

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1107**

Introduced by Meyer, G., 17.

Read first time January 16, 2026

Committee:

1 A BILL FOR AN ACT relating to the Rural Road Improvement District Act; to  
2 amend sections 39-1638, 39-1639, 39-1640, 39-1641, 39-1642, 39-1643,  
3 39-1644, 39-1645, 39-1646, 39-1647, 39-1648, 39-1649, 39-1650,  
4 39-1651, 39-1652, 39-1653, and 39-1655, Reissue Revised Statutes of  
5 Nebraska; to define and redefine terms; to change provisions  
6 relating to creation, enlargement, withdrawal, consolidation,  
7 dissolution, petitions, hearings, improvements, funds, bonds,  
8 special assessments, certain taxes, and levies for rural road  
9 improvement districts; to eliminate provisions relating to  
10 construction of the act; to harmonize provisions; to repeal the  
11 original sections; and to outright repeal section 39-1654, Reissue  
12 Revised Statutes of Nebraska.  
13 Be it enacted by the people of the State of Nebraska,

1       **Section 1.** Section 39-1638, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3       39-1638 For purposes of the Rural Road Improvement District Act,  
4 unless the context otherwise requires:

5       ~~(1) Persons shall include individuals, corporations, partnerships,~~  
6 ~~and limited liability companies;~~

7       (1) ~~(2)~~ Board, board of county commissioners, or board of county  
8 supervisors means ~~shall mean~~ the governing body of the county; ~~and~~

9       (2) District means a rural road improvement district created under  
10 the Rural Road Improvement District Act;

11       (3) Improvement means ~~shall mean~~ the completed road, or roads, and  
12 all work incidental thereto; and ~~τ~~

13       (4) Person includes an individual, corporation, partnership, and  
14 limited liability company.

15       **Sec. 2.** Section 39-1639, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17       39-1639 Any county may establish and construct new roads, change or  
18 extend existing roads, and improve such roads by grading, surfacing,  
19 draining, and incidental work by the board on its own initiative  
20 declaring the advisability or necessity for such establishment,  
21 construction, change, extension, or improvement therefor in a proposed  
22 resolution at a meeting of the board. Such ~~τ, which~~ resolution shall  
23 state:

24       (1) The ~~the~~ road or roads to be improved; ~~τ~~

25       (2) If ~~if~~ a new road is contemplated, the general location of the  
26 new road or changes in location of an existing road; ~~τ~~

27       (3) The ~~the~~ general description of the proposed improvement, and if  
28 the road is to be surfaced, the materials to be used for such  
29 improvement; therefor,

30       (4) A ~~a~~ rough estimate of the total cost of the improvement, which  
31 may be made by the county surveyor or any engineer or competent person

1 and need not be based on detailed plans and specifications; ~~7~~

2 (5) Proposed ~~proposed~~ method of financing; ~~7~~ and

3 (6) The ~~the~~ outer boundaries of the district; and in which it is  
4 ~~proposed to levy special assessments.~~

5 (7) Whether special assessments will be levied within such district  
6 or the cost of the improvement will be a general charge to the county.

7 **Sec. 3.** Section 39-1640, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 39-1640 (1) When a petition is filed with the county clerk signed by  
10 persons owning not less than twenty-five percent of the area in the  
11 proposed district requesting the formation of a district, the board  
12 ~~governing body~~ of the county in which the proposed district is located  
13 shall prepare and propose the resolution as provided in section 39-1639.

14 (2) Any such ~~The~~ petition shall state the improvements desired and  
15 the property to be included in the district.

16 **Sec. 4.** Section 39-1641, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 39-1641 (1) A resolution described in section 39-1639 shall not be  
19 adopted by the board during the same meeting at which such resolution was  
20 proposed.

21 (2) If special assessments are proposed to be levied in a district,  
22 ~~the~~ The board shall set a time and place for a hearing on the proposed  
23 resolution and give notice of such hearing ~~thereof~~ by publication in a  
24 newspaper of general circulation in the county on the same day each week  
25 during two successive weeks immediately prior to such hearing ~~meeting~~ and  
26 posting such notice in three conspicuous places in the proposed district.

