dissolution and setting out verbatim the terms and conditions
16 thereof, and also setting out the time and place when the board of
17 trustees or administrator shall meet to consider the adoption of such
18 resolution. Notice of the time and place when the resolution shall be set
19 for consideration shall be published the same day each week for two
20 consecutive weeks in a legal newspaper in or of general circulation
21 ~~published~~ in the county where the district was organized, which
22 publication shall contain the entire wording of the proposed resolution.
23 If any part of the district lies within the extraterritorial zoning area
24 ~~of the~~ jurisdiction of any municipality, then the trustees or
25 administrator shall mail a copy of such proposed resolution to such
26 municipality within five days after the date of first publication of the
27 resolution. The last publication shall be not less than five days nor
28 more than two weeks prior to the time set for hearing on objections to
29 the passage of the resolution, at which hearing the owners of property
30 within the district, or any municipality if any part of such district
31 lies within ~~the area of~~ its extraterritorial zoning jurisdiction, may

1 appear and make objections to the proposed resolution.

2 (2) If the owners representing a majority of the area of real estate
3 within the district fail to sign and present to the board or to the
4 administrator, on or prior to the hearing date, a written petition
5 opposing the resolution, then a majority of the board of trustees or the
6 administrator may pass the resolution and thereby adopt the proposed
7 dissolution, except ; ~~Provided~~, that no such resolution shall be adopted
8 if the district is then obligated on any outstanding bonds, warrants, or
9 other debts or obligations unless the holders of such bonds, warrants, or
10 other debts or obligations shall all sign written consents to the
11 dissolution prior to the adoption of the resolution of dissolution. If
12 the petition opposing such resolution is signed by property owners
13 representing a majority of the area of real estate within the district
14 and presented to the board of trustees or the administrator on or prior
15 to the hearing date, then the board of trustees or the administrator
16 shall not adopt such resolution.

17 (3) After the board of trustees or the administrator has adopted
18 such resolution of dissolution, the clerk of the district shall prepare
19 and file a certified copy of the resolution of dissolution in the office
20 of the county clerk where the original articles of association were filed
21 and in the office of the Secretary of State.

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

24 31-768 (1) Whenever a majority of the respective boards of trustees
25 or the administrators of two sanitary and improvement districts organized
26 under the provisions of Chapter 31, article 7, organized within the same
27 county shall desire that one of the districts shall wholly merge into the
28 other district, the trustees or administrators shall first propose a
29 joint resolution declaring the advisability of such merger and setting
30 out verbatim the terms and conditions thereof and specifying which
31 district shall be the surviving district, and also setting out the time

1 and place when the boards of trustees or administrators of the two
2 districts shall meet to consider the adoption of such resolution. If any
3 part of either district lies within the extraterritorial ~~area of the~~
4 zoning jurisdiction of any municipality, then the trustees or the
5 administrators shall mail a copy of such proposed joint resolution to
6 such municipality within five days after the date of first publication of
7 the published notice described in this section. Notice of the time and
8 place when such resolution shall be set for consideration shall be
9 published the same day each week for two consecutive weeks in a legal
10 newspaper in or of general circulation ~~published~~ in the county where the
11 districts were organized, which publication shall contain the entire
12 wording of the proposed resolution. The last publication shall be not
13 less than five days nor more than two weeks prior to the time set for
14 hearing on objections to the passage of the resolution, at which hearing
15 the owners of property within either of the districts or the holders of
16 any unpaid bonds, warrants, or other obligations of either district, or
17 any municipality if any part of such district or districts lies within
18 ~~the area of its~~ extraterritorial zoning jurisdiction, may appear and make
19 objections to the proposed resolution. If a petition opposing such
20 resolution is signed by property owners representing a majority of the
21 area of real estate within either district or is signed by any holder of
22 any unpaid bonds, warrants, or other obligations of either district and
23 if such petition is presented to the boards of trustees or administrators
24 on or prior to the hearing date, then the boards of trustees or
25 administrators shall not adopt such resolution.