27 **Sec. 5.** Section 39-1642, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 39-1642 (1) If special assessments are proposed to be levied in the  
30 proposed district, any person that owns ~~If persons owning more than fifty~~  
31 ~~percent in area of the~~ real property in the proposed district may file a

1 written objection to the formation of the district. Such written  
2 objection shall:

3 (a) Include any reason why such person objects to the formation of  
4 such district; and

5 (b) Be filed with the county clerk prior to the time set for the  
6 hearing pursuant to section 39-1641, if any.

7 (2) If written objections are filed by one or more persons that own  
8 more than a combined fifty percent in area of the real property in the  
9 proposed district, with the county clerk prior to the time set for  
10 hearing written objections to the formation of the district stating the  
11 reasons for their objections, the resolution proposed under section  
12 39-1639 shall not be passed and no hearing shall be held.

13 (3) At the hearing, all persons interested in the proposed  
14 improvement shall be given an opportunity to be heard on any matters  
15 affecting the formation of the district or the improvements to be made in  
16 such district therein.

17 (4) The hearing may be continued from time to time to give  
18 opportunity to ascertain all pertinent information.

19 (5) At or following such said hearing, or at any subsequent meeting  
20 of the board if no hearing was required, the board may pass the  
21 resolution as proposed, amend the resolution and pass the amended  
22 resolution, or deny passage of the resolution. The amendments may, among  
23 other things, exclude any tracts included in the proposed resolution,  
24 include additional property in the district, or change the boundaries of  
25 the proposed district.

26 **Sec. 6.** Section 39-1643, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 39-1643 (1) Upon The board on passing the resolution described in  
29 section 39-1639 that creates a creating the district in which special  
30 assessments will be levied, the board shall appoint an advisory committee  
31 of not less than three persons residing in the district to advise with

1 the board on all matters affecting the road improvement in the district,  
2 financing the cost of the road improvement thereof, and the levy of  
3 special assessments.

4 (2) The board may from time to time replace any person who resigns  
5 or refuses to act or appoint additional members to the advisory  
6 committee.

7 (3) The members of the committees shall receive no compensation for  
8 their services, but may be reimbursed for expenses incurred by them in  
9 performing their duties, with reimbursement for mileage to be computed at  
10 the rate provided in section 81-1176, and the amount of such  
11 reimbursement thereof shall be included in the cost of the improvement.

12 **Sec. 7.** Section 39-1644, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 39-1644 (1) The district when formed shall be known as Rural Road  
15 Improvement District No. .... of ..... County.

16 (2) The district, when established, shall not include any lands  
17 located within a village or city.

18 (3) The board shall proceed as expeditiously as possible to make  
19 detailed plans for the improvement and improve the roads as generally  
20 outlined in the resolution, but may make such changes in the general plan  
21 of improvement found necessary to make the improvement more adequate. The  
22 improvement may include culverts, bridges, and other drainage work in the  
23 county related to the roads, and the county may construct fences along  
24 the right-of-way or contract with the adjoining owners to move any  
25 existing fences or construct new fences.

26 (4) The county may:

27 (a) Obtain ~~obtain~~ any property necessary for the improvement by  
28 gift, purchase, or by eminent domain; -

29 (b) Accept ~~The county may accept~~ gifts or contributions to assist in  
30 the costs of the improvement;

31 (c) Contract ~~and may contract~~ with the state or federal government

1 for assistance in making such ~~said~~ improvement and defraying the cost of of  
2 such improvement; thereof.

3 (d) Contract ~~The county may contract~~ for the entire improvement or  
4 any part of such improvement; and thereof or

5 (e) Purchase ~~may purchase~~ the materials and do part of the work with  
6 its own equipment and employees.

7 (5) If the work is done by contract, bids shall be taken and the  
8 contract let in the same manner as letting other contracts for county  
9 work.