26 (2) After the boards of trustees or administrators have both adopted
27 a ~~such~~ resolution of merger, the clerk of the district or the
28 administrator shall prepare and file a certified copy of such resolution
29 of merger in the office of the county clerk where the original articles
30 of association of the districts were filed and in the office of the
31 Secretary of State, and thereupon the surviving district shall succeed to

1 and become vested with full title to all the property and property rights
2 of every kind, contracts, obligations, and choses in action of every kind
3 held by or belonging to the nonsurviving district, and the surviving
4 district shall also be liable for and recognize, assume, and carry out
5 all valid contracts and obligations of the nonsurviving district
6 including all outstanding warrants, bonds, or other indebtedness. All
7 taxes, assessments, and demands of every kind due or owing to the
8 nonsurviving district shall be paid to and collected by the surviving
9 district.

10 (3) Upon the filing of the certified copies of the resolution of
11 merger as provided in this section, the corporate existence of the
12 nonsurviving district shall thereupon terminate and the boundaries of the
13 surviving district shall be extended to include all the territory within
14 the boundaries of the nonsurviving district. A majority of the board of
15 trustees or the administrator of the surviving district shall have power,
16 from time to time, to give binding directions in writing to the county
17 treasurer of the county in which the surviving district is located,
18 directing that the treasurer segregate the special assessment funds of
19 the two districts or directing the segregation of the other assets of the
20 two districts or directing the method and priority of payment of
21 registered warrants of the two districts, or giving directions to the
22 county treasurer as to other problems of fiscal management of the affairs
23 of the two districts involved in the merger.

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

26 31-769 (1) Whenever a majority of the board of trustees or the
27 administrator of any sanitary and improvement district organized under
28 the provisions of Chapter 31, article 7, desires that any property within
29 the district be detached from the district, the trustees or the
30 administrator shall first propose a resolution declaring the advisability
31 of such detachment and setting out verbatim the terms and conditions

1 thereof and also setting out the time and place when the board of
2 trustees or the administrator will meet to consider the adoption of such
3 resolution. Notice of the time and place when such resolution is set for
4 consideration shall be published the same day each week for two
5 consecutive weeks in a legal newspaper in or of general circulation
6 ~~published~~ in the county where the district was organized. Such ~~, which~~
7 publication shall contain the entire wording of the proposed resolution.
8 If any part of the district lies within the extraterritorial ~~area of the~~
9 zoning jurisdiction of any municipality, then the trustees or the
10 administrator shall mail a copy of such proposed resolution to such
11 municipality within five days after the date of first publication of such
12 resolution. The last publication shall be not less than five days nor
13 more than two weeks prior to the time set for hearing on objections to
14 the passage of the resolution, at which hearing the owners of property
15 within the district, or any municipality if any part of such district
16 lies within ~~the area of~~ its extraterritorial zoning jurisdiction, may
17 appear and make objections to the proposed resolution.

18 (2) If the owners representing a majority of the area of real estate
19 within the district fail to sign and present to the board of trustees or
20 the administrator, on or prior to the hearing date, a written petition
21 opposing the resolution, then a majority of the board of trustees or the
22 administrator may pass the resolution and thereby adopt the proposed
23 detachment, except that no such resolution shall be adopted if the
24 district is then indebted on any outstanding bonds or warrants of the
25 district unless the holders of such bonds and warrants all sign written
26 consents to the detachment prior to the adoption of the resolution of
27 detachment. If the petition opposing such resolution is signed by
28 property owners representing a majority of the area of real estate within
29 the district and presented to the board of trustees or to the
30 administrator on or prior to the hearing date, then the board of trustees
31 or the administrator shall not adopt such resolution.

1 (3) After the board of trustees or the administrator has adopted
2 such resolution of detachment, the clerk of the district shall prepare
3 and file a certified copy of such resolution of detachment in the office
4 of the county clerk where the original articles of association were filed
5 and in the office of the Secretary of State, and thereupon the area
6 detached shall become excluded and detached from the boundaries of the
7 district.

8 (4)(a) ~~(2)~~ The owner of a discrete tract of land which is part of a
9 sanitary and improvement district but which is not connected to the main
10 area of the district may petition the board of trustees or the
11 administrator of the district to have the property detached from the
12 district. Following receipt of the petition, the board of trustees or the
13 administrator shall propose a resolution declaring the advisability of
14 such detachment and setting out verbatim the terms and conditions thereof
15 and also setting out the time and place when the board of trustees or the
16 administrator will meet to consider the adoption of such resolution.
17 Notice of the time and place for such consideration shall be published as
18 provided in subsection (1) of this section. If any part of the district
19 lies in whole or in part within the extraterritorial ~~area of the zoning~~
20 jurisdiction of any municipality, then the board of 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. At the hearing for consideration of such resolution, the
24 board of trustees or the administrator shall determine if the tract of
25 land proposed for detachment:

26 (i) ~~(a)~~ Has an area of twenty-five acres or more;

27 (ii) ~~(b)~~ Is wholly detached from the main area of the sanitary and
28 improvement district and separated from such district by a distance of at
29 least one thousand feet at the nearest points;

30 (iii) ~~(c)~~ Is undeveloped and predominantly devoted to agricultural
31 uses; and

1 (iv) ~~(d)~~ Has no improvements placed upon it by the sanitary and
2 improvement district and receives no current services from the district.

3 (b) If the administrator or the board of trustees by majority vote
4 determines that the tract in question meets all of the conditions
5 provided in subdivisions (a)(i) ~~(a)~~ through (iv) ~~(d)~~ of this subsection,
6 the resolution shall be adopted, except that no such resolution shall be
7 adopted if the district is then indebted on any outstanding bonds or
8 warrants of the district unless the holders of such bonds and warrants
9 all sign written consents to the detachment. After the board of trustees
10 or the administrator has adopted such resolution of detachment, the clerk
11 of the district shall prepare and file a certified copy of such
12 resolution of detachment in the office of the county clerk where the
13 original articles of association were filed and in the office of the
14 Secretary of State, and thereupon the area detached shall become excluded
15 and detached from the boundaries of the district.

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

18 31-771 A petition may be filed with the district court of the county
19 in which a majority of the real property of a sanitary and improvement
20 district is located for referral of the district to the Auditor of Public
21 Accounts for the appointment of an administrator of the district and
22 suspension of the authority of the board of trustees or other relief as
23 provided by sections 31-772 to 31-780. Such petition may be filed by: (1)
24 a A majority of the board of trustees of the district, ~~÷~~ (2) the holders
25 of more than fifty percent in principal amount of the outstanding bonds
26 of the district, ~~÷~~ (3) the holders of more than fifty percent in
27 principal amount of outstanding construction fund warrants of the
28 district, ~~÷~~ (4) a majority of the lessees permitted to vote pursuant to
29 section 31-735 who are residents of the district and resident property
30 owners of the district, ~~÷~~ (5) the owners of more than one-half of the
31 real property within the district, ~~÷~~ or (6) a municipality whose boundary

1 adjoins the district and within whose extraterritorial ~~which exercises~~
2 zoning jurisdiction such over the district is located. A petition filed
3 by a municipality pursuant to subdivision (6) of this section may be
4 filed by such municipality only on grounds that the district has issued
5 outstanding bonds or construction fund warrants which have been in
6 default for more than ninety days or the district lacks a functioning
7 board of trustees.

8 Sec. 13. Original sections 31-727.01, 31-736, 31-767, 31-768,
9 31-769, and 31-771, Reissue Revised Statutes of Nebraska, and sections
10 31-727, 31-727.02, 31-728, 31-740, 31-744, and 31-749, Revised Statutes
11 Cumulative Supplement, 2022, are repealed.