10 (6) The county may employ special engineers and special counsel to  
11 assist in the improvement, and their compensation shall be considered as  
12 a part of the cost of the improvement.

13 **Sec. 8.** Section 39-1645, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 39-1645 (1) To pay the cost of the improvement as the work  
16 progresses, the county may:

17 (a) Issue bonds as provided in section 39-1648 and provide for such  
18 payment of costs from bond proceeds; or

19 (b) Issue ~~issue~~ progress warrants drawn against the rural road  
20 improvement fund for the total cost of materials purchased on receipt of  
21 the materials, for the right-of-way acquired, for engineering and legal  
22 expense, and for other incidental expenses, and for ninety-five percent  
23 of the cost of the work completed and materials necessarily purchased and  
24 delivered for the orderly and proper continuation of the project by the  
25 contractor as certified by the engineer in charge.

26 (2) On completion of the contract and the acceptance of the  
27 improvement by the county, a warrant may be drawn for the balance due the  
28 contractor. The warrants shall draw interest at the rate set by the  
29 county board.

30 (3) The county shall pay to the contractor interest, at the rate of  
31 eight percent per annum on the amounts due on partial and final payments,

1 beginning forty-five days after the certification of the amounts due by  
2 the engineer in charge and approval by the board governing body and  
3 running until the date that the warrant is tendered to the contractor.

4 **Sec. 9.** Section 39-1646, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 39-1646 (1) A The county that creates a district shall establish:

7 (a) A a special fund for each district to be known as rural road  
8 improvement district No. .... fund; or ~~τ~~

9 (b) A single rural road improvement fund for all districts in the  
10 county and from which any cost related to a road improvement for any such  
11 district shall be paid.

12 (2) Such county shall credit to the rural road improvement fund:

13 (a) Money and credit to said fund all contributions including money  
14 transferred from the county's general fund; ~~τ~~

15 (b) All all money collected as special assessments; ~~τ~~

16 (c) Special or special levies against the property in the  
17 district; ~~τ~~ and

18 (d) All all money received from the sale of the bonds issued under  
19 the provisions of section 39-1648.

20 (3) All expenses incurred in connection with the improvement and  
21 that are not paid out of the general fund funds of the county shall be  
22 paid from the by warrants drawn on said rural road improvement fund for  
23 the district.

24 **Sec. 10.** Section 39-1647, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 39-1647 (1) On completion and acceptance of the improvement in a  
27 district where special assessments may be levied, the engineer in charge  
28 of the improvement project shall make and file a statement with the  
29 county clerk. Such a statement shall include a description of the  
30 complete cost of the improvements, including interest accruing on the  
31 progress warrants.

1       (2) The board, with the assistance of the advisory committee and  
2 special counsel and engineer in charge of the improvement project, shall:

3       (a) Determine ~~determine~~ what part of the costs shall be specially  
4 assessed to the property in the district; and

5       (b) Prepare ~~shall prepare~~ a proposed schedule of assessments against  
6 all properties in the district deemed specially benefited by the  
7 improvements.

8       (3) Any land in the district may be specially assessed for the  
9 amount it is specially benefited even though the property does not adjoin  
10 the road improved.

11       (4)(a) The board shall fix a time and place for a meeting when it  
12 will sit as a board of adjustment and equalization and give notice of  
13 such meeting ~~thereof~~ by publication on the same day of each week for two  
14 consecutive weeks immediately prior to the meeting in a newspaper of  
15 general circulation in the county and by mailing a copy of the notice to  
16 each record owner of property proposed to be specially assessed.

17       (b) At the meeting the board shall equalize and levy the special  
18 assessments.

19       (5)(a) All special assessments provided for in this section shall be  
20 a lien on the property from date of levy and shall become due fifty days  
21 after date of levy and may be paid within that time without interest. Any  
22 special assessment that is not paid on or before its due date shall be  
23 charged interest on the amount of such special assessment that remains  
24 unpaid. No interest shall accrue prior to the due date for such special  
25 assessment. The rate of interest shall be ~~but if not so paid they shall~~  
26 ~~bear interest thereafter at a rate~~ established by the board, but shall  
27 not ~~to~~ exceed the rate of interest specified in section 45-104.01, as  
28 such rate may from time to time be adjusted by the Legislature, ~~until~~  
29 ~~delinquent.~~

30       (b) Such assessments shall become delinquent in equal annual  
31 installments over a period of not to exceed ten years as the board may



1 determine at the time of making the levy. Delinquent installments shall  
2 bear interest at the rate specified in section 45-104.01, as such rate  
3 may from time to time be adjusted by the Legislature, until paid and  
4 shall be collected in the usual manner for the collection of taxes.

5 **Sec. 11.** Section 39-1648, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 39-1648 ~~(1) The On completion and acceptance of the improvement, the~~  
8 county may ~~shall~~ issue and sell at ~~not less than par~~ bonds of the county  
9 in an amount sufficient to pay ~~the balance of~~ the costs of the  
10 improvements. Prior to the issuance and sale of such bonds, the county  
11 shall take, taking into account the amounts collected or expected to be  
12 collected on special assessments and any money funds contributed to the  
13 district or otherwise available for the improvement.

14 (2) Bonds issued under this section ~~The bonds shall:~~

15 (a) Mature ~~mature~~ in not to exceed twenty ~~ten~~ years from their date  
16 of issuance and bear interest payable annually or semiannually; and ~~and~~

17 (b) Constitute ~~The bonds shall constitute~~ a general obligation of  
18 the county. ~~and~~

19 (3) All but all special assessments levied in the district and all ~~and~~  
20 ~~special taxes, or~~ contributions made to the district shall constitute a  
21 sinking fund for the payment of the bonds issued for such district.

22 (4) The county shall collect all special assessments and special  
23 ~~taxes~~ and levy and collect annually a tax on all taxable property in the  
24 county sufficient in rate and amount to pay any deficiency on the amount  
25 required to pay both principal and interest on the bonds as such bonds  
26 become due. Prior to the levying of any such tax, the county shall take  
27 into account the amounts available for the payment of such bonds in the  
28 sinking fund for the district ~~the same fall due.~~

29 (5) The bonds and tax authorized under ~~in~~ this section shall be in  
30 addition to all other bonds and taxes authorized by law and shall not be  
31 included in computing any statutory limitation on the amount of bonds or

1 tax ~~that which~~ may be issued or levied by the county.

2 **Sec. 12.** Section 39-1649, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 39-1649 (1) When the road improvements have been completed and  
5 accepted, the roads shall constitute a part of the county road system and  
6 shall be maintained by the county.

7 (2) ~~The If the~~ owners of more than fifty percent of the area in the  
8 district may petition the board for maintenance in excess of that given  
9 to other similar county roads. If such petition is made, the board may  
10 levy and collect annually a special levy of not to exceed three and five-  
11 tenths cents on each one hundred dollars on all taxable property in the  
12 district subject to section 77-3443.

13 (3) Money that is collected pursuant to a special levy under this  
14 section ~~The money as collected~~ shall be credited to the rural road  
15 improvement district fund for such district and used only for the repair  
16 and maintenance of the roads in the district where such special levy was  
17 imposed.

18 **Sec. 13.** Section 39-1650, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 39-1650 (1) Subsection (2) of this section applies:

21 (a) When it is ~~When it shall be~~ deemed advisable to enlarge the  
22 boundaries of a district by the advisory committee for a ~~of the~~ district  
23 where special assessments have been or will be imposed; to enlarge the  
24 boundaries thereof, and

25 (b) If the conditions mentioned in section 39-1639 apply to such  
26 enlarged territory. ;

27 (2)(a) A a petition for the enlargement of such ~~the~~ district that  
28 is ; signed by persons that own ~~owning~~ not less than twenty-five percent  
29 of the territory proposed to be added to the district ; may be filed with  
30 the county clerk. ;

31 (b) If a petition is filed pursuant to subdivision (a) of this

1 ~~subsection, and thereupon~~ the board shall proceed ~~in all respects~~ as  
2 provided in sections 39-1640 to 39-1643, so far as applicable.

3 **Sec. 14.** Section 39-1651, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 39-1651 (1) A petition to withdraw seeking the withdrawal of real  
6 property from a such district may be filed: 7

7 (a) By signed by persons that own owning not less than twenty-five  
8 percent of the territory in an area that is proposed to be withdrawn; and

9 (b) If special assessments have been or will be imposed in such  
10 district.

11 (2) A petition described in subsection (1) of this section shall may  
12 be filed with the county clerk.

13 (3) If a petition is filed pursuant to this section, the The board  
14 shall set a time and place for a hearing pursuant to as set forth in  
15 sections 39-1641 and 39-1642. At the hearing the board may pass a  
16 resolution permitting the withdrawal of the proposed territory.

17 (4) Any area withdrawn from the district shall be subject to  
18 assessment and be otherwise chargeable for the payment and discharge of  
19 all the obligations outstanding at the time of filing the petition for  
20 withdrawal.

21 (5) An area withdrawn from a district shall not be subject to  
22 assessment or otherwise chargeable for any obligations of any nature or  
23 kind incurred after the time of filing the petition for withdrawal of the  
24 area from the district.

25 **Sec. 15.** Section 39-1652, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 39-1652 (1) A petition to consolidate two or more districts in a  
28 county may be filed:

29 (a) By persons that own Upon the filing of a petition with the  
30 county clerk by persons owning not less than twenty-five percent of the  
31 territory of each district in the proposed consolidation; and

1        (b) If special assessments have been or will be imposed in each  
2 district in the proposed consolidation.

3        (2) A petition described in subsection (1) of this section shall be  
4 filed with the county clerk.

5        (3) If a petition is filed pursuant to this section, of the county  
6 proposing a consolidation of the districts, the board shall set a time  
7 and place for a hearing pursuant to as set forth in sections 39-1641 and  
8 39-1642. At the hearing the board may pass a resolution consolidating the  
9 districts that are described in the petition ~~petitioning to be~~  
10 ~~consolidated.~~

11        **Sec. 16.** Section 39-1653, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13        39-1653 (1) A petition for dissolution of a district may be filed:

14        (a) By persons that own ~~Upon the filing of a petition for~~  
15 ~~dissolution with the county clerk by persons owning~~ not less than twenty-  
16 five percent of the territory of the district; and ,

17        (b) If special assessments have been or will be imposed in such  
18 district.

19        (2) A petition described in subsection (1) of this section shall be  
20 filed with the county clerk.

21        (3) If a petition is filed pursuant to this section, the board shall  
22 set a time and place for a hearing pursuant to as set forth in sections  
23 39-1641 and 39-1642. At the hearing the board may pass a resolution  
24 dissolving the district.

25        (4) If a district is dissolved pursuant to this section, the ~~The~~  
26 board shall perform all acts necessary to wind up the affairs of the  
27 district. All funds remaining after discharge of the district's  
28 indebtedness shall be deposited in the general fund of the county.

29        **Sec. 17.** Section 39-1655, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31        39-1655 Sections 39-1638 to 39-1655 shall be known and may be cited

1 as the Rural Road Improvement District Act.

2       **Sec. 18.**   Original sections 39-1638, 39-1639, 39-1640, 39-1641,  
3 39-1642, 39-1643, 39-1644, 39-1645, 39-1646, 39-1647, 39-1648, 39-1649,  
4 39-1650, 39-1651, 39-1652, 39-1653, and 39-1655, Reissue Revised Statutes  
5 of Nebraska, are repealed.

6       **Sec. 19.**   The following section is outright repealed: Section  
7 39-1654, Reissue Revised Statutes of Nebraska.